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EXXON VALDEZ OIL SPILL

TRUSTEE COUNCIL

Public Teleconference Meeting

Wednesday, May 13, 2009

10:00 o'clock a.m.

441 West 5th Avenue, Suite 500

Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

STATE OF ALASKA DEC: MR. LARRY HARTIG

(Chair) Commissioner

STATE OF ALASKA - DEPARTMENT MR. TOM BROOKOVER for

OF FISH AND GAME: Commissioner Lloyd

(BY PHONE)

U.S. DEPARTMENT OF INTERIOR: MR. KIM ELTON

Senior Advisor

U.S. DEPARTMENT OF AGRICULTURE, MR. STEVE ZEMKE for

U.S. FOREST SERVICE MR. JOE MEADE, Supervisor

STATE OF ALASKA - MR. CRAIG TILLERY for

DEPARTMENT OF LAW: MR. RICHARD SVOBODNY

U.S. DEPARTMENT OF COMMERCE, MR. CRAIG O'CONNOR for

National Marine Fisheries Svc: MR. JAMES W. BALSIGER

(By Phone) Administrator, AK Region

Proceedings electronically recorded, then transcribed by:

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1 STAFF PRESENT:

2 ELISE HSIEH Interim Executive Director

3 CHERRI WOMAC Associate Coordinator

4 CATHERINE BOERNER Restoration Specialist

5 MICHAEL SCHLEI Data Systems Manager

6 ERIKA AMMANN NOAA

7 (BY PHONE)

8 DEDE BOHM USGS

9 PETE HAGEN NOAA

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P R O C E E D I N G S

(Anchorage, Alaska - May 13, 2009)

(On record - 10:00 a.m.)

MR. BROOKOVER: This is Tom Brookover.

I'll be sitting in for Denby today.

CHAIRMAN HARTIG: Oh, okay. Thanks, Tom.

I was just thinking that's the last person we needed. So I think we're all here. I guess we'll go ahead and call roll to make sure we got everybody.

REPORTER: Do you want to call roll,

Cherri?

MS. WOMAC: Sure.

CHAIRMAN HARTIG: Or I can do it, if you want.

REPORTER: That's fine. Doesn't matter.

MS. WOMAC: Commissioner Hartig.

CHAIRMAN HARTIG: Here.

MS. WOMAC: AG Craig Tillery.

MR. TILLERY: Here.

MS. WOMAC: Commissioner -- oh, I'm sorry. Tom Brookover for Commissioner Lloyd.

MR. BROOKOVER: Tom Brookover is here.

MS. WOMAC: Craig O'Connor for Jim Balsiger.

MR. O'CONNOR: I'm here, but I'm having

1 trouble hearing.

2 MS. WOMAC: Kim Elton.

3 MR. ELTON: I'm here also and having some  
4 trouble hearing.

5 CHAIRMAN HARTIG: And then we got Steve  
6 Zemke.....

7 MS. WOMAC: And Steve Zemke.

8 CHAIRMAN HARTIG: .....right, sitting in  
9 for Joe Meade.

10 MS. WOMAC: Uh-huh.

11 MR. ZEMKE: Yeah, that's correct. I can't  
12 hear Cherri very well either.

13 CHAIRMAN HARTIG: Yeah, well, can you hear  
14 me okay?

15 MR. ZEMKE: You're fine, Larry.

16 CHAIRMAN HARTIG: Well, I apologize that  
17 you can hear me well. Okay. Well, I guess I'll run the  
18 meeting if Craig's not going to grab the -- he's not.  
19 Okay. So it's a simple one today. We should have the  
20 agenda in front of us. If I get a motion to approve the  
21 agenda.

22 MR. TILLERY: Move.....

23 MR. O'CONNOR: So moved.

24 MR. TILLERY: Second.

25 CHAIRMAN HARTIG: Are there any

1 corrections, additions, changes to the agenda?

2 (No audible responses)

3 CHAIRMAN HARTIG: Okay. Hearing none, the  
4 agenda is approved. Okay. Next item, we look at the  
5 minutes from the last meeting, the January 16th meeting, I  
6 believe it was. Do I have a motion to approve the minutes  
7 from that meeting?

