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1 EXXON VALDEZ OIL SPILL  
2 TRUSTEE COUNCIL  
3 TRUSTEE COUNCIL MEETING  
4 Tuesday, December 15, 1998  
5 8:00 o'clock a.m.  
6 645 G Street  
7 Anchorage, Alaska

8 TRUSTEE COUNCIL MEMBERS PRESENT:

9 STATE OF ALASKA - DEPARTMENT	MR. FRANK RUE
10 OF FISH AND GAME: (Chairman)	Commissioner
11 U.S. DEPARTMENT OF AGRICULTURE -	MR. JAMES WOLFE
12 U.S. FOREST SERVICE	Trustee Representative
13 (Telephonically)	
14 STATE OF ALASKA -	MR. CRAIG TILLERY
15 DEPARTMENT OF LAW:	Trustee Representative
16 U.S. DEPARTMENT OF INTERIOR:	MR. BOB ANDERSON
17 (Telephonically)	Acting Special Assistant
18	to the Secretary for
19	Alaska
20 U.S. DEPARTMENT OF COMMERCE -	MR. BRUCE WRIGHT
21 NOAA/NMFS: (Telephonically)	for Steve Pennoyer
22	Director, Alaska Region
23 STATE OF ALASKA - DEPARTMENT	MR. DAN EASTON
24 OF ENVIRONMENTAL CONSERVATION:	for Commissioner M. Brown
25 (Telephonically)	

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON

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4 MS. REBECCA WILLIAMS

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6 MS. SANDRA SCHUBERT

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8 MR. JOE HUNT

9

10 MR. HUGH SHORT

11

12 MR. STAN SENNER

13 DR. BOB SPIES

14 (Telephonically)

15 MR. STEVE SHUCK

16 MS. RITA MIRAGLIA

17 MR. BUD RICE

18 MR. BARRY ROTH

19

20

21 MR. KEN HOLBROOK

22 MR. BILL HAUSER

23

24 MS. CLAUDIA SLATER

25

Executive Director

EVOS Trustee Council

Executive Secretary

EVOS Trustee Council

Project Coordinator

EVOS Staff

Communications Coordinator

EVOS Staff

Community Facilitator

EVOS Staff

Science Coordinator

Chief Scientist

U.S. Fish & Wildlife Service

U.S. Fish & Wildlife Service

National Park Service

Conservation & Wildlife

Division

Department of the Solicitor

U.S. Forest Service

Alaska Department of Fish

and Game

Alaska Department of Fish

and Game

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P R O C E E D I N G S

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(On record 8:06 a.m.)

CHAIRMAN RUE: Okay. This is Frank Rue and I'll be the Chair this morning. Why don't we get started, if we got everyone on teleconference. Why don't we go around and see which of the Trustees are here. I'm Frank Rue, Commissioner of Fish and Game.

MR. ANDERSON: Hi, this is Bob Anderson for Secretary Babbitt.

MR. WRIGHT: This is Bruce Wright sitting in for Steve Pennoyer.

MR. EASTON: Dan Easton sitting in for Michele Brown.

MR. WOLFE: Jim Wolfe, Ag.

CHAIRMAN RUE: Okay.

MR. TILLERY: Craig Tillery, Department of Law.

CHAIRMAN RUE: Okay, great. I guess I have to officially call the December 15th meeting of the Trustee Council to order. We have a full Trustee Council here. We have an agenda. Does everyone have the agenda before them? Yes, okay. Anyone have any comments on the agenda?

MS. McCAMMON: Mr. Chairman, the only thing, we have an addition this morning, Fish and Wildlife Service brought to me an additional Kodiak tax parcel owned by the Kodiak Island Borough and they have a one-page benefits report.

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1 We have copies of it that have been submitted here and I don't  
2 know if the Trustees are comfortable enough to bring that up  
3 today or if they would rather wait until the meeting in  
4 January.

5 And, I don't know, have we faxed that around?

6 MS. R. WILLIAMS: It's being faxed.

7 MS. McCAMMON: It's being faxed now.

8 MS. R. WILLIAMS: It'll take a while.

9 MS. McCAMMON: But it will take a while.

10 CHAIRMAN RUE: Why don't we decide if we want  
11 to take it up when we get to small parcels, which is number 5  
12 on our agenda; is that all right? Okay.

13 As you can see, we're trying to get through this by  
14 10:00 o'clock, so this will be a record pace we're going to set  
15 here this morning. Any other comments on the agenda; do I hear  
16 a motion to approve the agenda?

17 MR. TILLERY: Move to approve the agenda.

18 MR. WRIGHT: I second.

19 CHAIRMAN RUE: Okay. Moved and seconded, any  
20 objection to the agenda?

21 (No audible responses)

22 CHAIRMAN RUE: Hearing no objection the agenda  
23 is approved.

24 Now we need to take a look at the November 30, 1996  
25 meeting notes.

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1 MS. McCAMMON: 1998.

2 CHAIRMAN RUE: 1996, who did that to me?

3 Trying to fool me, huh, Molly?

4 MS. McCAMMON: Sorry.

5 CHAIRMAN RUE: Well, you never know, they could  
6 have been.

7 MS. McCAMMON: Want to make sure you read them.

8 CHAIRMAN RUE: Yeah. Okay. Anyone have any  
9 comments on the meeting notes or do I hear a motion to approve  
10 the meeting notes.

11 MR. WRIGHT: I thought we did a lot more work  
12 than this at that last meeting.

13 MR. WOLFE: Seems like it, but I make a motion  
14 that we approve the notes from the November 30th, '98 Trustee  
15 Council meeting.

16 MR. WRIGHT: I second that.

17 CHAIRMAN RUE: Okay. It's been moved and  
18 seconded. Any comments, discussion?

19 (No audible responses)

20 CHAIRMAN RUE: Okay. Any objection?

21 (No audible responses)

22 CHAIRMAN RUE: Hearing no objection, the  
23 meeting notes are approved.

24 Molly, you have a public comment period set for 8:15,  
25 we're five minutes ahead of time, do you want to move into

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1 public comment now?

2 (No audible responses)

3 CHAIRMAN RUE: And do we have other communities  
4 on line? We have, what, Valdez and Juneau? Okay. Why don't  
5 we get a sense of how many people would like to comment? How  
6 many people do we have here in Anchorage from the public that  
7 would like to comment? Okay, we got one person here. Do we  
8 have anyone in Valdez who would like to comment? I'm just  
9 getting an idea of who's on the list. Is Valdez on line?

10 MR. BLONDEAU: Yes, I'm in Valdez. This is  
11 Wayne Blondeau and I'm ready to answer any questions, but I'm  
12 waiting for the Mayor, Dave Cobb, to show up and possibly Bill  
13 Bixby.

14 CHAIRMAN RUE: Okay, so we may have three  
15 people in Valdez. Is there anyone in Juneau from the public?

16 MR. WOLFE: We have one down here, Frank.

17 CHAIRMAN RUE: Okay. Well, why don't we start  
18 here in Anchorage, we have one person. Are you ready to do it  
19 now?

20 MR. BAKER: I wanted to speak about the  
21 Restoration Reserve, a short comment about it, and I didn't  
22 want to interfere with other people's comments from other  
23 places.

24 CHAIRMAN RUE: No, we're going to go around the  
25 horn, so.....

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1 MR. BAKER: Okay.

2 CHAIRMAN RUE: Sure, why don't we go ahead with  
3 Anchorage and, if you would, give us your name and spell it for  
4 the record.

5 MR. BAKER: My name is Grant Baker, it's  
6 G-r-a-n-t B-a-k-e-r. And I just wanted to mention a couple of  
7 quick comments about the Restoration Reserve expenditures. At  
8 the last meeting.....

9 MR. BLONDEAU: They asked if there was anyone  
10 in Valdez and I told them that I was here waiting for Dave Cobb  
11 to show up.

12 CHAIRMAN RUE: Could you mute your phone in  
13 Valdez, we can hear you and we have someone trying to testify.  
14 Thank you.

15 MS. McCAMMON: Mr. Blondeau, you may need to  
16 step back from your mike.

17 CHAIRMAN RUE: Go ahead, Mr. Baker.

18 MR. BAKER: Thanks. I just wanted -- at the  
19 last meeting there was a question about if you were creating  
20 endowed chairs at the university, how would you have control  
21 over it? There was some concern over, you know, how the money  
22 was spent. And I just wanted -- what's done with almost all  
23 monies that are given into an endowment, the Council can  
24 specify precisely what they want money spent on and how they  
25 want it spent and to categorize it the way they want to in the

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1 creation of it.

2 I wanted to kind of emphasize the needs of the Council  
3 and the purpose of the Exxon Valdez Oil Spill monies seem to  
4 mesh very well with the abilities and resources of the  
5 university as far as what they can do and provide. And I  
6 wanted to -- right after the last meeting, the next day, I'm  
7 sure you're probably all aware of it. The newspaper article  
8 that had come out about the sub-sea oiling is, they believe,  
9 you know, more evidence of showing that the source of oil is  
10 not from leakage through coal, but from the spill. And so, you  
11 know, the damage from the oil is still unknown and the extent  
12 of it is still unknown and that still needs to be investigated  
13 and there needs to be methods for cleanup and for prevention  
14 for whatever harm that causes.

15 One thought I wanted to put out is there's a lot of  
16 interest, even from oil companies and from other environmental  
17 cleanup-type agencies to try to enhance contributions or monies  
18 that are available for cleanup technology and for cleanup  
19 methods. And I think that's one reason why I urge the Council  
20 to talk with the university to see what they can come up with  
21 as far as how to make this money do the most benefit -- have  
22 the most benefits and do the most work.

23 And I can see contributions from other than the Exxon  
24 monies creating an entire building, placed on the university  
25 campus, where all these proceedings can be housed there,

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1 library materials, conferencing, teleconferencing, all those  
2 things, in addition to the research. And so I think these are  
3 things that I wanted to put out there so that the Council  
4 understands that these things are available or they're  
5 possibilities and they're very, very real possibilities.

6 And that's it, thank you.

7 CHAIRMAN RUE: Thank you, Mr. Baker. Any of  
8 the Trustee Council members have questions of Mr. Baker?

9 (No audible responses)

10 CHAIRMAN RUE: Okay. Thank you very much.

11 MR. BAKER: Thank you.

12 CHAIRMAN RUE: Why don't we go to Juneau next  
13 since we're waiting for people in Valdez to arrive, if that's  
14 all right.

15 MR. ANDREWS: Frank?

16 CHAIRMAN RUE: Yeah.

17 MR. ANDREWS: Good morning, this is Rupe  
18 Andrews, Chairman of the PAG Committee.

19 CHAIRMAN RUE: Hi, Rupe.

20 MR. ANDREWS: I just have a brief comment this  
21 morning. Last summer we heard from Deborah Williams the  
22 possibility the Karluk River on Kodiak Island was up for  
23 purchase, that there was some negotiation between 25 million  
24 and 75 million, but I'm here to urge the Trustees today to look  
25 at this again, if the window hasn't closed, of purchasing it.

