

1 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

2 Public Meeting

3 Friday, February 26, 2010

4 10:00 o'clock a.m.

5 441 West 5th Avenue, Suite 500

6 Anchorage, Alaska

7 TRUSTEE COUNCIL MEMBERS PRESENT:

8 U.S. DEPARTMENT OF INTERIOR: MR. PATRICK POURCHOT

9 (CHAIR) MR. KIM ELTON

10 Senior Advisor

11 STATE OF ALASKA - DEC: MR. LARRY HARTIG

12 Commissioner

13 STATE OF ALASKA - DEPARTMENT MR. TOM BROOKOVER for

14 OF FISH AND GAME: Commissioner Lloyd

15 STATE OF ALASKA - MR. CRAIG TILLERY for

16 DEPARTMENT OF LAW: MR. DANIEL SULLIVAN

17 (TELEPHONICALLY)

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

19 National Marine Fisheries Svc: MR. JAMES W. BALSIGER

20 Administrator, AK Region

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

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

23 Proceedings electronically recorded, then transcribed by:

24 Computer Matrix Court Reporters, LLC, 135 Christensen Dr.,

25 Suite 2, Anchorage, AK 99501 - 243-0668

1 STAFF PRESENT:

2 ELISE HSIEH Executive Director

3 CHERRI WOMAC Associate Coordinator

4 CATHERINE BOERNER Science Coordinator

5 MICHAEL SCHLEI Data Systems Manager

6 LINDA KILBOURNE Administrative Specialist

7 CARRIE HOLBA ARLIS Librarian

8 CAROL FRIES DNR

9 (TELEPHONICALLY)

10 DEDE BOHM USGS

11 DAWN COLLINGSWORTH USDA

12 LAUREL JENNINGS NOAA

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P R O C E E D I N G S

(Anchorage, Alaska - 2/26/2010)

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

CHAIRMAN POURCHOT: So why don't we come to order and I think we have a quorum. Maybe the people on the teleconference could introduce themselves as to who's there.

MR. ZEMKE: Yeah, this is Steve Zemke, U.S. Department of Agriculture, Chugach National Forrest Trustee.

MR. O'CONNOR: Craig O'Connor from NOAA and I have Laurel Jennings with me.

MS. COLLINSWORTH: This is Dawn Collinsworth, USDA General Counsel's Office.

CHAIRMAN POURCHOT: And here in Anchorage this is Pat Pourchot, I'm the official alternate for Kim Elton with the Department of Interior Secretary's office.

MR. HARTIG: Larry Hartig, Department of Environmental Conservation.

MR. TILLERY: And Craig Tillery, Department of Law.

MR. BROOKOVER: And Tom Brookover with Department of Fish and Game.

CHAIRMAN POURCHOT: Well, we do have an agenda and I guess I would first ask if there were any

1 additions or corrections to the agenda. If that order  
2 meets with the desires of the council.

3 MR. HARTIG: I'll move to approve the  
4 agenda as presented.

5 MR. ZEMKE: I had -- this is Steve Zemke.  
6 I had one question. Normally we have Public Advisory  
7 Committee comments on the agenda and I didn't see them this  
8 time.

9 MS. HSIEH: I believe we only have the  
10 Public Advisory Committee comments when we've had a Public  
11 Advisory Committee meeting, which we haven't had in the  
12 interim since our last meeting.

13 CHAIRMAN POURCHOT: Other questions on the  
14 agenda? Is there any discussion on the motion to approve  
15 the agenda?

16 MS. HSIEH: I believe Carol Fries may be  
17 giving, if anything, a brief briefing on habitat, but I  
18 don't believe she'll have any action items for today.

19 CHAIRMAN POURCHOT: So would that fall  
20 under any habitat matters?

21 MS. HSIEH: Yes.

22 CHAIRMAN POURCHOT: Okay. Well, we'll  
23 expect maybe a report from Carol then?

24 MS. HSIEH: I -- possibly.

25 CHAIRMAN POURCHOT: Okay. Oh, hi Carol.

1 Are we expecting a report from you?

2 MS. FRIES: Just a very brief -- I'll  
3 provide you with a brief update of where we are.

4 CHAIRMAN POURCHOT: Great. Other --  
5 further questions, additions? If -- any objections to the  
6 agenda? If not, the agenda is approved.

7 MR. O'CONNOR: No objections.

8 CHAIRMAN POURCHOT: Thanks so much. The  
9 first item is the authorization to increase lease remodel  
10 costs. Oh, I'm sorry. Maybe I better get on the right  
11 agenda. Yeah.

