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1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL
3 VOLUME I

4 Public Meeting

5 Monday, December 4, 2000

6 1:00 o'clock p.m.

7 Fourth Floor Conference Room

8 645 G Street

9 Anchorage, Alaska

10 TRUSTEE COUNCIL MEMBERS PRESENT:

11 STATE OF ALASKA -	MR. CRAIG TILLERY
12 DEPARTMENT OF LAW:	Trustee Representative
13 (Chairman)	for the Attorney General
14 U.S. DEPARTMENT OF COMMERCE,	MR. JAMES W. BALSIGER
15 NMFS:	Director, Alaska Region
16 STATE OF ALASKA - DEPARTMENT	MR. FRANK RUE
17 OF FISH AND GAME:	Commissioner
18 U.S. DEPARTMENT OF INTERIOR:	MS. MARILYN HEIMAN
19	Special Assistant to the
20	Secretary for Alaska
21 U.S. DEPARTMENT OF AGRICULTURE,	MR. DAVE GIBBONS
22 U.S. FOREST SERVICE	Trustee Representative
23 STATE OF ALASKA - DEPARTMENT	MS. MARIANNE SEE
24 OF ENVIRONMENTAL CONSERVATION:	for MS. MICHELE BROWN
25	Commissioner

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON	Executive Director
3 MS. SANDRA SCHUBERT	Director of Restoration
4 MS. PAULA BANKS	Administrative Assistant
5 DR. BOB SPIES	Chief Scientist
6 DR. PHIL MUNDY	Science Coordinator
7 MS. SARAH WARD	Community Facilitator
8 MS. DEBORAH HENNIGH	Special Staff Assistant
9 MS. VERONICA CHRISTMAN	DNR
10 MS. DEDE BOHN	U.S. Geological Service
11 MR. KEN HOLBROOK	U.S. Forest Service
12 MR. BARRY ROTH	U.S. Department of Interior
13 MR. BILL HAUSER	ADF&G
14 MS. CLAUDIA SLATER	ADF&G
15 MS. CAROL FRIES	ADF&G
16 MR. BRUCE WRIGHT	NOAA
17 MR. ALEX SWIDERSKI	State of AK, Dept. of Law
18 MS. MARIA LISKOWSKI	U.S. Forest Service
19 MS. GINA BELT	Department of Justice
20 MR. GLENN ELISON	U.S. Fish & Wildlife Svc.
21 MR. BUD RICE	National Park Service
22 MS. CATHERINE BERG	U.S. Fish & Wildlife Svc.

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

2 (On record - 1:09 p.m.)

3 CHAIRMAN TILLERY: This is the December
4 4th, 2000 meeting of the Exxon Valdez Oil Spill Trustee
5 Council. Present we have Marilyn Heiman representing the
6 Department of the Interior; Jim Balsiger representing NOAA;
7 Frank Rue with the Department of Fish and Game; Marianne
8 See sitting in for DEC; Dave Gibbons for the Forest
9 Service; and I'm the Chairman, Craig Tillery for the
10 Department of Law.

11 I call the meeting to order and we'll ask, first,
12 for a motion on the agenda.

13 MS. SEE: Move to approve.

14 MR. RUE: I move we adopt the agenda as
15 outlined in Tab 1 of our book.

16 MR. GIBBONS: I'll second that.

17 CHAIRMAN TILLERY: It's been moved and
18 seconded. Is there any opposition?

19 (No audible responses)

20 CHAIRMAN TILLERY: Hearing none, the agenda
21 is approved. The second item of business is the approval
22 of the August 3rd, 2000 meeting notes.

23 MR. RUE: I move that we approve the August
24 3rd, 2000 meeting notes as drafted.

25 MS. SEE: Second.

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1 CHAIRMAN TILLERY: It's been moved and
2 seconded. Is there any objection?

3 (No audible responses)

4 CHAIRMAN TILLERY: Hearing none the meeting
5 notes are approved.

6 The initial item on the agenda is a public comment
7 period. I believe that on line we have Chinitna, Seward
8 and Juneau. Is there any community out there, other than
9 those?

10 UNIDENTIFIED VOICE: Anchorage.

11 CHAIRMAN TILLERY: Oh, Anchorage, okay, we
12 got somebody -- and anyone else

13 MS. KATELNIKOFF KAISER: Port Lions.

14 CHAIRMAN TILLERY: Port Lions

15 MR. MEIKELJOHN: Craig, Brad Meikeljohn
16 calling from Washington, D.C.

17 CHAIRMAN TILLERY: Okay. Is there any
18 other community?

19 UNIDENTIFIED VOICE: Larsen Bay.

20 CHAIRMAN TILLERY: Larsen Bay. Okay.

21 Anyone else?

22 (No audible responses)

23 CHAIRMAN TILLERY: Okay, let's start with

24 Port -- and what I'd ask -- we got a lot of people and I

25 think a lot of people want to comment, we have a very, very

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1 full agenda for a day and a half and I would like to ask
2 everybody to please try and keep your comments to about
3 three minutes. So with that, if we could start with Port
4 Lions, is there anyone in Port Lions who would like to
5 comment?

6 MS. KATELNIKOFF KAISER: I would like to
7 save my comments. My name is Wanda Katelnikoff Kaiser, I
8 am the great-great-granddaughter of Meleaki (ph) who was
9 the chief of Karluk many years ago, who today is buried
10 under the Karluk church, but I would like to save my
11 comments for later, if possible.

12 CHAIRMAN TILLERY: We will come back
13 around, so we will ask again at the end of the session. Is
14 there anyone else in Port Lions?

15 (No audible responses)

16 CHAIRMAN TILLERY: Okay. Larsen Bay, is
17 there anyone in Larsen Bay who would like to comment?

18 (No audible responses)

19 CHAIRMAN TILLERY: No. Okay. Brad
20 Meikeljohn, did you have a comment?

21 MR. MEIKELJOHN: No, I was just listening
22 in to the meeting on the small parcel account.

23 CHAIRMAN TILLERY: Okay. Is there anyone
24 in Chinitna Bay who would like to comment?

25 MS. HAEG: Yes, there is, this is Mary Haeg

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1 and my husband Bob Haeg, we would like to make comment.

2 CHAIRMAN TILLERY: Okay. Could you please
3 -- and this is true for everyone, if you could please spell
4 your name for the court reporter here, then go ahead with
5 your comment.

6 MS. HAEG: It would be Mary and Bob Haeg,
7 the last name is spelled H-A-G-G. We are a 26-year
8 resident of Chinitna Bay, which is on the west side of Cook
9 Inlet, the southern boundary of the Lake Clark National
10 Park. I'm going to put my husband on and I'll be back in a
11 minute.

12 MR. HAEG: Hello.

13 CHAIRMAN TILLERY: Good morning.

14 MR. HAEG: Yeah, this all started, this
15 terrible thing all started in '89 when the oil spilled.
16 Since then everything has gone downhill, but in '89 we
17 caught almost 8,000 chums, around 8,000 chums and four year
18 [sic] later we caught 366, so -- now, it started there, but
19 it could be pollution, too, from Anchorage on the rest of
20 it, but I don't know if we lost our big snails. We have
21 big snails down here, but I have to have a four or five
22 foot minus tide to tell you that, I won't know that until
23 next summer, but the wife -- I'll put the wife on and she
24 can tell you what else has gone.....

25 MR. HAEG: Okay, this is Mary back again.

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1 I'd like to go down the things that we see missing. We
2 raised our youngest son here in the Bush so we have gone
3 over this whole area and know a lot about the area. The
4 first one, halibut, we used to catch halibut right out in
5 this bay, many people caught halibut out in this bay. Now
6 we can go out into the bay, we can put down herring on the
7 bottom and, you know, even the sealife won't eat it, we
8 can't catch any halibut at all out here. We did, to get
9 our subsistence, go out with a (indiscernible), they had to
10 go out into 280 feet of water to catch any halibut. When
11 we were fishing for halibut we used to catch soles,
12 flounders and cod, there are none, we don't have any bites
13 on those at all.

14 When we went halibut fishing we used to see many
15 seals around us, beluga whales, we do not see any seals or
16 beluga whales, there's very few seals left in the bay. We
17 used to see needlefish jumping, there are no needlefish
18 jumping. The herring has been closed commercially because
19 there are no herring coming back. We used to have crabs,
20 we used to have dungeness, tanner and king crab. There are
21 no crabs at all left in the bay. We used -- the rangers,
22 the Lake Clark rangers notice that all of our barnacles are
23 dying off. And to the year 2000, this year, we looked out
24 in front of our beach, which was all full of blue mussels,
25 they're all gone, every blue mussel is gone. We have very

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1 few pink clam shells, and I think these are what the wild
2 birds eat when they come into the bay.

3 We did set a test net for Fish and Game, we have
4 been to Fish and Game, we have more dogfish in our net than
5 we have salmon. We had 40 dogfish in a small short net.
6 We have airboats in our spawning streams, we have lack of
7 escapement and yet we leave our commercial sport fishermen
8 go up into our spawning streams and catch as many fish as
9 they can catch and release. We just need something done,
10 we need somebody to look into the destruction of a
11 beautiful place that we'd all be proud to come and visit
12 and we have bear viewing down here, we have clam beds down
13 here, it's just God's world down here and somehow there's
14 something that's destroying it, so we do hope that you'll
15 consider looking into this and if we could be of any more
16 help, please call us.

17 And I'm sorry we took so long, but we're very upset
18 with what's happening down here. Thank you very much.

19 CHAIRMAN TILLERY: Thank you. And, again,
20 thank you for keeping your comments within the time. Are
21 there questions or comments from the Trustee Council
22 members?

23 MR. RUE: Where do you begin?

24 CHAIRMAN TILLERY: Commissioner Rue.

25 MR. RUE: Yeah, I'm not sure I can

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1 formulate -- this is Frank Rue, Commissioner of Fish and
2 Game. Have you noticed a pattern of use that's changed
3 besides more sport fishing up the rivers for the commercial
4 halibut? What sort of fishing patterns.....

5 MS. HAEG: I cannot hear Mr. Rue.

6 CHAIRMAN TILLERY: Okay. We had a little
7 trouble with the mikes, let's see if this works.

8 MR. RUE: Can you hear me now?

9 MS. HAEG: Yes.

10 MR. RUE: Okay. Have you seen a changed
11 pattern of use down in the bay by either sport fishermen,
12 commercial fishermen?

13 MS. HAEG: I lost you again.

14 MS. McCAMMON: I think they're cutting out.

15 MS. HAEG: To answer that, I heard what you
16 said, a difference in the change. Our commercial fishing
17 has all stopped, most commercial fishing on the west side
18 of Cook Inlet has stopped because there's a loss of fish
19 coming back. But, of course, a beautiful place like this
20 that has made a new way of life for what I call commercial
21 sport fishing lodges, so they go up into our spawning beds
22 and on airboats can go 24 hours a day, seven days a week,
23 unlimited number of clients and unlimited number of tourist
24 lodges, we have no restrictions on them. And I think the
25 first thing we have to do in Alaska is get escapement up

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1 our spawning streams before we can let anybody go up those
2 spawning streams.

3 MR. RUE: Thank you very much. I know
4 that's our first priority, too, is to get escapement up
5 there. I didn't realize there was that much traffic on top
6 of spawning beds, so I'll look into that.

7 MS. HAEG: Okay, thank you, Mr. Rue.

8 CHAIRMAN TILLERY: Okay. Thank you.

9 Anyone else on the Council?

10 (No audible responses)

11 CHAIRMAN TILLERY: Okay, thank you very
12 much, Mr. and Mrs. Haeg. Is there anyone else in Chinitna
13 Bay?

14 MS. HAEG: No, and we won't be able to hold
15 on the line because we are on a cell phone.

16 CHAIRMAN TILLERY: Okay.

17 MS. HAEG: But we really appreciate being
18 able to make our feelings known and we will on a five foot
19 minus tide, we will check those snails, we had sand dollars
20 and we had star fish. We also noticed that when the tides,
21 the high tides come in and usually wash shells up on the
22 beach, that we have fewer and fewer shells coming in, so we
23 know something is killing off this whole bay and we hope
24 somebody can give us an answer and help us.

25 CHAIRMAN TILLERY: Okay. And what you can

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1 do is when you get your additional information if you can
2 send it to Molly McCammon at the Exxon Valdez Trustee
3 Council she will make sure that it gets to Commissioner Rue
4 and other people who should see it.

5 MS. HAEG: Okay, thank you very much.

6 CHAIRMAN TILLERY: Thank you very much.

7 MS. HAEG: Bye-bye.

8 CHAIRMAN TILLERY: Okay. Next, is there
9 anyone from Seward?

10 (No audible responses)

11 CHAIRMAN TILLERY: Is there anyone from
12 Seward who would like to make a comment?

13 (No audible responses)

14 CHAIRMAN TILLERY: Is there a Jeanne
15 Galvano?

16 MS. McCAMMON: She's going to be on for the
17 archaeology.

18 CHAIRMAN TILLERY: Oh, okay. Juneau, is
19 there anyone from Juneau who would like to comment?

20 MR. MEACHAM: This is Chuck Meacham, I'm on
21 the line, but I don't have any comment to make.

22 CHAIRMAN TILLERY: Okay. Anyone else from
23 Juneau?

24 MR. ANDREWS: Yes, Rupe Andrews, I'm on the
25 line, but I'm only here to give a report.

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1 CHAIRMAN TILLERY: Okay. Is there anybody
2 who has joined us that I haven't asked about your location
3 yet? I heard a couple of beeps that sounded like people
4 may have been coming in and out. Are there any other
5 villages or communities?

6 MS. REFT: Yes, this is from Kodiak and we
7 just hooked in and this is Dolly Reft speaking and I have
8 other people here in attendance.

9 CHAIRMAN TILLERY: Okay. Is there anyone
10 there who would like to make a comment?

11 MS. REFT: Can we go around and introduce
12 the people who are here, first, from Kodiak?

13 CHAIRMAN TILLERY: That would be good, and
14 again, since you just joined in, I'd like to reiterate that
15 because we do have a very full agenda for the next day and
16 a half, we asked everybody to limit their individual
17 comments to three minutes, but with that, why don't you go
18 ahead and introduce who you have and then we can take some
19 comments.

20 MS. REFT: All right. Well, first of all,
21 my name is Dolly Reft.

22 MS. PHYA: Constance Phya.

23 MS. KNAZIN: Julie Knazin.

24 MS. DURANT: John Durant.

25 (Indiscernible - away from telephone)

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1 CHAIRMAN TILLERY: We're losing you as it
2 goes around the room, you're getting farther away from
3 whatever speaker system, so you might want to be a little
4 closer. About the last two people, you might want to
5 repeat your names.

6 MS. REFT: Okay, can you hear us better
7 now?

8 CHAIRMAN TILLERY: Yes, I can.

9 MS. ZHAROFF: Tonya Zharoff.

10 (Indiscernible)

11 MS. REFT: Hello.

12 CHAIRMAN TILLERY: Hello.

13 MS. REFT: Can you hear us?

14 CHAIRMAN TILLERY: The last one was not
15 audible.

16 MS. REFT: Go ahead, your name again.

17 (Indiscernible): Lori (indiscernible)

18 CHAIRMAN TILLERY: Okay.

19 MS. REFT: Can you relay to us who we're
20 speaking to in the other areas, please?

21 CHAIRMAN TILLERY: Well, the other areas
22 that are on line are Seward, Juneau, Larson Bay,
23 Washington, Anchorage, and Port Lions. Now, is there
24 anyone there who would like to make a comment at this time?

25 MS. REFT: I'd like know who we're talking

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1 to in Larsen Bay, if we could, please.

2 MS. PANAMARIOFF: This is.....

3 CHAIRMAN TILLERY: I'm sorry, Larsen Bay,
4 could you identify yourself?

5 MS. PANAMARIOFF: This is Jesse
6 Panamarioff.

7 CHAIRMAN TILLERY: Okay. Is there anyone
8 in -- I assume that you're in Karluk, Ms. Reft?

9 MS. REFT: I don't know, I'm just asking, I
10 can only speak for Kodiak and who we are here. Is there
11 anybody else attendance besides Larsen Bay?

12 CHAIRMAN TILLERY: Okay. Just the ones
13 that I mentioned. Is there anyone there in Kodiak with you
14 that would like to make a comment?

15 MS. REFT: Well, yes, in reference to this
16 meeting, this all current information that we received and
17 we haven't had time to really look over the proposed -- the
18 drafted proposal that I received from Molly. And I'd like
19 to just read a statement quickly and just for the record
20 we're speaking as landowners and we are Karluk shareholders
21 of the lands that are being described concerning the 1,860
22 acres and I'd like to read a statement that I provided and
23 also acknowledge the fact that we've had very little time
24 to review any information because we've not been included
25 in these negotiations.

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1 CHAIRMAN TILLERY: Okay, go ahead and read
2 your statement. But, again, please try to keep it within
3 about two more minutes.

4 MS. REFT: All right. I submit this
5 testimony for the record of this meeting with regard to
6 acquisition of our lands for the purpose of permanent
7 habitat protection by the Exxon Valdez Oil Spill Trustee
8 Council. The lands that are currently in negotiations
9 between EVOS Trustee Council and the Karluk Native Village
10 Tribal Council represent 186 original Karluk members. I'm
11 one of these landowners and all of us are indigenous to our
12 village of Karluk. In order for your Council to enter into
13 these negotiations concerning the 1,860 acres within our
14 tribal boundaries, you must first identify the people these
15 lands represent. We've not been informed of these
16 negotiations, therefore, I've not had an opportunity to be
17 involved in the process of acquiring our land.

18 According to the draft recently received by
19 Ms. McCammon, November 29th, 2000, the reference to
20 Attachment B, as an example, receiving title to acquired
21 parcels, defines ownership that we will no longer have once
22 acquisition has been formalized. ADF&G, ADNR, DOI, USFS'
23 optimum goal is to obtain title to our land.

24 Within the short time we've had to review this
25 proposal, I call it short time, the following observations

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1 reflecting people indigenous to Karluk and the lands you
2 propose to acquire follow. The governing body of Karluk
3 Village derives its powers from the consent of its members.
4 It's established to protect the collective rights of our
5 tribal members and execute the will of the members. In
6 accordance to our constitution, our people are subject to
7 jurisdiction of our tribe wherever we may reside. The
8 members are to have full and equal protection of law,
9 traditional law, tribal law, natural law, rule of law and
10 the recognized procedures.

11 The proposal submitted for this meeting by EVOS
12 Trustee Council has not met the obligation to ensure the
13 protections of our Native indigenous rights to our village
14 of Karluk and the lands defined by our members.

15 I submit this for the record. The survival of our
16 people and our ownership for lands that secure our
17 inheritance in perpetuity as indigenous Aleuts and Karluk
18 Native Village can only be determined by the Native people
19 themselves. This includes the best interests of all 186
20 Karluk Native landowners as defined by the letter submitted
21 by Koniag, November 15th and Honorable Don Young's letter
22 of November 20th. Unless the owners are identified to that
23 land, any and all negotiations simply reflect the wishes of
24 a few, but fail to represent all the landowners and their
25 rights within their ownership and the trust relationship

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1 regarding our government.

2 I'm going to fax this to you so you can preview
3 this, but basically what I'm saying, and I'm not sure whom
4 I'm talking to, so basically what I'm saying to you is that
5 these lands that are being negotiated reflect 186 people
6 and we're very interested in negotiations and we're very
7 concerned about the ownership involved.

8 CHAIRMAN TILLERY: Okay. Thank you. I'm
9 Craig Tillery with the Department of Law, I'm chairing the
10 meeting here.

11 Ms. McCammon, can you give her the fax number?

12 MS. McCAMMON: Dolly, you have the fax
13 number still, don't you?

14 MS. REFT: You could reiterate that for me
15 again, please, for everybody else's reference.

16 MS. McCAMMON: 276-7178.

17 MS. REFT: All right, thank you.

18 CHAIRMAN TILLERY: Okay, thank you. Are
19 there questions or comments from Council members for
20 Ms. Reft?

21 (No audible responses)

22 CHAIRMAN TILLERY: Okay, thank you. Is
23 there anyone else in Kodiak with you that would like to
24 make a comment at this time?

25 MS. KNAZIN: Hello, my name is Julie

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1 Knazin, what I'd like to say is that what Dolly Reft said,
2 I think, is supported by all of us in this room and
3 including many others who are not able to attend this
4 meeting.

5 CHAIRMAN TILLERY: Okay, thank you. Could
6 you please spell your last name for the record and perhaps
7 get a little closer to the mike?

8 MS. KNAZIN: K-as in king, N-as in Nancy,
9 A-Z-I-N. I'm not, right now, a Karluk member, but I have
10 two older daughters who are living down south who asked me
11 to represent them up here at meetings.

12 CHAIRMAN TILLERY: Okay, thank you. Are
13 there questions or comments from Council members?

14 (No audible responses)

15 MS. VINBERG: I have a comment. My name is
16 Sandra Vinberg, V-as in Victor, I-N-B-E-R-G. I'm an
17 original Karluk shareholder. I concur with Dolly's brief
18 that she just spoke of, because I believe I have land in
19 Karluk that's being negotiated unbeknownst to me, nothing
20 been shown to me and I'm very concerned about that and I
21 want you people to know.