8 MS. HSIEH: March 9th.

9 MS. WOMAC: March 9th.

10 CHAIRMAN HARTIG: Oh, March 19th, sorry --  
11 or March 9th.

12 MR. TILLERY: Move to approve.

13 MR. ZEMKE: Steve Zemke. I move to approve  
14 the March 9th.....

15 MR. TILLERY: Second.

16 CHAIRMAN HARTIG: Second, okay.

17 MR. O'CONNOR: I'll second it.

18 MR. TILLERY: Thank you.

19 CHAIRMAN HARTIG: Any changes, corrections  
20 to the minutes?

21 (No audible responses)

22 CHAIRMAN HARTIG: Okay. Hearing none, the  
23 minutes are approved. Okay. So, let's see, do we have the  
24 other minutes to approve or is that it?

25 (No audible responses)

1                   CHAIRMAN HARTIG: Okay. So I guess we'll  
2 go on then to the main item of business -- or do we want to  
3 do public comments first?

4                   MR. TILLERY: Public comment.

5                   CHAIRMAN HARTIG: Okay. Is anybody from  
6 the public here that want to make comments here in  
7 Anchorage?

8                   (No audible responses)

9                   CHAIRMAN HARTIG: Okay. Anybody online  
10 from the public that wants to make comments on anything?

11                   (No audible responses)

12                   CHAIRMAN HARTIG: It doesn't sound like it,  
13 so I guess the public comment period is closed. Okay. So,  
14 we've got in front of us today to look the Boufadel project  
15 proposal. I think everybody has got the material on that.  
16 It's been distributed and reviewed. Is there anything else  
17 that we need to cover on this, or should we just go into --  
18 get a motion on and up and then some discussion? Okay.  
19 Elise is just nodding that she doesn't have anything.

20                   MS. HSIEH: We don't have any additional  
21 materials.....

22                   CHAIRMAN HARTIG: Okay. Just the.....

23                   MS. HSIEH: .....if that's what you're  
24 asking.

25                   CHAIRMAN HARTIG: .....written material.

1 MS. HSIEH: Uh-huh. And then of course  
2 online we have Michel Boufadel and Jacqui Michel to answer  
3 any questions that may come up. I don't think Al Venosa is  
4 online.

5 CHAIRMAN HARTIG: Okay. Thank you. I  
6 guess we'll start, if I can get a motion to approve the  
7 Boufadel project 070836-A, Factors Responsible for Limiting  
8 the Degradation Rate of Exxon Valdez Oil in Prince William  
9 Sound Beaches in the amount of \$437,497, which includes  
10 G&A, \$36,124. Anybody willing to make that motion?

11 MR. TILLERY: Mr. Chairman, I so move.

12 MR. O'CONNOR: So moved, Mr. Chairman.

13 CHAIRMAN HARTIG: Okay. And Craig Tillery,  
14 do you want to second.....

15 MR. TILLERY: I'll second it then.

16 CHAIRMAN HARTIG: .....Craig O'Connor's  
17 motion? Okay. Well, I'll open it up for discussion then  
18 on the motion.

19 MR. O'CONNOR: Well, since I moved it, this  
20 is Craig. Let me just make a couple of comments. You  
21 know, Mr. Chairman, we're well on our way with a number of  
22 studies that are addressing the why and what to do about  
23 the lingering oil in Prince William Sound. And we are  
24 reaching a point where a lot of the information is coming  
25 together, an important component of which of course was Al

1 Venosa's study on whether or not the oil that's out there  
2 is in fact biodegradable. And it appears that he's gotten  
3 some preliminary results from Al that in fact that oil is  
4 biodegradable. And what seems to be the situation as to  
5 why it hasn't degraded at that this point, and it's in the  
6 last 20 years, is what would seem to be that the absence of  
7 oxygen is a controlling factor and perhaps a -- in addition  
8 the absence of sufficient nutrients.

9                   Michel Boufadel's earlier project on  
10 limiting factors was taking a look at the -- sort of the  
11 why -- what is going on on the beach that is limiting the  
12 -- or creating a situation where the oil is either not  
13 being transported out to sea or is not otherwise being  
14 exposed to the appropriate nutrients and oxygen, because  
15 those are really -- seem to be the prevailing factors  
16 influencing the biodegradation in situ. Where these pieces  
17 are starting to come together, one of the important  
18 considerations at this stage will be if in fact, and it  
19 would appear to be the case, that oxygen is the reason the  
20 oil is not degrading, perhaps augmented by some nutrients.  
21 Why isn't it and how do we get that oxygen to it. Michel's  
22 work thus far along with Jacqui Michel's work is saying  
23 here's the way the problem looks to us in terms of the  
24 encapsulation of the oil, the way that the beach is  
25 structured, and how it's distributed on those beaches that

1 do have lingering oil, have certain geomorphological  
2 characteristics. And if we're going to be addressing the  
3 issue of the absence or the depletion of oxygenating  
4 chemicals on the beaches, how are we going to get them to  
5 the oil. And this is in essence a preliminary evaluation  
6 of how we go about injecting oxygen and/or nutrients into  
7 the beaches, looking at two study sites that would be  
8 fairly representative of the dif -- the types of  
9 geomorphological conditions that we're finding out there  
10 where oil is being retained in from the beaches.

