

1 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

2 September 14, 2012

3 9:30 a.m.

4 4210 University Drive

5 Anchorage, Alaska

6

7 TRUSTEE COUNCIL MEMBERS PRESENT:

8

9 U.S. FOREST SERVICE: Mr. Steve Zemke

10 AK DEPARTMENT OF FISH & GAME: Mr. Tom Brookover

11 AK DEPARTMENT OF LAW: Ms. Jennifer Schorr

12 AK DEPART OF ENVIRON CONSERVATION: Mr. Larry Hartig

13 U.S. DEPARTMENT OF THE INTERIOR: Mr. Kim Elton

14 U.S. DEPARTMENT OF COMMERCE, NOAA: Mr. James Balsiger

15

16 Proceedings electronically recorded, then transcribed

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- 1 ALSO PRESENT:
- 2 Elise Hsieh, EVOSTC Executive Director
- 3 Catherine Boerner
- 4 Linda Kilbourne, EVOSTC
- 5 Carrie Holba, EVOSTC/ARLIS
- 6 Cherri Womac, EVOSTC
- 7 Doug Mutter, U.S. Dept of the Interior
- 8 Grace Cochon, U.S. Dept of the Interior
- 9 Jason Hartz, U.S. Dept of the Interior, Solicitor's Office
- 10 Veronica Varela, U.S. Fish & Wildlife Service
- 11 Charlie Powers, Koniag, Inc.
- 12 Brad Palach, AK Dept. of Fish & Game
- 13 Mitch Ellis, U.S. Fish & Wildlife Service
- 14 Chris Pallister, GoAK
- 15 Elaine Busse Floyd, AK Dept. Environmental Conservation
- 16 Tim Veenstra, Airborne Technologies Imaging
- 17 Terri Marceron, U.S.D.A., Forest Service
- 18 Carole Jorgenson, U.S.D.A., Forest Service
- 19 Kris Holderied, National Oceanic & Atmospheric Administration
- 20 Molly McCammon, Alaska Ocean Observing System
- 21 Katrina Hoffman, Prince William Sound Science Center/Oil Spill
Recovery Institute
- 22 Peter Hagen, National Oceanic & Atmospheric Administration
- 23 Daralyn Silver

1 ATTENDING BY TELECONFERENCE

2

3 Joe Darnell, U.S. Dept of the Interior, Solicitor's Office

4 Gina Belt, U.S. Department of Justice

5 Dede Bohn, U.S. Geological Survey

6 Barat LaPorte, Patton Boggs

7 Scott Pegau, Prince William Sound Science Center

8 Bob Mitchell, AK Dept of Revenue

9 Mike O'Leary, Callan & Associates

10 Dawn Collinsworth, U.S. Dept of Agriculture, Office of General
Counsel

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

2 CHAIRMAN HARTIG: Let's see. Shall we get
3 started?

4 MS. HSIEH: Sure.

5 CHAIRMAN HARTIG: Okay. Well, I'm Larry Hartig;
6 I guess I'll be chairing the meeting today since it's
7 the state's turn, and somehow I got nominated.

8 We have a pretty full agenda I see. Shall we
9 start with introductions, Elise, or -- Jen, do you want
10 to start? We'll go around the table and then go
11 through the audience, too.