12 MR. ADAMS: Hello?

13 CHAIRMAN POURCHOT: Okay. So we are.....

14 MR. ADAMS: Hello?

15 CHAIRMAN POURCHOT: Hello. Yes, go.....

16 MR. ADAMS: Is there a public comment  
17 today?

18 CHAIRMAN POURCHOT: Yes. We are at that  
19 stage for -- well, yeah. What about the approval of the  
20 minutes from the last -- did people get.....

21 MR. TILLERY: Mr. Chairman, I move that we  
22 approve the meetings notes from January 13th.

23 MR. BROOKOVER: Second.

24 CHAIRMAN POURCHOT: It's been moved and  
25 seconded for the approval of the minutes. I think those

1 are in the packet. Any comments or additions to the  
2 minutes? Any discussion of the motion to approve the  
3 minutes?

4 (No audible responses)

5 CHAIRMAN POURCHOT: If not, if there's no  
6 objections, the minutes for January 13th, they're approved.  
7 I guess that does bring us to the public comment period.  
8 Are there members of the public that wanted to comment on  
9 anything before the council?

10 MS. HSIEH: I think there's someone on the  
11 telephone.

12 MR. ADAMS: Hello? Sir?

13 CHAIRMAN POURCHOT: Yes, anybody online?

14 MR. ADAMS: Yes, sir. My name is Kenneth  
15 Adams. I'm in Cordova. I would like to make some  
16 comments.

17 CHAIRMAN POURCHOT: Yes, please proceed.

18 Yes, sir.

19 MR. ADAMS: I'm sorry, I didn't hear what  
20 you said.

21 CHAIRMAN POURCHOT: Yeah, we would welcome  
22 your comments at this time.

23 MR. ADAMS: Okay. I'm the only one from  
24 the public?

25 CHAIRMAN POURCHOT: Yes, sir.

1                               MR. ADAMS: Wow, this is a great honor.  
2 Well, any case, I want to wish you a good morning to all.  
3 My name is Kenneth Adams, I'm a fisherman and resident of  
4 Cordova and I want to thank the council for the opportunity  
5 to comment at the meeting of the Trustee Council  
6 representative and his staff that was held in Cordova on  
7 the 18th of this month. The topic of the Trustee Council  
8 future is of much importance to those of us who were  
9 impacted by EVOS and we take this matter seriously. I'd  
10 like to refer to those comments this morning and also  
11 present them to you in hard copy format. Nothing like  
12 having a hard copy to refer to.

13                               I'd like to call to the attention of the  
14 council that I and a partner, Mr. Ross Mullins, along with  
15 our scientist collaborators have had extensive experience  
16 with the Trustee Council. Beginning in the year 2002 and  
17 ending in 2006, we submitted a series of five consecutive  
18 proposals that was supported by the council. Our intention  
19 was to utilize the results of the Sound Ecosystem  
20 Assessment, the SEA project that was funded by the council,  
21 and to work to improve the status of the Prince William  
22 Sound fisheries. You may recall in your 1994 Restoration  
23 Plan the importance of restoration of the oil spill  
24 impacted fisheries was acknowledged.

25                               I bring this to your attention to emphasize

1 the fact that we are not newcomers and our more than five  
2 years of experience has granted some insight into the  
3 Trustee Council process. And I'll present a brief list of  
4 topics that I believe merit some attention.

5                   Number one -- and I'll be brief. I won't  
6 drag on with this very long. But number one topic is  
7 lingering oil. Despite the ongoing lack of recovery of  
8 some species impacted by EVOS, the presence of oil remains  
9 in beaches at Prince William Sound and the reopener claim  
10 submitted to Exxon is worthy of their funding. Exxon  
11 should bear the burden, not the Trustee Council's reserve.  
12 There are other topics that should be addressed with the  
13 restoration reserve account.

14                   Number two, the Trustee Council  
15 administration costs. This cost has reportedly been as  
16 high as two million dollars annually. I believe this is  
17 too expensive and other usages of the restoration reserve  
18 is more worthy.

19                   Topic number three, the perceived Trustee  
20 Council phase-out. I agree with this intention and we  
21 discussed this at the Cordova meeting. The Trustee Council  
22 over the years has accomplished a variety of results; some  
23 good and some not so good. The council has been  
24 inconsistent at times and at times very clearly politically  
25 driven. And we feel that a new entity needs to be created

1 or adopted to manage the ongoing restoration needs.