11                   And so we're going to be looking at how can  
12 we go about getting oxygen to the oil, how much injection  
13 pressure is necessary. How we're putting oxidants into the  
14 system, for instance peroxide, how are we going to get it  
15 distributed within the beach, how much pressure is  
16 necessary, how is it going to flow, and so on. And this is  
17 all preliminary information that at least in my mind will  
18 serve as the predicate upon which we base our solicitations  
19 for next year on how to go about remediating the oil in  
20 situ in a less aggressive, in a less aggressive fashion  
21 than the front loader going in and digging it up.

22                   In reviewing the comments and concerns from  
23 the science panel, I recognize that at this stage, some may  
24 consider this study, one, to be unnecessary. Let's do it  
25 through the open solicitation process. Others may have

1 some sense that it may be unnecessary or perhaps is not as  
2 well designed as it could be. I think based upon my  
3 reading and the work that I have done in chatting with the  
4 technological experts here that it may not be perfect but  
5 it's the best we can do at this stage. And we do not want  
6 to make a substantial investment without understanding the  
7 hydrodynamics in play and what we may be able to do at  
8 least preliminarily by way of getting nutrients and oxygen  
9 into the beaches.

10 So, as a council member I want to know the  
11 information that's being solicited here. In some ways this  
12 was a result of some of the questions and concerns that I  
13 had as we were progressing. So, notwithstanding the fact  
14 that I generally do not feel comfortable taking an action  
15 that hasn't been for the most part fully endorsed by our  
16 science panel, I feel comfortable at this stage that this  
17 is appropriate to move forward with, and as a result I have  
18 moved its approval by the council.

19 CHAIRMAN HARTIG: Okay. Thanks, Craig.  
20 Are there any other -- anybody else want to just add  
21 anything to the discussion? Craig.

22 MR. TILLERY: Mr. Chairman, I have looked  
23 at the comments of the science panel, a number of which  
24 they are somewhat mixed. One of the overriding themes is  
25 that I'm not an expert in this field. And so actually I

1 would appreciate hearing from perhaps Jacqui Michel about  
2 the justifications that she sees for doing this particular  
3 study, and in particular perhaps responding to the idea of  
4 whether we shouldn't just go ahead and use oxygen, for  
5 example, rather than a tracer in this. But just in general  
6 her understandings of the most important justifications for  
7 going forward at this time.

8 MS. MICHEL: Okay. This is Jacqui Michel  
9 and I appreciate the opportunity to answer that question  
10 because, you know, in reviewing the science panel comments,  
11 you know, I had the same impressions. You know, a lot of  
12 folks, you know, they believed wholeheartedly, you know,  
13 our hypothesis and felt like that we knew enough to go  
14 ahead and go straight toward, you know, sort of testing  
15 different kinds of oxygen addition methods. However, you  
16 know, for those of us who actually do the work, we felt  
17 very strong that there were additional data needs for us to  
18 be able to design a well-designed, best chance for success.  
19 Because we figured there's really on one time, one chance  
20 for success in order to try to do some remediation  
21 treatment testing, the pilot testing, and those had to be  
22 designed the best way we can so that we had the highest  
23 chance of success. So I think the work this summer is  
24 critical to doing that. Because even as the team of  
25 researchers who were trying, struggling with how to -- you

1 know, our first strategy was thinking about maybe we should  
2 take advantage of 2009 and try to do some pilot tests, but  
3 then as we started to design the test ourselves, we found  
4 out that we did not have enough information, we did not  
5 know area of influence, we didn't know the flow rates in  
6 that lower layer. You know, we talked about  
7 hydrofracturing and different kinds of injection techniques  
8 and we were -- you know, we were -- we could make best  
9 professional judgments but we were very concerned about the  
10 fact that, you know, we would be smarter after one more  
11 year and be able to make the best design.

