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1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL
3 TRUSTEE COUNCIL MEETING (Teleconference)
4 Wednesday, July 1, 1998
5 1:30 o'clock p.m.
6 Fourth Floor Conference Room
7 645 G Street
8 Anchorage, Alaska
9 TRUSTEE COUNCIL MEMBERS PRESENT:
10 U.S. DEPARTMENT OF INTERIOR: MS. DEBORAH WILLIAMS
11 (Chairwoman) Special Assistant to the
12 (Telephonically) Assistant Secretary
13 STATE OF ALASKA - MR. CRAIG TILLERY
14 DEPARTMENT OF LAW: Trustee Representative
15 (Telephonically) for the Attorney General
16 STATE OF ALASKA - DEPARTMENT MR. GERON BRUCE
17 OF FISH AND GAME: (Telephonically) for Commissioner Rue
18 U.S. DEPARTMENT OF AGRICULTURE - MR. JIM WOLFE
19 U.S. FOREST SERVICE Trustee Representative
20 (Telephonically) for the Regional Forester
21 U.S. DEPARTMENT OF COMMERCE - NMFS: MR. BILL HINES
22 (Telephonically) Trustee Representative
23 STATE OF ALASKA - DEPARTMENT MS. MICHELE BROWN
24 OF ENVIRONMENTAL CONSERVATION: Commissioner
25 (Telephonically)

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON Executive Director
3 (Telephonically) EVOS Trustee Council
4 MS. REBECCA WILLIAMS Executive Secretary
5 EVOS Trustee Council
6 MR. HUGH SHORT Community Facilitator
7 Coordinator
8 EVOS Trustee Council
9 MR. STAN SENNER Science Coordinator
10 EVOS Trustee Council
11 DR. BOB SPIES Chief Scientist
12 (Telephonically - California)
13 MR. ALEX SWIDERSKI State of Alaska
14 (Telephonically) Department of Law
15 MS. GINA BELT Department of Justice
16 (Telephonically)
17 MR. STEVE SHUCK U.S. Fish and Wildlife
18 (Telephonically) Service
19 MR. KEN HOLBROOK U.S. Forest Service
20 MS. CAROL FRIES Department of Natural
21 Resources
22 MR. BILL HAUSER Alaska Department of Fish
23 and Game

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1 P R O C E E D I N G S

2 (On record - 1:39 p.m)

3 CHAIRWOMAN D. WILLIAMS: All right, good
4 afternoon, everyone. I will call to order the July 1, 1998
5 meeting of the Exxon Valdez Trustee Council. We have all of
6 the Trustee Council members present or represented, and that
7 includes Jim Wolfe representing the Forest Service; Bill Hines
8 representing NOAA/NMFS; Michele Brown representing the
9 Department of Environmental Conservation; Craig Tillery
10 representing the Alaska Attorney General's office; and Geron
11 Bruce representing ADF&G. I'm Deborah Williams representing
12 the Department of Interior and I will be chairing this meeting.

13 Our first action item is to approve the agenda. Are
14 there any recommendations or modifications of the agenda? Let
15 me just say I will add an item five, I will give an information
16 briefing on KNA developments, if we could just add an item
17 five. Are there any other additions or changes?

18 (No audible responses)

19 CHAIRWOMAN D. WILLIAMS: Hearing none, all in
20 favor of the agenda say aye.

21 IN UNISON: Aye.

22 CHAIRWOMAN D. WILLIAMS: All opposed?

23 (No opposing responses)

24 CHAIRWOMAN D. WILLIAMS: Very good, the agenda
25 is approved as amended.

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1 The first action item is the Patson small parcel, PWS
2 1034 (sic). Molly, who will be talking about (phone beep).....

3 MS. McCAMMON: Madam Chair, I'll start.

4 GCI OPERATOR: I'm sorry to interrupt. Steve
5 is on line with you now.

6 (Steve Shuck joins teleconference)

7 CHAIRWOMAN D. WILLIAMS: Thank you.

8 MS. McCAMMON: Madam Chair, I'll start with
9 this one. This is a small parcel of a little bit more than 76
10 acres on the Kenai River at approximately Mile 24. It was
11 previously listed as a possible action item at the June 8th
12 meeting; at that time it was not ready to go. The appraised
13 value of this parcel is \$600,000, however, the land owner has
14 offered the Trustee Council and the State to purchase it at a
15 purchase price of \$450,000. It's a large, undeveloped tract,
16 close to the city of Soldotna, it's off of the Funny River Road
17 and it provides some unique opportunities to protect both
18 upland habitat and riparian river frontage.

19 This follows along with previous Council actions of
20 protecting prime riverfront along the Kenai River to protect a
21 number of species that were previously injured by the oil
22 spill, including sockeye salmon, Dolly Varden, pink salmon. So
23 this, I think, follows along with a number of the other Council
24 actions, it's a prime piece of parcel that the Alaska
25 Department of Fish and Game and the State has been working to

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1 acquire over the last couple of years and it's really a unique
2 opportunity to obtain protection for this piece of acreage.