2                   Item number four. Item number four is long  
3 term monitoring. In various -- (coughs) -- excuse me. In  
4 various council reports there have been references to the  
5 lack of an ongoing ecosystem database to distinguish  
6 between natural and anthropogenic causes of change. I  
7 believe a mini-GEM program should be undertaken to address  
8 this longed for but not accomplished goal. I especially  
9 believe an ongoing zooplankton monitoring program in Prince  
10 William Sound would be of value, much value regarding  
11 improvement of our understanding of the ecosystem function  
12 of Prince William Sound and also an aid to fisheries  
13 management and recovery, salmon and herring especially.

14                   Number five, regional concerns. I believe  
15 Prince William Sound should be the main focus of future  
16 monitoring, research and restoration activities. PWS was  
17 the -- was -- and this region's stakeholders were the most  
18 directly impacted of any region by EVOS. Every outgoing  
19 crude oil tanker continues to threaten Prince William Sound  
20 and potential oil spills.

21                   And lastly, just a comment about herring  
22 restoration. This topic is of much importance to the  
23 Prince William Sound ecosystem and of course the fishermen  
24 and communities dependent upon the harvests of the species.  
25 An ongoing herring restoration program is worthy of funding

1 but should not be the sole usage of restoration reserve  
2 revenues as mentioned above.

3 I thank you for the opportunity to present  
4 these comments. This is a matter of great importance, I  
5 think, to us. And even though we don't have many members  
6 of the public, I think the sentiment is still strongly in  
7 support of having a monitoring and restoration program,  
8 especially here in Prince William Sound. So I thank you  
9 again for the opportunity to comment and I'll sign off.  
10 Thank you very much.

11 CHAIRMAN POURCHOT: Mr. Adams, thank you  
12 for your comments. Are there any questions by council  
13 members?

14 (No audible responses)

15 CHAIRMAN POURCHOT: If not, thank you  
16 again. And we do have copies of your written testimony  
17 before us. Anybody else in the audience? I'm sorry.  
18 Anybody else in the audience here wishing to testify before  
19 the council?

20 (No audible responses)

21 CHAIRMAN POURCHOT: Well, thank you. Elise  
22 and.....

23 MR. ADAMS: Thank you, Mr. Chairman and  
24 council members. I'll be clear.

25 CHAIRMAN POURCHOT: Thank you very much.

1 MR. ADAMS: Good day. Thank you.

2 CHAIRMAN POURCHOT: Thank you. Elise,  
3 Executive Director Report.

4 MS. HSIEH: We -- Craig O'Connor, Linda  
5 Kilbourne from our office, Laurel Jennings with NOAA and I  
6 attended three public meetings last week in Anchorage and  
7 Cordova and Homer. I believe Craig O'Connor is going to  
8 give a brief summary of those meetings. And also, in case  
9 anyone -- I also have typed up each of the public comment.  
10 They were -- there was about four people in Homer, maybe 15  
11 -- up to 15 people here in Anchorage and maybe 20, 25  
12 people in Cordova. The people who attended are -- were  
13 mostly people who have had experience with EVOS as PIs,  
14 people interested in funding, received funding in the past,  
15 currently receiving funding. And very helpful comments  
16 regarding support for the five focus areas for long term  
17 monitoring, some different discussions about the use of the  
18 funds. And Craig O'Connor I think will briefly touch on  
19 that as well.

20 CHAIRMAN POURCHOT: Questions? Anybody  
21 online, questions for the Executive Director?

22 (No audible responses)

23

24 CHAIRMAN POURCHOT: Okay. Thank you.  
25 Before we get to that, are we then going to the lease

1 remodel?

2 MS. HSIEH: Yeah.

3 CHAIRMAN POURCHOT: So do you want to  
4 present that?

5 MS. HSIEH: Yeah. As the trustees know,  
6 we've been attempting to cut our office space here in -- I  
7 think at least 40 percent reduced. We worked through GSA,  
8 Dede Bohn, one of our liaisons, has been very helpful, but  
9 it is a very sort of laborious process, which we finally  
10 are getting off the ground. Initially the Trustee Council  
11 authorized up to \$30,000 for moving and remodeling costs.  
12 We've gotten the bids back for the remodeling and they came  
13 in at \$30,336, or something to that effect. So in order to  
14 go ahead and put those work orders through to the next  
15 federal step, which is a bunch of letters which I can't  
16 remember, I'm asking today for authorization of up to  
17 \$33,000. So that would actually -- includes the \$30,000  
18 you already authorized, so it's increasing in \$3,000 to  
19 give some flex room for those bids, and the construction,  
20 which I'm very much hoping it will take place in the month  
21 of March. That still leaves, for the remainder of this  
22 lease, which would then be extended, so there would be  
23 additional savings that still would create a savings of  
24 probably -- well, it was \$65,000, 65 to \$70,000 if it was  
25 done by the end of February. So if it's done by the end of