12 I think these studies are going to be  
13 critical to sort of providing the basis so that not just us  
14 but other, you know, researchers and remediation  
15 technologists would have the results of this 2009 study,  
16 then we can have a broader range of options and a basis on  
17 which to evaluate those options. You know, for example we  
18 discussed, now do inject this stuff in trenches or in  
19 wells. Do we do slow release, are they going to be  
20 effective. We had a lot of arguments. No one had the  
21 right answer and we think we'll have better answers for  
22 those by the end of this, the survey.

23 MR. TILLERY: And Mr.....

24 MS. MICHEL: Does that answer your  
25 question?

1                   MR. TILLERY: That was helpful to me, Mr.  
2 Chairman. And one kind of followup question would be when  
3 do we anticipate getting the results of this study? You  
4 mentioned that it would be the kind of study that we could  
5 then take the results and send it out to anybody to come up  
6 with a proposal for next -- perhaps the next field season,  
7 an actual pilot project, I think. When would we get the  
8 results from this study?

9                   MS. MICHEL: Okay. Michel is online. He  
10 can answer that. But -- do you want to do that, Michel?

11                  MR. BOUFADEL: Yeah, I would say im -- you  
12 know, immediately, like in late September, early October,  
13 we should have the results.

14                  MR. TILLERY: Okay.

15                  CHAIRMAN HARTIG: Any other questions,  
16 Craig?

17                  MS. MICHEL: And these would be published  
18 in a way that -- you know, very practical. These won't be  
19 peer-reviewed scientific articles but hopefully they'll be  
20 practical, kind of engineering feasibility study data that  
21 people could use to better design, you know, a pilot  
22 project for 2010.

23                  MR. BOUFADEL: Yes, because -- this is  
24 Michel Boufadel -- because we, you know, if everything goes  
25 according to plan, we should start our experiments in early

1 August or say mid-August, depending on, you know, if -- you  
2 know, this. So mid-August we start collecting data and we  
3 kind of -- we'll make sure that they are processed in time  
4 and then presented in a report by -- I think the quarterly  
5 report is in September, so we should have most of them in  
6 early September. And -- but just considering the time  
7 line, I feel also we will have much more in there by the  
8 end of September. So I would say we could break down the  
9 deliverables between 70 percent -- I wouldn't say much more  
10 than that. The deliverable, I would say 70 percent should  
11 be in early September, and then the rest the end of  
12 September.

13                   CHAIRMAN HARTIG: Okay. This is Larry  
14 Hartig. I had a couple of questions too. My main concern  
15 on this, and it was also I think reflected in some of the  
16 science panel comments, is where this is headed. And that  
17 is, is do we really expect that with this impermeable layer  
18 and the lack of nutrients and perhaps oxygen there in  
19 inhibiting the degradation that we could go in and actually  
20 get enough nutrients and oxygen into that layer to  
21 effectively do the bioremediation without other significant  
22 disruption. You know, I'm worried that it's such an  
23 impermeable layer that we'd end up having to break it up  
24 somehow or do something to it, you know, to have effective  
25 bioremediation and that even if we were achieving

1 bioremediation, we'd have to use so many nutrients, you  
2 know, that we could disturb the ecosystem that way or that  
3 we would have the oil that -- as it is being broken down by  
4 the bacteria or otherwise released, that we'd start seeing  
5 sheens and other situations develop with the bioremediation  
6 that may not be acceptable to the public. And so I just  
7 don't know if bioremediation is a viable option with that  
8 impermeable layer or not and would be interested in other  
9 people's feelings on that.

10 MS. MICHEL: Well, this is Jacqui. I'll  
11 make a first response because that's exactly -- you know,  
12 that, whether or not it's feasible is just the answer that  
13 we're trying to create through these, this one more round  
14 of field specimens. Because as -- you know, we're not so  
15 concerned about, you know, I guess so much concerned about  
16 releasing oil and creating sheens. That's a possibility.  
17 You know, the big question for us in terms of feasibility  
18 and disturbances will be, you know, at what frequency do  
19 you have to create the injection. You know, do you have to  
20 drill wells every meter. You know, are they every five  
21 meters, you know. And -- because your digging these wells  
22 or installing these wells is a physical disturbance for the  
23 -- to the intertidal zone. So we don't know and I guess  
24 we'll never know until we do this next round of studies  
25 where we have enough model -- you know, field data,

1 modeling data to be able to predict those -- answer those  
2 questions about the effectiveness. And it's mostly -- you  
3 know, we're not going to overcharge the nutrients we don't  
4 think but we could -- because you know, the main thing that  
5 we need to add, is oxygen. And, you know, there turned  
6 out, in the Venosa study, you know, it took a long time  
7 before the nutrient augmentation took off because there was  
8 so much background nutrients in the sediments.