12 MS. SCHORR: I'm Jen Schorr from Department of
13 Law.

14 MR. BROOKOVER: And I'm Tom Brookover from the
15 Department of Fish and Game.

16 MR. ZEMKE: Steve Zemke, U.S. Forest Service,
17 Department of Agriculture.

18 MR. ELTON: Kim Elton, Department of the
19 Interior.

20 CHAIRMAN HARTIG: Larry Hartig, Alaska
21 Department of Environmental Conservation.

22 MR. BALSIGER: I'm Jim Balsiger with the
23 National Marine Fisheries, which is NOAA, Department of
24 Commerce.

25 MS. HSIEH: I'm Elise Hsieh with the Exxon

1 Valdez Oil Spill Trustee Council.

2 REPORTER: Meredith Downing with Computer
3 Matrix Court Reporters.

4 MS. KILBOURNE: Linda Kilbourne with EVOS.

5 MS. HOLBA: Carrie Holba, with EVOS
6 (Indiscernible - away from microphone).

7 MR. HAGEN: Pete Hagen with NOAA Fisheries in
8 Juneau.

9 MR. VARELA: Veronica Varela U.S. Fish and
10 Wildlife Service.

11 MR. SILVER: Daralyn Silver, Anchorage
12 resident.

13 UNIDENTIFIED VOICE: (Indiscernible) Carole Jorgensen
14 Forest
15 Service.

16 MR. HARTZ: Jason Hartz, Regional Solicitor's
17 Office, Department of the Interior.

18 MR. MUTTER: Doug Mutter, Department of the
19 Interior.

20 MS. COCHON: Grace Cochon, Department of the
21 Interior.

22 MR. POWERS: Charlie Powers with Koniag,
23 Incorporated.

24 MR. ELLIS: Mitch Ellis with U.S. Fish and
25 Wildlife Service, the Refuge Program.

MS. WOMAC: Cherri Womac with EVOS.

1 MS. BOERNER: Catherine Boerner, EVOS.

2 MR. Palach: I'm Brad Palach with the
3 Department of Fish and Game.

4 CHAIRMAN HARTIG: Okay. Well, welcome,
5 everybody. Let's see, can I get approval of the
6 agenda?

7 MS. HSIEH: I think we have a verbal amendment
8 to agenda item 3 as well.

9 CHAIRMAN HARTIG: Okay.

10 MS. HSIEH: Charlie Powers is here, the vice
11 president for Koniag, Corporation's corporate affairs
12 and we had discussed the possibility of him introducing
13 a request for extension on the Koniag easements.

14 CHAIRMAN HARTIG: Okay. So that's item number
15 3.

16 MS. HSIEH: Three to four.

17 CHAIRMAN HARTIG: Yeah.

18 MS. HSIEH: There's both an executive session
19 and a public session to be used as appropriate, as
20 chosen by the Trustees for that item.

21 CHAIRMAN HARTIG: So that would come before 3 or
22 between 3 and 4?

23 MS. HSIEH: Before 3.

24 CHAIRMAN HARTIG: Okay. We'll put that as the
25 -- on the draft that we have, presentation, right

1 preceding the executive session if we need it. Okay.

2 Any objections to the agenda as proposed?

3 (No objections)

4 CHAIRMAN HARTIG: Okay. Seeing none, the agenda
5 is approved.

6 The next item is the approval of the March 27
7 meeting notes. Any additions or corrections to the
8 meeting notes.

9 MR. ELTON: Mr. Chair, I move approval of the
10 meeting notes for March 27th, 2012.

11 MR. ZEMKE: Second.

12 CHAIRMAN HARTIG: Any objections.

13 (No objections)

14 CHAIRMAN HARTIG: Okay. Seeing none, the March
15 27 meeting notes are approved.

16 Okay. That takes us to the presentation.
17 Let's see. So we're already to the presentation on the
18 proposed extension of the conservation easement.

19 MS. HSIEH: Okay. So I think what we're going
20 to do is call Joe Darnell on this phone. He wanted to
21 attend. Do you want to call him on my cell phone and
22 have him call the office line? Or go ahead and put him
23 on this phone

24 MS. WOMAC: Okay. I'm sorry, I misunderstood.
25 I thought you were.....

1 MS. HSIEH: No.

2 MS. WOMAC:not going to call him until
3 that.....

4 MS. HSIEH: No. Yeah.

5 MS. WOMAC: I will call him.

6 MS. HSIEH: Charlie Powers.

7 MR. POWERS: Yeah.

8 MS. HSIEH: Would you like to come.....

9 MR. POWERS: Sure. Hi.

10 CHAIRMAN HARTIG: Hi.

11 MR. POWERS: Are we waiting for a phone call?

12 MS. HSIEH: Yes. Would you mind -- I'm sorry,
13 would you mind.....

14 MR. POWERS: No problem.

15 MS. HSIEH:waiting? We're going to go
16 ahead and.....

17 MR. POWERS: No problem.

18 (Off record conversation)

19 CHAIRMAN HARTIG: I guess maybe while we wait,
20 do you want to try.....

21 MS. HSIEH: Oh, that's.....

22 CHAIRMAN HARTIG:identifying anybody else
23 on the phone? We didn't do that.

24 MS. HSIEH: Why don't we do that.

25 CHAIRMAN HARTIG: Yeah. Let's see, if anybody's

1 listening in on the phone and participating in the
2 meeting, we'd like to have you identify yourself.