1 March, probably still substantial savings on the remaining  
2 term of this lease. And then this lease would then most  
3 likely continue on to the end of federal fiscal year 2013,  
4 which would mean additional savings as well by cutting our  
5 office space down drastically.

6 So that is the resolution and that is what  
7 it will cost. Is there any questions?

8 CHAIRMAN POURCHOT: Any questions of the  
9 Executive Director or is there a motion to start the  
10 discussion of the.....

11 MR. TILLERY: Mr. Chairman.

12 CHAIRMAN POURCHOT: Mr. Tillery.

13 MR. TILLERY: I would move that the council  
14 authorize an additional \$3,000 in previously disbursed  
15 funds from Project 10100100, the EVOS administrative  
16 budget, to be used for the remodeling costs.

17 CHAIRMAN POURCHOT: Is there a second to  
18 the motion?

19 MR. HARTIG: I'll second.

20 CHAIRMAN POURCHOT: Mr. Hartig seconds.  
21 Discussion on the motion to approve the increase of the  
22 authorization for the lease costs? And discussion from  
23 those online?

24 (No audible responses)

25 MR. O'CONNOR: I would move its approval,

1 Mr. Chairman.

2 CHAIRMAN POURCHOT: We did a motion for the  
3 approval. Do you have roll call votes or voice votes or  
4 without objection?

5 MS. HSIEH: I'm going to assume without  
6 objection.

7 MR. TILLERY: Without objection unless it's  
8 a.....

9 CHAIRMAN POURCHOT: Okay.

10 MR. TILLERY: .....kind of a bigger.

11 MS. HSIEH: Right.

12 CHAIRMAN POURCHOT: Is there.....

13 MS. HSIEH: There's one last comment.

14 There will be moving costs associated with this shift but  
15 we're going to move out a lot of furniture to surplus and  
16 break down furniture and also move things to ARLIS. But I  
17 believe we can -- we have other line items in our budget  
18 that I believe I have the authorization to use those funds  
19 for our moving. So I don't believe I have to ask for  
20 additional funds at this time for that.

21 CHAIRMAN POURCHOT: Is there any objection  
22 to the motion to increase the authorization for the lease  
23 costs?

24 (No audible responses)

25 CHAIRMAN POURCHOT: Without objection then,

1 the motion as stated by Mr. Tillery is approved. And I  
2 guess now we would return to further comments by Mr.  
3 O'Connor on the February NEPA meetings.

4 MR. O'CONNOR: Yeah, thank you, Mr.  
5 Chairman. Elise pretty well gave an overview of  
6 attendance. I think that I for one was surprised, although  
7 I'm not quite sure how to react to the minimal attendance  
8 at the meetings. I would say that at this stage at least  
9 the general responsiveness of those attending has been  
10 positive. Some issues were raised with regard to  
11 allocation of money among the various categories that we're  
12 looking at for our future focus. But otherwise, I heard  
13 certainly -- thus far I've heard no significant objection  
14 or suggestions for different courses of action in that  
15 which we're proposing. The next gatherings will be the  
16 middle of this -- the middle of March. We'll be going to  
17 Seward, Valdez and Kodiak. And that will be completing the  
18 public hearing process of the NEPA supplemental EIS effort  
19 that we're engaged in. And by the end of, I guess April  
20 1st is the cutoff for public comments, so any other  
21 comments that may come in, that will be the end of it. And  
22 we've already begun the process of assimilating those  
23 comments as Elise had indicated, working with Laurel in my  
24 office. And we will be moving along a pace with the goal  
25 in mind, which is not without reason to believe that we

1 won't accomplish it. We're going to get this done by  
2 October 1st. So, unless we hit some big bump in the road,  
3 and I don't see any at this point. So things are going  
4 well. That's the end of my report.