9                   CHAIRMAN HARTIG: Yeah, I guess I'm not so  
10 worried about the study itself, I'm just thinking that in  
11 the application on a broader scale, you know, in the field,  
12 you know, is it really -- is this realistically something  
13 that we would do, you know.

14                   MS. MICHEL: You know, and that's -- part  
15 of the realistically is it something we would do would be,  
16 you know, how many wells do you have to dig to inject what  
17 -- you know, what radius of influence. And so -- but also  
18 remember the oil itself is not in huge patches. The oil is  
19 in -- is patchier. And so we're not -- you know, our plan  
20 is, you know, even in implementation or pilot testing, you  
21 know, we're treating oil on a patch level. And so that's  
22 one other thing to think about, is that we are dealing with  
23 discreet units that might minimize -- brought the large  
24 scale of, you know, disturbance that people might think of  
25 an entire -- you know, all of Point Helen or all of Smith

1 Island.

2                   CHAIRMAN HARTIG: Right. No, I appreciate  
3 that's a good point, because that was another concern, is  
4 just what the ultimate cost would be because if -- just do  
5 a study with a couple of injection or, you know, two series  
6 of injection wells -- or I don't know what you'd call them,  
7 injection, they're pretty shallow, the -- beyond the cost  
8 of that, you know, if you scaled that up, that could become  
9 terribly expensive. You know, if this study is 400,000,  
10 you know, what would it cost to do some.....

11                   MS. MICHEL: You know, definitely  
12 there.....

13                   CHAIRMAN HARTIG: .....remediation.

14                   MS. MICHEL: .....would be economy to scale  
15 when you -- if and when -- if the decision was made to go  
16 back. But it's going to be expensive, I mean, you know,  
17 largest oil spill cleanup in the world and, you know, I'm  
18 sure some of those factors would apply to the in situ by  
19 remediation as well.

20                   CHAIRMAN HARTIG: I guess the last question  
21 -- and these are significant, major question I think that  
22 I'm asking, you know, maybe some policy questions, is, is  
23 it necessary before -- to do the study this summer? You  
24 know, what's driving the schedule here. Because it is a  
25 pretty short time period, you know, to review this and

1 consider it and perhaps -- I'm a bit worried too that we --  
2 I don't have the benefit of having remediation experts, you  
3 know, as part of the science panel reviewing it too and  
4 giving their thought on whether this is a good course. Is  
5 it that we have to do it this summer?

6 MR. TILLERY: Mr. Chairman, I guess -- it  
7 seems to me -- my understanding is that we wouldn't of  
8 course have to do it this summer but if you don't do it  
9 this summer, you're going to lose another field season and  
10 then you're going to be faced with the same thing next  
11 summer. Do you go forward with the pilot project or do you  
12 try to go and define things better so that you can make  
13 that project more effective? Or determine that you don't  
14 even need a pilot project because it's not going to work.  
15 And given where we are, it would appear to me that getting  
16 this information now to better define what we can do next  
17 year is probably a useful exercise.

18 CHAIRMAN HARTIG: Expensive one.

19 MR. TILLERY: It's an expensive exercise,  
20 but as you note, it is -- the pilot project is going to be  
21 a lot more expensive but any the actual work that comes out  
22 of this is likely to be even more expensive.

23 MS. MICHEL: But we'll be able to answer  
24 the question to the public about, you know, are there  
25 feasible alternatives to treatment of the lingering oil.

1 And otherwise, you know, the longer we wait, the longer  
2 that question remains.

3                   CHAIRMAN HARTIG: No, that's an extremely  
4 important question to all of us. Any other questions or  
5 discussion?

6                   MR. ZEMKE: Yes, Mr. Chair, this is Steve  
7 Zemke. I had one question. Do you think there are other  
8 studies that are going to be needed before -- in addition  
9 to this one that's going to be needed to supply the  
10 critical information for the pilot studies or do you think  
11 this is an -- what would be needed and give us adequate  
12 information to proceed?