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1 Somewhere between 25 and 75 million is a magic number. And I'd  
2 just like to impress the Trustees again that the Karluk River,  
3 probably within the Western Hemisphere, is probably one of the  
4 top two wild steelhead streams left in the Western Hemisphere,  
5 it has all five species of salmon, too, but this is a stream  
6 that should be in the public domain. I'm sure the refuge  
7 people would like to see it in the public domain to expand the  
8 refuge out there also. We're talking about one of the top  
9 streams in North America, they don't build them any more,  
10 gentlemen, and whatever the price is I think it's going to be  
11 cheap for this kind of a situation. I have no idea where the  
12 negotiations are on this now, but this could probably be the  
13 most important land purchase that the Trustees could make ever,  
14 period.

15 Thank you for your attention, I'll answer any questions  
16 if you have any.

17 CHAIRMAN RUE: Okay. Thank you, Rupe. Does  
18 anyone on the Trustee Council have questions of Mr. Andrews?

19 (No audible responses)

20 CHAIRMAN RUE: I'm sure none of us disagree  
21 with the value of the Karluk, it's an incredible system.

22 MR. ANDREWS: Like to hear how many steelhead I  
23 caught on 17 casts with a flyrod?

24 CHAIRMAN RUE: Let me see, what's the bag  
25 limit?

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1 MS. McCAMMON: Twenty-seven.

2 MR. WRIGHT: How many hooks did you have?

3 MR. ANDREWS: Just one.

4 CHAIRMAN RUE: This is not fair, you're not  
5 supposed to talk to us about that.

6 MR. ANDREWS: I won't tell you where the other  
7 stream is.

8 CHAIRMAN RUE: Okay. Not until later.

9 MR. ANDREWS: Thanks a lot.

10 CHAIRMAN RUE: Okay, thank you. Why don't we  
11 go now to Valdez. Do we have members of the public who would  
12 like to address the Council?

13 MR. BLONDEAU: This is Wayne Blondeau at  
14 Valdez. This is regarding the Blondeau Parcel, Prince William  
15 Sound 1056. I received an appraisal report last August and I  
16 submitted a response in September to the Attorney General's  
17 office and I have not heard a word since that time and I  
18 wondered if I was ever going to get a reply? And I also  
19 wondered if everyone got a copy of my letter that wants a copy?

20 CHAIRMAN RUE: Okay, thank you very much.

21 MS. McCAMMON: Mr. Chairman.....

22 CHAIRMAN RUE: Molly McCammon, may.....

23 MS. McCAMMON: .....I can respond to that. I  
24 received a phone call from the City of Valdez about a week ago  
25 asking for a status report on the Blondeau parcel. I had not

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1 heard anything on the status of it, I actually thought that --  
2 I knew we had sent the draft appraisal to Mr. Blondeau last  
3 summer and I thought he was still reviewing it. I had not  
4 realized that you had reviewed it and sent in comments. Those  
5 were submitted to Alex Swiderski at the Department of Law, he  
6 passed those on to the Department of Natural Resources and  
7 they, in turn, passed them on to the original appraiser, who  
8 has reviewed them. Those review comments are currently being  
9 reviewed by the Department of Natural Resources review  
10 appraiser. She is a single person in that office and has been  
11 totally swamped for the last month and a half and,  
12 unfortunately, has not been able to deal with it.

13 I really want to apologize to Mr. Blondeau because I  
14 just found out yesterday what the status of the appraisal was  
15 and I honestly had not realized that you had submitted comments  
16 back in September and no one had responded to you in that time.  
17 We do hope that the review appraiser will be able to look at  
18 them in the next week or so and, hopefully, we can get back to  
19 you with some kind of response in the very near future. But,  
20 again, I wanted to apologize, I had no idea that we were in  
21 this stage, I thought we were still waiting for comments from  
22 you.

23 MR. BLONDEAU: All right. Thank you very much.

24 CHAIRMAN RUE: Thank you very much,

25 Mr. Blondeau.

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1 MS. McCAMMON: Yeah, we really appreciate your  
2 patience on this and, again, I hope to get a response back to  
3 you as soon as possible.

4 CHAIRMAN RUE: Do any of the Trustee Council  
5 members have questions of Mr. Blondeau?

6 (No audible responses)

7 CHAIRMAN RUE: Okay. Great. Again, thank you  
8 very much for being patient.

9 Is there anyone else in Valdez who would like to  
10 address the Council?

11 MR. BLONDEAU: No, there isn't. No.

12 CHAIRMAN RUE: Okay. Let's come back to  
13 Anchorage then. Anyone from the public like to address the  
14 Council?

15 (No audible responses)

16 CHAIRMAN RUE: No, okay. Anyone else in  
17 Juneau?

18 MR. WOLFE: Guess not, Frank.

19 CHAIRMAN RUE: Okay. Then I'll call the public  
20 testimony part of our meeting to a close and move on to the  
21 next item, which is deferred projects. Ms. McCammon, would you  
22 like to take us through this?

23 MS. McCAMMON: Mr. Chairman, I'd like to also  
24 have Stan Senner come up and get to a mike just to answer any  
25 questions. You should have a number of pieces of paper

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1 regarding this. One is the original memorandum in your packet.  
2 There are two spreadsheets in your packet, one is a numbers  
3 only spreadsheet and the other one is the text spreadsheet.  
4 You also have in here the history of the project, of each of  
5 the project costs over time. In addition, yesterday you were  
6 faxed a two-pager that says "changes from the 12/8/98  
7 spreadsheets" and also a draft motion. So, I think, we should  
8 check here and make sure everyone has all of these documents in  
9 front of them.

10 CHAIRMAN RUE: Do all the Council members have  
11 all the documents?

12 MR. WRIGHT: Yes, sir.

13 MR. WOLFE: I'm not sure I have a draft motion  
14 yet.

15 MS. McCAMMON: It's attached to the one page  
16 that says "changes from 12/8/98 spreadsheets."

17 MR. WOLFE: I have that, but I have what's  
18 called "Revised Chief Scientist Recommendation."

19 MS. McCAMMON: Oh, it wasn't attached. Okay,  
20 we'll get that faxed to you, too.

21 MR. TILLERY: Thank you, Jim, for pointing that  
22 out.

23 MS. McCAMMON: Thank you.

24 MR. ANDERSON: I don't have it either.

25 MS. McCAMMON: Yes, no one has it except for us

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1 here.

2 CHAIRMAN RUE: We'll fax it to everyone, so  
3 we'll talk slow here for a second.

4 MS. McCAMMON: Well, it'll take a while before  
5 we get to the motion anyway.

6 CHAIRMAN RUE: Okay.

7 MS. McCAMMON: As you'll recall, in August the  
8 Council approved \$10,272,200 worth of projects for the FY99  
9 Work Plan. At that time there were over a million dollars  
10 worth of projects that were on the deferred list for various  
11 reasons. What you have before you today is the result of  
12 additional review, just some -- I think our best  
13 recommendations in terms of funding priorities, given the  
14 information that we know at this time and then the  
15 recommendations for your action today.

16 And what I'd like to do is go, briefly, through each of  
17 the projects and see if there are any questions or discussion  
18 on individual projects.

19 CHAIRMAN RUE: Okay. Which piece of paper are  
20 you working from, so we can all follow along?

21 MS. McCAMMON: I would be working from the  
22 numbers spreadsheet, supplemented by the text.

23 CHAIRMAN RUE: Okay.

24 MS. McCAMMON: We also have Bob Spies on line  
25 in California, too, so both Bob and Stan are here if you have

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1 any technical questions.

2           The first one in the pink salmon category is Project  
3 99329, Synthesis of Toxicological Impacts. This is a very  
4 important project that is synthesizing the results of all the  
5 Trustee Council's sponsored studies regarding oil damage to  
6 pink salmon. This additional amount of 24.5 thousand will  
7 complete the synthesis of five separate studies. The  
8 additional costs are needed because of some unexpected travel,  
9 also unanticipated costs associated with the analysis of the  
10 data from Exxon-sponsored studies and page charges not in the  
11 original proposal.

12           Since this is such a valuable project pulling together  
13 years of studies into kind of one -- into a number of  
14 publications, we think it's really important that the  
15 additional cost be funded.

16           CHAIRMAN RUE: Do you want to move through and  
17 just hear about each one and then do a motion at the end?

18           MR. TILLERY: Uh-huh (affirmative).

19           MS. McCAMMON: Yeah.

20           CHAIRMAN RUE: Good. Does anyone have  
21 questions on pink salmon?

22           MS. McCAMMON: And if there's any questions as  
23 we go through. 361-BAA, Graphical Techniques for Synthesis and  
24 Communication. This is a revised proposal and this one  
25 actually has a change, instead of 26.8 we're recommending 25.6

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1 for this one. But, basically, this takes the SEA Project,  
2 which is in its concluding phase right now and develops a  
3 presentation for the Trustee Council's symposium in March and  
4 then develops that into a video presentation for use in various  
5 public forums.

6 The presentation was done at the Council meeting last  
7 year, it was very successful, and we'll be working with them  
8 very closely to make sure it's for an appropriate lay audience.  
9 So 25.6 on that one.

10 CHAIRMAN RUE: Chime in if you have questions.

11 MR. WOLFE: Okay.

12 MS. McCAMMON: It's minus 1.2 on that one.

13 MR. WOLFE: Say that again.

14 MS. McCAMMON: The total on that has been  
15 changed from 26.8 to 25.6.

16 393-BAA, this project was deferred pending further  
17 review of funding priorities. It uses carbon and nitrogen to  
18 stabilize isotope rations to confirm the relative trophic  
19 status of species within the Prince William Sound ecosystem.

20 The Chief Scientist's review of this is based on the  
21 information in our other project, 330, which is the food web  
22 model being developed, that this is information that is  
23 important in validating that model.

24 So the recommendation is to go ahead and fund that for  
25 FY99. And that cost is 125,000.

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1           298-BAA, Status of Black Oystercatchers. The  
2 recommendation is 8.6 thousand. And this is one of the  
3 changes. This project -- last year the Council funded field  
4 studies on black oystercatchers to determine if there was any  
5 continuing affects from the oil spill. The results of this  
6 project are now in and have been reviewed and the evidence  
7 indicates that the spill-related effects found originally in  
8 1991 are not now evident, but there appears to be no avoidance  
9 of oiled areas and that the population and nesting effort  
10 appears to be stable or increasing. These additional funds  
11 will allow for a final report as opposed to an annual report,  
12 and also allow for a manuscript to be produced. So 8.6  
13 thousand for this one.

14           379, Assessment of Risk Caused by Residual Oil in  
15 Prince William Sound using P450 Activity and Fishes. The  
16 recommendation is to fund. It was deferred to assure  
17 coordination with the sampling of oiled mussel beds. That's  
18 being undertaken by NOAA. The revised detailed project  
19 description does exactly that. The project uses two nearshore  
20 fishes, masked greenling and crescent gunnel, as indicators of  
21 pathways of oil exposure. This is 115,500.

22           Project 432 was withdrawn by the proposer.

23           Project 459, Residual Oiling of Armored Beaches and  
24 Mussel Beds in the Gulf of Alaska. This was a proposal to go  
25 back to two areas along Kenai Fjords coast and the coast of

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1 Katmai National Park and study sites there that -- where oil  
2 had been persisting over time to see if there was still the  
3 presence of oil there. This would be our last round of  
4 assessing residual oiling on these coastlines.