5 CHAIRMAN POURCHOT: Thank you, Mr.  
6 O'Connor. Questions by council members? Any questions  
7 online?

8 (No audible responses)

9 CHAIRMAN POURCHOT: None. Thank you very  
10 much.

11 MR. O'CONNOR: You bet. Thank you.

12 CHAIRMAN POURCHOT: Thank you. And now I  
13 guess we have some project amendments. Ms. Bohn or -- is  
14 going to present those.

15 MS. BOHN: Yeah, this is Dede Bohn online  
16 for the USGS. I have two project amendments for your  
17 consideration today. Both of these involve further work to  
18 look at what we think is a recent increase in the number of  
19 sea otters at Northern Knight Island. That was one of the  
20 sites that was heavily oiled from the spill and where we  
21 have previously been documenting recovery of sea otters  
22 have (indiscernible - phone cut out).

23 So the first amendment request is for  
24 Project 10100750, and that's a project which is looking to  
25 evaluate recovery and restoration of injured nearshore

1 resources in Prince William Sound. Under this project  
2 you've already funded us to provide an estimate of the  
3 abundance of sea otters in western Prince William Sound  
4 using a single aerial survey. And you funded this for the  
5 next three summers. Under this amendment that I'm bringing  
6 to you today, we're requesting to add funding this coming  
7 summer to perform three to five replicate surveys of sea  
8 otters at the heavily oiled Northern Knight Island site.  
9 And we want to do this so that we can compare with similar  
10 studies we've performed previously under previous years.  
11 Because the density of sea otters at the study site is low,  
12 we have to do replicate surveys in order to get precise and  
13 unbiased estimates of the abundance that would be  
14 comparable to previous estimates we obtained using the same  
15 methodology. We'd expect to have results of the 2010  
16 estimated population numbers to you by December of 2010.  
17 And the cost of doing these replicate surveys for this  
18 summer and to analyze the data is 20,700. That's our total  
19 request. That includes G&A and USGS is going to waive any  
20 associated project management fee.

21 Do you have any questions or want to talk  
22 about this amendment further or you want me to go on to the  
23 second one?

24 CHAIRMAN POURCHOT: Are there any questions  
25 at this stage from council members? Mr. Hartig.

1 MR. HARTIG: Yeah. Thank you, Mr.  
2 Chairman. Dede, this is Larry Hartig for DEC. I just had  
3 a question on whether this is a one-time monitoring effort  
4 or would we be looking at additional field surveys needed  
5 in the future, or do we know?

6 MS. BOHN: This current request is just for  
7 one time to see how it meshes. If we get these results and  
8 under our second amendment we'll also have other results,  
9 and then we would, if we needed to come back to you and it  
10 looked like it warranted going back out there, we would do  
11 so.

12 MR. HARTIG: Okay. Thank you.

13 MR. O'CONNOR: And De -- this is Craig, Mr.  
14 Chairman, if.....

15 CHAIRMAN POURCHOT: Yes, sir.

16 MR. O'CONNOR: Dede, this is a continuation  
17 of the work that we're doing on lingering oil and  
18 responsive to recommendations that came out of the summary  
19 report on where we stand on lingering oil studies at this  
20 point; is that not true?

21 MS. BOHN: That's correct. Yes. This was  
22 one of the recommendations.....

23 MR. O'CONNOR: Okay.

24 MS. BOHN: .....of that report.

25 MR. O'CONNOR: Alrighty. So I would

1 certainly believe it's important to move forward on this  
2 particular study as well as the others. We're trying to  
3 close -- reach conclusions with regard to some of the trend  
4 information that we're getting. We were hoping to get out  
5 this summer to keep moving forward on those -- on that  
6 subject.

7 CHAIRMAN POURCHOT: Are there any.....

8 MS. BOHN: Okay. Do you want me to go to a  
9 second one now?

10 CHAIRMAN POURCHOT: Yeah, I think the -- as  
11 long as the -- the motion I think is tied together, so why  
12 don't we just go to the second project seeking amendment.

13 MS. BOHN: The second one is, you know,  
14 programmatically tied to the first. I mean, we're  
15 basically trying to document or further understand is there  
16 really a recent increase at Northern Knight Island in the  
17 numbers of sea otters. And like Craig mentioned, this is  
18 also a result or in response to a recommendation that was  
19 provided to you in the lingering oil status report that you  
20 received in January. For the second amendment request, is  
21 for Project 10100808, which is the nearshore censuses on  
22 sea otters and sea ducks. Under this existing project as  
23 it stands now, there's a component for population modeling  
24 of sea otters. And we've completed analyses using --  
25 producing those model, using data that we've collected

1 through 2005. The data that we input in these models  
2 includes things like ages at death, which we get based on  
3 recovering carcasses in beach walks that we do a couple  
4 times of year. We input ages of live animals and we get  
5 that data based on captured otters that we do a number of  
6 studies on. And then we also input abundance estimates  
7 that we do from the aerial surveys like the ones I talked  
8 about on the first amendment.