13                   MS. MICHEL: Do.....

14                   MR. ZEMKE: And it would be Jacqui or  
15 Michel or.....

16                   MS. MICHEL: Well, I'll answer first and  
17 then Michel can then jump in. You know, we've tried to  
18 think of everything we would want to learn when we designed  
19 this study. And so, you know, there's always -- scientists  
20 always want more studies, but I think what you have working  
21 for you is a team of people who are practical. We're  
22 trying to answer the question from an engineering hydrology  
23 perspective. So we tried to identify everything we know  
24 now, and that's not to say that by the time, the end of  
25 study, we'll have found new things, but that's what science

1 is about. But we don't think so. Michel.

2 MR. BOUFADEL: Yeah, I agree.

3 MR. ZEMKE: Okay. Hearing that, also  
4 looking at the document that was presented, a justification  
5 for the 2009 limiting factors field study modification,  
6 that I think in my mind answered a lot of questions that  
7 were brought up by the science panel. I had one kind of  
8 implementation question. I know that you're going out two  
9 times, proposed going out two times, first to put in the  
10 well and then two months later to come back, and I guess  
11 the two month period is for the sediments to kind of return  
12 back to their normal. Do you consider that an adequate  
13 period of time or would it be better to come back the next  
14 year to allow the sediments to kind of go through the  
15 normal winter period and reestablish a more natural  
16 situation?

17 MR. BOUFADEL: This is Michel Boufadel. We  
18 placed sensors in between summer 2007 and then during the  
19 winter take them up, we took them out in summer 2008. And  
20 based on these sensors we concluded that about six weeks,  
21 you know, would be sufficient. And then we considered two  
22 months, you know, as a safety factor. But again, this  
23 based on these data. It is possible that this particular  
24 hypothesis would need to be further confirmed and that's  
25 why I said early on, you know, we ideally, we put the wells

1 in early June and then we start the experiments in early  
2 August. But, you know, if it doesn't work out, we might  
3 need to give it two more weeks or even a whole month. But  
4 -- so that's evaluable. But based on this six weeks, I  
5 don't think we should go more -- we would go more than  
6 maybe two and a half months or two months.

7 MR. ZEMKE: Okay. That's -- that sounds  
8 good. I had one question about the budget, but I'm not  
9 sure if we want to discuss that or -- right now or move on  
10 through the rest of the technical discussion.

11 CHAIRMAN HARTIG: Well, why don't you go  
12 ahead and ask your question now, Steve.

13 MR. ZEMKE: Okay. It was kind of in the GA  
14 portion of it. They were talking about 26 percent. And  
15 then I know that's, you know, with other universities we've  
16 kind of dealt with some of that. I don't remember exactly  
17 how, but it does seem rather high, you know, the 80,000.  
18 And then on top of that we fund another nine percent of our  
19 own overhead on their overhead, so it's effectively even  
20 higher than that. In some way it just seems like that was  
21 should at least take the 26 percent and take the nine  
22 percent off of that and provide for 15 percent overhead for  
23 them if we think that's acceptable.

24 MS. HSIEH: Mr. Chairman, just so.....

25 CHAIRMAN HARTIG: Yeah, Elise.

1 MS. HSIEH: .....that everyone is aware,  
2 NOAA has declined the project management fees. Does  
3 everyone have that in their -- that was sent around via  
4 email. That was a late change that was made.

5 CHAIRMAN HARTIG: Yeah, I don't know if you  
6 heard that, Steve.

7 MR. ZEMKE: No, I didn't.

8 CHAIRMAN HARTIG: Elise was just commenting  
9 that there was an email that went out that NOAA is waiving  
10 their fees on this for their oversight, managing the  
11 contract.

12 MR. ZEMKE: Okay. So the nine percent, it  
13 would be eliminated then on it. Okay. That was my concern  
14 then. So that would resolve that.

15 CHAIRMAN HARTIG: Is that.....

16 MS. MICHEL: Oh, good. So it's only a  
17 \$400,000.....

18 MS. HSIEH: That's not right.

19 MS. MICHEL: .....cost.

20 MS. HSIEH: Just one moment, please.

21 MS. BOERNER: The nine percent is still in  
22 the project. We're just not going to charge the \$9,000  
23 project management fee.

24 CHAIRMAN HARTIG: Okay.

25 MR. ZEMKE: I assume that it brings the

1 cost down.....