5 In FY95 the final round of shoreline monitoring was  
6 accomplished for Kodiak, this would be the final round for the  
7 Outer Kenai and Katmai Coasts, and we anticipate that leaves  
8 just some additional monitoring at some point in the future of  
9 Prince William Sound for residual oiling. The project is  
10 124,900.

11 466, Recovery Status of Barrow's Goldeneyes. This  
12 project, again, was deferred pending reconsideration of the  
13 status of injury of the Barrow's Goldeneye. Although the  
14 goldeneye has not been added to the injured resources list,  
15 yet, it is being reviewed and a proposal -- anyway, it's being  
16 reviewed right now by agency staff. There has been evidence  
17 from the Nearshore Vertebrate Project and the marine boat  
18 surveys of new and ongoing injury to this species. The project  
19 will provide additional information to determine if it should  
20 be added to the injured list. Twelve thousand, two hundred.

21 480, this is an additional black oystercatcher project,  
22 we had two competing projects for additional work on black  
23 oystercatchers, the recommendation is not to do that additional  
24 work at this time and so we're just funding the closeout of the  
25 original project.

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1 MR. ANDERSON: Mr. Chairman, this is Bob  
2 Anderson. I just wanted to note, as a place holder, that the  
3 Service agrees that that should be withdrawn. They may come  
4 back sometime next year with a proposal for some winter  
5 reproduction studies that they'll be working on, but we agree  
6 that that should be not funded.

7 CHAIRMAN RUE: Okay.

8 MS. McCAMMON: In the Seabird/Forage Fish and  
9 Related Projects cluster, Project 381, Status of Seabird  
10 Colonies, Northeastern Prince William Sound. This is a  
11 proposal from the Forest Service, an inexpensive, \$13,000 study  
12 to collect information on several small seabird colonies  
13 located on lands in Port Gravina, down to Orca Inlet, and these  
14 are lands that are in the process or will soon be transferred  
15 to public ownership as part of the Eyak acquisition. That's  
16 13,000 for that one.

17 Project 434, East Amatuli Island Remote Video Link.  
18 This project was deferred pending further review of funding  
19 priorities. We're now recommending that it go forward at a  
20 cost of 75.8 thousand. This project would put remotely  
21 operated video cameras in the Barren Island seabird colonies  
22 and then have them set up at the Pratt Museum so you could  
23 actually see what's going on in those bird colonies while still  
24 staying in Homer. There was a similar project that was tested  
25 on Gull Island in Kachemak Bay last year and it was very

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1 successful. The idea is to see if there could be long-term use  
2 of using video cameras in place of field studies over a  
3 long-term. So this proposal is 75.8 thousand.

4 Project 052B, Traditional Ecological Knowledge. The  
5 recommendation is to fund at a reduced level of 14.2 thousand.  
6 The request from Chugach Regional Resources Commission was to  
7 have two training workshops for villages residents on the value  
8 of traditional ecological knowledge and how to collect it and  
9 how to use it integrated with Western science. In further  
10 discussions with the proposers, we pared this down to one  
11 training workshop this spring, they have been working with a  
12 number of the resource management agencies about possible  
13 co-management, stewardship-type projects in the future that  
14 will probably have some kind of training element to them. But  
15 this will be something that keeps the momentum going and  
16 continues to educate folks in the communities about the value  
17 of traditional ecological knowledge. Fourteen thousand, two  
18 hundred.

19 Project 99131, the Clam Restoration Project. This was  
20 deferred pending annual review of the Clam Project. That  
21 review session was held down at the Maricultural Facility in  
22 Seward in October. The review was very successful, the peer  
23 reviewers were quite pleased with how far along the project has  
24 progressed, especially once they did get into the new facility.  
25 And so the recommendation now is to go ahead with full funding

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1 for this year at a cost of \$222,800. This is expected to be  
2 the final year of the Council's contribution to the project,  
3 which enhances local clam populations as replacements for  
4 subsistence resources injured by the spill.

5 Project 263, Port Graham Salmon Stream Enhancement  
6 Project. This project was deferred pending an analysis of  
7 whether the actual construction was able to be accomplished  
8 last year. It was completed, the stream improvements were  
9 completed this year, so funding in FY99 would include  
10 monitoring the success of those stream improvements, as well as  
11 planting vegetation around the rearing ponds on Windy Creek.  
12 \$42,100 for that project.

13 Project 99401, Assessment of Spot Shrimp Abundance.  
14 This is a new project that was developed by the Valdez Native  
15 Tribe in conjunction with NOAA, it was deferred pending  
16 submittal of a more complete project description and  
17 satisfactory peer review of that. We do have that in hand now  
18 and the Chief Scientist has recommended that it be funded.  
19 There have been numerous concerns over the declining number of  
20 shrimp in Prince William Sound and those concerns have been  
21 raised by both subsistence users and commercial fishermen.  
22 Since the oil spill, shrimp harvest seasons have diminished to  
23 the point of closure. This project would study the abundance  
24 of spot shrimp to determine whether the population could  
25 sustain seasonal opening for subsistence commercial harvest.

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1 And this one has been developed in close conjunction with the  
2 Department of Fish and Game.

3 CHAIRMAN RUE: If I can make just one brief  
4 comment. I think on this one it's very important that we  
5 coordinate and make sure our methodologies are the same so that  
6 any research that we do on spot shrimp, as a Department, is  
7 consistent so that we can compare our data. So we'll be  
8 working with folks to make sure that happens.

9 MR. SENNER: Mr. Chairman, I know there have  
10 been some initial consultations between the NOAA PI, Chuck  
11 O'Clair and the folks in Cordova and I think those will  
12 continue as needed.

13 CHAIRMAN RUE: Good. Great.

14 MS. McCAMMON: Project 444, Harbor Seal  
15 Population Studies, Community-Based Research. This was a  
16 proposal that was submitted by the Alaska Native Harbor Seal  
17 Commission to do some additional field work on harbor seal  
18 populations. The original proposal had some serious problems  
19 that came up through the review process. A revised proposal  
20 was not submitted until November, that proposal also had some  
21 -- it was a significantly improved proposal, however it still  
22 has some issues that have not been able -- we have not been  
23 able to resolve in the short period of time since the proposal  
24 was submitted. We believe that this project would be even  
25 better if we could wait until next year to begin it and spend

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1 the next few months making sure that the Harbor Seal  
2 Commission, the Chief Scientist, the National Marine Fishery  
3 Service and the Department of Fish and Game are all working  
4 together to coordinate and integrate their efforts.

5 We want to make sure that any additional harbor seal  
6 work is well integrated into the vast amount of work that we've  
7 already invested money in. So the recommendation is to not  
8 fund at this time.

9 If, in our discussions over the period of time, if  
10 there's some small, discreet work that needs to be done next  
11 summer that could be easily accomplished in order to get to a  
12 larger project, we may come back to you at some point with  
13 that.

14 MR. ANDERSON: Mr. Chairman, this is Bob  
15 Anderson. I just would like, Molly, for you to send a signal  
16 to the applicant that we support their efforts and really think  
17 that this needs to be coordinated and done in a way that makes  
18 the Federal and State agencies comfortable, but I look forward  
19 to seeing a revised and improved proposal sometime next year.

20 MS. McCAMMON: Mr. Anderson, we have conveyed  
21 that message. I'll pass it on, also, to Monica Reidel and the  
22 Harbor Seal Commission. And I do anticipate that we will be  
23 able to put together a successful project.

24 MR. ANDERSON: Thank you.

25 MS. McCAMMON: Project 360-BAA, this is under

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1 Ecosystem Synthesis, Guides for Future EVOS Activities. This  
2 is a proposal from the National Research Council to do a review  
3 of a future long-term and monitoring program. This was  
4 submitted under the assumption the Council would have made a  
5 decision on the Restoration Reserve by now. Since that  
6 decision has not been made yet, we're recommending do not fund  
7 this year. And I would anticipate that this proposal,  
8 hopefully, will be back next year.

9         The same with Project 99455, Investigation of the Data  
10 System for the EVOS Long-Term Monitoring Program. Again, this  
11 is dealing with the whole data system design issues. And we  
12 are recommending that it not be funded this year, but it will  
13 likely be back before you next year.

14         That brings us to Project 99470, amended. This is an  
15 amendment to the proposal on the 10 Year Symposium and related  
16 events and material. Over the last six to eight weeks, a group  
17 consisting of representatives from the Pratt Museum in Homer,  
18 the Valdez Museum, the Prince William Sound Science Center, the  
19 Prince William Sound Regional Citizens Advisory Council and the  
20 Restoration Office have been talking about what additional  
21 outreach efforts could be done over the next year in  
22 conjunction with the 10th anniversary of the spill.

23         A large proposal was submitted to us for an education  
24 curriculum, as well as a number of smaller items. We looked at  
25 it and picked out those items that we think are important to go

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1 forward right at this time, recommending \$18,800 worth of  
2 these. These include funds for an art and essay contest among  
3 school children in the spill area. I should also say we've  
4 been working with the Forest Service quite a lot on this, too.  
5 An art and essay contest among school children. The art  
6 contest would be put into a calendar, similar to the calendar  
7 that's done for the Yukon-Kuskokwim Delta by school children on  
8 endangered geese. And the essay would -- the winner of the  
9 essay contest would be invited to the 10th Symposium and  
10 deliver the essay in person on the first day event.

11 I think this is a good way of getting school kids who  
12 were probably four or five years old, six years old at the time  
13 of the spill to talk to their parents and their family members  
14 and people in the village to talk about what the spill meant to  
15 their community and describe that to the public.

16 We've also been in touch with the "We Alaskans" section  
17 of the Anchorage Daily News and they plan to print all of the  
18 submittals, or at least the winning submittals in an issue of  
19 "We Alaskans".

20 The other item is an informational newspaper, which  
21 would be a very -- a four-page newsletter on newsprint, it  
22 would be very easily and cheaply reproduced and handed out in  
23 large quantities to basically kind of answer the key questions  
24 about the oil spill, what was injured, what is recovery like  
25 now, is there still oil out there, what's different now 10

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1 years later? Could it happen again? Questions that we're  
2 going to be answering and talking about on the first day of the  
3 symposium.

4 And then, finally, copies -- additional funds to  
5 reproduce and distribute additional copies of the Council's  
6 video on the restoration efforts, which is currently being  
7 produced. So 18.8 thousand for that.

8 MR. ANDERSON: Mr. Chairman, this is Bob  
9 Anderson again. It sounds like a good endeavor to me to get  
10 the children involved in talking to their parents, especially.  
11 My understanding of this project and all the others is that the  
12 Justice Department looks at these and ensures that they fit  
13 within the consent degree. Some question have been raised by  
14 my counsel's office about ensuring that we do that.

15 CHAIRMAN RUE: Yeah, Mr. Anderson, I believe  
16 that will happen or has happened.

17 Have you heard anything, Molly?

18 MS. McCAMMON: I have not heard anything from  
19 Department of Justice on this.

20 CHAIRMAN RUE: Okay. Well, I assume silence is  
21 acquiescence; how about that?

22 MR. TILLERY: The Department of Law has  
23 reviewed it and has concluded that it fits within the legal  
24 parameters of the settlement.