3 And Alex Swiderski, is he on line with you, Craig?

4 MR. TILLERY: Yes.

5 MS. McCAMMON: If Alex would like to add any
6 additional information

7 CHAIRWOMAN D. WILLIAMS: Alex.

8 MR. SWIDERSKI: I don't need to add anything
9 unless Gina needs me to talk more about the appraisals.

10 CHAIRWOMAN D. WILLIAMS: Gina.

11 MS. BELT: Yeah, I wanted to know whether the
12 appraisals for \$600,000 is the currently Federally and State
13 approved appraisal?

14 MR. SWIDERSKI: The appraisal that was
15 initially done in 1996 was for 375,000. The Patsons would not
16 sell at that (indiscernible - phone noise) and we had a number
17 of discussions about it. And they were generally looking for
18 450 to \$500,000 for the property. Eventually I asked the
19 Conservation Fund to get involved. The Conservation Fund
20 commissioned a second appraisal, which came back at
21 (indiscernible - phone noise) hundred thousand dollars.

22 MR. WOLFE: How much did it come in for, Alex?

23 MR. SWIDERSKI: Six hundred. That appraisal
24 was given -- and the appraiser knew that the Patsons did not
25 need \$600,000 for the parcel, they were willing to take less,

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1 but nevertheless, they came back at 600. That appraisal, which
2 I haven't seen, was given by Brad Meiklejohn to the review
3 appraisers, and they did two things, essentially
4 simultaneously. One is they compared the two appraisals and
5 determined that the second appraisal was a better appraisal, so
6 they withdrew their approval of the first one and approved the
7 second \$600,000 appraisal.

8 However, in their approval they say a couple of things.
9 One of the things they say is that -- I'm going to paraphrase
10 just a little bit. Market assumptions ranging -- they applied
11 a test using market assumptions ranging from extremely
12 favorable to extremely unfavorable to produce values of 356,000
13 to 686,000 for the parcel. And they also produced an
14 intermediate value of 497,000 and said the 497, of the three,
15 was the most reasonable.

16 They then went on to say that the -- although the
17 second 600,000 value was at the extreme upper end of the
18 subject (indiscernible - phone noise) sale price reported
19 supportable, the logic non-reasonable and, therefore, they
20 approved that appraisal. Subsequent to this being done and the
21 appraisal being reviewed, the report -- or the \$600,000
22 approved value was shared with the Patsons who, nevertheless,
23 remain willing to sell the parcel to the State for \$450,000.

24 CHAIRWOMAN D. WILLIAMS: Gina, does that
25 address your concerns?

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1 MR. SWIDERSKI: And, I'm sorry, they have also
2 exercised an option with the Conservation Fund to sell it for
3 that amount.

4 MS. BELT: Okay. I'm not sure that it does.
5 Should we talk about this in executive session?

6 MS. McCAMMON: Alex, is it correct that the
7 \$600,000 appraisal was reviewed and approved by both the
8 Federal and the State sides?

9 MR. SWIDERSKI: Yes. And the report I've been
10 paraphrasing was signed by Judy Robinson and Rich Goosens and
11 Kurson (ph).

12 MS. McCAMMON: And is it correct that it is the
13 landowner who is offering to sell at the \$450,000 price?

14 MR. SWIDERSKI: Yes, the landowner has actually
15 executed an option to sell the property for that amount to the
16 Conservation Fund at this point.

17 CHAIRWOMAN D. WILLIAMS: Gina, does that
18 address your concerns or do you feel we need to go into
19 executive session?

20 MS. BELT: I think, perhaps, we should go into
21 executive session.

22 CHAIRWOMAN D. WILLIAMS: Okay. Council
23 members, we have two or three choices. It is Gina's
24 recommendation that we go into executive session. We can do
25 that right now or we can do the other three agenda items and

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1 then go into executive session to discuss this item and then
2 come back. Does anyone have any preference?

3 MR. WOLFE: Why don't we go ahead with the
4 other items.

5 CHAIRWOMAN D. WILLIAMS: Okay.

6 MR. TILLERY: Yeah, then Dr. Spies, for
7 example, wouldn't have to hang around.

8 CHAIRWOMAN D. WILLIAMS: Okay, let's do that
9 then. Okay let's defer item two until after executive session.
10 That brings us to agenda item three, which is a modification of
11 Project 98468. Molly.

12 MS. McCAMMON: Madam Chair, this is actually a
13 new project that was submitted as part of the FY99 Work Plan,
14 however, in reviewing the project proposal there was
15 substantial discussion that it was important, actually, to get
16 this project started this fiscal year rather than waiting until
17 next fiscal year. And with that I'll turn it over to Stan
18 Senner and Dr. Spies to explain the project and some of the
19 justification for going forward this year. The request in FY98
20 funds is for \$19,000.