3 MS. COLLINSWORTH: This is Dawn Collinsworth
4 from the U.S.D.A. Office of the General Counsel.

5 CHAIRMAN HARTIG: Thank you.

6 MS. LaPORTE: Barat LaPorte, with Patton Boggs
7 is on line. And I was just going to mention it's kind
8 of hard to hear, so I don't know if the speaker is too
9 far away from the microphone.

10 CHAIRMAN HARTIG: Thank you. We'll try to get
11 closer.

12 MS. LaPORTE: Thanks.

13 MS. BELT: Gina Belt from the Department of
14 Justice.

15 MS. BOHN: Dede Bohn from USGS.

16 MS. HSIEH: The other thing we could do while
17 we get -- wait to get Joe Darnell on the phone is I
18 could start the executive director's report, which is
19 sort of housekeeping matters and general information.

20 CHAIRMAN HARTIG: Okay. But first, do we have
21 anybody else on the phone, or is that it?

22 (No comments)

23 CHAIRMAN HARTIG: Okay. Then during this little
24 bit of a lull, while we wait to get our logistics
25 organized here, we'll have the -- we'll start the

1 executive director's report, item number 7.

2 MS. HSIEH: Good morning. Welcome to our new
3 -- this is our new meeting space. Our new offices are
4 actually sort of diagonal in Grace Hall on the second
5 floor.

6 For the executive director's report today, I had a
7 note about the overall habitat program. We're looking
8 at options to increase the capacity of the Trustee
9 Council's habitat program with the goal of bringing
10 additional parcels from willing sellers forward for
11 Council review. To that end, we've been in contact
12 with U.S. Fish and Wildlife Service to learn more about
13 their habitat activities, in particular those regarding
14 their cooperative agreement with the Great Land Trust for
15 potential opportunities for voluntary private land
16 conservation in the Kodiak/Afognak region and other
17 spill areas. We hope to have some more options and
18 specific proposals for the Council's review at an
19 anticipated January/ February 2013 Council meeting.

20 Cherri, did we have luck reaching Joe?

21 MS. WOMAC: I just talked to him. He's going
22 to call.

23 MS. HSIEH: Great. I will do the next item
24 while he calls in.

25 The second item, and then we'll move back to

1 Koniag. A forecast of the Council activities: the
2 Council has undergone many changes over the last three
3 years, including meetings and events in the spill area
4 communities, an intensive public process to refine the
5 Council's focus for the remaining funds, a
6 comprehensive administrative restructuring, excellent
7 public outreach, exhibits, a book revision, a movie,
8 and events for the 20th anniversary, and the fielding
9 of intense media surrounding the Deep Water Horizon
10 spill, and most recently and more mundane, an office
11 move, which also consumed a fair amount of time.

12 The Council's efforts to streamline the funds
13 into defined focus areas also culminated in the launch
14 of long-term programs in February for the first
15 five-year contract. With the emphasis on monitoring,
16 there is little new outreach information that can be
17 disseminated at this time. Thus, in 2014, the 25th
18 anniversary, we anticipate a brief written document
19 summarizing the Council's recent activities.

20 We'll start a planning process for a spring
21 2015 science review workshop to review the progress of
22 the long-term programs for the Council, the Science
23 Panel, and the PAC, and the products from that workshop
24 may also feed into the creation of outreach materials in
25 2017/2018 that can provide a more detailed overview of

1 the programs' progress during that first five-year
2 period. The workshop will also inform an invitational
3 process in 2015 through 2016 for a second five-year
4 long-term program contract, starting in 2017.

5 At the Council offices, we continue to review
6 and update formal policies. We've also begun to create
7 working guidance documents for informal procedures
8 which may be outdated, confusing or simply had never
9 been documented during this last 20 years, such as the
10 procedure for the release of joint trust funds.

11 I wanted to note my thanks to the Alaska
12 Department of Revenue, the Alaska Department of Law,
13 U.S. Department of Justice and long-time Council staff
14 Cherri Womac and Carrie Holba for their assistance with
15 these reviews and efforts to establish Council
16 practice. My thanks also goes to Linda Kilbourne in
17 our office for her patient review of Council financial
18 documents, of which we've been reviewing all of them
19 for the last 20 years.

20 These organizing efforts include turning our
21 attention to the backlog of over 20 years of documents
22 stored in our offices. We're looking into options to
23 digitize these documents to enable long-term access.
24 Ideally we'd like to have an initial proposal for these
25 next step in this process for Council review

1 potentially by the January/February meeting.