25 MR. ANDERSON: Great, thank you, Mr. Tillery.

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1 CHAIRMAN RUE: Thank you.

2 MS. McCAMMON: I should point out that the  
3 Department of Law and the Department of Justice don't always  
4 agree on what.....

5 CHAIRMAN RUE: In this case we'll take  
6 Mr. Tillery's advice.

7 MS. McCAMMON: Mr. Chairman, those are the  
8 individual projects within what we refer to as the Annual Work  
9 Plan. A separate project, outside of the Work Plan, is Project  
10 99405, which is the Port Graham Salmon Hatchery Reconstruction.  
11 The recommendation for that project is \$781,300 and we are  
12 recommending that it be funded.

13 As you probably know, the hatchery was destroyed in a  
14 fire on January 13th of 1998. The Council was funding several  
15 projects and the State's criminal fund was also funding an  
16 additional project there that dealt with the rehabilitation and  
17 enhancement of local pink salmon, sockeye salmon and coho  
18 salmon stocks for the benefit of both local subsistence and  
19 commercial fisheries. The community is very committed to  
20 having that hatchery rebuilt, as well as the associated cannery  
21 with it and they have requested Council funding for a partial  
22 amount of that reconstruction. The total cost of the hatchery  
23 is approximately 2.2 million. In addition, the cannery, I  
24 believe, is another approximately two million, so it's about a  
25 \$4 million project.

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1           The proposers have been working very diligently and, I  
2 think, pretty successfully to obtain other funds. At this  
3 point they have a significant amount of the additional funding,  
4 there's just one piece of their funding package that still has  
5 some question to it. And so our recommendation is that it be  
6 funded, but contingent -- the construction phase, contingent  
7 on, first of all, successful NEPA compliance and then,  
8 secondly, all of the funding actually being in place. The NEPA  
9 compliance would be done by the Forest Service, they've already  
10 reviewed it and their potential costs are included in this  
11 proposal.

12           And we do have folks from Fish and Game and Stan is  
13 here. It has been reviewed very closely by the Chief  
14 Scientist, by our peer reviewers. It has been reviewed by the  
15 Department of Justice and it's my understanding that all of the  
16 questions and concerns that were originally identified have  
17 been resolved.

18           CHAIRMAN RUE: Okay. Any questions on this  
19 project?

20           MR. WOLFE: Mr. Chair, this is Jim Wolfe.

21           CHAIRMAN RUE: Go ahead, Jim.

22           MR. WOLFE: I guess, Molly, my remaining  
23 question on it is, how did we arrive at what was an appropriate  
24 share for the oil spill, Exxon?

25           MS. McCAMMON: It was not done through any kind

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1 of calculated cost method, it was -- I think they basically  
2 identified other funding sources and we had indicated, early  
3 on, that the Council would not likely fund the entire thing and  
4 so they did look for other funding sources and it was pretty  
5 much the amount of money that was remaining to fully fund it.

6 MR. WOLFE: Mr. Chair, again.

7 CHAIRMAN RUE: Yeah, go ahead, Jim.

8 MR. WOLFE: Follow-up question. I'm supportive  
9 of it, but I am concerned that we are paying a significant  
10 portion of the cost of putting a new hatchery in there, which I  
11 don't know if we need this for a long-term recover under Exxon  
12 or if this is a short-term, and I assume it should be a  
13 relatively short-term. And so I still have a question on  
14 whether or not roughly a third of the expenses should be picked  
15 up by this funding?

16 CHAIRMAN RUE: Jim, this is Frank Rue. I guess  
17 my feeling on this one is that it will basically become  
18 self-sustaining, once it's up and running the hatchery will pay  
19 for itself through cost recovery, all the monitoring that we're  
20 requesting and requiring that they do to make sure that the  
21 wild stock/hatchery stock interactions are watched, will be  
22 paid for by the hatchery, so this really is just a start up  
23 capital cost, as I understand it. And then once it's up and  
24 running we will be done with it. Is that right?

25 MS. McCAMMON: That's correct.

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1 MR. TILLERY: Mr. Chairman.

2 CHAIRMAN RUE: Yes, Mr. Tillery.

3 MR. TILLERY: It should be noted that a  
4 significant portion of this has been provided by the State  
5 through criminal restitution monies over the next year, we  
6 don't know the amount because it's money that's going to be  
7 paid off of interest earned. One thing that we're being very  
8 careful with with the criminal monies, and it fits within the  
9 description here for the monies, we're being asked to  
10 contribute from civil funds, is that there is also, as I  
11 understand it, a cannery component that's with this and that  
12 none of the Exxon Valdez funds, whether they be civil or  
13 criminal, are to go into that cannery project. Sort of much  
14 like the SeaLife Center where you had to make sure your funding  
15 went for -- didn't go for the visitor component, but went for  
16 the research component. On this one, someone is going to have  
17 to monitor pretty close to be sure nothing goes into the  
18 cannery, that it's all in the hatchery side.

19 CHAIRMAN RUE: Right.

20 MR. WOLFE: Mr. Tillery, I appreciate that. I  
21 guess, you know, to kind of wrap up my comments is I do not  
22 object to the project, I support the project. My concern is  
23 that we have some reason or basis for how we came up with our  
24 share that we can talk to folks about it if there's a question  
25 on it, that's the only thing. So given that I think I'm

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1 hearing that we do have a basis to say why we came up with that  
2 number and so I'm okay.

3 MS. McCAMMON: Mr. Chairman, in addition, under  
4 the benefit cost section in the detail part of the description,  
5 the hatchery is expected to be involved in sockeye and coho  
6 rehabilitation work throughout its 20-year life. Hatchery  
7 supplementation is expected to be needed for at least five  
8 cycles to ensure adequate escapement while providing enough  
9 fish to satisfy subsistence harvest in both the Port Graham and  
10 Nanwalek River systems. And since the predominant life cycle  
11 for the English Bay River sockeye is five years and Port Graham  
12 River coho cycle is four years that gets you to almost 20 years  
13 there. So I think we were also looking at the investment over,  
14 basically, a 20-year life span of the hatchery.

15 CHAIRMAN RUE: And, if I could, those two  
16 species which.....

17 MS. McCAMMON: Correct.

18 CHAIRMAN RUE: .....you know, aren't the  
19 primary commercial focus at this point. It'll help a lot with  
20 subsistence and augment commercial.

21 Any other Council.....

22 MR. WRIGHT: Mr. Chair, this is Bruce Wright.

23 CHAIRMAN RUE: Yeah, Bruce, go ahead.

24 MR. WRIGHT: I'm not opposed to the project,  
25 but I am concerned that we are making a commitment to this

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1 project and so I would like some assurances that we won't be  
2 asked for additional funds to keep this operation going. You  
3 indicated that it'll be self-sustaining, though you didn't  
4 indicate when that'll take place. Maybe in our resolution we  
5 should say something about we're not responsible for  
6 operational costs.

7 And the second concern I have is that if this place  
8 burns down I want to make sure it's totally insured this time,  
9 so they don't come back for help again. So I would like also  
10 in the resolution that it is insured and that we don't have to  
11 worry about this thing in the future.

12 CHAIRMAN RUE: Okay, Bruce, are you proposing  
13 that when we get to the motion you're going to want to add an  
14 amendment to that effect or would you like it in a transmittal  
15 letter?

16 MR. WRIGHT: Either way. That could be one of  
17 the contingencies, that it's insured.

18 MS. McCAMMON: Mr. Chairman, their intent is to  
19 fully insure it, and part of the problem in the past was it was  
20 woefully underinsured, however, it was such an old building  
21 that I think there was such -- they couldn't get much insurance  
22 value for it.

23 MR. WRIGHT: I see.

24 MS. McCAMMON: But since this would be a brand  
25 new building it would be fully insured at the replacement

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1 value.

2 MS. SCHUBERT: Also.....

3 CHAIRMAN RUE: We're looking at some notes  
4 here, if you can bear with us for a second.

5 MR. WRIGHT: Certainly. I'm not sure how to  
6 handle the operational cost concerns that I have, but -- and, I  
7 guess, along those lines, in the past we have funded projects  
8 for this facility and, Molly, did -- we had a certain level of  
9 funding when the building burnt down, are those funds available  
10 for this project now?

11 MS. McCAMMON: Yes, we still have funds and  
12 what happened was they -- one of the buildings did not burn  
13 down and so they relocated some of the raceways and the holding  
14 tanks into that one and there were some additional funds that  
15 were reprogrammed to buy some new equipment so that they could  
16 basically take place in a temporary operation. I don't have  
17 the long-term funding forecast for those two projects, but I  
18 can get that, what we're expected to commit to the long-term  
19 portions of those projects. We'll get that information in a  
20 few minutes.

21 CHAIRMAN RUE: I think the other thing we ought  
22 to look at, Molly, is where we would put the two things, one,  
23 full insurance and, two, the expectation that this is a one-  
24 time capital project, you're expected to cover the costs with  
25 cost recovery. I think that's in there, but.....

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1 MR. TILLERY: I think, Mr. Chairman, that that  
2 can be just provided for in the motion.

3 CHAIRMAN RUE: Okay.

4 MR. TILLERY: It's fairly simple.

5 CHAIRMAN RUE: Do we want to wait until we get  
6 some more information on this one or do we want to move ahead  
7 here?

8 MS. McCAMMON: I would appreciate it, because I  
9 think we do have, to the ongoing projects that we have going on  
10 there, there is at least an expectation that they go on for a  
11 certain life period. And I think that those operational costs  
12 are being built into the projected operational costs of the  
13 hatchery, but Sandra has those right here.

14 As far as the insurance, it's a little bit difficult to  
15 say, contingent on obtaining full fire insurance, since they  
16 wouldn't obtain fire insurance until after the building was  
17 constructed.

18 MR. WRIGHT: Uh-huh.

19 MS. McCAMMON: So it's a little hard to say you  
20 can't build it until -- there's a little bit of.....

21 CHAIRMAN RUE: Chicken and egg problem.

22 MS. McCAMMON: .....chicken and egg thing.

23 MR. WRIGHT: Yeah, right.

24 MS. McCAMMON: But it is expected to be fully  
25 funded. The one -- what we have for the pink salmon project

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1 here is \$75,000 a year expected to go through FY2001, so that  
2 would be two additional years after this year.

3 MR. WRIGHT: But that's the funded project,  
4 that's not so much to fund basic operational needs.

5 MS. McCAMMON: Well, they use this as part of  
6 their operational costs, so it is currently operational.

7 CHAIRMAN RUE: That's for the overall cost or  
8 is this the future cost?

9 MS. McCAMMON: Yeah.

10 MR. WRIGHT: Uh-huh.

11 CHAIRMAN RUE: We're showing zero, zero, zero.

12 MS. McCAMMON: This isn't a capital cost, this  
13 is an operational program cost. The capital cost would be a  
14 one-time.....

15 CHAIRMAN RUE: Okay.

16 MR. WRIGHT: Okay.

17 CHAIRMAN RUE: So is there an expectation that  
18 they will be coming to us every year then; is that what you're  
19 saying?