2 MS. BOERNER: There's still the nine  
3 percent.....

4 MR. ZEMKE: .....to 401,000.

5 MS. BOERNER: .....on the project.

6 MS. HSIEH: The nine percent still is on  
7 the project.

8 CHAIRMAN HARTIG: Yeah, let me get that  
9 clear, Steve. The nine percent is still in there. What  
10 NOAA is waiving is \$9,000 project management fees.

11 MR. ZEMKE: Oh, okay.

12 MR. BOUFADEL: This is Michel Boufadel. In  
13 2007 when we were submitting this proposal we checked what  
14 the University of Alaska Fairbanks, I mean the rates, and  
15 what we got was 25 percent. And Temple University, you  
16 know, for it to support the graduate students, it requires  
17 26 percent. So we went up from 25 percent overhead to 26  
18 percent. So that was the basis for it. Temple University  
19 usually charges 50 percent overhead on projects. So we  
20 negotiated it down to 26 percent.

21 MR. ZEMKE: Okay. That kind of resolves  
22 that. As long as we just kind of sharpened our pencils on  
23 that we could probably get.....

24 CHAIRMAN HARTIG: Okay. Any other  
25 discussion?

1 MR. O'CONNOR: Mr. Chairman, I'd call for  
2 the question, but I don't -- I can't see whether anybody  
3 else is getting antsy.

4 CHAIRMAN HARTIG: No, I don't see anybody  
5 else getting antsy in this room, so thanks for calling for  
6 the question. We'll go ahead and I guess do a roll call  
7 vote. And, let's seek, Craig Tillery.

8 MR. TILLERY: Yes.

9 CHAIRMAN HARTIG: Tom Brookover.

10 MR. BROOKOVER: Yes.

11 CHAIRMAN HARTIG: Craig O'Connor.

12 MR. O'CONNOR: Yes.

13 CHAIRMAN HARTIG: Kim Elton.

14 MR. ELTON: Yes.

15 CHAIRMAN HARTIG: Steve Zemke.

16 MR. ZEMKE: Yes.

17 CHAIRMAN HARTIG: Okay. And I'll be yes.

18 So the motion passes.

19 MR. ZEMKE: I guess we should have one  
20 question. If the fees are waived, that 9,000, does that --  
21 what was the total for the project then? Has that been  
22 changed?

23 CHAIRMAN HARTIG: The total project is  
24 still \$437,497 including G&A at 36,124. Is that correct,  
25 Elise?

1 MS. HSIEH: Uh-huh. That's what I have as  
2 well.

3 CHAIRMAN HARTIG: Yeah.

4 MR. ZEMKE: Okay.

5 CHAIRMAN HARTIG: So, yeah, the motion is  
6 correct. Okay. Is there -- I guess I'll just ask again on  
7 public comment, since we asked people earlier before what  
8 was the scheduled time on the agenda if they had comments,  
9 if there's still anybody from the public that has any  
10 comments for today?

11 (No audible responses)

12 CHAIRMAN HARTIG: It doesn't appear so in  
13 Anchorage. Okay. Is there anything -- any other business  
14 to come before the meeting then? I see a tentative  
15 executive session.

16 MS. HSIEH: That's up to you guys.

17 CHAIRMAN HARTIG: Do we need one?

18 MS. HSIEH: We don't.

19 MR. TILLERY: I'm not aware of any need for  
20 an executive session.

21 MS. HSIEH: No, I think it's all right.

22 MR. TILLERY: I don't know if anybody else  
23 has -- online has a need.

24 MS. HSIEH: I think we threw that on there  
25 because.....

1                   MR. O'CONNOR: Well, as much as I love  
2 getting together with you guys, I think we can probably  
3 pass today.

4                   CHAIRMAN HARTIG: Okay.

5                   MR. ZEMKE: Definitely.

6                   CHAIRMAN HARTIG: Well, I don't hear any --  
7 do I have a motion to adjourn then?

8                   MR. O'CONNOR: So moved, Mr. Chairman.

9                   MR. TILLERY: Second.

10                  CHAIRMAN HARTIG: Any opposition?

11                  (No audible responses)

12                  CHAIRMAN HARTIG: Okay. We stand  
13 adjourned. Thanks everybody.

14                  MR. O'CONNOR: Thank you, Mr. Chair.

15                  (Meeting Adjourned - 10:31 a.m.)

16                  (END OF PROCEEDINGS)

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C E R T I F I C A T E

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STATE OF ALASKA )

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Notary Public in and for Alaska  
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