21 MR. HINES: This reprogramming money, Molly,
22 the 19,000 or where's it coming from?

23 MS. McCAMMON: It would be new funds.

24 MR. HINES: New money, okay.

25 CHAIRWOMAN D. WILLIAMS: Dr. Spies.

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1 DR. SPIES: Yes. Let me just give you a very
2 brief run down on the issue, as I see it. We have a number of
3 different projects out in the field, ecosystem projects in
4 particular, like the SEA Project and the APEX Project, that
5 require proper interpretation of acoustic measurements that are
6 being taken to assess fish biomass. And as of this date
7 there's a couple of species that are critical that we do not
8 have good target strength numbers for. And target strength
9 relates to the strength of the acoustic back scatter from the
10 hydroacoustic signal that's sent out from the vessel and how
11 much of it is returned to the vessel depends on a lot of
12 different factors.

13 Among those factors is what species of fish it is and
14 how big the swim bladder is, if it exists, and other conditions
15 about the fish. And there's considerable controversy now over
16 what the target strength should be for Pacific herring and
17 there are essentially no target strength numbers that are
18 reliable for sand lance. And with the wrong -- one can use,
19 and people have used, substitute values, but with the wrong --
20 if the values aren't correct a small difference in the target
21 strength can potentially mean a big difference in the biomass
22 of fish that's being estimated, and this could be crucial for
23 recovering populations, like the Pacific herring.

24 So given the importance of that issue, and it cuts
25 across a number of different projects, I felt it important to

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1 try to get this resolved so that we could get the data
2 correctly interpreted, relative to fish biomass for these
3 projects where the acoustic target strength is critical and
4 move the process forward in getting this material in the
5 reports and in the publications and accepted in the peer review
6 scientific literature.

7 So we had -- this had come up at the annual meeting and
8 I made a promise to try to put this issue in front of the
9 Executive Director, and Molly's essentially kind of agreed with
10 me that this is an important issue to resolve. So we've had a
11 project that was submitted in March for funding in fiscal year
12 '99 called the Fundamental Estimation of Acoustic Target
13 Strengths. That appeared to be a good proposal, the costs were
14 a little bit high, I think they were about 190,000, something
15 like that, in the first go around. We thought, in review, that
16 the project could be done somewhere closer to 150 and made that
17 recommendation.

18 In the meantime I had contacted Jay Kirsh at the Prince
19 William Sound Science Center who had submitted the proposal and
20 asked him if there's any way we could move some of that work
21 into '98 in order to get it done as early in '99 as possible.
22 And he agreed he would try to work through that and we've been
23 working with Jay and people at the Science Center and I do want
24 to mention they've been particularly cooperative in this
25 regard. And you got in your packet a memo from Jay to Stan

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1 Senner, the Scientific Liaison of the Trustee Council,
2 outlining what they can do and the budget. And this would
3 essentially be moving some of the '99 money that we would be
4 propose to you be approved as part of the '99 fiscal year
5 activities, moving some of that money into '98, so that they
6 can start this work.

7 So that's essentially what we're trying to do here.
8 And I do have a strong recommendation that this is an important
9 thing, otherwise I wouldn't have brought it before you today.

10 CHAIRWOMAN D. WILLIAMS: Okay. Are there any
11 questions of Dr. Spies?

12 MR. HINES: Yes, Madam Chair, Bill Hines.

13 CHAIRWOMAN D. WILLIAMS: Yes, Bill.

14 MR. HINES: Bob, I was wondering if you're
15 trying to establish some type of calibration criteria,
16 notwithstanding some of the problems that we have now, and this
17 may help rectify that, what about all the prior information
18 collected with hydroacoustic techniques from the SEA Plan and
19 the other APEX years prior, like two or three years ago, do you
20 still feel (indiscernible - simultaneous speech) not calibrated
21 or what?

22 DR. SPIES: Yeah, that's a good question, Bill.
23 There are a couple of different aspects of that. First of all,
24 the data is perfectly good, it just that this is a step, an
25 interpretation, a value that's inserted in the interpretation

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1 of the raw data. There's nothing wrong with any of the raw
2 data we've collected, that's perfectly fine. Secondly, in the
3 SEA Program, a lot of what we've collected is on other species
4 of fish, such as pollock and salmon and so forth, so what this
5 is is to make sure that we have the right data, correctly
6 interpreted, specifically for Pacific herring which are being
7 studied both in SEA and in the APEX Project.

8 Right now the investigators are using a target strength
9 value that's based on the Atlantic herring and there's some
10 controversy as to how reliable that would be in using that for
11 Pacific herring. And we've got a very strong recommendation
12 from our reviewer here, Dr. Rose, who's an expert in acoustics,
13 that we should be doing this work, so that's kind of the origin
14 of this, so I hope that answers your question.