20 MS. McCAMMON: I would say for two more years  
21 after this year, the expectation.....

22 CHAIRMAN RUE: Until they build the run up and  
23 can do the cost recovery?

24 MS. McCAMMON: Right.

25 MR. SENNER: Mr. Chairman, it's for development

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1 of the brood stock necessary to actually get it.....

2 CHAIRMAN RUE: Right, to have enough fish to  
3 pay for it.

4 MR. SENNER: Yeah.

5 MR. WRIGHT: I think that's satisfactory.

6 CHAIRMAN RUE: Okay. We're just looking at one  
7 last thing here.

8 MS. McCAMMON: The criminal project has  
9 actually received their grant in a larger sum and then they're  
10 spending it over a period of time, so instead of getting an  
11 annual appropriation they got a larger lump sum that they're  
12 using also for operational costs. But from the joint trust  
13 funds for the -- it's only the pink salmon project, which is  
14 expected to be 75,000 a year through FY2001.

15 MR. TILLERY: There were actually two  
16 components of criminal monies that went into there, there was  
17 subsistence monies that went in, which I believe helped  
18 transition to the -- when they had the fire and they moved into  
19 the other one, one of the subsistence projects, I believe, paid  
20 for that. The new appropriation is dealing with replacement of  
21 the building.

22 Mr. Chairman, would this be funded through a grant?

23 MS. McCAMMON: Yes, it would be and it would be  
24 our anticipation to put it as a designated grant to the Port  
25 Graham Village Council through the capital budget. And we have

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1 discussed this with Representative Phillips and she is very  
2 supportive of it and is willing to do this.

3 MR. TILLERY: Okay. It would seem to me that  
4 we could just ask that a grant condition be insurance, which  
5 I'm pretty sure would be a grant condition, even in the absence  
6 of us asking for it.

7 CHAIRMAN RUE: Okay. Mr. Tillery, do you think  
8 that needs to be in the motion, can we just.....

9 MR. TILLERY: I think it can just be added into  
10 the motion very simply.

11 CHAIRMAN RUE: Okay. Any other comments on  
12 this project from Trustee Council members?

13 MR. WOLFE: Mr. Chairman.

14 CHAIRMAN RUE: Yes, Mr. Wolfe, go ahead.

15 MR. WOLFE: I was feeling pretty good and then  
16 I heard the statement that we only need the hatchery for two  
17 more years.

18 MS. McCAMMON: No, I didn't say that, I just  
19 said that this is developing, two years are needed in funding  
20 from the Trustee Council to develop the brood stock that then  
21 will be coming back over time. And so the actual life of the  
22 hatchery is 20 years.

23 MR. WOLFE: I understand the life of the  
24 project, but as far as us needing a hatchery down there to  
25 produce stock, though, for that area or to replace stock in

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1 that area, we're talking only a couple more projects then.

2 CHAIRMAN RUE: Mr. Wolfe, I think what we're  
3 talking about is a couple of years to subsidize the operations  
4 until the pink salmon start returning in adequate numbers that  
5 they can fund.....

6 MS. McCAMMON: Do cost recovery.

7 CHAIRMAN RUE: .....their operations through  
8 cost recovery.

9 MS. McCAMMON: Correct.

10 CHAIRMAN RUE: But the expectation is that the  
11 fish will be available for subsistence and commercial use over  
12 the long-term and it'll be sockeye, coho and pink salmon.

13 MR. WOLFE: That's fine.

14 MR. WRIGHT: Mr. Chair, I have one last  
15 question. I just want to make sure that everybody, especially  
16 the Chief Scientist, is satisfied that there's guarantees that  
17 the wild stocks will be adequately protected.

18 CHAIRMAN RUE: Mr. Wright, Stan Senner is here,  
19 he may want to address that.

20 MR. SENNER: Bob Spies, do you want to respond  
21 to that?

22 DR. SPIES: Yes. That was the concern in the  
23 whole process from the beginning is whether the wild stocks  
24 would be adequately protected. And there is going to be an  
25 otolith marking program in place. And there's two other things

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1 that I think are necessary to protect the wild stocks. One is  
2 a in-season sampling program that looks at the mixture of  
3 proportions of wild and hatchery stock in the fishery. And the  
4 second one is renumeration of wild escapements in the river  
5 system there. And although those programs are not in place  
6 because the stocks -- the hatchery production is not to that  
7 size yet, we've been assured by the Commissioner of Fish and  
8 Game that they'll work with the Port Graham Hatchery through  
9 they're annual management programs to put those programs in  
10 place as necessary and as the hatchery transitions from the  
11 brood stock development into the production basis of the  
12 hatchery.

13 CHAIRMAN RUE: Yeah, thank you, Mr. Spies.  
14 This is Frank Rue again, that's part of their -- the hatchery  
15 permit requires them to do all those things. And we also have  
16 a special harvest area that is designed to avoid -- to focus on  
17 harvesting the hatchery stock versus the wild stock. The brood  
18 stock comes right from the Port Graham River, so it's  
19 genetically the same fish, so we've done everything we think  
20 necessary to avoid those kinds of problems.

21 MR. WRIGHT: Okay. Thank you, Mr. Chair.  
22 Thank you, Mr. Spies.

23 CHAIRMAN RUE: Okay. Any other comments or  
24 questions on projects?

25 (No audible responses)

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1 CHAIRMAN RUE: Are we ready for a motion?

2 MS. McCAMMON: Mr. Chairman, there was just one  
3 more and that's the -- and I don't know if you want to deal  
4 with that separately, the Alaska SeaLife Center bench fees.

5 CHAIRMAN RUE: Oh, is that part of the --  
6 should we go to that now and then do.....

7 MR. TILLERY: I think we can deal with that  
8 separately, Mr. Chairman, would be my.....

9 CHAIRMAN RUE: Yeah, my preference would be to  
10 do the deferred projects first and then move to the bench fees,  
11 if that's okay with other Trustee members.

12 MR. WRIGHT: I agree.

13 CHAIRMAN RUE: Okay.

14 MR. TILLERY: Mr. Chairman.

15 CHAIRMAN RUE: Mr. Tillery.

16 MR. TILLERY: Mr. Chairman, I would like to  
17 move that the Trustee Council adopt the recommendations  
18 contained in the 12/8/98 Deferred Projects for FY99 Work Plan  
19 document, as amended by the undated sheet described as "Changes  
20 from 12/8/98 Spreadsheets," with the following conditions.

21 First, that if a principal investigator has an overdue  
22 report from the previous year, no funds may be expended on the  
23 project involving the principal investigator unless a report is  
24 submitted or a schedule for submission is approved by the  
25 Executive Director.

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1           Secondly, that a project's lead agency must demonstrate  
2 to the Executive Director that requirements of NEPA are met  
3 before any project funds may be expended, with the exception of  
4 funds spent to prepare the NEPA documentation.

5           And third, that with respect to Project 99405, the Port  
6 Graham Hatchery, that the Executive Director specifically  
7 consult with the proponents of this project to be sure that  
8 they're aware that the Trustee Council does not intend to be  
9 involved in long-term operational funding of this project,  
10 although certainly will be looking at the next two years of  
11 developing the brood stock. And that there be a condition in  
12 the grant that this building or hatchery be insured to the  
13 extent reasonably possible.

14           And, finally, that the funds approved for this project  
15 are for capital project and do not lapse on September 30th,  
16 1999.

17                         CHAIRMAN RUE: Okay, thank you, Mr. Tillery. I  
18 think that was in the form of a motion, do I hear a second?

19                         MR. WRIGHT: I second that. Thank you,  
20 Mr. Tillery.

21                         CHAIRMAN RUE: Okay. Any comments or  
22 discussion on the motion?

23                         (No audible responses)

24                         CHAIRMAN RUE: Okay, would you like to call the  
25 roll, Molly?

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1 MS. McCAMMON: Mr. Tillery.  
2 MR. TILLERY: Aye.  
3 MS. McCAMMON: Bob Anderson.  
4 MR. ANDERSON: Aye.  
5 MS. McCAMMON: Mr. Wright.  
6 MR. WRIGHT: Aye.  
7 MS. McCAMMON: Mr. Easton.  
8 MR. EASTON: Yes.  
9 MS. McCAMMON: Jim Wolfe.  
10 MR. WOLFE: Aye.  
11 MS. McCAMMON: Mr. Chairman.  
12 CHAIRMAN RUE: Yes. I guess we don't normally  
13 do a roll call, do we? That's all right, it's fun to do it  
14 once in a while.  
15 Okay, the next item on the agenda is the Alaska SeaLife  
16 Center bench fees. We have some folks from the SeaLife Center  
17 here to prepare [sic]. Since the agenda is very full and we  
18 have about 40 more minutes, do we want to just move right into  
19 that without a break?  
20 MS. McCAMMON: Yeah.  
21 CHAIRMAN RUE: Okay.  
22 MS. McCAMMON: Mr. Chairman, I think you were  
23 all sent a packet of information that included a two-page memo  
24 from myself, a one-page spreadsheet and some backup documents.  
25 As you know, at the last meeting the SeaLife Center requested

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1 that the Trustee Council reconsider its bench fees paid for the  
2 work that is currently being funded at the SeaLife Center.  
3 Having completed a partial year of operations, including the  
4 first cycle of seasonal visitation and research, they now have  
5 a much better idea of the actual operating costs of the  
6 research portion of the Center.

7 As a result of that request I had staff go back and  
8 look at the existing cooperative agreement between the Alaska  
9 Department of Fish and Game and the SeaLife Center, the lease  
10 documents and the Center's cost assumptions and what we  
11 discovered you'll see is on the spreadsheet that's attached to  
12 the memo. We went through project by project with the amount  
13 of space that is allocated for these various projects and the  
14 approved negotiated cost. And as we worked through this  
15 spreadsheet, we came up our negotiated bench fees of  
16 \$156,633.60 total.

17 When we then analyzed the costs for these various  
18 research areas what we realized is that basically the Council  
19 got a great deal last summer and probably an even better deal  
20 last year and are only paying 30 percent of the actual costs of  
21 these research areas. The full costs of these areas is  
22 reflected in a column just to the right of those numbers, and  
23 that full cost totals \$551,926.09.

24 As you look through the various numbers and all, what  
25 you realized is that it costs a lot to have animals in

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1 captivity in a lab and have the proper animal care for them.  
2 It's very expensive to do this kind of work. And the Council  
3 was basically paying 30 percent of those costs.

4 Attachment 1 in your packet is one of the pages of the  
5 cooperative agreement between Fish and Game and the SeaLife  
6 Center. And Section Z talks about the space for EVOS research.  
7 As you kind of go down through it, basically the city should  
8 give priority to research related to the EVOS restoration  
9 mission. And you go down, the rent for space to conduct  
10 research funding with joint EVOS settlement funds, including  
11 the 4,000 square feet allotted to Fish and Game, should not  
12 exceed the cost per square foot computed on an annual basis for  
13 the research component of reasonable personnel costs and  
14 administrative expenses, operations, curatorial and repair and  
15 replacement costs, including reasonable reserves for repair and  
16 replacement, but not including costs for depreciation, debt  
17 service or amortization.