22 CHAIRMAN TILLERY: Okay. Thank you very
23 much. Are there questions or comments from Council members
24 for Ms. Vinberg?

25 (No audible responses)

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1 CHAIRMAN TILLERY: Okay. Thank you. Is
2 there someone else from Kodiak?

3 MS. PHYA: Constance Phya speaking.

4 CHAIRMAN TILLERY: Ms. Phya.

5 MS. PHYA: I am in full support of Dolly's
6 comments. Not only do I have 10 acres over in Karluk, I
7 was born and raised in Karluk. I also have four children
8 who are the original 10-acre shareholders and their names
9 are Paul Phya, Junior, Michelle Ann Holmes, Jerry Lynn
10 Benton and Robin Edward Phya.

11 Thank you.

12 CHAIRMAN TILLERY: Okay, thank you. And,
13 Ms. Phya, could you spell your last name?

14 MS. PHYA: P-H-Y-A.

15 CHAIRMAN TILLERY: Okay, thank you. Are
16 there questions or comments? Is there anyone else there in
17 Kodiak who would like to speak at this time?

18 MS. HOLMES: My name is Marianne Holmes, I
19 am a Karluk original member, shareholder, I support Dolly
20 and her comments that she had to say earlier. I am here on
21 behalf of my daughter, Kimberly Ann Holmes, who is also an
22 original landowner of Karluk and I am very concerned about
23 negotiations concerning our lands. I do not have any
24 knowledge of what's going on with our lands and I would
25 like to know.

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1 CHAIRMAN TILLERY: Okay. Thank you. Are
2 there questions or comments from Council members?

3 (No audible responses)

4 CHAIRMAN TILLERY: Okay, thank you very
5 much. Is there anyone else in Kodiak?

6 MR. DURANT: Yeah, this is John Durant, I'm
7 a Karluk shareholder, 10 acres, and I'm confused. I
8 thought the EVOS Council was set up for restoration of
9 land. It seems to me that the EVOS Council is, basically,
10 buying or purchasing land. I don't understand how you guys
11 are working.

12 CHAIRMAN TILLERY: Okay. Are there
13 questions or comments from Council members? Commissioner
14 Rue.

15 MR. RUE: Yeah, this is Frank Rue.

16 CHAIRMAN TILLERY: Excuse me, can you hear
17 him? We're having a little trouble with our mikes, can you
18 hear Commissioner Rue?

19 MS. REFT: Loud and clear.

20 CHAIRMAN TILLERY: Okay.

21 MR. RUE: Okay. I was just going to answer
22 the question that was just posed since I think it is an
23 important part of the Trustee Council's work, and has been
24 an important part for some time, which is that protecting
25 habitat is seen as an important way to restore injured

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1 species for the long term. Obviously if the injured
2 species don't have healthy habitat, their ability to
3 restore themselves is, basically, reduced and we felt since
4 the inception of the program, really almost since the
5 spill, I guess. Not since the day of the spill, but for
6 quite a while here, we've worked hard to try and protect
7 key parcels that are important to the species that were
8 injured by the spill.

9 CHAIRMAN TILLERY: Are there other comments
10 by Council members, questions?

11 (No audible responses)

12 CHAIRMAN TILLERY: Okay, thank you very
13 much. Is there anyone else in Kodiak who would like to
14 speak at this time?

15 MS. VINBERG: Well, this is Sandra Vinberg
16 again, that didn't really answer John's question.

17 CHAIRMAN TILLERY: Okay, I'd like to.....

18 MS. VINBERG: You want another whack at
19 that answer?

20 CHAIRMAN TILLERY: Commissioner Rue.

21 MR. RUE: Okay, I'll take another whack at
22 the answer. Yeah, the Council understand that, and I'm
23 sure most people do, that habitat is critical to the health
24 of species, whether it's fish, birds, they need habitat or
25 they're not going to do well. And one way to protect that

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1 habitat and ensure the restoration and long-term health of
2 the injured resource since the Exxon Valdez is to purchase
3 or get conservation easements on critical pieces of habitat
4 that will ensure the long-term health of the species that
5 were injured. And so we've looked to try and find willing
6 sellers, either for conservation easements or fee purchase
7 on pieces of land that are important to species injured by
8 the spill. And that's been our job, habitat's critical to
9 protecting those species and restoring them and if the
10 habitat is kept in public ownership or with a conservation
11 easement limiting the development potential, we believe
12 it'll do -- it'll provide great benefits to those injured
13 species.

14 Thank you.

15 CHAIRMAN TILLERY: Okay. Is there anyone
16 who has not yet spoken in Kodiak who would like to comment
17 at this time?

18 MS. REFT: I'm still trying to seek
19 clarification of that and that, from what I understand
20 then, we're talking about the issue of control and that
21 control is being negotiated.

22 CHAIRMAN TILLERY: Okay. This is
23 Ms. Vinberg?

24 MS. REFT: No, this is Dolly Reft.

25 CHAIRMAN TILLERY: Oh, this is back to

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1 Dolly, I'm sorry. My apologies. Okay. There's actually
2 some literature the Council has produced on this and
3 Ms. McCammon will send you a copy of that, that talks about
4 the basis for the various Council programs. And hopefully
5 that will explain it better to you.

6 So is there anyone else there in Kodiak who would
7 like to make a comment at this time?

8 MS. REFT: I think there needs to be a lot
9 more discussion before we can just brush this off, this is
10 way too important to limit us to three minutes. We're
11 seeing some strong language here in regards to title and
12 perpetuity and these are strong words of ownership and
13 control and that affects us directly as landowners. So to
14 keep us to within a three-minute window, it's just not
15 fair. I mean, this has been dropped on us at the last
16 minute, you've been negotiating and talking about this for
17 years and we've not been able to penetrate or be involved
18 in that process.

19 CHAIRMAN TILLERY: Okay.

20 MS. REFT: So there has to be some
21 understanding from where we're sitting here.

22 CHAIRMAN TILLERY: Okay. Ms. Reft, there
23 is nothing on the Karluk lands that is going to happen any
24 time soon. There will be plenty of opportunity for
25 discussion, both about the specifics and about the

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1 fundamental, philosophical basis for land acquisition. At
2 this time we really don't have an opportunity to get into
3 that, but there is nothing that is going to happen any time
4 soon on that. There will be plenty of opportunity, I can
5 guarantee you that. Okay?

6 MS. REFT: With that guarantee, I don't
7 want to be involving landowners at the last moment, we need
8 to be involved from the beginning, not towards the end.

9 CHAIRMAN TILLERY: I can assure you, you
10 will be involved way before the end.

11 MS. REFT: And that has nothing to do with
12 philosophy in regard to owning the land, that's a fact.

13 CHAIRMAN TILLERY: I concur with that, so
14 you will be involved.

15 MS. REFT: We have an elder that wishes to
16 speak.

17 CHAIRMAN TILLERY: Okay. If they could
18 give us their name and go ahead.

19 MS. KNAZIN: Julie Knazin again. I said I
20 represent two daughters (phone noise) as well as Victoria
21 Engles and both original shareholders of Karluk and what I
22 would like to let you know is that they are original
23 shareholders of the Karluk lands and are owners of Karluk
24 lands under the merger plan. And before anything is sold,
25 those lands do belong to all these original shareholders.

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1 And, hopefully, when you even hint at any kind of
2 negotiations that you will contact the land committee,
3 because they represent all of the land owners from Karluk
4 and will speak on behalf of all of them.

5 CHAIRMAN TILLERY: Okay. Now, who should
6 we be contacting on that committee?

7 MS. KNAZIN: Dolly Reft.

8 CHAIRMAN TILLERY: Okay.

9 MS. KNAZIN: Her and her land committee.

10 CHAIRMAN TILLERY: Dolly Reft and her land
11 committee. Okay, we'll do that. Okay. Thank you.

12 MS. KNAZIN: Please do and make sure you
13 have all their names, their addresses, their telephone
14 numbers and make a point to get that information. They
15 will be glad to give it to you at any time.

16 CHAIRMAN TILLERY: Okay. Thank you very
17 much. I'm going to move on to Anchorage for a little bit
18 and we'll come back to Kodiak in case there's anyone else
19 who would like to speak. Is there anyone in Anchorage who
20 would like to speak?

21 MS. REESE: Well, this is Theresa Reese and
22 I agree with my cousin, Dolly Reft. My family is from
23 Karluk and my mother is June Siminario (ph), unfortunately
24 she couldn't be in this meeting today, so I'm sitting in
25 for her, listening on information that's coming in in

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1 comments. But I agree with Dolly, we have no information
2 about this land sale and it's got us in an uproar.

3 CHAIRMAN TILLERY: Okay. Thank you very
4 much. Are there questions or comments from Council members
5 to Ms. Reese?

6 (No audible responses)

7 CHAIRMAN TILLERY: Okay, is there anyone
8 else on line in Anchorage who would like to comment?

9 (No audible responses)

10 CHAIRMAN TILLERY: Okay, is there anyone in
11 the room who would like to comment?

12 MS. BURETTA: This is Sheri Burette, I'm on
13 teleconference.

14 CHAIRMAN TILLERY: Yeah, hi, Sheri.

15 MS. BURETTA: Hi. I'd like to comment if I
16 could.

17 CHAIRMAN TILLERY: Sure.

18 MS. BURETTA: Okay, I'm Sheri Burette, I'm
19 Chairman of the Board for Chugach Alaska Corporation and
20 I'm also currently on the Public Advisory Group, but this
21 is my last term, it expires at the end of the month, I
22 believe. I'm wanting to comment on the small parcels
23 grants and also to just -- I think it kind of ties into the
24 frustration that I'm hearing with the Karluk group as far
25 as their land sale. I'm opposed to the way that the -- the

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1 issue of the habitat acquisition is being handled. There's
2 some inconsistencies to the process that has been
3 previously used by EVOS, you know, I'm wondering why there
4 wasn't an RFP used? Why these particular organizations,
5 environmental organizations, were hand-picked so that there
6 is a potential conflict of interest. Especially hearing
7 the Karluk concern where the public process is so needed.
8 These people have a much closer tie than just the money
9 that is being proposed, there's a real tie to the land and
10 they need an opportunity to voice these concerns. And I
11 think that the Trustees offer that public process.

12 You know, this idea of a large lump-sum grant going
13 to a non-profit. You know, this idea of a large lump-sum
14 grant going to a non-profit is not new, the original idea
15 came from the community facilitators for tribes affected by
16 the oil spill to receive a \$20,000,000 grant.

17 Now, this concept shows up about going for habitat
18 protection. I just feel that the organization has focused
19 on habitat acquisition and using this money as an
20 opportunity to buy Native lands and that, you know, these
21 environmental organizations have created a hysteria about
22 any type of private land ownership and continued Native
23 private land ownership. And, you know, we would cause
24 devastation if we would, God forbid, develop any of our
25 rights. Our rights, which we got through the Federal

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1 government, to own that land and develop it. And now we're
2 dealing with roadless initiatives in the Chugach forest,
3 there's talk of creating a national monument, we've got
4 these organizations that are trying to block us from
5 developing our lands to the point of criminal actions.
6 They're just -- and it's created a real frustration and I
7 just believe that that Council has a responsibility to look
8 at not only the conservation issues that Commissioner Rue
9 described, but how it's affecting the Native people with
10 the purchase of their lands and their ties to their lands.

11 And if you allow these organizations that have
12 demonstrated an obvious agenda to securing as much private
13 lands as they can, then it takes that focus off what
14 actually happened, which was a devastating event for the
15 Native people that live within the spill at this region.

16 So that's my comment and I thank you for your time.

17 CHAIRMAN TILLERY: Okay. Thank you. Are
18 there questions or comments from Council members?
19 Commissioner Rue.

20 MR. RUE: Yeah, I appreciate the comment
21 and I think it's really important to emphasize that the
22 Council is only going to deal with willing sellers and not
23 any other way. And I agree, it's important for folks to
24 know what's going on and participate, so I appreciate
25 Ms. Buretta's comments.

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1 MS. REESE: This is Theresa Reese in
2 Anchorage again. I'd also like to say that my family lives
3 on subsistence coming out of the Karluk village there is no
4 subsistence coming out of the Karluk village anymore
5 because there's nothing to get out of Karluk anymore.

6 CHAIRMAN TILLERY: Okay. Thank you.
7 Ms. Heiman.

8 MS. HEIMAN: Yes, thank you, Mr. Chairman.
9 I just want to thank the people from Karluk for being on
10 the line and sharing their views with us. And we are
11 hearing what you're saying. And what I would really like
12 to ask is that we do a title or legal review of the titles
13 of the land within Koniag and the whole area that we're
14 looking at negotiating. And as I understand it, it's not
15 for purchase, so I just want people to understand that we
16 are trying to communicate as best we can, we think we are
17 communicating with the landowners, but if we are not, I
18 think it's time that we do a legal analysis to determine
19 exactly who are the landowners.

20 MS. REESE: Please.

21 CHAIRMAN TILLERY: Are there questions or
22 comments?

23 MS. REFT: I have to make a final comment
24 here. Number one, a lot of your meetings are made in peak
25 times of the year when we're subsisting and these areas

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1 that you're talking about are right in the areas in which
2 we hunt, fish and gather.

3 CHAIRMAN TILLERY: Okay. Thank you, I.....

4 MS. REFT: I'm not done yet. Please.

5 CHAIRMAN TILLERY: Excuse me now, Ms. Reft.

6 We have a lot of people who are wanting to comment and when
7 people keep repeating and coming back in, it's not
8 appropriate. I will come back through and ask for it, but
9 I would ask that people who have already made comments
10 please wait until I finish going through all these other
11 people here who would like to comment. It may be some
12 comment you have will be answered by someone else. So if
13 you can just hold off additional comments until I've been
14 through everybody once, I would appreciate it very much.
15 Thank you.

16 Now, is there anyone else on the line in Anchorage
17 who would like to comment at this time, who has not already
18 commented?

19 (No audible responses)

20 CHAIRMAN TILLERY: Okay. Hearing none, in
21 Anchorage in the room with us. Sir.

22 MR. REFT: Yes.

23 CHAIRMAN TILLERY: Would you please come
24 up? Okay, what you need to do is basically state your
25 name, spell it and go ahead with your comment. And, again,

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1 try to keep it within three minutes.

2 MR. REFT: My name is Chuck Reft, R-E-F-T,
3 I concur with the membership in Kodiak. Because our
4 council in the village refuses to negotiate with the rest
5 of the members on these issues I am formally requesting
6 these negotiations with EVOS and our council be stopped
7 now. This says I'm a member. I'm a member by descendant,
8 also I'm a part of the original 186 members. They have not
9 shown the interest of the membership, these lands were
10 promised to the membership, not to the council. EVOS has
11 got to recognize this. I'm sorry, I'm nervous, I'm upset.
12 This is an ongoing battle we've had for years.

13 And we do not want EVOS to have our lands under
14 habitat or any other program at this point, this is
15 membership land, Native land that is due to them over the
16 many years that I've been involved in fighting this here.
17 Our council does not recognize us because we don't live
18 there full time, but I can assure everybody that I am a
19 member and I always will be a member. This is going under
20 the ANCSA Land Claims Act, I have enrollment, I have
21 documentation showing I am a member of Karluk. And EVOS
22 needs to back off on these negotiations until we can settle
23 ourselves, as members of the village of Karluk, this is our
24 land, nobody else's.

25 I'm done.

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1 CHAIRMAN TILLERY: Okay. Thank you,
2 Mr. Reft. If you could just wait for just a second. Your
3 concern, then, is that the EVOS is negotiating or the
4 government agencies are negotiating with people who live in
5 Karluk, but not all of the people who are members of
6 Karluk.

7 MR. REFT: That is correct.

8 CHAIRMAN TILLERY: And you indicated
9 something about settling among yourselves. Is there a
10 process or is there some way that you're trying to settle
11 this now?

12 MR. REFT: We, as a membership, have been
13 getting together and trying to work with the council and
14 they, by their attorney, refuse to talk to any membership.
15 They take it upon themselves to do what they feel is
16 correct or right, and it's not benefiting the membership.
17 We cannot have contact with them, and EVOS and anybody else
18 needs to understand that we, as a committee and a member of
19 Karluk, are trying to resolve these issues and this is up
20 for us to resolve. And these land acquisitions here is
21 totally against the membership. I can't say the overall
22 membership, but a good majority of the membership. We do
23 not want to lose our lands down there, these are our lands,
24 you know, this is a strong opposition that we will continue
25 until we actually win our case if we're going to win it,

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1 but understand that we are not going to give up our lands,
2 this is our land.

3 CHAIRMAN TILLERY: Okay. Are there
4 questions or -- Mr. Balsiger.

5 MR. BALSIGER: Is the total membership 186
6 people in.....

7 MR. REFT: That is the original membership,
8 yes.

9 MR. BALSIGER: And it's expanded by?

10 MR. REFT: Well, through inheritance,
11 whether it's deceased or whatever. We don't have the exact
12 membership, but the original membership was 186.

13 MR. BALSIGER: Thank you.

14 MR. REFT: And I am one of them and I
15 understand by this documentation, these are land purchases
16 and I was hearing that these are not purchases. I have
17 documentation here that says "purchases" and you look under
18 this status report here for parcels, we have letters, you
19 know, that Molly is aware of that we are serious about
20 retaining our lands. We have letters from Don Young.....

21 MS. McCAMMON: They've got them.

22 MR. REFT: Okay. Please, rest of the
23 panel, be aware of what we're -- we're serious, we don't
24 want to lose our land.

25 CHAIRMAN TILLERY: Okay. Mr. Reft, I think

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1 to clarify that, my understanding is that virtually all of
2 the Karluk proposal had to do with easements as opposed to
3 outright purchase of the lands, is kind of what.....

4 MR. REFT: Well, I'm confused then, because
5 I have this one sheet here where it's showing me land
6 purchases, you know, and it doesn't come out and say the
7 1,860 acres because the way these are put down by EVOS here
8 all I can read you here, apportioned area for purchase of
9 lands along or adjacent to the Karluk or Sturgeon River
10 area. To me this is point blunt, you know, it's purchases.
11 That's the way we understand, these lands to be acquired.

12 MS. McCAMMON: I think that's referring to
13 the Koniag, which is along the Karluk and Sturgeon, the
14 upper Karluk River.

15 CHAIRMAN TILLERY: Upper Karluk.

16 MS. McCAMMON: And maybe I could say a
17 little bit, especially for some of the other Council
18 members. We've been in active negotiations with Koniag for
19 their lands that they own within the Kodiak Wildlife Refuge
20 and that's been an ongoing set of negotiations. What we've
21 been talking about most recently there is extending the
22 conservation easement on the Karluk and Sturgeon Rivers.
23 And we'll be actually talking about that a little bit more
24 tomorrow in executive session.

25 The lower Karluk, Fish and Game, in particular, has

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1 been very interested in the lower Karluk because that's
2 where Fish and Game has a weir site and because it's also
3 used extensively by sport fishermen and others and the
4 Karluk has been of great concern. And the Council has
5 expressed interest in having some kind of protection on the
6 lower Karluk River. The Karluk IRA Council, which holds
7 the deed to those lands, has said they haven't been
8 interested in the past. Only recently have they said that
9 they're willing to have those lands appraised and that they
10 might be interested in talking to the Council about a
11 conservation easement on those lands.

12 So the process we're in now is having those lands,
13 the 1,860 acres appraised. Typically, when we go through
14 this process if you get a value and the landowner and the
15 Council agrees to the value, you might make an offer on it
16 and as you go down the process you go through the title
17 search and you figure how exactly are there any problems
18 with who owns the land. This might be one of those cases
19 where it would be better to do it more up front in the
20 process as opposed to later in the process because there is
21 so much concern about it.

22 MR. REFT: So these are not land
23 acquisitions where they are actually turned over to the
24 hands of the government or the State? These 1,800 -- I
25 have the statement here, March 2000, Trustee Council

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1 authorized appraisal of approximately 1,850 acres, then to
2 be correct to 1,860 acres of land owned by the Karluk
3 Village IRA Council. Negotiations on protection of these
4 lands will follow completion of appraisal. This is what
5 I'm requesting, that these negotiations be stopped now,
6 because we don't -- the council does not have the consent
7 of the membership. They do not.

8 CHAIRMAN TILLERY: Okay. I think you guys
9 have done a great job of making your point on this one.
10 Are there any other questions or comments?

11 (No audible responses)

12 CHAIRMAN TILLERY: Okay, thank you.

13 MR. REFT: I apologize for my upset and
14 rudeness, but it's been a long fight and.....

15 MS. McCAMMON: You're not rude.

16 CHAIRMAN TILLERY: No, you were not rude
17 and your comments are appropriate and we appreciate them.
18 Is there anyone else -- yes, ma'am. Again, state your name
19 and please spell your last name.

20 MS. LYONS: My name is Carolyn Lyons,
21 C-A-R-O-L-Y-N, Lyons, L-Y-O-N-S. And basically I'd like
22 you to know that I am also a Karluk shareholder. When we
23 merged with Koniag we were promised 10 acres of land in
24 Karluk. My mother, my brother, my sister, myself chose
25 parcels at that time. That was a long time ago. Of

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1 course, nothing has happened since then in regards to those
2 lands.