9                   So overall the results of the models that  
10 we have now that use data through 2005 show that there is a  
11 continued depression of sea otter survival rates. But like  
12 I have been mentioning, since 2007 we've noted an apparent  
13 increase in the sea otter abundance at Northern Knight  
14 Island. And we also now have four years of more recent  
15 data like the things I talked about that -- today that we  
16 can put into the model. And we're requesting this  
17 amendment to rerun the model so we can update the results  
18 and see what the more recent data would produce. This  
19 would give us the ability to determine if the sea otter  
20 survival rates are returning to pre-spill patterns and to  
21 find out the factors that would explain the recent increase  
22 in otter numbers.

23                   For this amendment there is no field work  
24 needed. What we're requesting are costs for updated  
25 software to rerun the models and about one and a half

1 months of salary to rerun the models, analyze and prepare  
2 the write-up of the results. If you fund this today we  
3 think we could get a draft final report back to the council  
4 by around May 1st. The cost of doing this work is 15,900  
5 and that includes G&A. And once again, we're going to  
6 waive any associated project management fee. Any questions  
7 on this one?

8 CHAIRMAN POURCHOT: Any questions of Ms.  
9 Bohn on either project and the amendments? Questions  
10 online?

11 (No audible responses)

12 MR. O'CONNOR: I have no questions, Mr.  
13 Chairman. This is O'Connor, but I would strongly urge that  
14 we move forward in both of these projects that are of  
15 critical importance.

16 CHAIRMAN POURCHOT: Is there a motion to  
17 adopt? Mr. Tillery.

18 MR. TILLERY: Mr. Chairman, I would move  
19 that we adopt Resolution 10-04 for authorization of  
20 additional funds for Projects 10100750-A and 10100808 as  
21 contained in the packet of materials that we have providing  
22 a total of \$36,624 to the USGS in order to carry out those  
23 projects.

24 CHAIRMAN POURCHOT: Thank you. Is there a  
25 second?

1 MR. O'CONNOR: I second that.

2 CHAIRMAN POURCHOT: And it was seconded.

3 Further discussion on the motion to adopt? Is there any  
4 objection to the motion to adopt the resolution as put  
5 forward in the packet, Resolution 10-04?

6 (No audible responses)

7 CHAIRMAN POURCHOT: Then without objection,  
8 that motion is approved and the resolution is adopted. We  
9 now move to the habitat placeholder, I guess. Ms. Fries,  
10 were you wanting to give a report?

11 MS. FRIES: Thank you. My name is Carol  
12 Fries. I'm with the Department of Natural Resources and  
13 I'm just going to provide you with a very brief status  
14 report on a variety of the habitat protection projects that  
15 are moving forward. Of particularly note the Best parcel,  
16 which was located in Safety Cove State Marine Park, closed  
17 at the end of January, which was quite nice. BLM is  
18 continuing to review the closing documents for the Capjohn  
19 Native allotment, so that's moving forward. The Valdez  
20 duck flats parcel, the closing documents are being reviewed  
21 by the Forrester Service solicitor, so that's moved forward  
22 another step. The Mutch-Jacobs parcel down on the Kenai  
23 Peninsula is moving forward. That's a project that was  
24 combined with a National Coastal Wetlands grant that was  
25 administered through Fish and Game in partnership with The

1 Nature Conservancy and The Nature Conservancy is updating  
2 the appraisal for that so that we can make sure that we  
3 address all of the federal grant requirements. And of  
4 particular note, we've received a new nomination for a very  
5 attractive parcel located on the Kenai River. The  
6 Conservation Fund has been working on a parcel located  
7 about mile 8.75 on the river. It's composed of --  
8 comprised of 45 acres. It has approximately 1400 feet of  
9 river frontage. Fifty percent of the parcels are  
10 significant wetlands and the rest of the property is  
11 uplands and a slope discharge area. The property is one of  
12 the few remaining undeveloped tracts of private land along  
13 the Kenai River of significant size. And it's located  
14 within the Kenai River special management area. So we hope  
15 to bring that back to you in April for further  
16 consideration.