18 To the extent that revenues collected from the adjacent  
19 public education and visitation components of the SeaLife  
20 Center exceed costs, the excess revenue shall be used to the  
21 extent reasonably practicable to subsidize the rent for space  
22 to conduct EVOS-related research.

23 What we have determined and what we have heard from the  
24 SeaLife Center is that, at this point, they do not have excess  
25 revenues and will not likely have those for at least another

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1 year to two years until they get things running on a more  
2 smooth basis and adjust to the seasonality of the operations of  
3 the Center.

4 On that basis, my recommendation for this year, and  
5 this year alone, at this time, is to pay the full  
6 non-subsidized costs of EVOS research at the Center. This  
7 would be an additional cost of \$385,300 with.....

8 CHAIRMAN RUE: Eighty-two thousand.

9 MS. McCAMMON: Well, rounding, it's all  
10 rounded. With an additional \$27,100 in general administration  
11 costs in Fish and Game for a total of \$412,400.

12 MR. WRIGHT: How did we get the 27,100?

13 MS. McCAMMON: It's based on the two percent?

14 (Inaudible reply)

15 MS. McCAMMON: Seven percent.

16 MR. WRIGHT: On our spreadsheet we had 26,900.  
17 That's only 200 bucks, but I was just staying consistent.

18 MS. McCAMMON: It's once you start rounding  
19 everything, that's what you get.

20 MR. WRIGHT: Okay.

21 CHAIRMAN RUE: So is that clear to everyone  
22 on.....

23 MS. McCAMMON: And we do have Kim Sundberg and  
24 Leif Selkregg are here if there are any additional questions.

25 CHAIRMAN RUE: Do Council members have

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1 questions?

2 MR. WOLFE: I do have one question. There's a  
3 recommendation that the total bench fee cost be withheld within  
4 the last month of '99, why are we doing that?

5 MS. McCAMMON: This is as a request from Fish  
6 and Game, and they can actually do this -- they can do the up  
7 front payment and the withholding of 10 percent  
8 administratively, without Council action, but they did talk to  
9 me about that. Just, over time, when they actually submit  
10 bills for costs, sometimes there's a difference of opinion in  
11 terms of what is being billed for and whether the service was  
12 actually provided. And this provides Fish and Game with a  
13 little bit of leverage at the end of the season in case there  
14 are some disputes over costs.

15 MR. WOLFE: Okay. Thank you.

16 MR. WRIGHT: Mr. Chair, this is Bruce Wright.

17 CHAIRMAN RUE: Yeah, Bruce, go ahead.

18 MR. WRIGHT: At our last Trustee Council  
19 meeting the debt service was a big issue in our discussion and  
20 once the SeaLife Center can resolve the debt issue and they're  
21 out of debt then, of course, everybody will be lots happier,  
22 hopefully they'll have some excess funds, surplus funds that  
23 they can use to support EVOS and other research at the  
24 facility. And could somebody describe the plan for reducing or  
25 eliminating this debt?

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1 MS. McCAMMON: Leif.

2 MR. SELKREGG: Sure.

3 MS. McCAMMON: Leif Selkregg is here to answer  
4 that.

5 MR. SELKREGG: Mr. Chairman, my name is Leif  
6 Selkregg, I'm an advisor to the Alaska SeaLife Center Board of  
7 Governors and Board of Directors. One of the attachments  
8 that's been provided in your package is a SeaLife Center Short-  
9 Term Plan of Finance Action Plan. And let me tell you, first,  
10 that the initial priority of the Board of Governors, the Board  
11 of Directors and staff has been to address the cash flow  
12 demands between November of '98 and peak season of summer of  
13 '99. And the first six items on this schedule demonstrate the  
14 attention of the Board on what we'll call short-term cash flow  
15 demands, including establishing a personal loan in the amount  
16 of 400,000 from a Board member accelerating pledges in the  
17 amount of \$500,000. The sort of normal business management of  
18 our retail component of our business, which we'll forward --  
19 find about 400,000. The adjusted EVOS fees proposal that is  
20 before you today and an accelerated additional cash fund  
21 raising plan in the private sector to realize an additional  
22 \$600,000.

23 Those short-term case flow initiatives have been taken  
24 on by the Board and we are successfully accomplishing each of  
25 those and hopefully today EVOS will be a partner in seeing that

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1 through.

2           The second to the bottom line is the long-term capital  
3 funding political action strategy to retire the debt over the  
4 years '99, 2000 and 2001. We have \$17 and half million of debt  
5 which was structured through the City of Seward, which allowed  
6 us to fully fund the construction component of the SeaLife  
7 Center. That debt we are approaching from two perspectives.  
8 First is an initiative that will simply retire the balance of  
9 that debt to the greatest extent possible. We're targeting the  
10 full 17 and a half million. We think anything below that will  
11 be a -- contribute to the success. And that's being done with  
12 initiatives with the delegation, as well as private fund  
13 raising initiatives.

14           We have a program to basically try to retire about \$5  
15 million of that debt per year over the next three years. And  
16 if we're successful in doing that, we'll continue to have  
17 tremendous philanthropic success on this program and  
18 public/private partnerships. The other part of that strategy  
19 is in the restructuring of the debt and the refinancing of  
20 that. These are not tax exempt -- excuse me, these are tax  
21 exempt revenue bonds that were initially sold, really, as junk  
22 bonds with fairly high interest rates. We are working with  
23 financing institutions to restructure that debt and actually  
24 bring the debt service payment down. We hope to do that next  
25 year. We are finalizing some litigation with our construction

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1 contractor, which we should be able to accomplish in the next  
2 few months. And, that resolved, we'll be able to refinance the  
3 debt and bring our debt service payment down until we can  
4 actually retire the debt.

5 The last line is the ongoing analysis of the bond  
6 holder requirements and the balance of funds in  
7 renewal/replacement accounts. We are maintaining very good  
8 relationship with our bond holders, we would like to refinance.  
9 Just to mention, last night in the -- the SeaLife Center went  
10 before the City Council for the City of Seward and asked relief  
11 on a short-term payment -- on payment in lieu of taxes. And  
12 the City Council approved holding off that payment until peak  
13 season of next year, so we really have a partnership with the  
14 City of Seward, the private philanthropy and, hopefully, today  
15 with EVOS. And the Board of Governors' and the Board of  
16 Directors' number one agenda going forward is retirement of  
17 debt and I hope that I'm coming to you next year with a report  
18 that demonstrates that we've been able to successfully  
19 accomplish, at least, a major portion of that.

20 CHAIRMAN RUE: Any questions of Mr. Selkregg?  
21 I guess at this point, we don't have a motion before us, but  
22 I'd invite Kim Sundberg to the table also, in case folks do  
23 have questions of Mr. Sundberg, who is the Executive Director  
24 of the SeaLife Center.

25 Are there other questions from Council members and/or I

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1 guess I would invite comments from Mr. Sundberg and  
2 Mr. Selkregg on the Executive Director's proposal here. So,  
3 first, are there Council members? Any questions? And is it  
4 okay if I ask them to respond to Molly's analysis here and  
5 proposal?

6 MR. TILLERY: Mr. Chairman.

7 CHAIRMAN RUE: Yeah.

8 MR. TILLERY: Yeah, for whoever it is. What do  
9 you anticipate -- do you anticipate a subsidy for our research  
10 for next fiscal year or do you anticipate that it will be full  
11 cost?

12 MR. SUNDBERG: Well, until some of these  
13 components that are on that flow chart come together, I  
14 couldn't predict right now whether we'd be able to subsidize  
15 research for the next fiscal year. We're working actively to  
16 get these funding components into place and our long-term goal  
17 has been to subsidize the research, which we did in 1998. For  
18 '99, we won't be able to do that. I can't predict right now  
19 for 2000 whether we will or not.

20 What we're trying to do, aggressively, is to market our  
21 research space so we get higher occupancy of it and market our  
22 visitor facility. We had 190,000 visitors this year, we're  
23 looking at probably closer to 220,000 next year if market  
24 projections from the tour industry follow though. And the goal  
25 of the SeaLife Center is to subsidize research, and we did that

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1 this year and we hope to be able to do that again in the  
2 future, but right now we need to basically break even and cover  
3 our costs and that's what we're asking for.

4 CHAIRMAN RUE: Okay. Any other questions from  
5 Council members?

6 (No audible responses)

7 CHAIRMAN RUE: Okay. I guess I would invite  
8 Kim or Leif to give us any thoughts they have on the Executive  
9 Director's proposal.

10 MR. SELKREGG: Over the last couple of weeks  
11 I've had the opportunity to work with the Executive Director  
12 and staff in looking at a variety of views of the cost of  
13 research at the SeaLife Center and we've actually gotten  
14 incredibly detailed about understanding the total square  
15 footage of the SeaLife Center's research component, which is  
16 about 42,000 square feet. Of that we've really only been  
17 renting out around 17 and a half thousand square feet as net  
18 rentable. It's a tremendous facility and it is expensive to  
19 hold animals and do research in labs with animals.

20 We've benchmarked other facilities around the country  
21 to understand sort of an efficiency ratio of that gross to net,  
22 we're right in the same sort of order of magnitude of other  
23 comparable research facilities in terms of our costs. I feel  
24 that the approach that's been taken here by the Director and  
25 staff indicate our communication with them last summer when we

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1 did anticipate what the full cost would be. We negotiated a  
2 subsidized rate on a view that we would like to continue the  
3 subsidy capacity. At the end of the year we've analyzed that  
4 and because of the record keeping of the staff here and the  
5 history of the negotiation we were able to go back and look at  
6 the basis of those costs. And it will certainly meet our  
7 requirements if EVOS is able to follow through today and allow  
8 us to adjust our '99 bench fees.

9 CHAIRMAN RUE: Okay, great. Thank you very  
10 much. Any questions from Council members? Yeah, Mr. Tillery.

11 MR. TILLERY: Mr. Chairman, I sort of concur  
12 that my understanding when we entered into this venture was  
13 that there was going to be a subsidy, but that subsidy was  
14 based on projections, and that the subsidy was going to occur  
15 as money was allowed. They made some projections that  
16 apparently have turned out to be somewhat optimistic and now  
17 having seen sort of the cold realities, as I understand it,  
18 they're now asking that we revisit those subsidies and, you  
19 know, and bring them back more in line with reality, which, in  
20 my view, is something that we should do. It would seem to me  
21 that we shouldn't penalize them for having gone out and done,  
22 essentially, their best to try to subsidize research. There's  
23 no evidence here that money, you know, was deferred into, for  
24 example, the visitation site or anything else. So, in my view,  
25 it was a good try, it didn't work this year, hopefully it will

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1 work in the future and it seems to me that we should follow  
2 though and basically -- I think there are several different  
3 ways to do it and the Executive Director's recommendation of  
4 how to do it is probably the -- logistically is the simplest  
5 way to do this and, in my view, we should follow that  
6 recommendation.

7 CHAIRMAN RUE: Okay. Perhaps any other Trustee  
8 Council members want to speak? Maybe it's time for a motion  
9 here so we get it on the table and then we can discuss it  
10 further. Do I hear a motion?