3 And I think I heard two key words from the members
4 here today. Frank Rue, when he said we need willing
5 sellers, so you're looking at a controversy between those
6 that are on the Karluk IRA that are making decisions and
7 those of us, the original 186, that are left out. So we
8 are trying to assert our right to have some say. I
9 personally, of course, am concerned about the habitat and
10 conservation. So I can say that for myself.

11 And I think the second point that Marilyn Heiman
12 made regarding legal status is probably right on, because
13 what we're concerned about right now is we want to
14 participate, we want to have our say and we certainly never
15 got our 10 acres.

16 So that's basically all I have to say.

17 CHAIRMAN TILLERY: Thank you. Are there
18 questions or comments from Council members?

19 (No audible responses)

20 CHAIRMAN TILLERY: Thank you very much.

21 MS. LYONS: Yeah.

22 CHAIRMAN TILLERY: Is there anyone else
23 here in Anchorage? Mr. Landry. Please spell your name for
24 the record.

25 MR. LANDRY: Thank you. My name is Larry

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1 Landry, L-A-N-D-R-Y, and I'm here as a citizen today.
2 Several weeks ago I had the opportunity to reflect with
3 Secretary Babbitt on some of his accomplishments and we
4 certainly talked about Alaska. And as several of you know,
5 I've been involved with this group since 1992 and am
6 involved in, at least, seven very major large habitat
7 protection that all were passed with overwhelming willing
8 seller votes.

9 But what I wanted to do is just come today, since I
10 have nothing on this agenda. Let me just say I have no
11 interest in anything here, which is why I can say this
12 today. I just wanted to thank you publicly. Making good
13 public policy is very hard work. As we can see today, none
14 of this is easy. You've all had the willingness and the
15 patience to work with people, to spend the numerous hours
16 it is to try and make a good solution, realizing that
17 everybody involved has fiduciary responsibilities and is
18 trying to do what's best. And sometimes I know you feel
19 like no good deed goes unpunished. But I just want to
20 thank you for the effort and for the attitude and for the
21 willingness that you've all shown during the -- since I've
22 been involved in December '92 and that these are real
23 issues and real people and I just want to applaud you for
24 what you have done, I know that you will do in the future
25 is to try and do what's best for everyone involved. So I

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1 just wanted to thank you.

2 Thank you very much.

3 CHAIRMAN TILLERY: Thank you. Are there
4 questions or comments? Commissioner Rue.

5 MR. RUE: I'll just simply say thank you,
6 Larry, since we're handing out thank yous, because I think
7 you've been of great service in putting together some
8 proposals that we've been able to act on, but without your
9 help we never would have been able to do it. I won't go on
10 because I don't have a mike, but thank you.

11 CHAIRMAN TILLERY: Okay. Anyone else?

12 (No audible responses)

13 CHAIRMAN TILLERY: Okay, thank you. Is
14 there anyone else in here in Anchorage? Thank you, Larry.
15 Okay, if you can spell your name.

16 MR. HULL: Yes, thank you. My name is Dan
17 Hull, H-U-L-L and I've provided some written comments
18 previously on the habitat grant program, but today I'd like
19 to speak to the draft of GEM. I'm a resident of Anchorage
20 and have been fishing commercially in Cordova for 15 years.
21 I've served on the Public Advisory Group and would hope to
22 continue to do that. I think a tremendous amount of very
23 good work has gone into the draft of the GEM Program and my
24 comments here pertain specifically to the draft that was
25 reviewed at the October workshop. And I'll provide a copy

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1 of this for everybody after I'm done.

2 Some of the main components of GEM that I commend
3 in particular include the mission statement, the program
4 and institutional goals, the focus on key species and
5 processes that builds on the methods of previous EVOS
6 projects, the focus on resources of social, cultural and
7 economic significance to the people of the spill area and
8 the inclusion of citizen monitoring. However, I believe
9 that a lot of very careful and thoughtful work remains to
10 be done and I strongly urge the Trustee Council to take the
11 time necessary to get it right from the start.

12 Over the past few years I've attended the focus
13 groups and the workshops and have read the different drafts
14 of the GEM Program many times over. As the current
15 resource management conflict over the decline in Steller
16 sea lions illustrates, the cost of not doing it right can
17 have a devastating impact on both marine resources and the
18 people and communities who depend on them. The kind of
19 careful and thoughtful work that I believe needs to be done
20 is to ensure that GEM will truly fulfill the mission
21 statement and the program and institutional goals.

22 As it's currently drafted, I believe that GEM will
23 be only partially successful in doing that. And my
24 assessment is based on the many discussions that I've had
25 with various resource managers and scientists as well as

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1 review of the GEM document itself. The mission statement,
2 which I've written below, and I've divided it into what I
3 consider three interrelated but different parts. First,
4 it's to sustain a healthy and biologically diverse
5 ecosystem in the northern Gulf of Alaska. And, two, the
6 human use of the resources in that ecosystem through,
7 three, greater understanding of how its productivity is
8 influenced by natural changes and human activities.

9 It's clear to me that GEM can successfully fulfill
10 the third part of the mission statement, to improve our
11 understanding of what's going on out there in the
12 ecosystem. Our knowledge of what factors drive marine
13 resource productivity is so limited and our need for better
14 information is so great that GEM could take any number of
15 approaches to improving our understanding of the marine
16 ecosystem and be successful. In fact, I think you could
17 probably implement the current draft of GEM and
18 satisfactorily achieve the third part of the mission
19 statement. But, in contrast, I think it will be far more
20 challenging to achieve the first and second parts of the
21 mission statement and obviously this is largely because
22 there are so many forces that are totally outside of our
23 control that affect the health and diversity of the marine
24 ecosystem and the human uses of those marine resources.

25 But I'm also skeptical about how successful GEM

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1 will be in sustaining the human use of marine resources for
2 another reason, and that is, it's generally difficult to
3 make basic science and applications for management to fit
4 together well. In GEM, with a few exceptions, the links or
5 connections between the proposed research and monitoring
6 program and the actual resource management activities and
7 decisions are often unclear, indirect or implicit. Much of
8 the proposed research and monitoring in GEM says that there
9 are links to resource management, and the authors of GEM
10 intend for them to be there, there's no question about
11 that, but when I talk to managers and, more specifically,
12 these are fisheries resource managers, they either don't
13 fully understand it or they don't believe it or they
14 disagree with it. And this leaves me, as a resource user,
15 in a difficult and uncomfortable position.

16 On the one hand, I trust that Molly, as Executive
17 Director, and Dr. Spies and Dr. Mundy and all the others
18 who are developing GEM have heard the needs of the
19 stakeholders and are working to find ways to meet some of
20 those needs within the constraints of funding and other
21 factors.

22 CHAIRMAN TILLERY: Mr. Hull, can you kind
23 of try to wrap up?

24 MR. HULL: You bet. I just have a couple
25 of more paragraphs.

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1 But at the same time it's very difficult for me to
2 adequately assess and support GEM without knowing whether
3 it truly meets the needs of the resource managers as well.
4 And if GEM doesn't meet the needs of resource managers, I
5 don't know how it will successfully sustain the human use
6 of marine resources or achieve some of the program and
7 institutional goals that relates specifically to sustaining
8 human uses.

9 Let me make it clear that I know the Trustee
10 Council staff and scientists and resource managers are
11 fully aware of this issue and that it persists in spite of
12 the best intentions and attempts to resolve it. But I
13 believe that the success of GEM critically depends on
14 integrating and applying research and monitoring with
15 resource management, and I strongly urge the Trustee
16 Council and all the management agencies to work to make
17 those links and connections more clear and direct and
18 explicit. I think there's a need to institutionalize GEM
19 within Federal and State resource management agencies so
20 that the links and interactions between the agency
21 activities and GEM are more seamless, so that GEM and
22 agency work will feed and build on each other. And my
23 assessment and gut feeling, at this point, is that it's not
24 quite happening.

25 So I'll finish my comments there.

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1 CHAIRMAN TILLERY: Thank you. Are there
2 questions or comments?

3 (No audible responses)

4 CHAIRMAN TILLERY: Thank you very much.
5 And are you going to be leaving a copy of that with the
6 Council?

7 MR. HULL: Yeah.

8 CHAIRMAN TILLERY: Okay, thank you. Is
9 there anyone else here in Anchorage who would like to make
10 a comment at this time? Sir.

11 MR. TRITT: Yeah, I'd just like to make a
12 quick statement.

13 CHAIRMAN TILLERY: If you could.....

14 MR. TRITT: My name is Aaron Tritt, my last
15 name is T-R-I-T-T.

16 CHAIRMAN TILLERY: Go ahead.

17 MR. TRITT: And I'd like to sympathize with
18 the people that was affected by this oil spill, and what I
19 have to say doesn't really relate to it, but to the
20 ecosystem of our state environmental system itself. We
21 have to be aware that we can't make the same mistake again
22 that's devastating to the ecosystem and the Native
23 lifestyle within the state of Alaska. We don't even know
24 if the pipeline will -- it's not corroded enough to be safe
25 for the next 20 years. If we develop the Arctic Refuge

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1 there's so many things that's not being reported to the
2 public and we have an oil spill in that area, it'll be
3 really devastating, it'll be hard to clean it up. We're
4 not ready for it and there's a lot of things that we have
5 to look at. And I don't think the problem is Native
6 against non-Native, in fact, it doesn't have anything to do
7 with it, I think it's -- in our area it's the Gwitch'in
8 people against oil industry, big industries that's out
9 damaging the environment and that's what this whole thing
10 is about. I believe that in this state that we have an
11 opportunity to be able to work together to balance both
12 Native culture and non-Native culture and try to make it
13 work for your future generations, not only the Native
14 generation, but your generation. And I hope that we can
15 come up with an agenda, a resolution or a long
16 comprehensive plan that will be effective and that will
17 make things better for everybody so we can work together
18 beside creating animosity through big industries that's
19 there for the money and for themselves.

20 There's so many things that -- I'm even fortunate
21 enough to sit here to testify in front of you because we --
22 somebody like me can't go to Juneau or Washington, D.C. and
23 testify in front of the legislatures or the Congress and
24 try to tell them what's important for me in the future or
25 my generations, five generations down, and these are the

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1 kinds of things that are having a major impact on how we
2 deal with people at the higher level, whether it's Fish and
3 Game management or the congressional committees or any kind
4 of high-power committees that's there, a lot of them
5 willing to listen to us and come to a conclusion that will
6 be beneficial for all of us in the future.

7 So thanks.

8 CHAIRMAN TILLERY: Thank you very much,
9 Mr. Tritt. Are there questions or comments from Council
10 members?

11 (No audible responses)

12 CHAIRMAN TILLERY: Thank you very much, I
13 appreciate it. Is there anyone else in Anchorage? Yes,
14 ma'am.

15 MS. NEEDHAM: My name is Darleen F.
16 Needham, N-E-E-D-H-A-M. I hope you can understand me.

17 CHAIRMAN TILLERY: Yes, ma'am.

18 MS. NEEDHAM: I just wanted to go on the
19 record to say I'm one of the Karluk 186 original
20 shareholders and I just wanted this committee to know that
21 we're alive and well and we count. I just want to count,
22 we need to count. And I know that you have been having
23 negotiations with the IRA Council in Karluk, but I want you
24 to know that the rest of us that needs to be considered. I
25 am listed there and so are my two children and that is the

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1 land of my father and his family and it's important to me.
2 And the people are important to me. I could say more, that
3 there's more of us and we're not allowed to be known.
4 We've sat back and let things happen for too long, we're
5 not doing that anymore.

6 That's all I have to say.

7 CHAIRMAN TILLERY: Thank you very much.

8 MS. NEEDHAM: I just want to be counted.

9 CHAIRMAN TILLERY: We appreciate that. Are
10 there questions or comments from Council members?

11 (No audible responses)

12 CHAIRMAN TILLERY: Thank you very much. Is
13 there anyone else here in Anchorage who would like to make
14 a comment? Sir.

15 MR. PETERSEN: Mr. Chairman, my name is
16 Frank Petersen.

17 CHAIRMAN TILLERY: Yes, sir, Mr. Petersen,
18 please go ahead.

19 MR. PETERSEN: Okay. Mr. Chairman, I'm the
20 past president of the Kodiak Area Native Association of
21 Kodiak, past president of the Larsen Bay Tribal Council,
22 past manager of the Old Harbor Tribal Council, formerly
23 assistant director for the RuralCAP agency, formerly
24 assistant director of the AFN Health Affairs Division and
25 I'm currently a director with the Koniag Regional

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1 Corporation.

2 I just wanted to state that I appreciate this
3 opportunity to present my views to all of you on this
4 Trustee Council. I have previously submitted written
5 testimony concerning the proposed conservation easement of
6 the former Karluk/Larsen Bay lands. I want to state that I
7 am opposed to that still. And, secondly, I'm opposed to
8 the Trustee Council purchasing the Karluk lands that have
9 been previously discussed here.

10 And let me just state one reason as an example to
11 try to justify my opposition to any of these two
12 propositions. These are the prospectus from the U.S. Fish
13 and Wildlife Service for anyone to acquire a permit, a day
14 use permit, or an overnight permit. These regulations
15 essentially preclude any of the Native folks from either
16 Karluk, Larsen Bay, Old Harbor or Akhiok from effectively
17 participating in the sport fishery within the Kodiak
18 National Wildlife Refuge. And I believe that these
19 regulations have been developed without adequate input from
20 any of the tribal governments, as I understand the
21 regulations to require, that before such regulations were
22 developed, as these were, there's supposed to be some
23 tribal consultation meetings with each of the tribes.

24 Now, I know that the U.S. Fish and Wildlife Service
25 has been conducting public meetings in each of the

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1 villages, but that does not constitute tribal consultation
2 meetings. Had we been involved in the tribal consultation
3 meeting process, I do not believe that these types of
4 regulations, which essentially preclude any participation
5 by Native people from those four villages or any of the six
6 villages on the island would have resulted in these
7 regulations.

8 Another example I wish to present to the Council is
9 the halibut sport fish IFQs that are being considered right
10 now this week by the North Pacific Fisheries Management
11 Council here in Anchorage. There are a number of options
12 that this will also preclude any participation by any of
13 the Native people from any of those villages on Kodiak
14 Island from participating in the sport halibut fishery if
15 they are implemented. But I did want to bring this type of
16 thing to your attention because you guys are going to be
17 making some important decisions regarding, you know, land
18 purchases, conservation easements without, what I consider,
19 adequate input from those people who are going to be
20 directly involved.

21 I, for one, will be directly impacted, I'm involved
22 with the Ayakulik Village Corporation, who has property
23 within the Kodiak National Wildlife Refuge, but that piece
24 of property is only one section of land and it is excluded
25 from the Kodiak National Wildlife Refuge when the refuge

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1 was created. So, therefore, our people and the Village
2 Corporation of Ayakulik would not be required to comply
3 with the ANCSA provision that requires village corporations
4 who have lands within the national wildlife refuge to
5 comply with those regulations. I forget exactly what it's
6 called but because we were excluded, we do not necessarily
7 have to comply with those Federal regulations.

8 I just want to state that I do not represent the
9 majority on the Koniag board, I'm simply expressing a
10 minority view as a director on the Koniag board and I am
11 still, as I stated earlier, opposed to any more land sales,
12 any more conservation easements because a lot of things are
13 being left out. If we were doing our jobs properly on both
14 ends of this whole discussion I don't think any type of
15 these regulations would be created to prevent our
16 participation in this economic development thing.

17 Now, there are a lot of our people on welfare and
18 we're looked down because we are on welfare, but yet these
19 kind of regulations are being developed preventing us from
20 adequately participating in any kind of economic
21 development, so I would request and implore you folks to
22 carefully consider such actions before you make some of
23 those important decisions.

24 Thank you very much.

25 CHAIRMAN TILLERY: Thank you. Are there

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1 questions or comments from Council members?

2 (No audible responses)

3 CHAIRMAN TILLERY: Thank you very much.

4 Okay, is there anyone else here in Anchorage who would like
5 to make a comment at this time?

6 (No audible responses)

7 CHAIRMAN TILLERY: I don't see anyone here.

8 Ms. Kaiser, Wanda Kaiser, I believe you wanted to reserve
9 your comments, would you have a comment at this time?

10 MS. KATELNIKOFF KAISER: Yes, I would,
11 thank you. As I stated before, my great-great-grandfather
12 was Meleaki (ph), he was a chief at Karluk a long time ago,
13 and like I said, again, he was buried under the Karluk
14 church and I have a lot of interest in Karluk and I am one
15 of the original 186 shareholders and I do have a lot of
16 interest there. I wanted to know if -- I sent a letter to
17 Ms. McCammon and I'd like to know if she is there and she
18 has received that letter and perhaps shared it with the
19 rest of the Board there?

20 CHAIRMAN TILLERY: Ms. McCammon.

21 MS. McCAMMON: Yes, I have received that
22 letter and it has been distributed to all of the Trustees.

23 MS. KATELNIKOFF KAISER: All right, thank
24 you for that. And I have heard something about protecting
25 the habitat, I'm sure this is a very good thing, but what

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1 about human species, how about the human factor in this,
2 you know? I have six children and I would like to leave my
3 10 acres of land to my children. My son was talking about
4 going back to Karluk someday, I don't have any desire to
5 move back to Karluk, my son would like to, perhaps, go back
6 there and build himself a home there, and how is that going
7 to happen if he doesn't have any land to go back to? And
8 my tribal council in Karluk has been unwilling to provide
9 me with information regarding these negotiations about this
10 land and I would request that any negotiations, any
11 information that you could provide me with I would
12 appreciate very much.

13 CHAIRMAN TILLERY: Thank you. Do you have
14 anything else?

15 MS. KATELNIKOFF KAISER: No, I just wanted
16 to thank you for this opportunity, and this is pretty much
17 just an information gathering time for me, like I said, my
18 council has kept me in the dark and I don't really know a
19 lot of what is going on, but thanks be to Dolly Reft and
20 the crew in Kodiak for enlightening me concerning these
21 negotiations, so I would just -- I just know that you guys
22 there, like I said in my letter, are people of integrity
23 and I know that you're going to do the right thing by the
24 people, the original 186 shareholders.

25 So thanks for your time.

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1 CHAIRMAN TILLERY: Okay. Thank you. Are
2 there questions or comments from Council members?

3 (No audible responses)

4 CHAIRMAN TILLERY: Okay. Hearing none,
5 what I'd like to do is go back through the villages and see
6 if there's anyone who did not previously speak who would
7 like an opportunity to speak now. So with that, is there
8 anyone else in Chinitna Bay? I believe they signed off.

9 (No audible responses)

10 CHAIRMAN TILLERY: Is there anyone in
11 Juneau who would like to comment at this time?

12 (No audible responses)

13 CHAIRMAN TILLERY: Okay. Is there anyone
14 in Seward?

15 (No audible responses)

16 CHAIRMAN TILLERY: Is there anyone else in
17 Port Lions?

18 (No audible responses)

19 CHAIRMAN TILLERY: Is there anyone in
20 Larsen Bay that would like to comment?

21 (No audible responses)

22 CHAIRMAN TILLERY: How about Washington,
23 D.C.?

24 (No audible responses)

25 CHAIRMAN TILLERY: Is there anyone on the

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1 line in Anchorage who would like to comment?

2 (No audible responses)

3 CHAIRMAN TILLERY: Okay. And is there
4 anyone in Kodiak who has not previously commented who would
5 like to comment at this time? Okay.

6 MS. ZHAROFF: Tonya Zharoff.....

7 CHAIRMAN TILLERY: I'm sorry.

8 MS. ZHAROFF:I am a member of the
9 Karluk Village.

10 CHAIRMAN TILLERY: Okay, could you
11 please.....

12 MS. ZHAROFF: I am not a member of the -- I
13 am not one of the 186 original members. The head of my
14 household is Larry Sugak, Jr. He is a descendant of two of
15 the 186 original members. I'd like to let you know that in
16 the village that we have no idea that these negotiations
17 are going on. The people of the village -- the tribal
18 council has not made them aware. And I was actually told
19 that the negotiations going on with EVOS had something to
20 do with the dump, something about cleaning up the dump,
21 okay? So they haven't been -- I guess people are in the
22 dark out there, too. So I'm not sure exactly who the
23 council is representing, excuse me, the Karluk Tribal
24 Council, I'm not sure who they're representing.

25 CHAIRMAN TILLERY: Okay. Thank you. Did

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1 you have anything else?

2 MS. ZHAROFF: No.

3 CHAIRMAN TILLERY: Could you please spell
4 your last name for the benefit of the court reporter here?

5 MS. ZHAROFF: Z, as in zebra, H-A-R-O-F-F.

6 CHAIRMAN TILLERY: Okay, thank you very
7 much. Are there questions or comments from Council
8 members? Ms. McCammon, would you explain about the dump?

9 MS. MCCAMMON: Yeah, Mr. Chairman,
10 Ms. Zharoff, I just wanted to clarify, we do have a
11 separate project that we've been working on with the Kodiak
12 Island Borough and also the communities on Kodiak Island
13 and it is for a waste management plan and implementation
14 which includes the dump, so that's separate project we've
15 been working on.

16 MS. ZHAROFF: Okay, yes, ma'am, I had a
17 member of the village who told me she asked one of the
18 tribal council members, Katherine Reft, if there was
19 anything going on with these lands and her answer was, no,
20 nothing is going on with these lands.

