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1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL
3 Teleconference
4 Tuesday, November 30, 1999
5 9:00 o'clock a.m.
6 TRUSTEE COUNCIL MEMBERS PRESENT (ALL TELEPHONICALLY):
7 U.S. DEPARTMENT OF AGRICULTURE - MR. DAVE GIBBONS
8 U.S. FOREST SERVICE (Chairman) Trustee Representative
9 STATE OF ALASKA - MR. CRAIG TILLERY
10 DEPARTMENT OF LAW: Trustee Representative
11 for the Attorney General
12 STATE OF ALASKA - DEPARTMENT MR. FRANK RUE
13 OF FISH AND GAME: Commissioner
14 U.S. DEPARTMENT OF INTERIOR: MS. MARILYN HEIMAN
15 Special Assistant to the
16 Secretary for Alaska
17 U.S. DEPARTMENT OF COMMERCE - NMFS: MR. BILL HINES for
18 MR. STEVE PENNOYER
19 Director, Alaska Region
20 STATE OF ALASKA - DEPARTMENT MR. DAN EASTON for
21 OF ENVIRONMENTAL CONSERVATION: MS. MICHELE BROWN
22 Commissioner
23 Proceedings electronically recorded, then transcribed by:
24 Computer Matrix, 3522 West 27th., Anchorage, AK - 243-0668

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1 TRUSTEE COUNCIL STAFF PRESENT:

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3 MS. MOLLY McCAMMON Executive Director
4 EVOS Trustee Council

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6 MS. REBECCA WILLIAMS Executive Secretary
7 EVOS Trustee Council

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9 Present Telephonically:

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11 MR. ALEX SWIDERSKI State of Alaska
12 Department of Law

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14 MR. BARRY ROTH Attorney-Advisor
15 Conservation & Wildlife
16 Division
17 Department of the Solicitor

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19 MR. STEVE SHUCK U.S. Fish and Wildlife
20 Service

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1 PROCEEDINGS

2 (On record - 9:11 a.m.)

3 CHAIRMAN GIBBONS: This is the continuation
4 from the meeting in -- what was the last date of the last
5 meeting?

6 MS. McCAMMON: October 22nd.

7 CHAIRMAN GIBBONS: October 22nd. So it's a
8 continuation meeting to discuss potential purchase of parcels
9 of land on Kodiak Island and the Uyak Bay area. I'd like to do
10 a roll call for the Trustee Council. I understand Bill Hines
11 is sitting in for Steve Pennoyer. Marilyn Heiman is on the
12 line; Alex Swiderski for Craig Tillery.

13 MS. McCAMMON: Craig is on the line.

14 MR. TILLERY: Craig Tillery is on the line.

15 CHAIRMAN GIBBONS: Oh, Craig's on, okay.
16 Didn't hear Craig. Frank Rue is on the line and is there
17 anybody from DEC?

18 MR. EASTON: Dan Easton for Michele Brown.

19 CHAIRMAN GIBBONS: Okay, thank you. So all
20 present and, Molly, you want to bring up the topic we're going
21 to discuss today and is there a time line?

22 MS. McCAMMON: Yeah, Mr. Chairman, these are 17
23 parcels, Larsen Bay tax parcels that were on the agenda for the
24 October 22nd meeting. At that time there were a number of
25 questions about some of the parcels. Since that time Fish and

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1 Wildlife Service went back and prepared 17 individual benefits
2 reports for these acquisitions. They also redid the map and
3 clarified some of the land holdings that surround these
4 potential purchases and provided additional information about
5 the resource value of them.

6 Again, these are 17 parcels, they total in acreage
7 163.64 acres, the total purchase price of all of them combined
8 is \$254,000. These parcels have already been purchased by the
9 Conservation Fund, basically to protect their resource value.

10 What is happening in this area, and if you look at the map, you
11 can see that there are a number of small inholdings throughout
12 -- on both sides of Uyak Bay. And the refuge has been
13 attempting to purchase as many of these inholdings as possible.

14 There was a question on a couple of things, one of them
15 was the potential status of the surrounding lands owned by
16 Koniag and whether those were, in fact, on the table as part of
17 the phase two acquisition. We did have a recent discussion
18 with Koniag on these lands and they understand that it is the
19 desire of the Interior Department and the Refuge go put these
20 into the package and to clean up a lot of the land ownership.

21 There's just kind of a mish-mash of some of this land ownership
22 and to clean that up as part of phase two. So they do
23 understand it's on the table, we had some preliminary
24 discussions about it during our last negotiating session.

25 The other question that came up in review of this was

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1 whether these acquisitions were supported by local people in
2 Larsen Bay and by Koniag Corporation. And I did speak with Jay
3 Bellinger, the Refuge Manager, just prior to this meeting, just
4 about five minutes ago, and we just kind of went over the
5 history of this once again. These acquisitions by the Refuge
6 are strongly supported by local people. What has happened is
7 that most of them end up getting sold because they're either
8 forfeited because they aren't able to make taxes to the Kodiak
9 Borough or they end up getting sold, mostly to people in
10 Anchorage or outside the area. And these are all very key
11 areas, they have key access points, they're at the mouths of
12 creeks, they're highly desirable for their location for access
13 points for subsistence hunting in this area. So having them as
14 part of the Refuge, according to the Refuge Manager, is
15 strongly supported by local people.