17                   The other item of note at this point in  
18 time, the Port Graham effort being pursued by the National  
19 Park Service has moved forward. The appraisal has been  
20 reviewed and approved by the DOI Office of Evaluation  
21 Service and the Park Service has presented the appraisal or  
22 is in the process of presenting the appraisal and offers to  
23 sell to the sellers. This parcel actually has two land  
24 owners. The larger portion of this, approximately 2265  
25 acres is owned by Port Graham Corporation, but within that

1 footprint, and this would be on the east side of Aialik  
2 Bay, there is a five acre in-holding. So the Park Service  
3 is working with two land owners. I think if you look at  
4 the benefits report that was recently provided to you just  
5 for information, I think you can -- the parcels that the  
6 Park Service is working with are the two subject parcels on  
7 the east side of Aialik Bay. And then the in-holding is in  
8 the -- within, contained within the southernmost tract on  
9 the east side of Aialik Bay. So the offers to sell are  
10 being presented to the land owners and if those offers and  
11 the appraised value is acceptable to the land owners, then  
12 the Park Service will come back to you and request that the  
13 Trustee Council approve and fund the acquisition of those  
14 parcels. And we hope to bring this back to you in April.

15                   The other project that is ongoing, the  
16 discussions and negotiations with Ouzinkie continue to move  
17 forward. Rocky Mountain Elk Foundation and American Land  
18 Conservancy are working on that project with the state and  
19 in coordination with Fish and Wildlife Service. And the  
20 appraisal process is moving forward. There are issues that  
21 have to be resolved before the appraisal contract is let,  
22 but that -- that's moving in a positive direction.

23                   CHAIRMAN POURCHOT: Any questions of Ms.  
24 Fries? Questions online? Yes, sir.

25                   MR. TILLERY: And Natives of Kodiak is on

1 the market then?

2 MS. FRIES: Oh, I'm sorry. Yes. The  
3 parcel owned by Natives of Kodiak surrounding Portage Lake  
4 that the Trustee Council has passed several resolutions  
5 regarding, we have been working with Rocky Mountain Elk  
6 Foundation and American Land Conservancy on that parcel.  
7 Unfortunately the appraised value of that parcel did not  
8 meet the expectations of the sellers and the sellers have  
9 decided to place the property with a realtor, put it on the  
10 open market and see what kind of a response they get. I  
11 think both parties are willing to continue discussions, but  
12 I think Natives of Kodiak feel that they have a fiduciary  
13 responsibility to their shareholders and felt that they  
14 needed to take this step.

15 MR. O'CONNOR: How much is that acquisition  
16 going to cost us if it goes through at appraised value?

17 MS. FRIES: It was three million -- I  
18 believe it was 3,450,000.

19 MR. O'CONNOR: How important is it to us?

20 MS. FRIES: I think it is -- it's a very  
21 desirable piece of property and I think Natives of Kodiak  
22 feel that it is a very desirable piece of property. I  
23 think the appraisal has been reviewed and approved. It was  
24 updated and reviewed and approved. I think there is a  
25 fairly high level of confidence in the value that resulted

1 from the appraisal process. That said, I would say it is  
2 an important parcel. We also have two federal grants in  
3 play in that area. We are constrained to fair market  
4 value.

5 CHAIRMAN POURCHOT: Further questions?

6 MR. ZEMKE: This is Steve Zemke. What's  
7 the asking price for the parcel that they put up, do you  
8 know?

9 MS. FRIES: 7.5 million.

10 CHAIRMAN POURCHOT: So you're close.  
11 Further questions?

12 MR. O'CONNOR: I didn't hear Steve's  
13 question, Mr. Chairman. What did he ask?

14 CHAIRMAN POURCHOT: Maybe you could repeat  
15 that, Steve?

16 MR. ZEMKE: What was the asking price that  
17 the Native of Kodiak were asking for the parcel.

18 MS. FRIES: The parcel.....

19 MR. O'CONNOR: And what was your  
20 answer.....

21 MS. FRIES: Pardon me?

22 MR. O'CONNOR: .....Carol? What was your  
23 answer, Carol?

24 MS. FRIES: I'm sorry. I believe the  
25 parcel has been listed at 7.5 million. During the course

1 of discussions with Natives of Kodiak, I was not a party to  
2 those discussions directly but I understand that we were  
3 looking -- numbers were ranging between 5.5 and 6 million.  
4 So there was still kind of a significant -- it was a  
5 significant gap.