21 CHAIRMAN TILLERY: Okay. Thank you for
22 your comments. Is there anyone else in Kodiak who has not
23 previously spoken who would like to speak now?

24 (No audible responses)

25 CHAIRMAN TILLERY: Is that.....

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1 MS. REFT: Before the three minutes is up,
2 I received permission from everybody to lastly say that,
3 first of all, thank you for letting us participate. Please
4 understand our shock, our fear and our anxiety. We have a
5 tribal council of a very few people, maybe three or four,
6 that are speaking on behalf of their own needs and wants
7 without reflecting their governmental responsibilities to
8 us as members. And when you mention the oil spill, I
9 remember that, I am quoted in much of the testimony that
10 was given and included in taking studies and testimony from
11 our elders as well as documenting the food we lost and the
12 people we lost. So we were affected dearly and our
13 ecosystem was affected and as a result we as a people were
14 affected. So we were devastated first by the oil spill and
15 now you're offering to take control and authority of the
16 lands to manage them and help them recuperate and, from our
17 perspective, we're being removed from our lands by not
18 being involved in the management or the process of the
19 negotiations. And how does taking our lands or authority
20 thereof help us recover?

21 CHAIRMAN TILLERY: Okay. Thank you.

22 Ms. Reft, was that you?

23 MS. REFT: Yes. And please note for the
24 record, we are a very big family and I apologize deeply for
25 the abusive manner that we have witnessed with our own

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1 tribal council because this is not traditional. And I
2 apologize if I may have come off very gruff, but this is
3 very dear to me and I think I projected my personal
4 frustration with these few people, so please understand.
5 And the original 186 of us, most of us elders, most of us
6 are from the old Karluk and with that, I ask that you
7 consider our comments and hold dearly what we tried to
8 define to you.

9 CHAIRMAN TILLERY: Thank you, Ms. Reft.
10 And, no, we do not view it as gruffness, we view it as a
11 passion, belief and we appreciate it. And this the way we
12 get information and we thank you very much for gathering
13 the troops to deliver the message to us and it has been
14 received here.

15 Is there anyone else there that hasn't spoken yet
16 that would like to say anything or does that pretty much
17 wrap it up for Kodiak?

18 MS. REFT: I think that wraps it up, thank
19 you.

20 CHAIRMAN TILLERY: Okay, thank you.

21 MULTIPLE VOICES IN KODIAK: Thank you.

22 CHAIRMAN TILLERY: Okay, thank you very
23 much. And I guess just a point for the people who are
24 interested in this Karluk issue, Ms. McCammon, there is
25 nothing on the agenda that directly relates to the Karluk

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1 issue.

2 MS. McCAMMON: No.

3 CHAIRMAN TILLERY: There's no action items,
4 there's no furtherance of discussion or anything?

5 Commissioner Rue.

6 MR. RUE: Yeah, I don't have a microphone,
7 so.....

8 MS. McCAMMON: We'll get you one.

9 CHAIRMAN TILLERY: Okay. Commissioner Rue.

10 MR. RUE: I was just thinking, perhaps it
11 would be helpful if we could get folks any information we
12 have on the purposes that we were looking to when talking
13 to the Karluk IRA Council, you know, what interest we were
14 interested in at least talking about. I think we
15 mentioned, you know, the weir site, a long-term ability to
16 maintain a weir site and, I think, public access were the
17 two issues, as I recall. And maybe having anything we got
18 in writing to at least express to people what the Council's
19 interest was in just even talking about a land negotiation,
20 so that folks can understand the limit of our interest, you
21 know. And so that might help people to at least be aware
22 of what the Council's interest was in the first place. So
23 maybe, Molly, I can't remember what we have in writing that
24 might help that.

25 MS. McCAMMON: We actually have gone back

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1 through the record. Dolly requested that. We went back
2 since the Council's inception and anytime it was even
3 spoken of at a meeting or there was some reference to it,
4 and I pulled copies of all those transcripts and have sent
5 them on, and so everything that's been said, Dolly now has
6 in her hands. Anything that's been written or said about
7 it she had in her hands. And there's not a lot, but it's
8 there.

9 MR. RUE: Okay. Maybe that'll help folks
10 at least understand what we're talking about so you can --
11 it may not make you feel any better, but at least it'll let
12 you know what the Council's interest was.

13 CHAIRMAN TILLERY: There definitely needs
14 to be more discussion involving the people who no longer
15 live in Karluk, there's no question about that.

16 MS. REFT: I need to correct that because
17 most of us throughout these meetings -- I hunt seal, as
18 many of these people around here do. We gather. We gather
19 things for medicinal purposes, we're actively out there.
20 And the times that you have your meetings have been very
21 inconvenient in respect to that. And I'm not going to
22 apologize for my lifestyle because that's who many of us
23 are and you need to realize that we're -- we still do that
24 as a people.

25 CHAIRMAN TILLERY: Thank you. We.....

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1 MS. REFT: We still subsist and many of our
2 brothers and sisters and membership, although they may not
3 live here in Kodiak, they depend on these foods, they
4 depend on us to send them to them.

5 MR. REFT: My understanding is Fish and
6 Game owns the weir site in Karluk, the five-acre tract, and
7 if not then I read the documentation incorrectly then. But
8 these are actions that happened without the membership
9 knowing, I just wanted relate this.

10 CHAIRMAN TILLERY: Okay.

11 MR. RUE: I think it's a lease, but we can
12 talk about it.

13 MS. McCAMMON: They don't, it's a lease.

14 CHAIRMAN TILLERY: It's a lease.

15 MR. RUE: But that's what we want to work
16 out.

17 CHAIRMAN TILLERY: Okay. Is there anyone
18 else -- is there any community out there that has not had a
19 chance to speak where someone would like to speak?

20 (No audible responses)

21 CHAIRMAN TILLERY: Okay. Is there anyone
22 else here in Anchorage who would like to make a comment who
23 has not already spoken?

24 MS. ZHAROFF: Just a minute, please.

25 Excuse me, this is Tonya Zharoff in Kodiak and I'm

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1 fortunate to be in Kodiak. I'm sorry to interrupt you. Is
2 there a reason why the teleconference isn't happening in
3 Karluk for the benefit of the villagers in Karluk?

4 MS. McCAMMON: They didn't request to be
5 included on the teleconference and there wasn't an agenda
6 item on it. There's no action, it's not even on the agenda
7 for discussion.

8 MS. ZHAROFF: Okay. The reason -- I'm
9 sorry to interrupt, but just the reason I ask is people are
10 asking me what's going on with the land and apparently
11 they're not aware of this public meeting that you're having
12 here, so.....

13 CHAIRMAN TILLERY: Okay. Just to, perhaps,
14 clarify that, this is an Exxon Valdez Oil Spill Trustee
15 Council meeting, we are, and as you note, have been dealing
16 with this Karluk issue, but it was not intended to be on
17 the agenda for this meeting. We appreciate you getting to
18 us with your comments, but that is one of the reasons that,
19 you know, we didn't perhaps make a real effort to get
20 people in Karluk involved because it really wasn't an item
21 that's coming up today.

22 MS. REFT: We were invited by Molly to come
23 to this meeting, so that's why we came to inquire.

24 CHAIRMAN TILLERY: And we appreciate your
25 coming, so.....

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1 MS. REFT: Okay.

2 CHAIRMAN TILLERY: Okay, thank you, and
3 hearing no one else wanting to make a comment, we will
4 close the public comment period for today.

5 And the next item on the agenda is the Public
6 Advisory Group report from Rupert Andrews. Mr. Andrews,
7 are you still around?

8 MR. ANDREWS: Yes, I'm still here,
9 Mr. Chairman.

10 CHAIRMAN TILLERY: Could you give us your
11 report?

12 MR. ANDREWS: Yes, I have a brief report,
13 Mr. Chairman and members of the Trustees. The Public
14 Advisory Group met via teleconference November 16th to
15 review the draft agenda for today's meeting of the
16 Trustees. There was an update on the GEM Program and the
17 grant habitat program proposal developed by staff to create
18 a permanent habitat protection program to be administered
19 by a private non-profit organization.

20 The long-term funding for habitat protection was
21 perhaps the most important discussion item with the PAG
22 members and certainly, in the minds of many, one of the
23 most important future activities of the Trustees. As the
24 Trustees are aware, interest in land totalling over 600,000
25 acres have been acquired and with the proposal to develop

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1 long-term funding to continue opportunities for
2 acquisition, the future of continuing the habitat
3 protection program is unique and exciting. The Trustees
4 have before them the decision to enter into a Memorandum of
5 Understanding between the Nature Conservancy and The
6 Trustee Long-Term Habitat Protection Fund.

7 The establishment of long-term funding to protect
8 wildlife habitat is, in my experience, without precedence,
9 is perhaps the most important for the Trustees. The
10 vehicle that the Trustees choose to move this program
11 forward will require their most thoughtful decisions but
12 the prospect of continuing a permanent habitat protection
13 program into future decades represents to me and other
14 members of the PAG a one-time opportunity. There was no
15 vote by the PAG on this matter as the PAG is unofficial
16 until action by the Trustees later in this meeting to
17 appoint members for the next two years.

18 There was discussion, both pro and con, regarding
19 the proposed contract agreement with a non-profit
20 organization with no final conclusion. I would assume that
21 the first order of business of the next PAG would be review
22 an action on the resolution before the Trustees regarding a
23 long-term approach to habitat protection. At present,
24 nothing before the Trustees could be more precedent setting
25 and with such long-term beneficial impacts to renewable

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1 CHAIRMAN TILLERY: Okay, thank you very
2 much. Are there questions or comments from Council members
3 of Mr. Andrews? Commissioner Rue.

4 MR. RUE: Rupe, yeah, I just, again, would
5 like to thank the PAG for the work they put in and I
6 appreciate both Sheri and Dan Hull giving us their comments
7 today on their thoughts on the issues. And I certainly am
8 interested in discussing the idea of getting together with
9 the PAG on the small parcel program, that certainly is an
10 intriguing idea. So, anyway, I appreciate the work of the
11 PAG and look forward to continuing a good working
12 relationship.

13 MR. ANDREWS: Thank you, Commissioner Rue.

14 CHAIRMAN TILLERY: Yeah, I'd like to
15 concur. I don't know, logistically, if it's going to be
16 possible to have a joint Trustee/PAG meeting, but I'd like
17 to be sort of informed of the meeting where you're going to
18 take it up and perhaps even if we don't formally get
19 together, I and some other people would be able to come by
20 and listen, sort of in person, to your comments and your
21 views. And so, Molly, if you could just be sure that we
22 are informed of that next meeting where they will take this
23 issue up.

24 MS. McCAMMON: Well, it does raise a
25 question, Mr. Chairman, in terms of timing, because we have

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1 this -- well, there's some recommended changes from the
2 original grant and the grant proposal that the Public
3 Advisory Group actually reviewed in response to their
4 comments. And my recommendation to you today, when we get
5 to this agenda item, is that we have a discussion today and
6 then actually put it on the agenda for your January 16th
7 meeting. The Public Advisory Group, in all likelihood,
8 will not be reconstituted, the new members need to be
9 signed off by Secretary of Interior Babbitt and that, in
10 all likelihood, will not have occurred. It has to happen
11 before January 20th, but they probably won't have a chance
12 to meet before the 16th, so it is a question of timing
13 there, but I think there was some significant concerns
14 raised by the PAG, I think this draft we have is a revised
15 recommendation to reflect some of those concerns. So you
16 might want to think about it.

17 CHAIRMAN TILLERY: Okay. Anything else?

18 (No audible responses)

19 CHAIRMAN TILLERY: Okay. Thank you,

20 Mr. Andrews.

21 MR. ANDREWS: You're welcome.

22 CHAIRMAN TILLERY: The next item on the
23 agenda is the Executive Director's report, Ms. McCammon.

24 MS. McCAMMON: I'll pass.

25 CHAIRMAN TILLERY: No, you won't.

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1 (Laughter)

2 MS. McCAMMON: Actually I was going through
3 and trying to figure out what I was reporting on, and
4 everything we've been working on is on the agenda for the
5 next day and a half, it will be discussed in detail. So at
6 this point all I want to do is refer you to the quarterly
7 project report, which reflects the end of this past fiscal
8 year, which is in there. And just to note that we still
9 continue to have problems with late reports and ask for the
10 Trustees' assistance with your agency in terms of getting
11 those in.

12 And then also just to mention the financial report
13 is as of September 30th, 2000. And we'll actually be going
14 through, tomorrow afternoon, looking at the new reports and
15 some new information that you'll be getting as a result of
16 the change in the investment structure.

17 So I just wanted to note those two items.

18 CHAIRMAN TILLERY: Okay. Does anybody have
19 any questions from the Council for Ms. McCammon?

20 (No audible responses)

21 CHAIRMAN TILLERY: Okay, the next item,
22 then, on the agenda is the small parcel grant issue. You
23 had a memo and.....

24 MS. McCAMMON: Yes, if you look in your
25 packet under habitat memo status report. First of all

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1 there's a report of the status of all the small parcel
2 acquisitions that were under consideration on March 1st,
3 1999 for a total of \$6.3 million. About one and a half
4 million dollars of those acquisitions have been completed,
5 about 700,000 has been expended and authorized for support
6 costs. A number of offers have been made, in other cases
7 appraisals and negotiations are underway. Of the funds
8 that have either been spent or committed, there's
9 approximately 1.17 million that would be available for a
10 grant to a non-profit.

11 And following that memo is the detail of where we
12 are on all of the various small parcel acquisitions.
13 There's also a status report on the large parcel program.
14 The only activity that we have currently underway under the
15 large parcel program is the negotiation with Koniag,
16 everything else has been completed or is in kind of the
17 final payment stage.

18 So behind your green tab are letters that we've
19 received from Koniag, from Dolly Reft, from Wanda Kaiser,
20 from Congressman Young and any correspondence that I've
21 received on the lower Karluk. So all of that
22 correspondence is there, plus the additional correspondence
23 you were given today. So I wanted to make sure that you
24 added that.

25 Then we get to the draft grant, habitat grant, and

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1 resolution. And, if you'll recall, last March you asked me
2 to work with staff and with the agencies to develop a
3 proposal to create a permanent habitat protection program
4 to be administered by a private non-profit organization.
5 We felt that really in order to evaluate whether going
6 forward with such a grant was possible, number one, and,
7 two, whether it was the best thing to do, would actually
8 entail us actually going through the process of drafting a
9 draft agreement and working out some of the issues. And it
10 has been really helpful for doing that. It's allowed us to
11 present something to the Public Advisory Group at two of
12 their meetings, get some of their input, respond to that.
13 Work with the Nature Conservancy and with the Conservation
14 Fund to address any concerns and issues that they brought
15 up.

16 And what we have before you is a staff
17 recommendation to go forward with a pilot project, going
18 forward with a grant for a million dollars to try this out
19 to see exactly how it would work in the next year, to flesh
20 out some of the details and the concerns and then let the
21 issue of whether to proceed with a second phase, with a
22 larger grant, remain until the first phase is evaluated.
23 So this is a little bit different than what we had
24 originally proposed. The original proposal was a
25 \$1,000,000 pilot proposal that, unless the Trustees

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1 unanimously voted to end it, would be followed by a
2 \$25,000,000 second phase.

3 So this splits the two phases completely, it would
4 take a completely unanimous affirmative vote of the Trustee
5 Council to proceed with phase two. In going through this
6 there were a number of issues and concerns, a lot of this
7 was what kinds of procedures the non-profits would be
8 required to do and whether those would have to be
9 duplicated by the acquiring government agency. I think
10 that's probably one of the areas that is still the least
11 clear. And by having a pilot proposal like this we can
12 actually work that out through actual acquisitions.

13 The cost of the program was also a source of
14 concern to us, whether we were going to end up with
15 duplicate costs from the non-profit side and then also from
16 the agency side. One of our earlier thoughts had been that
17 this approach would be more cost effective than the current
18 approach. I'm not convinced that that's necessarily true
19 now, on the other hand I'm not convinced that it wouldn't
20 be. And I think some of the cost issues maybe are more --
21 may not actually be substantive once we actually start
22 implementing something like this.

23 The other issue of great concern to the Public
24 Advisory Group was the issue of public process. And the
25 way we have addressed this is the Trustee Council would

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1 consult with the non-profits over what types of properties
2 would be actively pursued and would have to take action on
3 any of those properties before they can actually be
4 acquired. So there would be a public comment period at
5 anytime when the Council met, it would be noticed and there
6 would be lots of opportunity for public input into that
7 process.

8 MR. BALSIGER: So this is an agenda item
9 under number five, the small parcel grant, we'll discuss it
10 later?

11 MS. McCAMMON: It's for discussion only
12 today, we didn't notice it as an action item today.

13 CHAIRMAN TILLERY: As I understand it, this
14 is item number five we're doing now.

15 MS. McCAMMON: Yes.

16 MR. RUE: We're doing it now, we're
17 discussing it, right?

18 MS. McCAMMON: Yes.

19 MR. BALSIGER: So we're not going to come
20 back to it? This is the discussion on five?

21 MR. RUE: Right now.

22 MS. HEIMAN: And no decisions will be made,
23 we're just discussing it.

24 MR. BALSIGER: Well, I have a question
25 about it, I didn't know whether I should delay it until it

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1 came up later, but if.....

2 MS. McCAMMON: No, this is.....

3 MR. BALSIGER:this is it.

4 CHAIRMAN TILLERY: I think jump in.

5 MR. BALSIGER: If I might then,

6 Mr. Chairman. So what would the million dollars be spent
7 for? I guess maybe there's information in here I've missed
8 or haven't gotten to, but I understand it's \$25,000,000,
9 the easements and all of that, but the million seems a lot
10 to set up the paperwork, but probably not enough to set
11 aside much lands. So how does the -- what's the thought
12 for the million dollars in this?

13 MS. McCAMMON: Well, the million dollars
14 would be used for a number of small parcels and it could be
15 dozens of them at 10 to \$50,000 or it could be very few if
16 they were 300,000 or \$500,000 in costs.

17 MR. BALSIGER: Okay, I was concerned that
18 it was not going to actually get any parcels involved and
19 it was only for the procedures and paperwork to get
20 established.

21 MS. McCAMMON: No, the actual
22 administrative costs would be fairly small. The non-
23 profits have asked for \$25,000 each per year to implement
24 the program for their -- basically their personnel costs.
25 And then any costs, such as appraisals, title searches,

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1 hazardous material surveys, any actual costs like that they
2 would be reimbursed for. The granting agency, which is the
3 Department of the Interior, is the agency we've been
4 working with, has asked for four and a half percent to
5 implement the program as an indirect rate. That actually
6 exceeds the amount the Trustee Council has adopted in its
7 procedures, so the Trustee Council would have to decide
8 whether they were only going to go with the approved rate
9 or wanted to go higher or do a negotiated rate. We have
10 done negotiated rates with agencies, such as the Alaska
11 Department of Fish and Game for the SeaLife Center.

12 MR. BALSIGER: Thank you.

13 CHAIRMAN TILLERY: I think the number,
14 actually the million dollars, is a pretty good pilot number
15 because the 25,000,000 is going to leave us -- that would
16 leave us about a million dollars a year for the program.

17 MS. McCAMMON: That's correct.

18 CHAIRMAN TILLERY: So this is pretty
19 representative of what we'd actually run into.

20 MS. McCAMMON: That's correct.

21 MR. BALSIGER: Thank you very much.

22 MR. RUE: Mr. Chairman.

23 CHAIRMAN TILLERY: Mr. Rue.

24 MR. RUE: Yeah. One thing that would help
25 me is if someone could do a flow chart or -- I don't know

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1 what you call them, where it shows where the Trustee
2 Council has to make a decision and then where the granting
3 entity makes the decision. Maybe I'm a chart kind of
4 person, but you know what I mean? You know, when we get an
5 opportunity to say something about their decision. It took
6 a while for me and I'm not sure I'm really clear even now
7 having read it a couple of times.

8 CHAIRMAN TILLERY: I think that's a good
9 point because when I was going -- I think I know what the
10 plan is, but when I was kind of following it through the
11 resolution and the grant agreement I had a problem with
12 that myself, so I can see the point.

13 MR. RUE: Yeah. That would help me. That
14 doesn't mean we shouldn't go ahead with it, I just think it
15 would be -- I'd certainly like to see it. I'm hopeful that
16 this works, I think it's got tremendous potential. I'm a
17 little bit afraid that we may lose some of the benefits if
18 we're not careful, having a private entity or a non-profit
19 do this, which is bring other money to the table, also be
20 more flexible than the State or the Federal government can
21 be in terms of things like wills and other kinds of
22 opportunities folks can have in dealing with the Nature
23 Conservancy and putting together a package for someone who
24 might find it very attractive to deal with their land in
25 this way. So I hope we can retain as much of that

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1 flexibility for the non-profits and, you know, their real
2 strength as we try to find a way to get the maximum benefit
3 for our dollars.