15 MR. HINES: Certainly. Thank you very much,
16 Bob.

17 CHAIRWOMAN D. WILLIAMS: Are there any other
18 questions for Dr. Spies?

19 MR. WOLFE: Yes, I have a question, Deborah.

20 CHAIRWOMAN D. WILLIAMS: Yes, Jim.

21 MR. WOLFE: The calibration is for our
22 equipment or is this for common equipment, acoustical
23 equipment, that's used by others? And, if so, what are they
24 doing in this area?

25 DR. SPIES: Well, once this target strength

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1 value is established it is applicable to any particular
2 acoustic system, it doesn't come into -- it doesn't vary as a
3 function of the equipment that's used to derive it.

4 MR. WOLFE: Right. So nobody else is doing
5 this kind of work or.....

6 DR. SPIES: No, this has not been done for
7 Pacific herring, which is surprising because, you know, I know
8 in California, for instance, that Pacific herring are estimated
9 acoustically and I don't know, they must be using Atlantic
10 herring values.

11 MR. WOLFE: If we commit to the 19,000 this
12 year, we're committing to the total project for about 150,000;
13 is that what I'm hearing?

14 DR. SPIES: That would be correct, certainly
15 the 19,000 this year won't buy us much if we don't fund the
16 whole project.

17 MR. SENNER: This is Stan Senner, Mr. Wolfe,
18 you would not, today, be taking any formal action on the
19 balance of the proposal, the rest of it would be considered in
20 the context of the FY99 Work Plan at your August Meeting. But
21 certainly, as Bob says, if you start down this road, one would
22 want to finish the rest of it.

23 MR. WOLFE: That was what I was kind of
24 assuming, yeah.

25 CHAIRWOMAN D. WILLIAMS: All right, any other

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1 questions?

2 (No audible responses)

3 CHAIRWOMAN D. WILLIAMS: I would entertain a
4 motion. Does any Trustee Council member wish to make a motion
5 on this matter?

6 MR. HINES: Well, I guess, Madam Chair, I'll
7 move that the \$19,000 be made available for this, for 1990 --
8 for this year, I guess, I'm sorry. I'm sorry I couldn't put it
9 much more articulately than that, but I want to certainly
10 support this initiative.

11 CHAIRWOMAN D. WILLIAMS: Okay. Is there a
12 second to the motion that we adopt Project 98468 in the amount
13 of \$19,000?

14 MR. BRUCE: Yeah, this is Geron Bruce with the
15 Department of Fish and Game and I'll second the motion.

16 CHAIRWOMAN D. WILLIAMS: Okay, it's been moved
17 by Mr. Hines and seconded by Mr. Bruce.

18 MR. BRUCE: Correct.

19 CHAIRWOMAN D. WILLIAMS: Is there any further
20 discussion of this matter?

21 MR. WOLFE: Yes, Madam Chair.

22 CHAIRWOMAN D. WILLIAMS: Yes, Jim.

23 MR. WOLFE: If there is a lot of additional
24 work going on in other places using these acoustical systems,
25 it would really be interesting to see what they're using for

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1 their data and why they're using it, rather than calibrating it
2 -- or coming up with a calibration pattern.

3 MR. HINES: Well, I think, Jim, that Bob just
4 explained that. Nobody is really studying specific herring in
5 terms of trying to set those parameters, and that's what we're
6 trying to do here. I don't know if previous work will be able
7 to do that. There is no previous work.

8 MR. WOLFE: Yeah.

9 DR. SPIES: Well, yeah, that's true, Bill, and
10 also I think what our peer reviewer, Dr. Rose, is telling us
11 that we ought to be doing it right if we're going to do it.
12 And it's a little bit of extra money on top, it's a very
13 fundamental measurement that's very important for the success
14 of these two projects and if we're going to publish it in the
15 open literature, I think we're going to get a specific example
16 that we're doing it the correct way. And this is not something
17 I look at as a scientific nicety or luxury. In fact,
18 circumstances has the potential for misleading if we don't have
19 the right value, so that's why I consider it very important.

20 CHAIRWOMAN D. WILLIAMS: Okay. Any further
21 discussion.

22 MR. WOLFE: I have one more question.

23 CHAIRWOMAN D. WILLIAMS: Yes, Jim.

24 MR. WOLFE: Bob, when he was -- or Dr. Spies,
25 when he was telling me about the people down in California

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1 using it and he thought they were using the Atlantic salmon
2 calibration pattern. I would hope that we would check on that
3 before we start spending \$150,000 to calibrate ours and find
4 out for sure the they're not using something that they have
5 calibrated. And that's my point, is I don't want us to spend a
6 lot of money repeating something that may have been done out
7 there. And maybe, Bob, the answer is you've already done that
8 check and that's fine.