6 CHAIRMAN POURCHOT: And then the appraisal  
7 again was?

8 MS. FRIES: 3,450,000.

9 MR. O'CONNOR: Well, my inclination would  
10 be for us to turn our back on this parcel and look to spend  
11 our money in other places.

12 MS. FRIES: Well, I think the parties have  
13 agreed to let this -- Natives of Kodiak is going to allow  
14 the property to be exposed on the open market. I think  
15 they've listed it with a realtor who specializes in trophy  
16 properties and I think at this point the parties are sort  
17 of at different ends of the spectrum.

18 MR. TILLERY: Mr. Chairman.

19 CHAIRMAN POURCHOT: Mr. Tillery.

20 MR. TILLERY: I would say that my  
21 inclination is not to turn our backs on this piece of  
22 property but to -- as I think Carol is doing -- simply  
23 monitor it. We have a price, we have an appraised price.  
24 It's been validated by review appraisers, but I think we do  
25 need to remain open. This piece of property, it is the

1 connecting point between eastern Northern Afognak and  
2 western Northern Afognak, so in that extent is important  
3 and, you know, if perhaps when the market will work on this  
4 one and there will come a time when we can get closer.

5 CHAIRMAN POURCHOT: Further questions or  
6 comments?

7 MR. ZEMKE: Yeah, I guess this probably  
8 brings up why we need to maybe take a look more  
9 comprehensively at all the available parcels, certainly  
10 with, you know, the -- what we've heard today and, you  
11 know, several, maybe tens of millions of dollars, even if  
12 it's a small suite of projects. And I'm sure there's many  
13 more out there, so hopefully the NOAA NOI process will help  
14 bring some of that into focus.

15 MS. FRIES: Okay.

16 CHAIRMAN POURCHOT: Ms. Fries, thank you  
17 very much.

18 MS. FRIES: Thank you.

19 CHAIRMAN POURCHOT: For the Executive  
20 Director, I noticed that there was a star next to habitat  
21 for an action item. I'm assuming that if there's actions,  
22 it will be brought back in the April meeting. Well, that  
23 concludes the regular agenda of this session. Is there  
24 anything else by council members to be brought before the  
25 council at this time? Anybody online? Any further

1 additions to the.....

2 MR. O'CONNOR: I have nothing, Mr.

3 Chairman.

4 MR. ZEMKE: I also have nothing at this  
5 time.

6 CHAIRMAN POURCHOT: Thank you. I note that  
7 there was an interest in an executive session. Is there  
8 requirements of -- is there continued interest in that or  
9 is there a need for a motion to adjourn to executive  
10 session or.....

11 MR. TILLERY: Mr. Chairman, I am not aware  
12 of a need for an executive session at this time.

13 MR. O'CONNOR: Nor am I, Mr. Chairman.

14 MR. ZEMKE: Nor am I.

15 CHAIRMAN POURCHOT: Very good. Anything  
16 else to come before the council today?

17 MR. HARTIG: I move we adjourn.

18 CHAIRMAN POURCHOT: Any objection to -- is  
19 there a second to the motion?

20 MR. TILLERY: Second.

21 CHAIRMAN POURCHOT: Any objection to the  
22 motion to adjourn at this time?

23 (No audible responses)

24 CHAIRMAN POURCHOT: Without objection, we  
25 stand adjourned. Thank you all.

1 (Off record - 10:43 a.m.)

2 (END OF PROCEEDINGS)

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C E R T I F I C A T E

UNITED STATES OF AMERICA )  
 ) ss.  
STATE OF ALASKA )

I, Joseph P. Kolasinski, Notary Public in and for the state of Alaska and reporter for Computer Matrix Court Reporters, LLC, do hereby certify:

THAT the foregoing pages numbered 4 through 31 contain a full, true and correct transcript of the Exxon Valdez Oil Spill Trustee Council's Meeting recorded electronically by Computer Matrix Court Reporters on the 26th day of February 2010, commencing at the hour of 10:00 a.m. and thereafter transcribed under my direction and reduced to print:

THAT the Transcript has been prepared at the request of:

EXXON VALDEZ TRUSTEE COUNCIL, 441 W. 5th Avenue, Suite 500, Anchorage, Alaska 99501;  
DATED at Anchorage, Alaska this 3rd day of March 2010.

SIGNED AND CERTIFIED TO BY:

\_\_\_\_\_  
Joseph P. Kolasinski  
Notary Public in and for Alaska  
My Commission Expires: 03/12/12