4 And so I guess, Molly, do you think we've managed
5 to do that here?

6 MS. McCAMMON: I think so. I guess why I
7 think it would be valuable to proceed with this on a trial
8 basis is that, in the past, the habitat program has been a
9 really significant part of the Council's workload,
10 especially in the last six years. And because it is now
11 kind of shifted to a much smaller program in terms of
12 dollar amount, I think working with the non-profits who are
13 out there in the realm of habitat protection, who already
14 work very closely with the government agencies in terms of
15 identifying parcels for protection and helping to
16 facilitate that, I think it will keep the spotlight on
17 habitat protection and we'll end up with the identification
18 and pursuit of parcels of really high quality habitat
19 value. So I think there's a lot of value to pursuing this
20 and trying to create a partnership with the non-profits in
21 this area. Whether it actually, in the end run, whether
22 the bureaucracy gets the better of us.....

23 MR. RUE: Right.

24 MS. McCAMMON:and sort of succumbs to
25 that.

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1 MR. RUE: Right.

2 MS. McCAMMON: We almost got to that point
3 just in our discussions in terms of putting the draft grant
4 together. You kind of look at it, at some point you just
5 get a little bit overwhelmed, but often it's just in the
6 process of discussing things, but in reality when you
7 actually implement something it ends up being a lot more
8 streamlined than when people are first envisioning it.

9 MR. RUE: Mr. Chairman, we're going to vote
10 on this when?

11 CHAIRMAN TILLERY: My understanding is
12 we're going to be voting on this, hopefully, in January,
13 January 16.

14 MR. RUE: Okay. Would it be possible by
15 then to get the flow chart.....

16 MS. McCAMMON: Yes.

17 MR. RUE:where you go action,
18 Trustees say yes, you go forward, Trustees say no, you go
19 backwards, whatever?

20 MS. McCAMMON: Yes.

21 MR. RUE: Great.

22 CHAIRMAN TILLERY: The point of the
23 discussion today, though, I think is to try to give some
24 direction to Ms. McCammon about where to go between now and
25 January. It is a very significant issue just between

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1 should we really be pursuing this non-profit path or should
2 we just leave it the way it is? Should we just perhaps
3 say, there's 25,000,000, point the State towards trying to
4 figure out priorities for half of it and point the Feds for
5 figuring out priorities for the other half. There's other
6 ways of dealing with this. The current system has some
7 advantages that I think Dan pointed out, primarily in the
8 areas of public involvement and public notice. We build
9 those into the others.

10 The main advantage of non-profits was efficiency,
11 but the more that we get into the details, the less
12 efficient it begins to seem and the more costly it begins
13 to seem and so I think that's one of the things that Ms.
14 McCammon is going to need guidance on.

15 MR. RUE: Mr. Chairman, I agree that one of
16 our goals was efficiency. I also thought we talked,
17 though, about the ability of the non-profits to not only be
18 more efficient, but also bring other funds to the table,
19 also put together packages for landowners that -- I mean, I
20 haven't thought it through very carefully, but it seems to
21 me you could find a parcel of which, you know, maybe only
22 half of it is really of interest to the Trustee Council for
23 its habitat values or public use values. A non-profit
24 might be able to buy the whole property, sell half of it
25 back to the -- or use EVOS money for one half and then

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1 perhaps, you know, make the money from the rest of the
2 parcel that they might sell on the open market for
3 development and that money could then be used for further
4 purchases. So I was hoping there was some things that
5 could be done, maybe I just picked a bad example, but it
6 seemed to me there was the possibilities for stretching our
7 money, coming up with different kinds of packages for
8 different landowners, either with tax benefits and/or, you
9 know, splitting parcels so that we only picked up part of
10 it and another part went to, you know, help purchase other
11 parcels that we just won't be able to do, in addition to
12 the efficiency idea.

13 And, I don't know. I also agree, though, we need
14 to build the public into this somehow without -- and the
15 agencies, obviously, are going to have to be involved at
16 some point, so we don't want to turn it into a giant mud
17 hole that we can't get out of.

18 CHAIRMAN TILLERY: It's true, although what
19 started as a lot of discussion about having matching monies
20 and so forth, as we got farther into it it seemed like that
21 all became kind of a hope or a possibility as opposed to
22 something that's going to be built into it. All of the
23 original optimistic benefits started getting retrenched
24 when it came time to kind of write down grant agreements
25 and so forth. And that's.....

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1 MR. RUE: Maybe that's why we go slow.

2 CHAIRMAN TILLERY: Yeah. Well, I think
3 that's perhaps one reason we could go the pilot route is
4 because maybe it will flesh that out whether really that's
5 going to mean there's going to be some partnerships
6 involved and really what are going be the administrative
7 costs of this thing; is it going to be cheaper?

8 MR. RUE: Well, is there a way -- excuse me
9 if I'm dominating here, but is there a way, by January, to
10 have an estimate or a discussion of how we think this will
11 be more efficient or not? Will we be prepared to -- if
12 that's one of our criteria, will the staff be able to tell
13 us, going this way, we think it'll be less costly to get a
14 piece of land purchased under this system or we don't know
15 until we try it or give us an analysis of these criteria to
16 help us make our decision?

17 MS. McCAMMON: I don't think we'll know
18 until we try it actually.

19 MR. RUE: Is there a way to do a comparison
20 chart of what we're setting up versus what we do now? It
21 would help us at least see we have three less steps using
22 non-profits, so that should be cheaper. Or we're just
23 replicating the same steps, we're just using a different
24 entity to take us through the exact same steps to help us
25 judge.

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1 MS. McCAMMON: I would say in our
2 discussions with the agencies and with the non-profits that
3 if we were to put -- once again, this is what we did
4 through the grant, we started putting on paper what the
5 non-profit would do, what acquiring government would do and
6 it looks, on paper, like it is excessive duplication and
7 not efficient. I think, and this is more of a gut feeling
8 based on having dealt with the land acquisition program in
9 the last seven years, that the reality is that efficiencies
10 do get created, in all reality, and that I think it will
11 be, ultimately, more efficient, but I can't say that for
12 sure. But that is one of the reasons why I recommended
13 just going to a \$1,000,000 pilot program and separating it
14 completely from any decision on a much larger grant at this
15 stage. Because I do think that in the long run it has
16 value having the program associated with non-profits whose
17 major function is habitat protection and that the program
18 will be strengthened in the long run by having that. And I
19 think that we can respond to the concerns of the public
20 process, we can build that in and have as much, if not
21 more, public process on that than we have now for small
22 parcels.

23 CHAIRMAN TILLERY: Mr. Gibbons.

24 MR. GIBBONS: Mr. Chairman, so really the
25 resolution we're looking at here then will be completely

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1 rewritten, like the fourth, be it resolved that we'll take
2 the 25 and give it to them in perpetuity basically. So
3 that won't be in the January.....

4 MS. McCAMMON: What we did is we did change
5 that originally, it was if -- the original language was
6 that the 25,000,000 would be added to it unless the Trustee
7 Council, by unanimous vote, decided not to. So it was
8 changed, but we could be totally silent on it, too, which
9 is fine.

10 MR. GIBBONS: Well, just my thinking
11 here.....

12 MS. McCAMMON: Yeah.

13 MR. GIBBONS:if we go down this route
14 some way, perhaps we should have a five-year review period
15 or a 10-year review period or something, some time frame
16 set aside rather than -- it says, will be added to the
17 grant and the duration of the grant extended for as long as
18 the funds. To me that's.....

19 MS. McCAMMON: And the grant -- the draft
20 language has termination with 30 days' notice by either the
21 Trustee Council or the non-profits.

22 MS. SCHUBERT: Mr. Chairman.

23 CHAIRMAN TILLERY: Questions or comments?

24 MS. McCAMMON: Sandra.....

25 MS. SCHUBERT: I was just going to add to

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1 what Molly said.....

2 CHAIRMAN TILLERY: You need to come up to
3 the mike.

4 MS. SCHUBERT: For the record, I'm Sandra
5 Schubert and this is just on the annual or whatever it is
6 review. There's also a provision in the draft for annual
7 reporting by the grant recipients.....

8 MS. McCAMMON: Right.

9 MS. SCHUBERT:where they would do
10 cost accounting as well as describe their other activities
11 and accomplishments for the year, so we were kind of
12 envisioning an annual, at least, informal review and the
13 language to terminate.

14 MR. GIBBONS: Well, I was just looking at
15 it and it just kind of jumped out at me.

16 MS. SCHUBERT: In the resolution.

17 MR. GIBBONS: Yeah, in the resolution.

18 CHAIRMAN TILLERY: Yeah, I note that I have
19 a lot of writing on my draft here, so.....

20 MS. McCAMMON: Good.

21 CHAIRMAN TILLERY: But are there any more,
22 sort of, questions or comments on some of the fundamental
23 assumptions here, the idea of going non-profit versus not,
24 and particularly -- I know the Department of Interior, I
25 think, was originally interested in the whole -- sort of

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1 committing the whole 25,000,000 now; is that something that
2 you're still concerned about? Because that's something, if
3 we're going to do that, then means that's something we need
4 to be thinking about between now and January.

5 MS. HEIMAN: We certainly have the
6 economies of scale to do the whole amount now versus we do
7 a million and then do the next step. But, you know, I
8 understand that there's some discomfort by the PAG and
9 other groups and I think it's -- you know, Molly has really
10 tried to accommodate the different concerns that were
11 raised and the idea of doing this \$1,000,000 pilot project,
12 I think, makes a lot of sense. You know, I do think that
13 there's benefit, I do think that the public needs to be
14 fully involved in whatever the process is, whether it's the
15 agencies doing it, if it's the Trustee Council or non-
16 profits doing it. I mean, obviously, we're all going to
17 have a role, no matter what the set up is, but I do think
18 there's a real benefit in having these non-profits, like
19 the Nature Conservancy, who have, you know, just a fabulous
20 record, and also the public -- what is it called, the other
21 group?

22 CHAIRMAN TILLERY: Conservation Fund.

23 MS. McCAMMON: Conservation Fund.

24 MS. HEIMAN: Conservation Fund. They both
25 have excellent records and have done a very good job of

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1 coming up with creative, innovative deals and I think that
2 there's a real benefit in that that sometimes government
3 doesn't really think of. No offense, but that's the way it
4 is. And so I really think this is a good creative,
5 innovative approach, I do think we should do everything we
6 can to save monies. And I know that the Fish and Wildlife
7 Service has said that it would cost four and a half
8 percent, is that right, Molly, to administer this? Although
9 I have talked to Glenn and Glenn says that if it were a
10 larger amount of money we certainly would be able to go
11 through the process to get an exemption, because I think
12 that 4.5% is fixed and it's required in our administering
13 grants, but there is a way to get an exemption and if the
14 amount of money is larger, I think that's a possibility to
15 make that a small amount, just as Molly was referring to.

16 But I do think that it's beneficial, I do think
17 that it's beneficial, I think it would be -- it would
18 involve the public, I think the Nature Conservancy and
19 Conservation Fund are very involved with -- you know, they
20 understand the importance of involving the public because
21 they are the public, you know, they represent a certain
22 faction of the public and they understand what it feels
23 like to be on the outside and they, I think, do a good job
24 of hearing people's voices and considering those concerns.

25 So I guess I'll be on the record saying I do think

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1 this is a good idea, whether it's the 25,000,000 or a
2 million, but I understand people's concerns and I'm willing
3 to go forward with just the 1,000,000 and try to work out a
4 process to get people's comfort levels up. And if that's
5 not going to work, then we'll try something else.

6 CHAIRMAN TILLERY: Okay. Mr. Balsiger.

7 MR. BALSIGER: Will you remind me whether
8 the Nature Conservancy or the Conservation Fund came to the
9 Council and asked to be involved this way or was it the
10 other way around? Where did the idea generate?

11 MR. RUE: I think we approached them.

12 CHAIRMAN TILLERY: I believe we went to
13 them.

14 MS. McCAMMON: We did, although they had
15 submitted a proposal earlier, also, a couple years ago.
16 And we do have representatives of both groups, one on the
17 phone and one here, if anyone does have question of either
18 of those groups.

19 MR. RUE: Mr. Chairman, I note - and I, for
20 one, have been pushing on this idea, with others on the
21 Council to try it for a while because they've been very
22 helpful in putting together some of the deals we already
23 have, so I think it's been -- my feeling is I've been real
24 interested, certainly, in trying this. I don't feel
25 anyone's been pushing me to try, I think we've been pushing

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1 them.

2 MR. BALSIGER: Well, please don't take my
3 comment as an objection to it at all, I just was trying to
4 gather the history.

5 MR. RUE: Yeah.

6 CHAIRMAN TILLERY: Mr. Gibbons.

7 MR. GIBBONS: Yeah, Mr. Chairman, I also
8 like the idea that was mentioned, like a flow chart. I
9 think, you know, just laying out the steps would ease my
10 mind some. And then Molly mentioned there's a duplication,
11 they looked at an analysis of what's existing done by
12 agencies and what -- and that would be interesting to kind
13 of look at, to kind of get a feel for that.

14 CHAIRMAN TILLERY: I think you're correct.
15 I think it was maybe two things we're asking for, one is a
16 flow chart.....

17 MR. GIBBONS: Right.

18 CHAIRMAN TILLERY:and the second is
19 almost a side-by-side.....

20 MR. GIBBONS: Side-by-side, right.

21 CHAIRMAN TILLERY:that maybe tries,
22 to the extent we can, break out the costs and determine
23 which is more economically efficient.

24 MR. GIBBONS: Yeah, that's what I was
25 referencing.

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1 CHAIRMAN TILLERY: That should be pretty
2 simple, Ms. McCammon.

3 MS. McCAMMON: Piece of cake.

4 CHAIRMAN TILLERY: Piece of cake, between
5 now and January 16th.

6 (Laughter)

7 CHAIRMAN TILLERY: Is there any more
8 discussion? Ms. See.

9 MS. SEE: I just wanted to note that it's
10 really helpful to have the report from the PAG on this, to
11 get their input. I think it's really excellent that
12 Molly's been able to address that concern in this proposal.
13 I think it seems like a good, conservative way to try
14 something that we've all been interested in doing, but also
15 to recognize the public concerns and really work out the
16 specific things, some of which we're not even going to know
17 until we enter into it, so it seems like really well
18 thought out approach to go with the 1,000,000, even though
19 there is somewhat less efficiency if you look at the total
20 package of money, I think it addresses a lot of other
21 important concerns.

22 CHAIRMAN TILLERY: Ms. McCammon, when does
23 the PAG go out of existence?

24 MS. McCAMMON: They're out of existence.

25 CHAIRMAN TILLERY: They're out, they're

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1 gone?

2 MS. McCAMMON: The end of October they were
3 gone. The last meeting we held was with the past PAG
4 members, but it wasn't an official PAG meeting.

5 CHAIRMAN TILLERY: And they weren't held
6 over until the new ones, they don't.....

7 MS. McCAMMON: No. No.

8 MR. RUE: Mr. Chairman.

9 CHAIRMAN TILLERY: Commissioner Rue.

10 MR. RUE: I have one other request, and
11 maybe you can just answer right now, but I was interested
12 originally in finding out if, by being more creative in the
13 land acquisition field, the non-profits could do things
14 like I just suggested, buying a 50-acre parcel, we might
15 only be interested in 10, they could use the proceeds from
16 the other 40, which they might subdivide or whatever, to
17 put into other small parcels as matching funds. Is that
18 even -- is that a legal possibility? If so, I don't need
19 to hear it today, but I'd be interested in knowing if they
20 could use kind of creative methods that we can't. I mean,
21 we can't become real estate holders and brokers and
22 sellers.

23 CHAIRMAN TILLERY: Actually we can, but
24 it's very difficult, we would have to go through best
25 interest determinations and so forth. This came up when we

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1 did Kenai River Ranch acquisition.....

2 MR. RUE: That's the one I was thinking of.

3 CHAIRMAN TILLERY:where we would have
4 liked to have sold off that valuable road front stuff and
5 kept the riverfront, but at that time we looked at it and
6 thought, you know, we can actually do that ourselves, but
7 it gets so incredibly cumbersome.

8 MR. RUE: So that would be a question that
9 I would have of folks, if that's possible, because I've
10 seen a number of parcels that have come along and we really
11 probably only want half or a third of it, and then the
12 other half or two-thirds could be available for
13 subdivision. And I think the non-profits could perhaps do
14 a very good job of subdividing as well. So I'd be
15 interested in hearing about that, not necessarily today,
16 but before we make the decision.

17 CHAIRMAN TILLERY: Anything else? Further
18 discussion?

19 (No audible responses)

20 CHAIRMAN TILLERY: Okay, the.....

21 MS. McCAMMON: Mr. Chairman.

22 CHAIRMAN TILLERY: Yes, ma'am.

23 MS. McCAMMON: The main issues that we were
24 concerned about was, first of all, whether to do the grant
25 in two phases or just go -- keep working on a trial

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1 \$1,000,000 grant. The other one, and this probably needs
2 to be talked about later, if the decision is made to go
3 forward with the full 25,000,00, about whether to manage it
4 as an endowment or a declining balance type fund. So that
5 decision really doesn't need to be made now.

6 It would be helpful to get some feedback from you
7 all about the process in terms of whether -- even to go
8 forward for -- what we have in the language now is that the
9 Council will be consulted prior to the grantee proceeding
10 with appraisals and negotiations as proposed or whether the
11 Council should formally approve going forward with each
12 specific appraisal. And the way we have the language now
13 is that there would be a consultation process whereby the
14 Council would say these are the kinds of properties we're
15 interested in, for example, on the Kenai River these kinds
16 of habitat, these kinds of properties, in these locations.
17 And there may be some specific parcels, also, that the
18 Council is interested, in some cases it may be just kinds
19 of parcels. Go forward and see if you can find some that
20 meet those criteria, evaluate them, appraise them and bring
21 them back to us for final consideration.

22 Now, the non-profits would be taking -- there would
23 have to be a lot of consultation because if the non-profits
24 went ahead and did the appraisal, assuming they would be
25 reimbursed, they'd want to have some good idea that this

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1 was an actual parcel that the Council was interested in
2 protecting. But the way we have it drafted, there's some
3 flexibility there and we have it as consulted rather than a
4 formal vote on each specific appraisal, so it would be
5 helpful to get some feedback from you on that.

6 CHAIRMAN TILLERY: I can give you my
7 feedback, which is in my view, then, there should be
8 consultation before they expend money -- generally expend
9 the kind of money that's involved in an appraisal, but not
10 approval. But simply before they spend that kind of money
11 they should check with the Council members and make sure
12 that they're generally comfortable, depending on price, et
13 cetera, with this parcel, much like we do sort of now a
14 little bit. But before an actual purchase is made there
15 needs to be a formal vote.....

16 MS. McCAMMON: Right.

17 CHAIRMAN TILLERY:and approval.

18 MS. McCAMMON: Right.

19 CHAIRMAN TILLERY: So that's.....

20 MS. McCAMMON: That's how we have it
21 structured now.

22 CHAIRMAN TILLERY: Yeah, that's the way I
23 would see it as going. I don't know if other people have
24 different concepts.

25 MR. RUE: Mr. Chairman, I hate to

00093

1 interrupt. I'm going to have to leave and have Claudia
2 Slater sit in for me for the rest of the afternoon and I'll
3 be back tomorrow.

4 CHAIRMAN TILLERY: Okay, the record will so
5 reflect.

6 MR. RUE: Okay. What time do we start
7 again tomorrow?

8 MS. McCAMMON: 8:30.

9 (Commissioner Rue departs - 3:12 p.m.)

10 CHAIRMAN TILLERY: Ms. Heiman.

11 MS. HEIMAN: I don't really have a strong
12 opinion either way as long as the Council is really
13 involved in any purchase decision.

14 The other thing, Molly, when we come back in
15 January maybe that's something we could discuss a little
16 bit, this declining fund or the endowment; is that what you
17 said?

18 MS. McCAMMON: Well, at this point.....

19 MS. HEIMAN: What did you call those words?

20 MS. McCAMMON: Declining balance or an
21 endowment.

22 MS. HEIMAN: Right. And so what were you
23 going to say?

24 MS. McCAMMON: Well, that mainly applies to
25 the large fund, the \$25,000,000, because the \$1,000,000

00094

1 would be, hopefully, spent.

2 MS. HEIMAN: In other words, that would not
3 be decided in the January meeting, we'll just be deciding
4 the 1,000,000?

5 CHAIRMAN TILLERY: The 1,00,000 we will be
6 treating it as if it was interest earned in a year.

7 MS. HEIMAN: Yes, I got it.

8 CHAIRMAN TILLERY: Okay. Is there any more
9 discussion on that item?

10 (No audible responses)

11 CHAIRMAN TILLERY: Ms. McCammon, is there
12 anything else you needed guidance on?

13 MS. McCAMMON: Sandra?

14 MS. SCHUBERT: (Shakes head in the
15 negative)

16 MS. McCAMMON: No, I guess that's it.

17 CHAIRMAN TILLERY: We are slightly ahead of
18 the agenda, which has us dealing with archaeological
19 repository at 3:30, should we take a break for about 15
20 minutes?

21 MS. HEIMAN: Yeah, definitely.

22 MR. BALSIGER: Sure.

23 CHAIRMAN TILLERY: Okay, we will -- because
24 I know there is interest in that and people may be getting
25 back on the line, so we'll adjourn -- let's take a brief

00095

1 break until 3:30.

2 (Off record - 3:14 p.m.)

3 (On record - 3:32 p.m.)

4 CHAIRMAN TILLERY: Okay, we're back in
5 session here with the December 4th, 2000 Exxon Valdez Oil
6 Spill Trustee Council meeting. The next topic on the
7 agenda is the archaeology repository. Ms. McCammon.