11 MR. TILLERY: Mr. Chairman.

12 CHAIRMAN RUE: It looks like Mr. Tillery is our  
13 motion maker today. Mr. Tillery.

14 MR. TILLERY: I would move that the FY99 budget  
15 be, I guess, amended to pay for the full non-subsidized cost of  
16 EVOS research at the Alaska SeaLife Center in the amount of  
17 \$385,300.

18 MS. McCAMMON: And additional.....

19 MR. TILLERY: And additional \$27,100, although  
20 I'm not totally sure about that, to the Department of Fish and  
21 Game and general administration fees, for a total of \$412,400.

22 MR. WRIGHT: I second that.

23 CHAIRMAN RUE: Okay. Any further discussion on  
24 this?

25 (No audible responses)

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1                   CHAIRMAN RUE: I guess I would concur with what  
2 Mr. Tillery said earlier, I think this lives within our  
3 original agreement with the SeaLife Center, we don't have to  
4 revisit net versus gross space, we just go ahead and deal with  
5 the agreement as written previously and recognize that the  
6 subsidy wasn't possible this year given that the revenue wasn't  
7 as high as anticipated. So I feel comfortable supporting this  
8 motion.

9                   Any other questions?  
10                   (No audible responses)

11                   CHAIRMAN RUE: Then I'll -- all those in favor  
12 signify by saying aye.

13                   MR. WOLFE: Mr. Chairman.

14                   CHAIRMAN RUE: Oop. You're awfully quick, Jim.

15                   MR. WOLFE: I know, I'm slow sometime, but  
16 there was another portion of what was drafted out as a motion  
17 for us that didn't get on the table and it has to do with this  
18 amendment of the negotiated bench fees for '99. It does not  
19 reflect any commitment on the part of the Council for bench  
20 fees for FY2000 which will be up for renegotiation at that  
21 time. I think that's still a good point and part of it is, I  
22 think, that the Executive Director needs to work with the  
23 Center in advance of us putting together our 2000 budget to see  
24 if they can get their projections for the 2000 budget and give  
25 us a better handle on what we can anticipate for 2000.

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1                   CHAIRMAN RUE: Mr. Wolfe, do you feel  
2 comfortable leaving that as a general statement and not part of  
3 the motion or do you want to propose amending the motion?

4                   MR. WOLFE: Yeah, that's probably good enough  
5 just as a statement.

6                   CHAIRMAN RUE: Yeah, it's always my assumption  
7 that we renegotiate this anyway, so I felt comfortable.

8                   MR. TILLERY: Yeah, Mr. Chairman, that was my  
9 thought, in not putting this into the motion, was it certainly  
10 wasn't part of the motion, but I certainly concur with  
11 Mr. Wolfe.

12                   CHAIRMAN RUE: Yeah, so do I.

13                   MR. WRIGHT: So do I.

14                   CHAIRMAN RUE: Okay. So I was just about to  
15 call for a vote. Any other comments before I call for a vote?

16                   (No audible responses)

17                   CHAIRMAN RUE: Okay, hearing none, all those in  
18 favor signify by saying aye.

19                   IN UNISON: Aye.

20                   CHAIRMAN RUE: Those opposed?

21                   (No opposing responses)

22                   CHAIRMAN RUE: Okay. The motion passes. Thank  
23 you, all, very much.

24                   Okay, let's go back to the agenda. We're going to move  
25 into small parcels and Kodiak tax exempt parcels. We have

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1 about 35 minutes. If you'd like to take us through that,  
2 Molly?

3 MS. McCAMMON: Mr. Chairman, the -- as you  
4 know, the Council in the past has agreed to provide funding for  
5 the acquisition of lands held by the Kodiak Island Borough at  
6 key waterfront locations along Uyak Bay within Kodiak National  
7 Wildlife Refuge. These were acquired by the Borough as a  
8 result of forfeitures for tax delinquency, so they're referred  
9 to as the Kodiak tax parcels. But the Council, even though  
10 they agreed conceptually to funding a number of these, asked  
11 that these parcels come back when they had gone through an  
12 appraisal and were ready to proceed for acquisition.

13 Before you today you have three acquisitions, as well  
14 as a fourth one which was submitted to me this morning. The  
15 three that you have are KAP 1089, 1090 and 1091 and these are  
16 the Christensen, Naumoff and Easter parcels. They total 26,021  
17 acres. Their combined cost is \$47,000.

18 As we dealt with small parcels all along in Kodiak  
19 Refuge, these have the opportunity to be sold to the private  
20 sector and to be used for, basically, private hunting reserves,  
21 camping areas, things like that. By the Council providing  
22 funding and allowing these to go into the public domain it  
23 ensures that these parcels are in existence for use for  
24 subsistence users, for all members of the public. And there is  
25 a map that's attached showing the location of these three

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1 parcels. I don't have a map.....

2 CHAIRMAN RUE: Of the new one?

3 MS. McCAMMON: Of the new one. I guess, do we  
4 even want to deal with the fourth one now or do you want  
5 to.....

6 CHAIRMAN RUE: What's the feeling of other  
7 Council members, should we even deal with the fourth one or  
8 postpone that till January?

9 MR. WOLFE: Mr. Chair, we do have a paper on  
10 that fourth item and it doesn't look that.....

11 MS. McCAMMON: It's very similar.

12 MR. TILLERY: Yeah. I think I give it.....

13 MS. McCAMMON: It's very similar to the others.

14 MR. WOLFE: Yeah, I suggest we go ahead and  
15 take it up.

16 CHAIRMAN RUE: Okay. Hearing no objection,  
17 let's go ahead and take it up. I'm looking for my paper on  
18 that one. Here it is, I've got it. Everyone have the  
19 paperwork on the fourth parcel?

20 MS. McCAMMON: Could you describe, Steve, where  
21 the fourth parcel is located?

22 MR. SHUCK: Yes, the fourth parcel.....

23 MS. McCAMMON: And this is Steve Shuck with  
24 Fish and Wildlife Realty Division.

25 MR. SHUCK: Thank you. The fourth parcel, I

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1 just found out when I was visiting in Kodiak last week with  
2 Kodiak Island Borough, it is another tax parcel that the  
3 Borough foreclosed on and when we appeared before the Council  
4 several months ago with the request for funding the first seven  
5 tax parcels, this latest one had not gone through the Borough  
6 process to, I guess, comply with Borough regulations and State  
7 law. When I was there, this last week, they informed me that  
8 the necessary work had been done and they wanted to sell this  
9 one to us as well.

10 If you'll look on your map attached to the first three  
11 -- the write-up on the first three parcels you will see the  
12 Naumoff parcel, it's located at the head of Brown's Lagoon.  
13 This fourth parcel, the Kodiak Island Borough parcel, is  
14 directly east and adjoins the Naumoff parcel.

15 CHAIRMAN RUE: So the whole head of the bay or  
16 quite a bit of the head of the bay now would become public?

17 MR. SHUCK: Yes, sir.

18 MS. McCAMMON: It's not water frontage though?

19 MR. SHUCK: That is correct, it is not water  
20 frontage.

21 MR. TILLERY: Between the Naumoff and the  
22 second line?

23 MR. SHUCK: Yes.

24 MR. TILLERY: What is that gap in the Naumoff  
25 parcel?

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1 MR. SHUCK: That is -- the gap is part of  
2 Brown's Lagoon, it's a river that goes down and empties into  
3 Brown's Lagoon, but at high tide is actually salt water rather  
4 than fresh water. The mapping just does not show the  
5 hydrography, except for Uyak Bay itself.

6 CHAIRMAN RUE: So that is public -- that's the  
7 tide land?

8 MR. SHUCK: Yes, it is.

9 CHAIRMAN RUE: Yeah, okay. Any questions by  
10 Council members on this fourth parcel or on any of the parcels?  
11 Mr. Tillery, go ahead.

12 MR. TILLERY: Mr. Chairman, on the fourth  
13 parcel the Borough has foreclosed on it and we'd be buying it  
14 from the Kodiak Island Borough?

15 MR. SHUCK: That's correct.

16 MR. TILLERY: And the price listed here is  
17 \$12,000.

18 MR. SHUCK: That is correct.

19 MR. TILLERY: Was it appraised?

20 MR. SHUCK: Yeah, that -- the appraised value  
21 is \$12,000, it was appraised originally last year, the  
22 appraisal is now over a year old, it's been updated and the  
23 updated appraisal has been approved by all three review  
24 appraisers.

25 CHAIRMAN RUE: Okay.

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1 MR. SHUCK: As with all of the Kodiak Island  
2 Borough parcels, State law requires that once the Borough takes  
3 their back tax money owed and reasonable expenses, the  
4 remainder of acquisition funds go to the person who lost that  
5 property.

6 CHAIRMAN RUE: Okay. Any other questions of  
7 Steve or of Molly on any of these parcels?

8 (No audible responses)

9 CHAIRMAN RUE: Okay.

10 MS. McCAMMON: Mr. Chairman, there is a draft  
11 resolution and I was just given this this morning, so I haven't  
12 had a chance to look at it. And I know it's been submitted --  
13 I think it's been submitted to all the attorneys and I'm not  
14 sure if people have had a chance to look at it yet.

15 CHAIRMAN RUE: I haven't. How do we want to  
16 handle that, have any suggestion?

17 MS. McCAMMON: We could do a conceptual motion  
18 subject to review and just generic agreement to the resolution.

19 CHAIRMAN RUE: I like that. Does anyone want  
20 to give us a generic motion?

21 (No audible responses)

22 CHAIRMAN RUE: Mr. Tillery, it may fall on your  
23 broad shoulders. No one else seems to be volunteering.

24 MR. TILLERY: Mr. Chairman, I would move that  
25 the Council authorize the expenditure of \$59,000 for the four

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1 tax parcels identified in this draft resolution. That the  
2 parcels be acquired under the set of conditions that normally  
3 attach to these small parcels and that the Fish and Wildlife  
4 Service provide the Council with a resolution to be formally  
5 signed after it's been reviewed by various legal staff.

6 CHAIRMAN RUE: Do I hear a second?

7 MR. WRIGHT: I second that.

8 CHAIRMAN RUE: Okay. I have a question. Do  
9 other members have a question? And this is just on the motion,  
10 did you say 54 or 59?

11 MR. TILLERY: Fifty-nine thousand.

12 CHAIRMAN RUE: That's what I -- okay, 59.

13 MR. WOLFE: Mr. Chair, I do have one quick  
14 question for clarification.

15 CHAIRMAN RUE: Mr. Wolfe, go ahead.

16 MR. WOLFE: Just to -- maybe for the record,  
17 all of the papers indicate that this will become part of the  
18 refuge and I just wanted to emphasize that.

19 MS. McCAMMON: Yes.

20 MR. SHUCK: That is correct, yes.

21 CHAIRMAN RUE: Okay.

22 MR. WRIGHT: Even though these are isolated  
23 islands in the landscape of Native-allotted and Native-conveyed  
24 lands, they'll still become part of the refuge?