2 I think we can move back to the Koniag item
3 now. Thank you.

4 CHAIRMAN HARTIG: Okay. Thanks. Is it Charlie
5 then would go now or.....

6 MS. HSIEH: We have Charlie Powers, the vice
7 president for Koniag corporate affairs here to
8 introduce a request that we received yesterday from
9 Koniag Corporation regarding the conservation easement.
10 And on the phone I believe Joe Darnell from the
11 Department of Interior, Solicitor's Office, has also
12 joined us to listen.

13 CHAIRMAN HARTIG: Okay. Charlie, would you like
14 to introduce yourself again and then.....

15 MR. POWERS: Yeah.

16 CHAIRMAN HARTIG:give us what your
17 thoughts are on this.

18 MR. POWERS: Great. Well, I'll keep it short
19 and sweet. I know you have a big agenda. Thank you
20 for the opportunity to address the Council. My name is
21 Charlie Powers. I'm vice president of corporate
22 affairs for Koniag, Incorporated. And Koniag's the
23 regional Native corporation for the Kodiak region.

24 As you're aware, Koniag owns over 57,000 acres
25 of land surrounding Karluk River and Karluk Lake which

1 is subject to a conservation easement agreement between
2 the state of Alaska, U.S. Fish and Wildlife, and
3 Koniag. The easement has been in place for 10 years,
4 and during that time a lot has been learned about the
5 lands and response -- its responsible management. The
6 easement is subject to an election by Koniag to either
7 renew the easement for another 10-year term, sell the
8 land, or not renew on October 14th of 2012.

9 These lands not only hold high ecological value
10 to the public, but are also vitally important to the
11 identity of Sugpiaq Alutiiq. For example, a thorough
12 archeological inventory was conducted in Karluk Basin
13 and found many, many villages dating back 6,000 years,
14 some with up to 90 dwellings in each of those villages.

15 A sale of the land is not an option for Koniag,
16 therefore Koniag has a choice before us that's to renew
17 or not to renew the easement.

18 As stated earlier, much has been learned about
19 the lands and the working relationship between the
20 parties. Koniag is committed to working together to
21 improve the easement so it can successfully achieve
22 each organizational's missions and also our mutual
23 goals.

24 I am here to first show Koniag's appreciation
25 for the success of the easement to date; second, to

1 answer any questions the Council may have regarding the
2 proposal you received to extend the sunset date.

3 What is proposed is a short period of time for
4 the parties to diligently work on resolution and then
5 memorialize that compromise before the spring EVOS
6 Council meeting.

7 That concludes my.....

8 CHAIRMAN HARTIG: Okay. Are there any Trustee
9 questions for Charlie? Jim.

10 MR. BALSIGER: Mr. Chairman. Mr. Powers just
11 -- Park -- Powers just said that.....

12 MR. POWERS: Yes.

13 MR. BALSIGER:selling is not an option.
14 That's a philosophical position taken by Koniag, or is
15 there some legal construct that makes it not an option?

16 MR. POWERS: It's philosophical. That's
17 fundamental to the ideals of the Sugpiaq Alutiiq.

18 MR. BALSIGER: Thank you. That's what I
19 understood, but I wanted to clear that.

20 CHAIRMAN HARTIG: Yeah, Kim.

21 MR. ELTON: To follow up on Jim's question, I
22 mean, was this an action taken by the board? Did the
23 Board say, we are not going to sell.....

24 MR. POWERS: Yes.

25 MR. ELTON: or is that.....

1 MR. POWERS: Yes, it was.

2 MR. ELTON: Okay. And when did they make that
3 motion.....

4 MR. POWERS: I don't have the.....

5 MR. ELTON:or something.....

6 MR. POWERS:I don't have the exact date,
7 but it is recent.

8 MR. ELTON: Recent. Okay.

9 MR. POWERS: But it was -- it's been a part of
10 our planning process for years.

11 CHAIRMAN HARTIG: Kim.

12 MR. ELTON: Under your proposal, Mr. Powers,
13 you've got kind of a two-step approach?

14 MR. POWERS: Correct.

15 MR. ELTON: Right. Can you talk a little bit
16 about the reason for the second step? I mean, it would
17 seem to me that if, in fact, you come to an agreement
18 in that first step.....