9 DR. SPIES: I'll go ahead and check on that,
10 Jim, hydroacoustics is not my particular scientific specialty.
11 George Rose has assured us that such a value does not exist for
12 Pacific herring, but just in case, I will go ahead and check
13 with the Department of Fish and Game.

14 MR. WOLFE: That's fine.

15 MR. HINES: And George Rose is one of our
16 primary peer reviewers; is that correct, Bob?

17 DR. SPIES: That's correct.

18 MR. HINES: Thank you.

19 CHAIRWOMAN D. WILLIAMS: Okay. Jim, do you
20 wish to make that as an amendment?

21 MR. WOLFE: No, that's fine.

22 CHAIRWOMAN D. WILLIAMS: Okay, just an
23 understanding. All right. Any other discussion?

24 (No audible responses)

25 CHAIRWOMAN D. WILLIAMS: All in favor of the

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1 motion indicate by saying aye.

2 IN UNISON: Aye.

3 CHAIRWOMAN D. WILLIAMS: Opposed?

4 (No opposing responses)

5 CHAIRWOMAN D. WILLIAMS: The motions passes.

6 All right, our next item is information on Salamatoff small

7 parcel. And Steve Shuck is here to discuss this with us.

8 Steve.

9 MR. SHUCK: Thank you. We've had a situation

10 come up with the small parcel purchase from Salamatoff, I

11 believe it's Kenai 1051 and 1052, I'm sorry I don't have

12 (indiscernible - phone beeps) with me. And we have a signed

13 purchase agreement, everything is ready to go, all three

14 appraisal reviewers have approved the appraisal. But we find

15 that due to borough ordinance one portion of the acquisition

16 that we would like to make has to be surveyed, platted and the

17 plat recorded. That piece is a small piece that is currently a

18 gravel pit and refuse area, the refuge would like to turn it

19 into a parking lot. And the remainder is all riverfront

20 property. We have -- the appraisal is such that values were

21 specified for the riverfront property separate from the gravel

22 pit which is off the riverfront by one lot distance.

23 And we would like to be able to complete the

24 acquisition in phases. Purchase the riverfront property now

25 that is available, all surveyed and platted and recorded. And

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1 in the second phase, as soon as Salamatoff finishes the
2 platting procedure to complete the acquisition. It would be
3 the same amount, the \$183,000 that the purchase agreement is
4 for, we would be completing all of the purchase as originally
5 planned, but in two phases rather than one.

6 CHAIRWOMAN D. WILLIAMS: Now, Steve, do you
7 believe, or Molly, do you believe or do any of the Trustee
8 Council members believe that we need a motion or do we believe
9 that it is sufficient to have this be an informational item and
10 proceed with the two-phase closing?

11 MR. SHUCK: I've been visiting with Barry Roth
12 and also talked with Ms. McCammon yesterday and they both
13 indicated they felt it was informational only and no formal
14 action was needed by the Council, but I will defer to either of
15 them or the Council members.

16 CHAIRWOMAN D. WILLIAMS: Okay. Molly.

17 MS. McCAMMON: Madam Chair, I did discuss this
18 with Alex Swiderski and I think the issue that arises is that
19 the Council commonly does multiple closing, but those multiple
20 closings are always protected by an enforceable purchase
21 agreement. And I think the issue that arose with this is
22 whether there was an enforceable purchase agreement available
23 to ensure that the second closing would, indeed, occur. And I
24 think there's been some discussion between Mr. Shuck and
25 Mr. Swiderski on that issue. And if Steve could clarify

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1 whether there was, in fact, an enforceable purchase agreement
2 that would give assurance that that second closing would occur,
3 then I think there might not be any action needed.

4 CHAIRWOMAN D. WILLIAMS: All right. Steve.

5 MR. SHUCK: We have a signed purchase agreement
6 that has been accepted by the United States. The question
7 comes in, I guess, relating back to the Virginia Abston
8 acquisition or proposed acquisition on Kodiak where we were
9 attempting to purchase a Native allotment, the allotment owner
10 has signed a purchase agreement, it was accepted by the United
11 States and at the last minute the seller chose not to
12 participate in the agreement. The Bureau of Indian Affairs
13 refused to participate as well, seeing as how that, the
14 purchase of a Native allotment is subject to BIA trust
15 responsibility.

16 As a result of that, talking with the Solicitor, there
17 was a question raised as to whether our purchase agreement
18 would be enforceable because no legitimate earnest money was
19 placed down. We have an agreement, we call it a binding
20 agreement, in court it may not hold up, just because there is
21 no earnest money put down, but the seller wants to sell, we're
22 really the only buyer for that other piece, seeing how it has
23 been used for a gravel pit, and is currently being use by the
24 neighbors to dump yard clippings and that sort of thing in.
25 And I have every confidence that they will do as the purchase

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1 agreement states and complete the acquisition.