25 MR. SHUCK: Yes, sir. These lands are part of

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1 the lands that were involved in the merger between Larsen Bay  
2 Tribal Council and Koniag, Incorporated. When Koniag made the  
3 agreement with the Trustee Council to sell the lands, the  
4 majority of the large parcel to the Trustee Council, there was  
5 a strip of land along the shores of Uyak Bay that was not  
6 included, that was because those lands were reconveyed by  
7 Koniag back to Larsen Bay Tribal Council for distribution to  
8 tribal members. These are lands that were -- these lands that  
9 we're acquiring now are some of these individual parcels and, I  
10 believe, the intent was of the large parcel agreement that we  
11 would be acquiring all of Koniag's land up to the small parcels  
12 and, as they become available, we hope to be able to work out  
13 -- negotiate an agreement with the sellers to purchase these  
14 and end up buying the majority or a large percentage of these  
15 small 10-acre tracts along the banks of bay.

16 MR. WRIGHT: Okay, thank you.

17 CHAIRMAN RUE: Okay, any other questions?

18 (No audible responses)

19 CHAIRMAN RUE: All right. All those in favor  
20 of the motion signify by saying aye.

21 IN UNISON: Aye.

22 CHAIRMAN RUE: Those opposed?

23 (No opposing responses)

24 CHAIRMAN RUE: Okay, the motion passes.

25 MR. SHUCK: Thank you.

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1 CHAIRMAN RUE: All right. Thank you. I  
2 believe that brings us to the end of the agenda. Are there any  
3 other.....

4 MS. McCAMMON: No.

5 CHAIRMAN RUE: No?

6 MS. McCAMMON: Two more items here,

7 Mr. Chairman.

8 CHAIRMAN RUE: How can that be? What are the  
9 other two items?

10 MS. McCAMMON: Fish and Game's.....

11 CHAIRMAN RUE: Oh, the parcels meriting

12 special.....

13 MS. McCAMMON: .....proposal.

14 CHAIRMAN RUE: Oh, this was important. That's

15 right.

16 MS. McCAMMON: The State has -- as we all know,  
17 there is a soft moratorium on small parcels at this point. One  
18 of the parcels that the Council approved acquisition of last  
19 year, the Baycrest parcel, which is down near Homer, that offer  
20 has expired as of December 15th. Basically the owner is in the  
21 process of dividing it up and selling it off. And the State  
22 has decided that there are other higher priorities for those  
23 funds than the Baycrest parcel at this time.

24 What they would like to do is have two parcels, KEN  
25 1084, the Morris parcel, which is a 40-acre piece of land on

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1 the Ninilchik River owned by Dorothy Morris and KEN 1086, which  
2 is at the mouth of Stariski Creek, 48 acres. They would like  
3 to have these parcels which have been submitted, have met the  
4 threshold criteria, have been evaluated and are kind of on that  
5 low, between the low and moderate scale, for restoration  
6 benefits. They would like to have these designated as parcels  
7 meriting special consideration and have them go forward for  
8 appraisal and then, depending on what happens with the  
9 appraisal, possibly have them come back to the Council for  
10 consideration. So this is kind of in lieu of the Baycrest  
11 parcels if there is a successful appraisal done and agreement  
12 with the land owners about a possible purchase.

13 So the motion would be -- or the proposed action would  
14 be to designate these two parcels as parcels meriting special  
15 consideration to go forward for appraisal only.

16 MR. WOLFE: So moved, Mr. Chair.

17 CHAIRMAN RUE: Do I hear a second?

18 MR. TILLERY: Second.

19 CHAIRMAN RUE: It's been moved and seconded  
20 that we move ahead to appraisal on these two -- actually just  
21 designate them as parcels meriting special consideration. Any  
22 questions or discussion?

23 (No audible responses)

24 CHAIRMAN RUE: Okay. All those in favor  
25 signify by saying aye.

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1 IN UNISON: Aye.

2 CHAIRMAN RUE: Those opposed?

3 (No opposing responses)

4 CHAIRMAN RUE: Okay. The motion passes and  
5 these two parcels are designated.

6 Okay, Molly, other items for the Council here?

7 MS. McCAMMON: No, Mr. Chairman, other than I  
8 just wanted to put on the record that we do have a number of  
9 people who are taking advantage this year of early retirement  
10 and are leaving the Trustee Council process. We do have  
11 certificates of appreciation prepared for them and I did want  
12 to acknowledge, on the record, their work. One of them is Rich  
13 Goossens with the Forest Service who has served as a review  
14 appraiser for a number of years and has been very actively  
15 involved in having a number of our acquisitions go forward. So  
16 Mr. Goossens is onto greener pastures, I guess.

17 The other person is Joe Sullivan with the Department of  
18 Fish and Game who has been actively involved in the Restoration  
19 Program for years and most actively as a project manger for a  
20 number of the Department's projects. So again, we do  
21 appreciate all of Joe's and Rich's hard work and we'll be  
22 sending around certificates of appreciation.

23 CHAIRMAN RUE: Okay, great.

24 MS. McCAMMON: Lisa Thomas is the other one.  
25 Lisa Thomas is another member who served as one of the liaisons

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1 at the Department of Interior and has now become a State  
2 employee working on the new Kachemak Bay National Estuarine  
3 Research Preserve down in Homer. So she's changed jobs just in  
4 the recent month.

5 So, again, three very fine people who have dedicated a  
6 lot of time and energy, hard work to the Restoration Program  
7 who are moving on in their lives.

8 CHAIRMAN RUE: Well, great. I know all of us  
9 appreciate their work, although it's hard to say anything nice  
10 about someone who's going on to greener pastures, having fun,  
11 but I would concur with everything Molly said about the folks  
12 that we're talking about here, they've all done great work for  
13 us.

14 Any other Council members want to say anything at this  
15 time?

16 MR. WOLFE: Mr. Chairman.

17 CHAIRMAN RUE: Yes, Mr. Wolfe, go ahead.

18 MR. WOLFE: Now that you mentioned greener  
19 pastures, I thought maybe this would be a good time to mention  
20 that this will be my last official Trustee Council meeting, at  
21 least as a representative anyway, and I will be moving on to  
22 greener pastures. I'm not quitting, but I am retiring from the  
23 Forest Service effective the first of the year, so I probably  
24 won't see most of you guys in this capacity again.

25 CHAIRMAN RUE: Is that right? I didn't realize

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1 you were doing that, Mr. Wolfe. We will see him at the next  
2 meeting to roast him or something?

3 MS. McCAMMON: I was just informed of this  
4 yesterday, so I'm still in denial and approaching anger.

5 CHAIRMAN RUE: This is sort of sneaky, Jim.

6 MR. WOLFE: Well, yes, and one of the reasons  
7 for that is I didn't want to be kind of a lame duck here to try  
8 to push the Eyak package on through to closure, and hopefully,  
9 with a lot of help from Mr. Tillery and Maria and Molly, we're  
10 getting there.

11 CHAIRMAN RUE: Well, I'm sorry to hear that  
12 you're leaving, you've been really a terrific inspiration on  
13 the Council and have done a tremendous amount of great work. I  
14 know I've really appreciated having you on the Council.

15 MR. TILLERY: Mr. Chairman, I'd like to echo  
16 that. It has been -- I've been working with Jim Wolfe for --  
17 since forever, I think, on the Eyak deal, in fact.

18 MS. McCAMMON: Since forever.

19 CHAIRMAN RUE: Yeah, he's become an  
20 institution.

21 MR. TILLERY: I mean this was shocking and  
22 unhappy news and I certainly, in my own sense, would be, Jim, I  
23 would expect you to show up at the next Council meeting just to  
24 get what's due you.

25 CHAIRMAN RUE: Yeah. At least for public

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1 testimony.

2 MR. TILLERY: Right.

3 MR. WOLFE: I'll think about it.

4 CHAIRMAN RUE: It'll be pleasant.

5 MR. WOLFE: Retirees, huh? We have a busy  
6 schedule that I'm looking at here.

7 CHAIRMAN RUE: I know it.

8 MR. WRIGHT: Well, perhaps we need another  
9 meeting before the end of the year?

10 CHAIRMAN RUE: I don't think so.

11 MR. TILLERY: We can just continue this one,  
12 Frank.

13 CHAIRMAN RUE: No, I think we need to adjourn.  
14 Well, I am sorry to hear that, Jim.

15 MR. WOLFE: Well, I appreciate your  
16 acknowledgement, but it's time to move on to something  
17 different. I've really enjoyed working with this group and I  
18 think some of the accomplishments that we've achieved over the  
19 last few years have been pretty significant.

20 CHAIRMAN RUE: That's absolutely right and  
21 you've been a big part of that. No question.

22 MR. WRIGHT: Oh, Jim, I'm really going to miss  
23 you. This is a big surprise. And you've had such insightful  
24 participation at this group. I know Steve Pennoyer is going to  
25 miss you a lot. So, for the record, can you tell us what's the

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1 greener pastures?

2 MR. WOLFE: Oh, I have some land down New  
3 Mexico way, at least, for the wintertimes, I think, will be a  
4 lot easier to tolerate. These short days are getting to grow  
5 on me more. Pennoyer and I talked about that yesterday. As  
6 you get a few more years on, it seems like it affects you more.

7 CHAIRMAN RUE: Well, you may want to  
8 reconsider, I just talked to someone who's been retired for a  
9 while and they say it gets really tiring packing all the time  
10 and unpacking to go on trips. You may want to rethink this  
11 retirement.

12 MR. WOLFE: Uh-huh. Well, I appreciate it,  
13 guys.

14 CHAIRMAN RUE: Okay. Do we have any other  
15 business before us, Molly?

16 MS. McCAMMON: (Shakes head in the negative)

17 CHAIRMAN RUE: Okay, there's no other business,  
18 do I hear a motion to adjourn.

19 MR. WOLFE: So moved.

20 CHAIRMAN RUE: And a second?

21 MR. EASTON: I second.

22 CHAIRMAN RUE: All in favor signify by saying  
23 aye.

24 IN UNISON: Aye.

25 CHAIRMAN RUE: Those opposed?

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1 (No opposing responses)

2 CHAIRMAN RUE: Great, we are adjourned. Thank  
3 you very much.

4 MR. WOLFE: Thank you.

5 (Meeting adjourned at 9:42 a.m.)

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C E R T I F I C A T E

1  
2 UNITED STATES OF AMERICA )  
3 ) ss.  
4 STATE OF ALASKA )

5 I, Joseph P. Kolasinski, Notary Public in and for the  
6 State of Alaska and Owner of Computer Matrix do hereby certify:  
7 THAT the foregoing pages numbered 4 through 72 contain  
8 a full, true and correct transcript of the Exxon Valdez Oil  
9 Spill Trustee Council's Teleconference Meeting recorded  
10 electronically by me on the 15th day of December, 1998,  
11 commencing at the hour of 8:06 a.m. and thereafter transcribed  
12 by me to the best of my knowledge and ability.

13 THAT the Transcript has been prepared at the request  
14 of:

15 EXXON VALDEZ TRUSTEE COUNCIL, 645 G Street,  
16 Anchorage, Alaska 99501;

17 DATED at Anchorage, Alaska this 20th day of December  
18 1998.

19 SIGNED AND CERTIFIED TO BY:

20  
21 \_\_\_\_\_  
22 Joseph P. Kolasinski  
23 Notary Public in and for Alaska  
My Commission Expires: 04/17/00