16 If you look through the individual benefits reports
17 there is greater detail about each individual parcel, whether
18 there is a salmon stream that goes through it, bald eagle nest,
19 things of that nature. These are all acquisitions that would
20 compliment the large parcel acquisitions.

21 So we do have -- it's my understanding we have Steve
22 Shuck also in the office with Marilyn, if there are any
23 additional questions.

24 MS. HEIMAN: Yeah, Steve Shuck is here if you
25 do have any questions about any of the parcels or the

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1 background.

2 MS. McCAMMON: But I'd be happy to answer any
3 questions and I'm sure Steve would.

4 CHAIRMAN GIBBONS: Any questions?

5 MR. HINES: What's the total price? I'm sorry,
6 I didn't add this up, I apologize.

7 MS. McCAMMON: \$254,000.

8 CHAIRMAN GIBBONS: Molly, how much -- Steve or
9 Marilyn, how much is remaining of the million dollar tax parcel
10 money left?

11 MR. SHUCK: We have not closed any of the
12 parcels, we have the Trustee Council action to authorize
13 purchase of seven from Kodiak Island Borough, but we are
14 reappraising those and we will be coming back to the Council if
15 the appraisal prices change at all. The Council has also
16 approved funding of four private parcels, none of those have
17 closed yet, we are waiting -- in fact, one of them, I think, we
18 just got the check in the office for. I take that back. We
19 have requested funding for one of those, and I believe that
20 money will be requested to be withdrawn from the court with the
21 State money that was requested as well. So right now all of
22 the million remains, if everything goes through, I didn't bring
23 those figures with me, but if everything goes through that's
24 been approved so far, we'd be looking at, oh, four to \$500,000
25 still remaining after these acquisitions take place.

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1 MS. McCAMMON: And, Mr. Chairman, I was going
2 to say, I don't have the status report in front of me here, but
3 I was going to say it's approximately half of it remains
4 uncommitted. And, if you'll recall, this is one of the issues
5 when we had our discussion in October on the future of small
6 parcels, this is one of the issues that was discussed at that
7 time and it was requested of Fish and Wildlife Service to come
8 back in January with a status report on kind what has been
9 accomplished to date, what remains thus far and whether there
10 still is a need for that additional half a million.

11 CHAIRMAN GIBBONS: One other question. Is the
12 appraised value of the purchase price that the Conservation
13 Fund acquired the property for; is that how that was
14 established?

15 MR. SHUCK: No, the appraisal was conducted
16 actually twice by MacSwain and Associates, the first time it
17 was done we had values and the appraisal went stale before
18 anything could be consummated, the reappraisal showed exactly
19 the same values of land. The Conservation Fund did not have an
20 appraisal when they acquired the properties and after talking
21 with their representatives, they were close, they were a little
22 high on some and a little low on some, but they did approve our
23 appraised values.

24 MR. RUE: Yeah, Dave, this is Frank, I have a
25 quick question.

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1 CHAIRMAN GIBBONS: Sure, go ahead, Frank.

2 MR. RUE: Molly said in January we'd be getting
3 an update in general, does that mean we'll look at sort of the
4 status in general of ongoing negotiations and what the
5 feasibility is for other small parcel purchases?

6 MS. McCAMMON: In this area, yes.

7 MR. RUE: Yeah, okay.

8 MS. McCAMMON: Yes.

9 MR. HINES: Was it the desire that those small
10 parcels, like in the blue, is that what the Trustee Council
11 will eventually try to acquire or what is the significance of
12 that, considering that you're buying the 1097, 1096 and you
13 have a like a blue parcel, is that eventually going to try to
14 be negotiated?

15 MS. McCAMMON: That's correct, those are
16 parcels that are currently -- that is the desire of Fish and
17 Wildlife Service to acquire. And when the Service first came
18 to the Trustee Council on these they had some prioritized
19 selections, and one of the things we've asked them to go back
20 and look at is where are we in terms of protecting the top
21 priority parcels and are we now looking at Tier II and Tier III
22 parcels or exactly where are we.

23 MR. HINES: Thank you.

24 MR. RUE: Molly, this Frank again, could you
25 remind me what's going on with the KIB? I assume that Kodiak

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1 Island Borough.

2 MS. McCAMMON: Those are the Kodiak Island
3 Borough parcels and those are ones that Steve mentioned that
4 the Council has already approved the acquisition of those
5 parcels, however, there was questions about deed restrictions
6 and things and it's my understanding that the appraisals have
7 now expired and they are being reappraised. And so I would
8 anticipate if the value has gone up, then it would be up to the
9 Council to decide whether they wanted to contribute any
10 additional money to it.

11 MR. RUE: Does the Kodiak Island Borough have
12 any philanthropic leaning since fish and wildlife are critical
13 to their existence?