2 CHAIRWOMAN D. WILLIAMS: Alex, is this
3 satisfactory from your perspective?

4 MR. SWIDERSKI: Yes. You know when this came
5 up I had really kind of two related questions, one was the memo
6 that I got indicated that the agreement wasn't enforceable and
7 Salamatoff was considering backing out and I just raised the
8 concern back that if they went ahead they did the first
9 closing, and then Salamatoff backed out of the second one, that
10 didn't seem to be the -- what the Council resolution had
11 indicated that was to be the nature of the acquisition. First
12 that the Council wouldn't get all of the property and secondly
13 that I didn't know what the price breakout was. But I think if
14 what Mr. Shuck is saying is that, you know, if they do the
15 first one, we have every confidence that they're going to do
16 the second on and that the price is structure so as to assure
17 that. I'm certainly comfortable, and it's really the Council's
18 decision. That was the only reason that I raised the question
19 to begin with.

20 CHAIRWOMAN D. WILLIAMS: Okay. Any questions
21 or comments by Council members?

22 MR. WOLFE: Deborah, just one more.

23 CHAIRWOMAN D. WILLIAMS: Yes, Jim.

24 MR. WOLFE: We're not asking the seller to sell
25 us something after they told us they don't want to, are we?

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1 CHAIRWOMAN D. WILLIAMS: No.

2 MR. WOLFE: Okay.

3 MR. SHUCK: No, the reason that they were
4 threatening to back out was because they have other buyers for
5 the riverfront property and would like to get it sold as
6 quickly as possible so they can turn some revenue. They have
7 volunteered to do all the necessary work for the replatting at
8 their expense and will do it as soon as we get word back to
9 them that we're able to complete the acquisition in phases.

10 MR. WOLFE: Okay, very good.

11 MS. McCAMMON: Steve, this is Molly.

12 MR. SHUCK: Yes.

13 MS. McCAMMON: Isn't it correct that one of the
14 motivations for doing this acquisition is to provide some
15 alternative access to the river that would prevent trespassing
16 on adjacent private properties and that this is something that
17 Salamatoff really supports?

18 MR. SHUCK: Yes, that is true. The refuge is
19 planning on using money from the floods of '95, I believe it
20 was, '95 or '96, and they will be putting in elevated,
21 light-penetrating walkways with access into the river itself.
22 This will allow anglers to use the river bank, and as you said,
23 should help protect neighboring develop properties, residential
24 properties, from trespass. The refuge, again, this year has
25 instituted an emergency closure of the Federal access easement

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1 along the river because of the extreme erosion problems that
2 are being caused by anglers.

3 The site will have a resident ranger on it, by
4 resident, I don't mean he's going to live there full-time, but
5 he will be there to monitor use, make sure people stay off the
6 river banks and on the walkways.

7 MS. McCAMMON: But this should indicate that
8 Salamatoff has a lot of motivation to ensure that the second
9 closing does occur?

10 MR. SHUCK: Yes.

11 MS. McCAMMON: Yeah.

12 MR. BRUCE: That sounds very good to me.

13 MR. WOLFE: Sounds like good information.

14 CHAIRWOMAN D. WILLIAMS: Okay. Very good. Any
15 Trustee Council member have objection to proceeding, then, to
16 the fifth item on the agenda?

17 MR. WOLFE: No.

18 CHAIRWOMAN D. WILLIAMS: Okay. The fifth item
19 on the agenda is also informational. I just wanted to tell the
20 Trustee Council the good news that KNA has settled their
21 lawsuit with the individual who sued on the piece of property
22 that we are anticipating purchasing from them, one of the
23 pieces of property that we are anticipating purchasing from
24 them, and so we now have no road blocks in the way of finishing
25 the acquisition for the wonderful pieces of property that we

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1 are scheduled to acquire from KNA.

2 The lawsuit, as people may remember, was brought by a
3 Mr. Showalter who believed that he had some entitlement to some
4 of the land that KNA was proposing to sell to us. He failed in
5 his bid to persuade the trial court of that fact and he has now
6 agreed to settle instead of appealing. So we are prepared to
7 close on this transaction and I just wanted to bring this to
8 everyone's attention. I am desirous, given the amount of time
9 that has past, to have this close as soon as possible and so I
10 have asked Molly and Gina to act on a court request as quickly
11 as possible.

12 Would the Patson court request come at the same time or
13 do we have more hurdles to leap before we get that money?

14 MS. McCAMMON: That parcel requires legislative
15 approval.

16 CHAIRWOMAN D. WILLIAMS: Okay, very good.

17 MR. SHUCK: Madam Chair.

18 CHAIRWOMAN D. WILLIAMS: Yes.

19 MR. SHUCK: Steve Shuck again. We would hope
20 to put the Salamatoff funding request on that as well as the
21 Kodiak Island Borough 10-acre parcels that were -- the
22 resolution was approved earlier this month.