8 MS. McCAMMON: Mr. Chairman, in your
9 packet, under archaeology repository status memo and
10 resolution. What you have in here is a memo that brings
11 you up to date on where we are in this project. If you
12 will recall in January of 1999 the Council authorized \$2.8
13 million for a grant to Chugachmiut to develop an
14 archaeological repository for Prince William Sound and
15 lower Cook Inlet, local display areas in seven communities
16 in those regions and traveling exhibits to display in the
17 local facilities. The resolution allocated \$1,000,000 to a
18 combined archaeological repository and display facility in
19 Seward.

20 Since that time -- Chugach, when it originally
21 proposed that this combined repository/display area be
22 located in two separate facilities in Seward. The
23 repository with a small display facility would be in the
24 Orca Building and the major display facility would be in
25 the railway depot. However, in developing their business

00096

1 plan, they ended up modifying this proposal and eliminating
2 the display area in the railway depot, reducing the
3 allocation to the repository to about \$777,000 and setting
4 aside a certain amount of funds for a separate small
5 display facility in Seward that would be administered
6 through the Qutekcak tribe.

7 They came to this decision for a number of reasons,
8 but the major factor was looking at the expected revenues
9 of the combined facility, that they felt that they weren't
10 sufficient to pay for the costs and to support the use of
11 both buildings. So this revised proposal was submitted to
12 you in April, the Council considered it and asked for some
13 additional information, including revised building plans,
14 and new resolutions of support from the boards of directors
15 of Chugachmiut and Chugach Alaska Corporation, resolutions
16 reflecting their support for the modified proposal. Those
17 resolutions were received in late October.

18 Chugachmiut has included revised building plans and
19 those have been attached to your packet. So we are now
20 prepared to recommend that given this new support, new
21 affirmation of support from Chugachmiut and Chugach Alaska
22 and given a review of the revised building plans that the
23 Trustee Council approve the modification of the proposal.

24 In addition, in terms of the local display
25 facilities, proposals for facilities in Cordova, Port

00097

1 Graham, Seldovia and Nanwalek have been received. Two of
2 them have been approved, for Port Graham and Cordova. The
3 two for Seldovia and Nanwalek have been deferred until some
4 questions about financing the projects are resolved. But
5 the two, Port Graham and Cordova, are moving forward.

6 Under this modified proposal Chugachmiut has
7 suggested that a small local display facility be situated
8 in Seward in addition to the repository. And we did want
9 to note that in the FY2001 Federal Budget, Congress has
10 appropriated nearly \$800,000 for the National Park Service
11 to plan and design a multi-agency center in Seward and
12 they've also appropriated \$1.63 million dollars to purchase
13 an existing building for this purpose. And so, as part of
14 the recommendation, we are suggesting that there be
15 coordination and consultation between these two efforts
16 since the Federal facility will likely have some kind of a
17 display area.

18 In addition, the Council had originally stated its
19 intent regarding reasonable support costs for project
20 management and general administration, but to do so as the
21 project developed over time. So part of this action item
22 is to approve support costs totalling \$25,500. And
23 actually those costs are included on the spreadsheet for
24 deferred projects so you could actually vote on those
25 tomorrow.

00098

1 The main essence of the resolution before you today
2 is to support the reallocation of 223,000 for a local
3 display facility and reduce the allocation of grant funds
4 for the repository, subject to several conditions. That
5 the repository will be developed in accordance with the
6 repository business plan dated March 30th, 2000, as
7 modified by the grantee's letter of June 19th, 2000. That
8 the design of the repository must address concerns raised
9 by Elizabeth Knight, Senior Curator for the National Park
10 Service regarding adherence to 36 CFR, Part 79. That grant
11 funds budgeted for building acquisition for the repository
12 may be used for a prepaid lease of approximately 2,700
13 square feet in the Orca Building. And that the proposal
14 for a local display facility in Seward must be coordinated
15 with the repository as well as with the, to be built,
16 Federal multi-agencies center being planned for Seward.

17 And we do have Gerald Pilot, who is the grant
18 administrator for Chugachmiut here and also on the line we
19 have Jeanne Galvano, who is with the -- who is the Qutekcak
20 tribal administrator from the tribe of Seward, who also had
21 asked to be able to address the Trustee Council. And,
22 Veronica, did you -- was there anything else you wanted to
23 say about that?

24 MS. CHRISTMAN: No.

25 CHAIRMAN TILLERY: Would you like to come

00099

1 forward and -- do you have comments, then, on this or are
2 you just here to respond to questions?

3 MR. PILOT: I would probably just like to
4 respond to questions if there are any.

5 CHAIRMAN TILLERY: Okay, why don't you come
6 on up? And, Ms. Galvano, do you have sort of a statement
7 you want to make or do you also wish to just respond to
8 questions?

9 MS. GALVANO: Well, we have a brief
10 statement we'd like to make. And present in the room with
11 me is our Tribal Council, who is also available for
12 questions.

13 CHAIRMAN TILLERY: Okay. Why don't you go
14 ahead then?

15 MS. GALVANO: Well, my name is Jeanne
16 Galvano, as you said, and present in the room with me is
17 the Tribal Council, Artie Hatch, President; Hector Ronny,
18 Vice President; Davy Blatchford, Secretary/Treasurer; and
19 Council members Eric Clark, Miranda Nelson and Liz Randall.
20 I believe Edgar Blatchford was going to be able to be in
21 the room, but I'm not sure if he's in the room with you
22 right now, our other Council member.

23 MS. McCAMMON: No.

24 CHAIRMAN TILLERY: No, I don't see him.

25 MS. GALVANO: Okay, he was hoping to get

00100

1 over there. Well, we'd like to thank you for the
2 opportunity to share our vision of how we see the local
3 display facility, as well as what the opportunity of a
4 successful application for Qutekcak would mean to our
5 tribal community. Qutekcak has been involved in this
6 project from the onset with discussions of possible plans
7 on our council agenda repeatedly over the past few years.
8 I attended the pre-proposal workshop last spring and the
9 council has submitted a letter of intent to apply, to
10 respond to the RFP and we've maintained contact with Gerry
11 Pilot and we have been waiting for this final word on the
12 approval of the reallocation of funds.

13 Most recently we have been in contact with Veronica
14 Christman, the project coordinator. Additionally we've had
15 several discussions with Anne Castellina, the
16 superintendent of the Kenai Fjords National Park, about our
17 possible involvement in the visitor center. Because of the
18 desire for a Native exhibit we will be involved in this
19 project whether there were a collaboration of the display
20 facility or not. And it's anticipated that a tribal
21 representative will be working with the task group
22 throughout that project. We have also discussed possible
23 cooperative efforts with them, perhaps demonstration
24 projects, such as artisans at work at the visitor center or
25 the repository and the static exhibits at the display

00101

1 facility. This would allow for directing the public from
2 one facility, one project to another.

3 There are many possibilities with the parks program
4 and with Chugachmiut, they're endless. We have been
5 talking. I believe we all intend to work together in some
6 fashion and Qutekcak is very interested in a cooperative
7 role, but not a collaborative role. We read your draft
8 resolution, as well as the 11/16 memo from Molly McCammon
9 and we're sensitive to the concerns about a redundancy of
10 the efforts in the multi-tourism related projects. If our
11 funding plan were also based in competing for tourism
12 dollars we would understand and share the apprehension you
13 must have. However, our plan is not. Our vision for the
14 Seward display facility is as a medium for unifying the
15 Native population. It's envisioned as the first phase in
16 the development of our tribal offices and our Native
17 community center.

18 We have a letter of understanding from the Alaska
19 Vocational and Technical Center to build the display
20 facility if we're awarded the grant. This means a minimal
21 amount of labor costs would be associated with this
22 construction. It's an extraordinary opportunity and it
23 allows us to double the size of the project. We intend to
24 construct a 16 [sic] square foot building which will allow
25 not only for an 800 square foot display area -- 1,600

00102

1 square foot building, which would not only allow for an 800
2 square foot display area, but for us to base our youth and
3 elder's program in the remaining space.

4 Funding sources we now use to support these
5 programs would allow for the extended support of the
6 display area. A community meeting place has been
7 Qutekcak's goal for more than 30 years. We see this as an
8 opportunity. Visitors to the center would not only see the
9 origins of this region's Native population, but where they
10 are now and, with the interaction of the youth and our
11 elders and people, where we are going. We see this as a
12 chance to create more than just a display facility, but a
13 living museum.

14 Thank you.

15 CHAIRMAN TILLERY: Okay, thank you.
16 Council members, are there questions? Mr. Gibbons.

17 MR. GIBBONS: Yes, Mr. Chairman.

18 (Off record comments - moving teleconference mike)

19 CHAIRMAN TILLERY: Okay, go ahead,
20 Mr. Gibbons.

21 MR. GIBBONS: Yeah. Just a couple of
22 points. A point of clarification, the Forest Service and
23 Park Service are jointly working on a building together.

24 MS. GALVANO: Yes.

25 MR. GIBBONS: And the wording that the

00103

1 Forest Service to purchase an existing building, the Forest
2 Service is to purchase the land for the building. So
3 that's just a point of clarification. But we're in
4 partnership with the city of Seward, the Park Service and
5 the Forest Service in this joint facility, so I think the
6 interaction of those three will make this, you know, a real
7 active, good display for the public, so I just wanted to
8 make that point that, you know, it will be a joint agency
9 building and the lands that we are to purchase are right
10 down with the university, right down near the SeaLife
11 Center, so it'll be a real positive location.

12 CHAIRMAN TILLERY: Are there comments?

13 Ms. Heiman.

14 MS. HEIMAN: Oh, I'm just needing to be
15 reminded. This 223,000, as I recall, wasn't this a million
16 dollar project to start with?

17 MS. McCAMMON: It was a million dollar
18 project to start with and that was for both the Orca
19 Building and railway.....

20 MS. HEIMAN: Uh-huh.

21 MS. McCAMMON:depot. The railway
22 depot is now no longer part of the project, so the
23 repository part is now 777,000 total.

24 MS. HEIMAN: Okay.

25 MS. McCAMMON: In the Orca Building alone.

00104

1 That leaves 223,000 for a small local display facility in
2 Seward that potentially could be coordinated with the
3 Federal building or separate. Qutekcak has plans for
4 combining it with a tribal community center.

5 MS. HEIMAN: Okay. And how will this.....

6 MS. McCAMMON: So it's still a million
7 dollars, it's just reallocated.

8 MS. HEIMAN: Okay. And the 777,000, how
9 will that be paid to Chugachmiut, is that over time, is
10 that -- I mean.....

11 MS. McCAMMON: It's for a number of
12 purposes, it's for the administration of the grant, it's
13 for planning, it's for remodeling the existing building
14 that Chugachmiut has purchased. And then approximately
15 550,000 of it would be used as a prepaid lease for the
16 percentage of the building that would be devoted to the
17 repository. And as part of that commitment then
18 Chugachmiut would commit to having that part of the
19 building available for the repository for 20 years minimum.

20 MS. HEIMAN: Okay. And will that 550,000,
21 how will we pay that to Chugachmiut? Is that over time?

22 MS. McCAMMON: No, it would be done in one
23 payment through the grant.

24 MS. HEIMAN: And when would that happen?

25 MR. PILOT: I'm anticipating mid-March.

00105

1 MS. McCAMMON: Spring.

2 MS. HEIMAN: And would this 223,000 also be
3 one-time payment?

4 MS. McCAMMON: Well, that is done
5 separately, that would be done -- it's a competitive
6 RFP.....

7 MS. HEIMAN: Uh-huh.

8 MS. McCAMMON:and so Qutekcak is
9 interested in submitting a grant proposal, I don't know if
10 any others in Seward would also.

11 MS. HEIMAN: Okay.

12 MR. PILOT: Uh-huh, so we're going to open
13 up for the RFP process in about a month and a half and have
14 proposals due between March and April.

15 MS. HEIMAN: Okay. I have one further
16 question. Given that, I think what I just heard, the
17 testimony where number four says the proposal for local
18 display facility in Seward must be coordinated with the
19 repository, as well as with the Federal multi-agency center
20 being planned for Seward, is that language -- I can't
21 remember the name of the person who was testi.....

22 CHAIRMAN TILLERY: Jeanne.

23 MS. HEIMAN: Jeanne. Jeanne, is that
24 language okay with you?

25 MS. GALVANO: Well, I spoke with Veronica

00106

1 to try to get a clarification as to what does "must
2 coordinate" mean, and I was assured that it was not that we
3 would have to -- that we would have to collaborate. In
4 other words, put in for a proposal that means we all build
5 together. We have -- it is understood that we would be
6 talking -- we will be cooperating, we will be working
7 together, we all have to survive. So as long as that is
8 the meaning of "must coordinate" then I don't think we have
9 a problem with that language.

10 MS. HEIMAN: Okay. So you've reviewed this
11 and you feel comfortable with the way this resolution is
12 written.

13 MS. GALVANO: Excuse me, our tribal
14 president would like to say something.

15 MS. HEIMAN: Thank you.

16 MR. HATCH: As long as it -- and I think it
17 is in your resolution, we're satisfied with that.

18 MS. GALVANO: It would be reflected with
19 your minutes that "must coordinate" doesn't mean "must
20 collaborate."

21 CHAIRMAN TILLERY: Other questions.
22 Mr. Balsiger.

23 MR. BALSIGER: Can you tell me where the
24 Orca Building is?

25 MS. McCAMMON: The Orca Building is

00107

1 above.....

2 MR. PILOT: 4th and -- well, it's right
3 across the street within sight of the SeaLife Center, so
4 it's kind of one block north, so it's right in that
5 downtown location.

6 MS. McCAMMON: It was a book store prior to
7 this.

8 MR. PILOT: Yeah.

9 CHAIRMAN TILLERY: I have a couple of
10 questions.

11 MR. PILOT: Okay.

12 CHAIRMAN TILLERY: It looked to me like
13 there was a possibility of ending up with three display
14 facilities, like, one -- when you do the repository there's
15 going to be 800 square feet associated with it of displays,
16 at least, initially. And then there's going to be a
17 separate building you're going to build, potentially, with
18 half of it being displays. And then there may be some
19 displays in this Federal project.

20 MR. PILOT: A separate.....

21 CHAIRMAN TILLERY: So is it possible you'll
22 end up with.....

23 MS. GALVANO: Well, it wouldn't actually be
24 that there would be more displays. What we might do, like
25 I said, we might have a demonstration project, like an

00108

1 artisan doing something -- displaying his skill, his craft,
2 over at the (cut out) facility. That person would then be
3 urging people to come to the display facility to similar
4 type crafts, similar type exhibits, a static exhibit. So
5 it's not so much that we're going to have a third or
6 another thing there, what we're going to try to do is
7 coordinate this somehow so that we're all moving people
8 through the different aspects of it. What we intend to put
9 together is not just a display facility, not just another
10 museum, so we are going to be somewhat different.

11 CHAIRMAN TILLERY: Okay. And what about
12 the display that's associated with the repository itself,
13 that's different than this one you want to build; is that
14 right?

15 MS. GALVANO: I believe in -- according to
16 the business plan it also has an associated gift shop or
17 something like that, which is probably not what we're going
18 to be looking at, at this point.

19 MR. PILOT: Could I answer that?

20 CHAIRMAN TILLERY: Yeah, could you go
21 ahead.

22 MR. PILOT: Yeah, I'd like to elaborate
23 just a little. First of all, in our original project
24 concept we had a gift shop in there and as we got down the
25 road and developed the business plan it turned out that a

00109

1 lot of emphasis shifted from earned to unearned income, so
2 we're focusing on attracting sources of operating funds
3 from different sources. We have a small gift shop that's
4 attached to the 800 square foot gallery, but it's really an
5 insignificant part of the project. We have -- our display
6 area is going to be more of a computer, interactive,
7 oriented environment where we have possibly a kiosk where
8 you'd be able to pull up pictures of arts and crafts and
9 their theme settings and be able to send pictures
10 throughout, basically, the world. So there's a lot there
11 that needs to be developed and a lot of it is based on not
12 just arts and crafts that focus on the area, the local
13 area, but the whole Chugach region. And the Chugach region
14 it includes a lot of different variety. Basically the
15 Qutekcak Native tribe are focused on the particular area.

16 CHAIRMAN TILLERY: Okay. So then am I kind
17 of correct in thinking that we may end up with three
18 different, sort of, archaeological-related areas, but they
19 would be designed to work together.....

20 MR. PILOT: Together. And there's ways to
21 establish interactive marketing programs, I mean, you know,
22 where you'd be able to buy a ticket to see all three or a
23 portion of.

24 CHAIRMAN TILLERY: Okay. Now, the Federal
25 building and the Orca Building repository are going to be

00110

1 down sort of close to the SeaLife Center. The one that
2 you're thinking about building, the community center kind
3 of, would that be in the same general area?

4 MS. GALVANO: Actually we're looking at a
5 couple of different lots in town. Our offices are
6 presently right across the street from where the center is
7 supposed to go in, but we're looking at a couple of
8 different lots, maybe within a half-mile, quarter-mile of
9 that same area.

10 CHAIRMAN TILLERY: Okay. And let me just
11 ask one more question. The idea of a prepaid lease, it
12 seems to me that one of the advantages of the prepaid lease
13 is that it allows you to retain the interest earned on the
14 money.

15 MR. PILOT: Also -- well, just a point of
16 clarification. It wasn't 550,000, it's actually about 511.
17 And also, you know, we kind of bounce back and forth
18 between doing an outright purchase of that portion and
19 whether it was feasible and if it can be done, technically,
20 or not. And also back to the lease, or establishing a
21 traditional lease and dishing out the proceeds over a
22 number of years. But based on the fact that the monies
23 that we have and the portion of the building that we're
24 going to be use [sic] is approximately 25 percent of the
25 total facility, you know, there needs to be some equality

00111

1 there in terms of what the cost is to us. And we are
2 providing a substantial portion of the building in-kind, we
3 know that. We're committed to the project and our idea
4 with the prepaid lease is basically that we take the money
5 and up front, as a prepaid lease, and we modify or
6 refinance our existing mortgage and we just go from there.

7 But we're still committed to the project. In fact,
8 you can see with our current resolutions that we are
9 committing operating maintenance funds for this project for
10 a minimum of 20 years, in perpetuity, you know, I mean,
11 that's the whole idea behind this project, so.....

12 CHAIRMAN TILLERY: Yeah, and I think
13 actually those resolutions are very helpful. My thought
14 was that -- and I support the concept that once we decide
15 and go forward with this that you get the benefit of the
16 money, however we do it, you get the earnings off of that.
17 But there's another way to do it, which is to simply do it
18 as a yearly lease with each year lease payment being a
19 specified amount plus any interest earned on the principal
20 during that year, which would allow you to get the money.
21 And I guess what I was trying to find out are there reasons
22 because, for example, refinancing or something, that you
23 want a lump sum?

24 MR. PILOT: Well, our proposal is we want a
25 lump sum. I mean, in fact, I got a written statement here,

00112

1 if I may read it.

2 Dear Mrs. McCammon,

3 We would like to reiterate our position, our
4 support of the prepaid lease arrangement as proposed in the
5 revised Chugach Repository and Museum Business Plan. If
6 the changes are approved, the Chugach repository and museum
7 activities will be carried out by a separate non-profitting
8 corporation, CRN, whose only members will be the grant
9 obligors, Chugach Alaska Corp. and Chugachmiut.

10 CRN will manage and operate the repository and
11 museum activities to be carried out in the designated
12 section of the Orca Building in Seward. Because
13 Chugachmiut owns the Orca Building the full amount
14 allocated for the repository and museum's building
15 acquisition of \$511,000 will be paid to Chugachmiut as a
16 lease prepayment for the CRN space.

17 Chugachmiut and CRN will enter a 20-year, legally
18 binding lease. With the lease prepayment Chugachmiut will
19 modify or refinance its existing loan for the building if
20 favorable terms can be negotiated with the lender. This
21 arrangement will provide a more positive return for
22 Chugachmiut based on the cost of the space and the need to
23 provide financial commitment to the project for the
24 extended period. While the prepaid lease funds of \$511,000
25 is less than estimated market value of the space to be

00113

1 leased, it does provide the best arrangement possible,
2 based on the need and funds available.

3 We will be available to address any questions and
4 concerns. Signed, respectfully Dr. Lora Johnson,
5 Chugachmiut.

6 CHAIRMAN TILLERY: Okay. So then the
7 prepaid lease would be for 20 years?

8 MR. PILOT: Prepaid lease -- basically it's
9 a prepaid lease and it's for 20 years, but, you know, the
10 whole intent of the project is for perpetuity as long as,
11 you know, we have.....

12 CHAIRMAN TILLERY: Right, but in terms of
13 this -- or the allocation of this lease, this money would
14 be for a 20-year prepaid?

15 MS. McCAMMON: Yes.

16 CHAIRMAN TILLERY: Okay. That might --
17 want to reflect that in the -- sorry, I had a series of
18 questions.

19 Other questions?

20 MS. GALVANO: Excuse me. In discussion
21 with my council they wonder if it would be possible that
22 the number four, the wording for that be removed? Is there
23 a possibility of that? We are working with the other -- if
24 it were assumed we were the grantee, we would be working.
25 Is that language necessary? There are some concerns on my

00114

1 council.