14 MS. HEIMAN: No. They want Refuge revenue
15 sharing, remember, not less.

16 MR. RUE: Yeah. I only say that half tongue in
17 cheek.

18 MS. HEIMAN: Yes.

19 MS. McCAMMON: Well, the Borough was very
20 supportive of.....

21 MR. RUE: Us giving them money.

22 MS. HEIMAN: Yes.

23 MS. McCAMMON: Yes.

24 MR. RUE: Huh. I wonder if we couldn't figure
25 out of making it cheaper when the Borough is involved.

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1 Anyway.....

2 MS. HEIMAN: I don't think.....

3 MR. ROTH: Mr. Chairman, this is Barry Roth. I
4 think on the tax parcels with the Borough when they sell them,
5 if they get proceed beyond the tax liability they go back to
6 the tax delinquents, we're talking about the shareholders of
7 Larsen Bay and Karluk -- I'm sorry, Larsen Bay shareholders
8 would then be getting the difference. So if we're paying
9 appraised value, which we're supposed to be buying land at,
10 it's not going to the Borough, it's going to go back to those
11 people and making sure they got fair market value.

12 MR. RUE: Oh, okay.

13 MR. ROTH: So I'm not sure it's a matter of
14 their charitable instincts or whatever, I think it's probably
15 -- you know, you may want to think about that further.

16 MR. RUE: Yeah, no, that's a good point. Thank
17 you, Barry.

18 CHAIRMAN GIBBONS: Any other questions?

19 (No audible responses)

20 CHAIRMAN GIBBONS: No? Do I hear a motion?

21 MS. HEIMAN: I move that we approve the Larsen
22 Bay, Uyak Bay parcels.

23 CHAIRMAN GIBBONS: Is there a second?

24 MS. HEIMAN: I guess it's not Larsen, just
25 Uyak.

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1 MR. RUE: Uyak.

2 CHAIRMAN GIBBONS: Is there a second?

3 MR. RUE: I'll second it, but I think it's -- I

4 would ask if it's a specific enough motion?

5 MS. HEIMAN: Well, we can -- do you want me to

6 go through each of the parcel numbers?

7 MR. RUE: I'd ask Molly, did we cover it

8 correctly?

9 MS. McCAMMON: If the motion could be amended
10 to refer to EVOS parcel numbers 1092 through 1099, 2000 through

11 2007 and 2024 for a total of 163.64 acres at a total cost of

12 \$254,000.

13 MS. HEIMAN: I accept that friendly amendment.

14 MR. RUE: I do too.

15 CHAIRMAN GIBBONS: Any further discussion?

16 (No audible responses)

17 CHAIRMAN GIBBONS: All those in favor say aye.

18 IN UNISON: Aye.

19 CHAIRMAN GIBBONS: All opposed?

20 (No opposing responses)

21 CHAIRMAN GIBBONS: Motion carries.

22 Molly, are there any other topics for today?

23 MS. McCAMMON: No, Mr. Chairman. We do have a

24 meeting scheduled for January 31st and at that time -- oh,

25 actually December 16th, I'm sorry, starting at 11:00 o'clock

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1 and that meeting will be on deferred projects. And I will also
2 give you an update, at that time, on EVOS investments. And
3 then we have a full meeting on January 31st here in Anchorage
4 and that will be on GEM and on small parcels again.

5 CHAIRMAN GIBBONS: Okay. And do we have --
6 well, there's a workshop on the 18th and 19th of January?

7 MS. McCAMMON: Yes, that's correct, our annual
8 workshop, we're back to the January workshop and that's
9 scheduled for January 18th and 19th. And that's it.

10 MR. RUE: Okay, great.

11 CHAIRMAN GIBBONS: Okay. Thank you.

12 MS. HEIMAN: Molly, can you give me a call when
13 you get a second?

14 MS. McCAMMON: Yes.

15 MR. RUE: Hey, Marilyn, can you give me a call
16 when you have a second?

17 MS. HEIMAN: Yes, I will.

18 MR. RUE: Thank you.

19 CHAIRMAN GIBBONS: Do I hear a motion to
20 adjourn?

21 MS. HEIMAN: I move we adjourn.

22 MR. RUE: Second.

23 CHAIRMAN GIBBONS: All in favor?

24 IN UNISON: Aye.

25 CHAIRMAN GIBBONS: We're adjourned.

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1 MS. McCAMMON: Thank you.

2 (Off record - 9:22 a.m.)

3 (END OF PROCEEDINGS)

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CERTIFICATE

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3 UNITED STATES OF AMERICA)

4) ss.

5 STATE OF ALASKA)

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

8 THAT the foregoing pages numbered 3 through 13 contain
9 a full, true and correct transcript of the Exxon Valdez Oil
10 Spill Trustee Council's Teleconference Meeting recorded
11 electronically by me on the 30th day of November 1999,
12 commencing at the hour of 9:11 a.m. and thereafter transcribed
13 by me to the best of my knowledge and ability.

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

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

18 DATED at Anchorage, Alaska this 6th day of December,
19 1999.

20 SIGNED AND CERTIFIED TO BY:

21 _____

22 Joseph P. Kolasinski
23 Notary Public in and for Alaska