23 CHAIRWOMAN D. WILLIAMS: Okay. Ms. McCammon
24 and Gina, is that possible to put all three of those in a court
25 request?

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1 MS. McCAMMON: Madam Chair, the one -- I know
2 the tax parcels, I don't believe, Steve, that those have been
3 transmitted to the State yet for review. Correct me if I'm
4 wrong.

5 MR. SHUCK: In what way? You mean the
6 paperwork to allow funding?

7 MS. McCAMMON: Have those appraisals already
8 been reviewed and approved?

9 MR. SHUCK: Yes, the appraisals have been
10 reviewed and approved.

11 MS. McCAMMON: All right. So just the
12 paperwork (indiscernible - interrupted).....

13 MR. SHUCK: Right, and that I expect to get out
14 into the mail the first part of next week.

15 MS. McCAMMON: Okay.

16 CHAIRWOMAN D. WILLIAMS: And I know, Gina, when
17 are you anticipating going on leave?

18 MS. BELT: I expect this next week to be my
19 last week.

20 CHAIRWOMAN D. WILLIAMS: Okay. And so, Steve,
21 the deadline is that we need to do this so that Gina can sign
22 this before she goes on leave.

23 MR. SHUCK: I, hopefully, will have it in the
24 mail Monday, if not Monday, first thing Tuesday morning I will
25 fax it to the appropriate parties.

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1 CHAIRWOMAN D. WILLIAMS: Excellent. Any
2 questions or comments on KNA or on the court requests?

3 (No audible responses)

4 CHAIRWOMAN D. WILLIAMS: Okay. Is there any
5 other matter that we wish to discuss before going into
6 executive session?

7 (No audible responses)

8 CHAIRWOMAN D. WILLIAMS: All right, I will
9 accept a motion to go into executive session.

10 MR. WOLFE: Madam Chair, I make a motion that
11 we go into executive session to discuss appraisal matters.

12 CHAIRWOMAN D. WILLIAMS: Thank you. Is there a
13 second?

14 MR. TILLERY: Second.

15 CHAIRWOMAN D. WILLIAMS: Okay, it has been
16 moved by Mr. Wolfe and seconded by -- was that Geron?

17 MR. TILLERY: Craig Tillery.

18 CHAIRWOMAN D. WILLIAMS: Oh, that was Craig,
19 very good. Seconded by Craig that we go into executive session
20 to discuss appraisal and other acquisition matters. All in
21 favor indicate by saying aye.

22 IN UNISON: Aye.

23 CHAIRWOMAN D. WILLIAMS: Opposed?

24 (No opposing responses)

25 CHAIRWOMAN D. WILLIAMS: All right. Rebecca,

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1 what do we need to do here?

2 MS. R. WILLIAMS: I would recommend everybody
3 hanging up and the conference operator will contact the Trustee
4 Council members again.

5 MS. McCAMMON: Madam Chair, how many public
6 members do we have on the conference call?

7 CHAIRWOMAN D. WILLIAMS: I think we just have
8 Pam Brodie.

9 MS. McCAMMON: Pam Brodie, Bob Spies and Steve
10 Shuck, would those be the only -- well, Steve is not a public
11 member. Would those be the only ones?

12 MR. SHUCK: And if it would be all right,
13 unless there's some reason for me to stay on, I would just as
14 soon get back to my trip up to the campground.

15 MS. McCAMMON: Rebecca, would it be okay if we
16 just had those folks hang up, would that be quicker?

17 MS. R. WILLIAMS: It would be quicker, it's
18 okay with me if it's okay with you guys.

19 MS. McCAMMON: Well, I trust Pam Brodie. And I
20 don't Bob Spies wants to stay on.

21 MR. SENNER: I think he's already off.

22 MS. McCAMMON: Okay. He's off. Pam?

23 MS. BRODIE: Yeah, and people don't have to
24 call me back when you come back in session if -- just if there
25 is any action by the Trustee Council, if somebody could fax me

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1 the resolution, I'd appreciate that.

2 MS. McCAMMON: All right. Thank you.

3 CHAIRWOMAN D. WILLIAMS: Thank you, Pam.

4 MS. BRODIE: Bye-bye.

5 CHAIRWOMAN D. WILLIAMS: Okay. Let's do it
6 that way. And then thank you public members who are in the
7 Anchorage meeting. And I assume this will only take a handful
8 of minutes, so if you wish to rejoin us I would assume we'd be
9 back in public session in about five minutes.

10 And, Rebecca, if you can tell me when the public
11 members have left in Anchorage.

12 (Off record - 2:11 p.m.)

13 (On record - 2:30 p.m.)