2 CHAIRMAN TILLERY: Your request is to
3 delete number four?

4 MS. GALVANO: Yes.

5 CHAIRMAN TILLERY: Council members?

6 Mr. Gibbons.

7 MR. GIBBONS: Yes, Mr. Chairman, I'm
8 wondering why that is if we're going to be coordinating
9 anyway, what does this language do that we're not going to
10 be doing? I mean, so why remove it? This just encourages
11 coordination.

12 CHAIRMAN TILLERY: Would it be useful to
13 maybe make that more explicit? Something like proposal for
14 local display facility in Seward must, to the extent
15 possible, be coordinated.

16 MR. GIBBONS: Yeah, because I'm with you,
17 Mr. Chairman, there could be three displays there and if
18 we're not coordinated there could be a lot of duplication
19 and I really think we need to have that coordinated and
20 laid out properly.

21 CHAIRMAN TILLERY: Right. As I understand
22 their concern, they don't want that to mean more than it
23 means.

24 MR. GIBBONS: Right, I understand their
25 concern that they have to work with that building.

00115

1 MS. GALVANO: And we have no problem
2 working with the other agencies, we have for years, you
3 know, been some kind of interaction between all of us. We
4 have no problem with coordinating. Exactly as you just
5 said, we don't want it to mean more than it means.

6 MS. HEIMAN: I have no problem with the
7 language you suggested.

8 CHAIRMAN TILLERY: Would that be okay, if
9 we just added some language "to the extent possible" just
10 to kind of indicate it's not an absolute, but you're
11 supposed to try in that direction?

12 MS. GALVANO: I think that's fine.
13 Council? Thank you, we appreciate that consideration.

14 CHAIRMAN TILLERY: Are there -- do the
15 Council members have any more -- this is an action item as
16 I understand it. Do the Council members have any more
17 questions or comments? Ms. Heiman.

18 MS. HEIMAN: Well, I'd like to move this
19 and then we can make the possible amendment; is that how
20 you want to do it or do you want to move as.....

21 CHAIRMAN TILLERY: You can move it with
22 some amendments already or.....

23 MS. HEIMAN: Okay. Since everyone has seen
24 this, I just want to move the resolution for Project 99154,
25 the archaeological repository, local display facilities and

00116

1 traveling exhibits for Prince William Sound and lower Cook
2 Inlet.

3 Since Molly has already read it, do I need to read
4 it again?

5 CHAIRMAN TILLERY: No, it's the one in the
6 packet. Okay, is there a second?

7 MR. GIBBONS: I'll second.

8 CHAIRMAN TILLERY: Okay, it's been moved
9 and seconded. Is there discussion about the motion?

10 Ms. Heiman, I saw your finger up

11 MS. HEIMAN: Yes, I would like to amend --
12 now that it's on the table, can I make an amendment to
13 what's on the table.

14 CHAIRMAN TILLERY: With your concurrence
15 you can.

16 MS. HEIMAN: With my own concurrence. I
17 would like to change number four so it reads as Craig had
18 referred to before, the proposal for the local display
19 facility in Seward must, to the extent possible, be
20 coordinated with the repository as well as the Federal
21 multi-agency center being planned for Seward.

22 CHAIRMAN TILLERY: Okay. Is there any
23 objection to that amendment? I'm not sure of the
24 procedures on that. Are there other comments?
25 Ms. McCammon.

00117

1 MS. McCAMMON: Mr. Chairman, in number
2 three you wanted to add prepaid 20-year lease, 20 year
3 there.

4 CHAIRMAN TILLERY: That would be my
5 proposal. Ms. Heiman, it's your motion, is that an
6 acceptable.....

7 MS. HEIMAN: Yeah, that's fine.

8 CHAIRMAN TILLERY: It just clarifies the
9 term of the lease.

10 MS. HEIMAN: Yeah, I have no objection to
11 it.

12 CHAIRMAN TILLERY: Are there questions or
13 comments?

14 (No audible responses)

15 CHAIRMAN TILLERY: I would comment that
16 this has been a difficult issue and I think that
17 Chugachmiut and others have done a terrific job in
18 responding to what must seem like an unending stream of
19 concerns that we have raised. And I'm really appreciative
20 of the resolutions that you've passed and of the way that
21 you've worked through it and I think this looks real good
22 and is a very good proposal.

23 MR. PILOT: Yeah. If I might comment just
24 for a second. Yeah, we're looking at starting the second
25 of a four-year project, so -- you know, this first year has

00118

1 been planning and development, but actually we're going to
2 move into design and construction over this next year, so
3 I'd like to build about four of those facilities next
4 summer and the remainder of them the following summer, so
5 we're, you know, we want to get on with this project and we
6 certainly appreciate the coordination and the support here
7 with the Trustee Council.

8 Thank you.

9 CHAIRMAN TILLERY: Okay. Anything else
10 from Council members?

11 (No audible responses)

12 CHAIRMAN TILLERY: Hearing nothing, all in
13 favor of the motion as amended signify by saying aye.

14 IN UNISON: Aye.

15 CHAIRMAN TILLERY: Opposed?

16 (No opposing responses)

17 CHAIRMAN TILLERY: The motion passes.

18 Thank you very much.

19 MS. GALVANO: Thank you.

20 CHAIRMAN TILLERY: Okay. That brings us to
21 small parcels, PWS-05, PWS-06, PWS-1010. I assume you
22 might want to take 05 and 06 first and then do 1010. And
23 who will be presenting those?

24 MS. McCAMMON: Mr. Chairman, if you look in
25 your package under Prince William Sound-05. I don't think

00119

1 Ken is here, is he?

2 MR. GIBBONS: Yeah, he's hiding in the
3 corner.

4 MS. McCAMMON: Oh, way back there. Okay.
5 This is actually -- you know, it's a great day to have the
6 archaeology project going forward and it's a great day to
7 see these three parcels on the agenda.

8 MR. GIBBONS: Can I second that?

9 MS. McCAMMON: This whole suite, Prince
10 William Sound-05 and 06 and the Valdez Duck Flats and Jack
11 Bay have been -- are parcels owned by the University of
12 Alaska and it's been a long road on these. And it's really
13 with a lot of pleasure that we have them before you for
14 your consideration today.

15 The first one, 05, the appraised value is \$125,000,
16 it's approximately 33 acres, this is the current site of
17 the Forest Service visitor center and salmon viewing area.
18 The current lease expires in 2001. This parcel received
19 the highest scoring of any small parcel in Prince William
20 Sound under the original habitat work group in the
21 comprehensive habitat protection process. So it scored
22 very high and it's been on our list forever it seems like.
23 So it's really nice that we have this before you.

24 It includes not only the section where the visitor
25 center is, but also part of the actual Duck Flats which, I

00120

1 think, most of you who have been there know that it's a
2 really unique area of intertidal, mud flats and salt marsh.
3 Salmon fry from a number of streams, the nearby Salmon
4 Gulch Hatchery produces a lot of salmon in the Duck Flats
5 area. It's also a nesting, molting and staging habitat for
6 52 species of marine birds, eight species of waterfowl, 18
7 species of shorebirds, numerous other passerines and
8 raptors. Used by harbor seal and sea otters. It just a
9 very rich area.

10 And, I don't know, Ken, if you wanted to say
11 anything further about it.

12 MR. HOLBROOK: Yes, Mr. Chairman, my name
13 is Ken Holbrook, H-O-L-B-R-O-O-K. We've long been looking
14 at the Duck Flats as a package acquisition. These are two
15 of the parcels coming forward finally, we have another one
16 a resolution has already been passed on, USS-349, which we
17 are in progress with resolving some title problems.

18 But these are very rich and these parcels and
19 acquisition is supported by the community of Valdez. We
20 have long considered that we would acquire these and as
21 such the Trustees commissioned a study to look at the
22 values and to do some community planning, and that is
23 referenced in the resolution, and I have a copy of the
24 final report here if anybody would like to see it, but it
25 has been presented to the Trustees before.

00121

1 CHAIRMAN TILLERY: Are there questions or
2 comments from Council members?

3 MR. HOLBROOK: I would add that the parcels
4 -- or one of the parcels, 05, would be managed by the
5 Forest Service and 06 would be managed by the State.

6 CHAIRMAN TILLERY: Are we, at this point,
7 just on 05 or we looking 06?

8 MS. McCAMMON: Oh, that was just 05 right
9 there.

10 CHAIRMAN TILLERY: 05.

11 MS. McCAMMON: Yeah. And I don't know if
12 you want all the information provided or if you want to
13 address each one individually.

14 CHAIRMAN TILLERY: Shall we just address
15 these individually? There's only three of them. Does
16 somebody want to put this motion for 05 on the table?
17 Mr. Gibbons.

18 MR. GIBBONS: Mr. Chairman, yeah, I'll move
19 that the draft resolution in front of us entitled
20 Concerning the Duck Flat Parcels, PWS-05 be approved.

21 CHAIRMAN TILLERY: Is there a second?

22 MS. HEIMAN: Second.

23 CHAIRMAN TILLERY: Okay, it's been moved
24 and seconded. Is there discussion of the motion?

25 MS. McCAMMON: Mr. Chairman, I'm not sure

00122

1 if all of these resolutions have been reviewed by the State
2 attorneys yet, so there may be.....

3 MR. SWIDERSKI: I have one problem with the
4 one in 06.

5 MS. McCAMMON:so there may be a
6 little tweaking of the detail there.

7 MR. SWIDERSKI: Just in the 06.

8 MS. McCAMMON: 06, right. But 05 is fine.

9 CHAIRMAN TILLERY: Okay. If there's no
10 further discussion, all in favor of the resolution signify
11 by saying aye.

12 IN UNISON: Aye.

13 CHAIRMAN TILLERY: Opposed?

14 (No opposing responses)

15 CHAIRMAN TILLERY: The resolution passes.

16 That brings us to PWS-06.

17 MS. McCAMMON: PWS-06 was appraised at
18 \$100,000, it's approximately 25 acres. This is also on the
19 Duck Flats area. There's a portion of it that has an
20 animal control center and an FAA communication station and
21 those are leased out to those two facilities. And that
22 portion of the parcel would remain with the owner and would
23 be excluded from the sale. Again the value of this is the
24 value of the Duck Flats and continuing some of the
25 Council's earlier efforts, a few years ago, about

00123

1 protecting that really rich area in terms of marine birds,
2 waterfowl, harbor seals and sea otters. This parcel would
3 be managed by the State.

4 MR. HOLBROOK: Mr. Chairman, I have
5 provided a plat of the parcels and on 06 the northern
6 portion where it shows a couple of small in-holdings would
7 be surveyed out at some point prior to acquisition.

8 MS. McCAMMON: It's the FAA site and the
9 animal control facility.

10 CHAIRMAN TILLERY: So these.....

11 MR. HOLBROOK: And that area was not
12 included in the appraisal and has never been on the table
13 for acquisition.

14 CHAIRMAN TILLERY: The FAA site would be
15 kind of a landlocked parcel?

16 MR. HOLBROOK: No, actually it would just
17 -- that whole sliver would be removed.

18 CHAIRMAN TILLERY: And the university would
19 continue to own.....

20 MR. HOLBROOK: Yes.

21 CHAIRMAN TILLERY:that land?

22 MR. HOLBROOK: Yes.

23 CHAIRMAN TILLERY: Okay.

24 MR. HOLBROOK: And continue their two
25 leases to the FAA and the city.

00124

1 CHAIRMAN TILLERY: Mr. Gibbons.

2 MR. GIBBONS: Yes, Mr. Chairman, that's
3 what I was going to point out, this plat also, and how
4 these three parcels connect. That's all I was going to
5 point out, that we previously approved US-349, we're just
6 clearing title on that, and the other two.

7 CHAIRMAN TILLERY: So if you take a line
8 and you go across from the Tract D, is that what you do?
9 And that would altogether constitute the five acres or so
10 that's being taken out of this?

11 MR. HOLBROOK: That's correct,
12 Mr. Chairman.

13 CHAIRMAN TILLERY: Okay. Questions?

14 MS. HEIMAN: Is there some language we need
15 to change?

16 CHAIRMAN TILLERY: Mr. Swiderski, you need
17 to come up and speak closer to that microphone.

18 MR. SWIDERSKI: Mr. Chairman, I understand
19 that right now we have a surveyed tract, only a portion
20 which we would be acquiring. My suggestion would be that
21 there -- we have a draft resolution which has in the
22 conditions -- attached in the therefore clause, a condition
23 G that provides if the parcel is subdivided to the
24 satisfaction of the Trustee Council, a recorded plat is
25 provided. My recommendation would be that you simply take

00125

1 that condition out, the State, and I'm confident the U.S.,
2 will require that a surveyed plat be provided -- a survey
3 plat can only be provided -- a plat can only be surveyed by
4 the owner of record and both governments would require a
5 survey of the parcel we're going to acquire prior to it
6 being -- as a condition of it being acquired. And I think
7 that would be included in paragraph D above, completion of
8 a title search satisfactory to the State and the United
9 States and the seller is willing and able to convey fee
10 simple title by general warrantee deed. So I simply don't
11 think that's necessary.

12 CHAIRMAN TILLERY: Is there a problem with
13 it?

14 MR. SWIDERSKI: No.

15 CHAIRMAN TILLERY: Does it cause a problem,
16 that being in there?

17 MR. SWIDERSKI: It means that the
18 resolution would have to come back to the Council again.

19 CHAIRMAN TILLERY: Okay.

20 MR. SWIDERSKI: I mean, you could do that,
21 I don't see that you need to do that.

22 MS. HEIMAN: What do you think?

23 CHAIRMAN TILLERY: Well, I think he's
24 right, that if we leave it in here then we have to vote on
25 this again as opposed to just letting them go forward with

00126

1 it and it will come out in the normal course of doing the
2 title deal.

3 MS. McCAMMON: Mr. Chairman, isn't the
4 question who pays for the survey?

5 CHAIRMAN TILLERY: Well, that's another
6 question when they get the.....

7 MS. McCAMMON: Whether the -- I mean,
8 whether the owner pays for the survey.

9 MR. SWIDERSKI: I mean, but even that's not
10 addressed in here. And there is language at the end of the
11 resolution that says that no additional amounts or
12 interests are herein authorized to be paid to the sellers
13 from such joint funds. So we clearly can't give them
14 additional money. Only the owner of a piece of property
15 can survey his land and we couldn't do it if we wanted to.

16 CHAIRMAN TILLERY: Is there any question
17 that they're going to be doing -- the landowner is going to
18 be doing a survey?

19 MS. McCAMMON: Yes.

20 CHAIRMAN TILLERY: There is a question?

21 MS. McCAMMON: Yes.

22 CHAIRMAN TILLERY: Ken.

23 MS. McCAMMON: A question who pays for it,
24 let's put it that way.

25 MR. GIBBONS: Yeah.

00127

1 MR. HOLBROOK: Mr. Chairman, the university
2 has always maintained that they're only nominating part of
3 this parcel. And not to be negative, but I have had
4 difficulty keeping things straight with the negotiators, so
5 this was an attempt on my part to make sure that somehow we
6 identified that they were going to pay for it and that you
7 were aware of it. If it doesn't need to be here, that's
8 fine.

9 CHAIRMAN TILLERY: That may be true, but we
10 need to identify a little clearer than this. If they're
11 only going to sell part of the parcel, they're going to
12 have to sell us a surveyed parcel.

13 MR. HOLBROOK: Something we can record.

14 MS. HEIMAN: Uh-huh.

15 CHAIRMAN TILLERY: Right. I don't think
16 anybody.....

17 MS. McCAMMON: That's been our policy in
18 the past.

19 CHAIRMAN TILLERY: Nobody has any
20 disagreement with that concept?

21 MR. GIBBONS: No.

22 CHAIRMAN TILLERY: No.

23 MS. SLATER: I don't disagree with the
24 concept, but I guess I'm concerned that we make sure that
25 the other party is well aware that that's the expectation

00128

1 on the part of the Council, so that doesn't end up nixing
2 the deal.

3 MR. HOLBROOK: That was my concern.

4 MR. SWIDERSKI: I think the record makes it
5 pretty clear at this point.

6 CHAIRMAN TILLERY: Yeah, I think you can go
7 back and say that there is an absolute clear Council sense
8 that they are going to have to pay for the survey.

9 MR. HOLBROOK: Okay. That's fine, it was
10 just my paranoia.

11 CHAIRMAN TILLERY: No, it's good paranoia.

12 MR. HOLBROOK: After six years.

13 MR. BALSIGER: What is an animal control
14 facility?

15 MR. HOLBROOK: It's a dog pound.

16 MR. BALSIGER: Dog pound.

17 MS. McCAMMON: It's a dog pound.

18 MR. BALSIGER: I was hoping it was keeping
19 geese out of the flight path or something.

20 (Laughter)

21 CHAIRMAN TILLERY: Is there a motion?

22 Mr. Gibbons.

23 MR. GIBBONS: Do I understand we're
24 modifying the resolution to take item G out, is that what
25 we just said?

00129

1 CHAIRMAN TILLERY: I think there was a
2 proposal to take G out but have the negotiators say that
3 the intent of the Council is very clear that the landowner
4 has to provide us with a surveyed parcel. Those 20 acres
5 have to be surveyed and that they're paying for it, we're
6 not.

7 MR. GIBBONS: Mr. Chairman, could we add a
8 word or two to D, and I'm just thinking out -- completion
9 of a title search and plat satisfactory -- would that make
10 it very clear to them that -- or is that.....

11 MR. SWIDERSKI: I'm sorry, what did you
12 say?

13 MR. GIBBONS: In D

14 MR. SWIDERSKI: In D.

15 MR. GIBBONS: And surveyed plat.

16 MR. SWIDERSKI: We could insert that.

17 CHAIRMAN TILLERY: I'm not sure that would
18 be the right place, but if you're going to do that, I
19 almost think you should leave G in and simply say, a
20 recordable plat is provided by the owner.

21 MR. HOLBROOK: Mr. Chairman, could we not
22 put this in the purchase agreement?

23 CHAIRMAN TILLERY: I think you could, yes.

24 MR. HOLBROOK: That would probably be a
25 cleaner place to put it, now in hindsight after the

00130

1 discussion.

2 MR. SWIDERSKI: That's normally where it
3 would go.

4 MR. GIBBONS: Purchase agreement?

5 CHAIRMAN TILLERY: Yeah, so maybe just
6 delete all of G.....

7 MR. GIBBONS: That's fine.

8 CHAIRMAN TILLERY: Okay. With that
9 thought, is there a motion?

10 MS. SLATER: I have one other thing.

11 CHAIRMAN TILLERY: Ms. Slater.

12 MS. SLATER: I was wondering on the second
13 page of the resolution, under B, if that should read the
14 authorization for funding, if it's not signed by June 30,
15 2001, I think the appraisal expires in June rather than
16 September, would that be an appropriate revision?

17 MR. HOLBROOK: The appraisal -- and my
18 recommendation, it expires June 21st and that's what -- we
19 should have a purchase agreement by then or else we would
20 have to go back for appraisal, which we've been through
21 three times, I don't think we want to do this again.

22 MS. SLATER: So this should read June 21.

23 MS. McCAMMON: This should read, yeah, June
24 21st, 2001.

25 CHAIRMAN TILLERY: Well, do you want the

00131

1 authorization for funding, though, to terminate.....

2 MS. McCAMMON: They just have to sign a
3 purchase agreement.....

4 CHAIRMAN TILLERY: Purchase agreement.

5 MS. McCAMMON:by June 21st, 2001.

6 And it would be strongly recommended to that. The
7 appraisal expires, if you don't have a purchase agreement
8 by then, we'll have to redo the appraisal.

9 CHAIRMAN TILLERY: Right, that's the
10 purchase agreement, but the authorization could be
11 construed to mean the actual purchase.

12 MS. McCAMMON: If a purchase agreement is
13 not signed by June 21st, 2001.

14 CHAIRMAN TILLERY: Okay. Is there a
15 motion?

16 MR. GIBBONS: Mr. Chairman, I move that we
17 pass the resolution in front of us the 4th day of December,
18 the year 2000, with the following modifications. Under
19 therefore, page two, item B, changing the date from
20 September 30th, 2001 to June 21st, 2001. And with the
21 elimination in the same therefore, page 3, item G,
22 elimination of G, which reads the parcel is subdivided to
23 the satisfaction of the Trustee Council and a recordable
24 plat is provided.

25 MS. SLATER: I second.

00132

1 CHAIRMAN TILLERY: Okay, it's been moved
2 and seconded, is there discussion?

3 (No audible responses)

4 CHAIRMAN TILLERY: Hearing no discussion,
5 all in favor of the motion signify by saying aye.

6 IN UNISON: Aye

7 CHAIRMAN TILLERY: Opposed?

8 (No opposing responses)

9 CHAIRMAN TILLERY: The motion passes. And
10 that brings us to Jack Bay.

11 MS. McCAMMON: I'll let you talk about Jack
12 Bay.

13 MR. HOLBROOK: Okay. Jack Bay, located
14 just outside of Valdez Arm. It's now the site of a --
15 across the bay from this parcel is a State marine park. It
16 has a Forest Service cabin further in the bay, it is a high
17 use recreation area, a subsistence area for people from
18 Valdez. The parcel is 942 acres, forested, most of it
19 within the city limits of Valdez.