19 MR. POWERS: Yes.

20 MR. ELTON:I don't understand the need
21 for the second step I guess,

22 MR. POWERS: Okay. We just thought that that
23 would be necessary in order to put together a document
24 that could be reviewed by solicitors and so forth.
25 We're very motivated, as is the Service. We had

1 conversation with Geoff Haskett yesterday, for example,
2 very motivated to get conclusion to this. For Koniag,
3 we propose to work through these issues.

4 We submitted a letter in February to the
5 Service. And we didn't get a response to that letter.
6 We've reached out many times over the period of time
7 until late July. We've really only had one meeting
8 since that time.

9 Our understanding is that the Service is
10 committed now to dedicating staff time to meet with us,
11 to resolve the issues, and you have a list of those
12 issues that we brought forth. And so our understanding
13 of how to deal with those issues and get them
14 memorialized in a way to be governed by the agreement
15 would be to first meet over a period of 60 days. That
16 would give us until I think November 14th, go through
17 those issues, get the legalese worked out, get it on
18 paper, get it reviewed, and get it in a form that's
19 presentable to execution by the three parties and
20 approval by the Council.

21 MR. ELTON: But -- if I could, Mr. Chairman?

22 CHAIRMAN HARTIG: Sure.

23 MR. ELTON: Okay. So if in fact by November
24 14th you have a document that you think.....

25 MR. POWERS: We'd be -- uh-huh.

1 MR. ELTON: Okay. That you think is subject to
2 action by the three parties, what is the purpose then
3 of the second step that would take you to April 1st?

4 MR. POWERS: Only to give adequate time. Like
5 I said, we started the process in February and it's
6 taken eight months to get where we're at right now. If
7 there's something executable by November 14th, there's
8 nothing -- Koniag has no problem with just moving
9 forward at that date. But we didn't want to have to
10 come back to -- you guys, your time is very valuable,
11 and we didn't feel it was appropriate to come before
12 you more than once.

13 MR. ELTON: And one last question, Mr. Chair.
14 Charlie, when is your expectation that the annual
15 payment to Koniag would be made?

16 MR. POWERS: It's stated in the easement
17 agreement October 15th for this year.

18 MR. ELTON: And it.....

19 MR. POWERS: It's a payment in arrears, if you
20 read the easement agreement, it's a 10-year easement
21 agreement. There is a -- the first year's payment was
22 one year later, the second year's payment was a year
23 after. It started in 2002, the first payment was in
24 2003. And so you have a payment in arrears moving
25 forward. But it's due on October 15th of 2012.

1 MR. ELTON: Okay. Thank you, Mr. Chairman.

2 MR. BROOKOVER: Mr. Chair.

3 CHAIRMAN HARTIG: Any other questions. Tom.

4 MR. BROOKOVER: I have a question just from an
5 administrative standpoint, and not to Charlie
6 necessarily, but possibly Elise or Jen or someone else.
7 And that is, with the easement set to expire on the
8 14th I believe, how would an -- is an extension
9 possible administratively? I believe it is, but I just
10 wanted to confirm that, that it is possible, because if
11 the deadline is extended, the easement would either be
12 extended or not beyond October 14th. So is there a
13 possibility -- would that be a likely scenario that the
14 easement itself would be extended for an interim period
15 or something like that?

16 MS. HSIEH: Jen can correct me if I'm wrong,
17 but I believe that if the Council choses to approve an
18 extension, they would direct the parties to amend the
19 easement and the master agreement to allow for an
20 extension. Perhaps simpler would be to just have the
21 Council direct the parties to have a negotiating period
22 of a certain period of time, then have the easements
23 terminate at a later date, so you'd have it staged
24 almost like opposite of what you have in a way. So you
25 have the easement terminate on a certain date, have the

1 two amendments to the master agreement and the
2 easement, and then have the Council direct those
3 parties to finish their negotiating by a date prior to
4 that termination date.

5 Jen, do you have any clarification or.....

6 MS. SCHORR: No, I agree that that may be.....

7 MS. HSIEH: Administratively?

8 MS. SCHORR: Yes, a sort of more simple way to
9 handle the process.

10 But I also just wanted to confirm that Joe
11 Darnell is on the phone?

12 CHAIRMAN HARTIG: Let's see. Joe Darnell, are
13 you on the phone?

14 MR. DARNELL: Yes, I am.

15 CHAIRMAN HARTIG: Okay.

16 MS. SCHORR: Great.

17 MR. DARNELL: I couldn't hear Ms. Hsieh and Mr.
18 Powers, but I did overhear the Council members.

19 CHAIRMAN HARTIG: Oh, okay. We'll try to get
20 the mics closer, we're having a little problem here.

21 REPORTER: It's -- there's one here, and
22 there's over there. Those are just to my machine.

23 CHAIRMAN HARTIG: These are? Okay.

24 (Off record comments re microphones)

25 CHAIRMAN HARTIG: Okay. We're rearranging some

1 mics, so this should improve things.