14 (Mr. Ewing is now present for Michele Brown)

15 MS. R. WILLIAMS: We're ready in Anchorage.

16 CHAIRWOMAN D. WILLIAMS: All right, very good.
17 The Exxon Valdez Trustee Council is now back in general
18 session. We completed our executive session at which we
19 discussed appraisal issues associated with the Patson small
20 parcel. I will entertain a motion regarding the Patson small
21 parcel at this time.

22 MR. TILLERY: Madam Chair.

23 CHAIRWOMAN D. WILLIAMS: Yes.

24 MR. TILLERY: This is Craig Tillery. I would
25 move that we adopt the draft resolution that the Council

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1 members have in front of them with the following changes. That
2 paragraph one read "The owners of the Patson small parcel
3 KEN 1034 have executed an option to sell the parcel to the
4 Conservation Fund for the price of \$450,000." And that
5 paragraph number two read "An appraisal of the parcel has been
6 approved by the State and Federal review appraisers and
7 \$450,000 is within the range of values ascribed to the property
8 by the review appraisers."

9 CHAIRWOMAN D. WILLIAMS: Very good. Is there a
10 second to the motion?

11 MR. WOLFE: I'll second it.

12 MR. HINES: Second.

13 CHAIRWOMAN D. WILLIAMS: Okay. It's been moved
14 by Mr. Tillery and seconded by Mr. Wolfe. Any discussion of
15 the motion?

16 (No audible responses)

17 CHAIRWOMAN D. WILLIAMS: All right, hearing no
18 discussion, all in favor indicate by saying aye.

19 IN UNISON: Aye.

20 CHAIRWOMAN D. WILLIAMS: All opposed indicate
21 by saying no.

22 (No opposing responses)

23 CHAIRWOMAN D. WILLIAMS: It is unanimous, the
24 resolution passes and the motion passes as stated by
25 Mr. Tillery.

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1 Are there any other items to bring to the attention of
2 the Trustee Council at this time?

3 (No audible responses)

4 CHAIRWOMAN D. WILLIAMS: Hearing none, I will
5 entertain a motion to adjourn.

6 MR. WOLFE: Do we need to recess?

7 CHAIRWOMAN D. WILLIAMS: No, I don't think so.
8 I can't think of any.....

9 MR. TILLERY: I would move to adjourn.

10 CHAIRWOMAN D. WILLIAMS: Very good. Is there a
11 second?

12 MR. HINES: Second.

13 CHAIRWOMAN D. WILLIAMS: Okay, it's been moved
14 by Mr. Tillery, seconded by Mr. Hines to adjourn. All in favor
15 indicate by saying aye.

16 IN UNISON: Aye.

17 CHAIRWOMAN D. WILLIAMS: Okay. Opposed?

18 (No opposing responses)

19 CHAIRWOMAN D. WILLIAMS: And if the record can
20 reflect that Al Ewing did substitute for Michele Brown for this
21 last discussion, after we came out of executive session.

22 Very good. Well, I wish the Trustee Council members
23 and staff members an excellent 4th of July weekend.

24 And, Molly, our next meeting then is?

25 MS. McCAMMON: Our next formal meeting is

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1 August 13th. We don't have anything scheduled between now and
2 then unless some other item comes up.

3 CHAIRWOMAN D. WILLIAMS: Very good. And that
4 meeting is scheduled for Anchorage?

5 MS. McCAMMON: Anchorage.

6 CHAIRWOMAN D. WILLIAMS: Excellent. Look
7 forward to seeing the Trustee Council members then.

8 MS. McCAMMON: All right. Thank you.

9 CHAIRWOMAN D. WILLIAMS: Thank you all very
10 much.

11 (Off record - 2:33 p.m.)

12 (END OF PROCEEDINGS)

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1 CERTIFICATE

2
3 UNITED STATES OF AMERICA)

4) ss.

5 STATE OF ALASKA)

6

7 I, Joseph P. Kolasinski, Notary Public in and for the
8 State of Alaska and Owner of Computer Matrix do hereby certify:

9 THAT the foregoing pages numbered 3 through 31 contain
10 a full, true and correct transcript of the Exxon Valdez Oil
11 Spill Trustee Council's Teleconference Meeting recorded
12 electronically by me on the 1st day of July 1998, commencing at
13 the hour of 1:30 p.m. and thereafter transcribed by me to the
14 best of my knowledge and ability.

15 THAT the Transcript has been prepared at the request
16 of:

17 EXXON VALDEZ TRUSTEE COUNCIL, 645 G Street,
18 Anchorage, Alaska 99501;

19 DATED at Anchorage, Alaska this 6th day of July 1998

20 SIGNED AND CERTIFIED TO BY:

21

22 _____
23 Joseph P. Kolasinski
24 Notary Public in and for Alaska
My Commission Expires: 04/17/00