20 As detailed in Attachment A, there are many
21 resources documented on this, from anadromous fish,
22 herring, eagles. There's strong public support for
23 acquisition of this parcel. And in review of past
24 acquisitions in the Sound and throughout the area, this is
25 actually a fairly cheap buy in terms of price per acre.

00133

1 MS. McCAMMON: That's his closing comment.

2 CHAIRMAN TILLERY: That's it?

3 (Laughter)

4 MR. HOLBROOK: Well, no, I mean what else
5 would you want? I mean.....

6 CHAIRMAN TILLERY: Well, if you could,
7 perhaps, give us a little bit of a history of the
8 appraisals and the various values that have been ascribed
9 to this?

10 MR. HOLBROOK: Well, I will attempt them.
11 Appraisals have been going back and forth between the
12 university and us for some five or six years. They have
13 ranged anywhere between 300,000, at one point, to 1.9
14 million, depending on who did the appraisals, us or the
15 university. And, over time, they have finally come to a
16 point kind of in the middle, at 1.13. Our last appraisal
17 was 600,000, approved both by our appraiser and the State
18 appraisal [sic]. We have rejected, I think, two appraisals
19 by the university, one at 1.6 and one at 1.9 million, as
20 not having followed standards.

21 The current appraisal done by Hurren was questioned
22 by the State appraiser and finally approved, just a couple
23 of days ago.

24 MR. GIBBONS: If I can interject. It was
25 also approved by the Federal appraiser.

00134

1 MR. HOLBROOK: Right, Federal and State.
2 CHAIRMAN TILLERY: Are there questions?
3 MR. BALSIGER: The Forest Service would
4 manage this property?
5 MR. HOLBROOK: Yeah.
6 MS. McCAMMON: Yes.
7 CHAIRMAN TILLERY: Now, on this map, the
8 parcel is outlined in black done here.
9 MR. HOLBROOK: That's correct.
10 CHAIRMAN TILLERY: It's the parcel right
11 across from the State marine park?
12 MR. HOLBROOK: The State marine park is
13 outlined in a dashed line.
14 CHAIRMAN TILLERY: Questions?
15 MS. HEIMAN: I just don't have that in my
16 packet, unless I'm just unable to see it.
17 MS. McCAMMON: It was handed out to you.
18 MS. HEIMAN: No, I only got two of these, I
19 never got the other thing.
20 MS. McCAMMON: It's right here.
21 MS. HEIMAN: No, no, I got two of these. I
22 wondered, now I know why.
23 CHAIRMAN TILLERY: Ms. McCammon, back when
24 we had a place holder for this, what was that place holder?
25 MS. McCAMMON: It was approximately a

00135

1 million dollars place holder for -- but that's why I say in
2 Jack Bay total, I think, so it was approximately a million
3 dollars and this totals about 101.3 [sic] million or so.
4 In the small parcel status report it does, the beginning of
5 the habitat we did when we updated you in terms of where we
6 were on small parcel acquisitions since March '99, we did
7 include Jack Bay at the full price of the 1.13.

8 MR. GIBBONS: Mr. Chairman.

9 CHAIRMAN TILLERY: Mr. Gibbons.

10 MR. GIBBONS: Part of this -- when the
11 appraisal came in it kind of shocked me, too. We've gone
12 from 300,000 to 1.9, 1.7 to 600 and it's been this back and
13 forth, so I asked Ken to give me a listing of what we paid,
14 you know, for small parcels -- the Trustee Council has
15 paid. And what he came up with in Horseshoe Bay the
16 average cost per acre was about \$1,500 an acre for 315
17 acres. The Alamar subdivision was 19,500 an acre, about
18 that. On the Kenai the average has been 2,800 per acre.
19 On Kodiak it's been about \$1,600 an acre and Jack Bay, the
20 average prices is \$1,200. So it's by far the cheapest of
21 our acquisitions. I can go over those numbers again
22 because I messed them up.

23 You know, Horseshoe is 1,500, Alamar, 19,500.....

24 MS. McCAMMON: Nineteen thousand or 1,900?

25 MR. GIBBONS: Nineteen thousand five.

00136

1 Yeah, there's a handout that he -- Kenai average of about
2 2,800 and Kodiak an average of about 1,600, and this is
3 about 1,200, so it's a -- like Ken said, it's a buy.

4 CHAIRMAN TILLERY: Mr. Balsiger.

5 MR. BALSIGER: What sort of management is
6 proposed by the Forest Service for this?

7 MR. GIBBONS: To be managed to maintain the
8 habitat integrity, no development.

9 MR. BALSIGER: Hunting, fishing,
10 subsistence, that kind of stuff is allowed?

11 MR. GIBBONS: Right, is allowed, but no
12 development, no -- protection of the habitat.

13 MR. BALSIGER: Thank you.

14 CHAIRMAN TILLERY: Mr. Swiderski, have you
15 reviewed this resolution?

16 MR. SWIDERSKI: I have reviewed the
17 resolution and I'm satisfied with it.

18 CHAIRMAN TILLERY: Any questions?

19 MS. HEIMAN: What was the -- is this in the
20 same category of habitat ranking?

21 MS. McCAMMON: I believe it ranked a
22 moderate.

23 MR. HOLBROOK: I don't have that with me.
24 No, I actually believe it ranked low.

25 MS. SCHUBERT: It scored 18.

00137

1 MS. McCAMMON: Eighteen. Just under.
2 MR. HOLBROOK: So just below moderate.
3 CHAIRMAN TILLERY: Yeah, that was a
4 traditional ranking for almost every -- most of the pretty
5 good parcels was 18.
6 MR. ROTH: For small parcels.
7 CHAIRMAN TILLERY: For small parcels. We
8 bought a lot of 18s. Mr. Gibbons.
9 MR. GIBBONS: I make a motion that we move
10 the resolution dated the 4th -- well, the one before us,
11 the 4th day of December of the year 2000 as written.
12 MS. HEIMAN: Well, I'll second it.
13 CHAIRMAN TILLERY: Okay, it's been moved
14 and seconded; is there discussion about the resolution?
15 MS. HEIMAN: Craig, speak up or forever
16 hold your peace.
17 (Laughter)
18 MS. HEIMAN: What's the problem?
19 CHAIRMAN TILLERY: Well, you know, it's
20 just the price keeps going up and I actually think this
21 chart is helpful, I'm glad you put that together. But I
22 certainly had this tagged as a smaller price for this.
23 Mr. Swiderski.
24 MR. SWIDERSKI: Mr. Chairman, I'm sorry,
25 there is a.....

00138

1 CHAIRMAN TILLERY: You need to come up
2 here.

3 MR. SWIDERSKI: Okay. There is one typo.

4 MS. HEIMAN: Oh, so you're not on what
5 we're talking about right now?

6 CHAIRMAN TILLERY: But if you have a typo
7 here, you.....

8 MR. SWIDERSKI: Well, in paragraph C it
9 references disbursement of funds by United States District
10 Court for the District of Alaska. I think we've replaced
11 that in the resolutions with other language.

12 CHAIRMAN TILLERY: Oh, that's true.

13 MR. SWIDERSKI: And, I'm sorry, that was in
14 the 06 resolution as well, I believe. The 05 resolution
15 and it's correct in the 06 one.

16 MR. HOLBROOK: Because all three of these
17 started exactly the same.

18 MS. McCAMMON: So it would need to be
19 changed in all three then?

20 MR. SWIDERSKI: No, 06 is all right.

21 CHAIRMAN TILLERY: Let me just ask you a
22 question. Is there a possibility this is going to come out
23 of.....

24 MS. McCAMMON: You won't sign these until
25 tomorrow, so we'll get them.....

00139

1 CHAIRMAN TILLERY: Okay. The problem here
2 is the manner in which it talks about us getting the money
3 and there's a question as to whether this money will come
4 from money that's already sitting in NRDA-R or money that's
5 in the new investment fund.

6 MS. HEIMAN: Oh, I see.

7 MS. McCAMMON: Actually, there's a third
8 option.

9 CHAIRMAN TILLERY: There's a third option.

10 MS. McCAMMON: I think where the money is
11 going to come from is probably the State cash account that
12 will transfer the money to the NRDA Fund.

13 CHAIRMAN TILLERY: The what?

14 MS. McCAMMON: The State GeFONSI.

15 CHAIRMAN TILLERY: Oh, GeFONSI?

16 MS. McCAMMON: I think so, but -- yeah.

17 CHAIRMAN TILLERY: Okay, but that's kind of
18 the same as this, the NRDA-R, but it's -- I guess the sense
19 of the Council is that by the time we get a motion, a
20 written motion, that needs to reflect the source of the
21 money and it basically just means we can get the money from
22 that source, is that.....

23 MS. McCAMMON: Yeah.

24 CHAIRMAN TILLERY: Okay. And we can make
25 correction at the time that we sign the resolution. But

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1 that's a good point. And we need to do that for all three
2 of them, to come up with consistent language.

3 MR. SWIDERSKI: Okay.

4 CHAIRMAN TILLERY: And we will be out from
5 that little thicket pretty shortly, we'll be down to one
6 money source.

7 MS. McCAMMON: Yes.

8 CHAIRMAN TILLERY: And, again, my concern
9 has to do really with the history of appraisals on this
10 parcel. I don't question the value of the parcel, I mean
11 it's -- from the beginning appeared to be and I visited --
12 actually I've been on the ground, but I've been over this
13 and by this piece of land quite a bit and it's close to
14 Valdez, it's a good place for the people of Valdez, it fits
15 in with the marine park there. I think it's a good
16 acquisition, but to some extent tends to kind of break the
17 bank a little bit in the sense that it's above what we sort
18 of earmarked for this land, although we've taken those
19 earmarkings off at this point. It's not greatly above it,
20 but it's about three or 400,000 above it, of the
21 earmarkings, and that means there are other things we have
22 previously earmarked money for that will not be able to be
23 funded at this point.

24 MS. HEIMAN: I'd like to know what that is,
25 I guess, I didn't really realize that.

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1 MS. McCAMMON: There really isn't, I mean,
2 when you look at where we are with the other acquisitions
3 and what was going forward and not. I mean, the other big
4 earmark that isn't going forward is Termination Point.

5 MR. GIBBONS: Mr. Chairman.

6 CHAIRMAN TILLERY: Yeah.

7 MR. GIBBONS: Am I not incorrect that
8 earmark is an estimate, too, of the funding needed?

9 CHAIRMAN TILLERY: Yes.

10 MR. GIBBONS: And the way this was bouncing
11 around we had an in between earmark.

12 CHAIRMAN TILLERY: Right, but this is half
13 again as much as we sort of earmarked. And, again, it does
14 mean that there is about three to 400,000 of other things
15 that people have had in their minds, but again are no
16 longer technically earmarked, but that people have had in
17 their minds that won't be funded. On the other hand, this
18 is available, I assume they indicated they will sell it at
19 this price?

20 MR. HOLBROOK: (Nods in the affirmative)

21 CHAIRMAN TILLERY: It's here, it's
22 important land, so.....

23 MS. HEIMAN: We'll just take it out of
24 Forest Service's hide later.

25 CHAIRMAN TILLERY: That works for me.

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1 MS. HEIMAN: Okay.

2 CHAIRMAN TILLERY: Mr. Balsiger

3 MR. BALSIGER: Mr. Chairman, this may have
4 been discussed earlier but, again, I noticed that the
5 resolution says they can't harvest any timber until between
6 now and the sale, but there's no reference in the
7 description of the land if there's any timber there. Is
8 there timber on the land.....

9 MR. GIBBONS: Uh-huh, oh, yeah.

10 MR. BALSIGER:or does your management
11 plan allow for timber production from the land?

12 MR. GIBBONS: Mr. Chairman. I don't know
13 what their management plan calls for, but the university
14 has harvested timber off their land for money making. Ours
15 would be no timber harvest and no development.

16 MR. BALSIGER: So yours would be with no
17 timber harvest?

18 MR. GIBBONS: No timber harvest and no
19 development.

20 MR. BALSIGER: Oh, okay, thank you, that
21 was my question.

22 CHAIRMAN TILLERY: And the State would
23 receive a conservation easement on this that would prohibit
24 timber harvest also.

25 MR. BALSIGER: I knew it had a conservation

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1 easement, but I didn't know that no timber harvest is
2 always associated with a conservation easement.

3 CHAIRMAN TILLERY: It is in almost all
4 circumstances, I can't.....

5 MR. SWIDERSKI: It is in all of these
6 easements that we take.

7 MR. BALSIGER: Okay, thank you.

8 CHAIRMAN TILLERY: Mr. Holbrook.

9 MR. HOLBROOK: That's correct, there will
10 be no timber harvest and it will be managed for recreation,
11 hunting, sport and subsistence.

12 MS. HEIMAN: I believe we have a motion and
13 it's been seconded.

14 CHAIRMAN TILLERY: Okay, is there any more
15 discussion?

16 (No audible responses)

17 CHAIRMAN TILLERY: Hearing none, all in
18 favor of the motion signify by saying aye.

19 IN UNISON: Aye.

20 CHAIRMAN TILLERY: Opposed?

21 (No opposing responses)

22 CHAIRMAN TILLERY: The motion carries.

23 MR. GIBBONS: Can I go out and celebrate
24 now?

25 CHAIRMAN TILLERY: The next item is lapse

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1 date.

2 MS. McCAMMON: Okay, lapse date. Now to
3 the mundane. The revised procedures that were adopted by
4 the Council last August included a provision that for
5 capital projects the unexpended balance shall be carried
6 forward for two subsequent fiscal years, at the end of the
7 three-year period the unexpended, unobligated balance shall
8 lapse. Trustee Council action is required to extend the
9 required lapse date beyond the three-year period.

10 We had a couple of projects in the past that did
11 not -- that had a lapse date of September 30th, 2000 and
12 for various reasons we're requesting that you approve an
13 extension of that lapse date. For Project 97291 an amount
14 of \$15,000 to lapse on September 30th, 2001 in order to
15 complete the final report. Project 98180 to extend the
16 lapse date of \$27,500 to September 30th, 2001 in order to
17 contract with the Youth Restoration Corps this year, per
18 your recommendation last August, to consider reprogramming
19 some unspent capital funds from earlier Kenai River
20 appropriations to this effort.

21 And then, lastly, for Project 99304, the Kodiak
22 Waste Management Plan, and that amount is \$1,857,100 and to
23 extend that lapse date from September 30th, 2001 to
24 September 30th, 2003. And this accommodates the new
25 schedule for project completion. This has been seriously

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1 delayed due to, primarily, personnel changes at the Kodiak
2 Island Borough, but we're now satisfied it's on track.

3 CHAIRMAN TILLERY: And under our procedures
4 this requires a motion?

5 MS. McCAMMON: Yes.

6 CHAIRMAN TILLERY: Is there a motion?

7 MR. BALSIGER: I had a clarifying question.

8 So actually the first one is 15,000?

9 MS. McCAMMON: Yes.

10 MR. BALSIGER: And the second is 27.5 and

11 the third one is 1,857,100?

12 MS. McCAMMON: That's correct.

13 (Laughter)

14 MR. BALSIGER: It doesn't say that here,

15 does it? Doesn't it say \$1,857.10?

16 MR. GIBBONS: Yeah, it's different.....

17 MS. McCAMMON: It's different formatting.

18 We can clarify and make sure all the zeros are there

19 and.....

20 MR. BALSIGER: That's okay, as long as I --

21 it surprised me when you said it. I was wondering why it

22 was on here if it was only \$2,000, so now I understand.

23 MS. McCAMMON: Oh, no, it's more than that.

24 CHAIRMAN TILLERY: Is there a motion?

25 MS. HEIMAN: I move we extend the lapse

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1 date on these three projects.

2 MR. GIBBONS: I'll second it.

3 CHAIRMAN TILLERY: It's been moved and
4 seconded; is there discussion?

5 (No audible responses)

6 CHAIRMAN TILLERY: Hearing no discussion,
7 all in favor of the motion signify by saying aye.

8 IN UNISON: Aye.

9 CHAIRMAN TILLERY: Opposed?

10 (No opposing responses)

11 CHAIRMAN TILLERY: The lapse dates are
12 extended.

13 Now, that brings us to deferred projects, which is
14 the last thing on the agenda for today. Now, I note that
15 it's also the last thing on the agenda for tomorrow.

16 What's the idea?

17 (Laughter)

18 MS. McCAMMON: The idea is that possibly,
19 maybe, we could start today and finish tomorrow or,
20 depending on -- it was unclear how fast some of these
21 things were going to move.

22 CHAIRMAN TILLERY: Okay.

23 MS. McCAMMON: Tomorrow's agenda we have --
24 because of the two-day meeting there is the potential for
25 additional public comment, although I think we got most of

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1 it today, I think. The GEM briefing and discussion, we
2 have that for about an hour and a half, that may take less
3 time, I'm not really sure, but we do have a significant
4 amount of time set aside for that. Tylan Schrock will be
5 here around 10:30 or so to brief the Council on the Alaska
6 SeaLife Center and what's happening there. He is also
7 bringing Sharon Anderson as president of the board and also
8 Christine DeCourtney who is external affairs coordinator.

9 We have a very extensive and growing executive
10 session planned to discuss Public Advisory Group
11 appointments, my evaluation, some legal questions brought
12 up and then habitat protection, primarily on Koniag. And
13 then at 1:00 o'clock we do have scheduled some investment
14 training by Mike O'Leary from Callan Associates and that's
15 at a set time because we're accommodating his schedule, and
16 that's about two hours. And then the Public Advisory Group
17 appointments.

18 But I would anticipate that that executive session
19 is probably going to take a while. We have it scheduled
20 now for an hour and a half.

21 CHAIRMAN TILLERY: Well, how long would the
22 Council like to go today?

23 MS. HEIMAN: I would like -- there's a
24 point I would like to make. I would like Frank Rue to be
25 here when we go through these deferred projects, but as

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1 long as he's here when we vote on them, I guess it doesn't
2 matter to me.

3 CHAIRMAN TILLERY: Well, we could, perhaps,
4 get started on them, but I guess the question is shall we
5 go to 5:00 or shall we go to 5:30 or how long do you want
6 to -- I agree Frank really ought to be here.....

7 MS. HEIMAN: Uh-huh.

8 CHAIRMAN TILLERY:for a lot of this.
9 Mr. Gibbons.

10 MR. GIBBONS: I don't have any problem with
11 going to 5:30, but I'm looking here and Pacific herring and
12 SEA and cutthroat are all -- seem like NOAA, the last one
13 under archival tracking is a DOI, we could probably do
14 those fairly efficiently if I'm reading them correctly.

15 CHAIRMAN TILLERY: Well, I guess the
16 problem I see with these deferred projects is there may be
17 some trade-offs.....

18 MR. GIBBONS: Okay.

19 CHAIRMAN TILLERY:in these deferred
20 projects and, I don't know, I kind of think Frank ought to
21 be here for them.

22 MR. GIBBONS: That's fine, I'm willing to
23 work late tomorrow night if we have to. If that's what we
24 have to do.

25 MS. HEIMAN: I hate to break it up. I

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1 mean, I like to do it all at once myself.

2 CHAIRMAN TILLERY: Yeah.

3 MS. HEIMAN: But I hate to put off to
4 tomorrow what you can do today.

5 CHAIRMAN TILLERY: Yeah. Is there anything
6 else that we got on the agenda for tomorrow that we
7 can.....

8 MR. BALSIGER: We can do the executive
9 session.

10 (Laughter)

11 MS. McCAMMON: That was the problem.

12 MR. GIBBONS: You can do the additional
13 public comment.

14 (Laughter)

15 CHAIRMAN TILLERY: We can't really do any
16 of this, can we? Shall we do the Public Advisory Group
17 appointments, is that.....

18 MR. BALSIGER: Well Frank's not here.

19 MS. McCAMMON: You can't vote on them, you
20 discuss them in executive session.

21 CHAIRMAN TILLERY: Oh, we do?

22 MS. McCAMMON: Uh-huh.

23 CHAIRMAN TILLERY: That's right.

24 MS. McCAMMON: See, that was the problem I
25 had with the agenda, and I knew Frank was going to be gone

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1 for these two hours.

2 CHAIRMAN TILLERY: Well, I kind of think
3 that that deferred project, just because I have this sense
4 that there's going to be a little bit of discussion about
5 priorities in them but, you're right, we shouldn't break
6 them up. Perhaps we should.....

7 MR. BALSIGER: I suggest we work late
8 tomorrow night as required.

9 MS. HEIMAN: Yeah.

10 CHAIRMAN TILLERY: Okay.

11 MS. HEIMAN: Or we could just speed through
12 it tomorrow.

13 CHAIRMAN TILLERY: Right. Okay. Shall
14 we.....

15 MS. HEIMAN: Adjourn or whatever it is.

16 CHAIRMAN TILLERY:adjourn or recess?

17 MS. HEIMAN: Recess.

18 CHAIRMAN TILLERY: Is there a motion?

19 MS. HEIMAN: I move we recess until
20 tomorrow at 8:30.

21 MS. SEE: Second.

22 CHAIRMAN TILLERY: Moved and seconded, does
23 anybody object?

24 (No audible responses)

25 CHAIRMAN TILLERY: Hearing none, we're

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1 recessed until 8:30 in the morning.

2 (Off record - 4:40 p.m.)

3 (TO BE CONTINUED)