2 MR. POWERS: Yeah, I think our perspective,
3 we're just reading the easement, trying to understand
4 what would be the best way to con -- you know, to allow
5 us to meet, negotiate, and then consummate. That's --
6 so if there's a better way to handle that
7 administratively, that's fine.

8 CHAIRMAN HARTIG: Yeah, Steve.

9 MR. ZEMKE: Mr. Powers, looking at your
10 proposal, I think you were looking at April 1st as kind
11 of the end of the phase 2 process?

12 MR. POWERS: Yeah. We went and read -- looking
13 back in 2011 and 2012, I don't think the Council has a
14 rigid schedule it's probably meeting on. But it looked
15 like the Council met in January and then met in April
16 the last two years, and so that was our.....

17 MR. ZEMKE: And that doesn't look like it's
18 what we're on the schedule for.....

19 MS. HSIEH: No.

20 MR. ZEMKE:probably a January/February
21 meeting this year, so that was my question, about.....

22 MR. POWERS: Okay.

23 MR. ZEMKE:whether or not this would meet
24 that intent of actually having another meeting, though
25 I guess we could have a special Council meeting or

1 telephonically or something, if it need.....

2 MR. POWERS: Okay.

3 MR. ZEMKE:that was needed.

4 MR. POWERS: Yeah, that was our line, it was
5 just to try to allow adequate time to make sure we were
6 able to get something together that would be
7 presentable.

8 CHAIRMAN HARTIG: Elise, I was wondering if
9 maybe we should have Joe go ahead and provide any
10 information he wants to before look at executive
11 session.

12 MS. HSIEH: Yes. And also your attorney, such
13 as Joe, can also join you in executive session. But I
14 think it would be helpful to ask if Joe has any comment
15 on the conversation so far.

16 CHAIRMAN HARTIG: Right. Joe, I don't know how
17 much of the conversation you've heard so far. But is
18 there anything that you wanted to mention at this point
19 before we go into executive session?

20 MR. DARNELL: No, other than I think the --
21 that the key here that if we do need to extend the
22 conservation easements, since it will expire, and I
23 guess my recommendation would be that we just extend it
24 just far enough out, a little bit slightly beyond
25 whatever we think would be the time that you might act

1 on any negotiated deal, assuming one can be reached,
2 that you don't need -- because otherwise you wouldn't
3 set it further out than that.

4 CHAIRMAN HARTIG: Right. And I gather,
5 Charlie, from your statements, that there isn't any
6 other kind of deadline out there, drop-dead date for
7 Koniag.....

8 MR. POWERS: no, it's not.

9 CHAIRMAN HARTIG:you know, what if we
10 don't get this done by January, it does go to February,
11 and.....

12 MR. POWERS: No.

13 CHAIRMAN HARTIG:that's okay?

14 MR. POWERS: We were trying to align it with
15 the Council. That's the only driver in this.

16 CHAIRMAN HARTIG: Okay. Thank you. So I think
17 what we'll do is -- oh, Tom, do you have anything?

18 MR. BROOKOVER: So one question then for
19 Charlie I mean, if the Council does meet in February
20 would that be a reasonable enough time, do you think,
21 for this? That's shorter than what you proposed in
22 your letter, or suggested in your letter, the.....

23 MR. POWERS: Yeah. I think the question --
24 that question specifically needs to be addressed to all
25 three parties. Koniag's very ready to meet and move

1 expeditiously. It's our experience that that takes
2 longer. So if -- I think if all three parties dedicate
3 the time and energy towards it, definitely.
4 Definitely. We are walking -- we're entering the
5 holiday season, you know, Thanksgiving, December, and
6 so that was our -- but from Koniag's perspective,
7 absolutely.

8 MR. BROOKOVER: Okay.

9 CHAIRMAN HARTIG: Kim.

10 MR. ELTON: Just a question, Charlie, because
11 I'm a little bit confused. You talk about all three
12 parties. I mean, I see the parties as being the
13 Trustee Council and Koniag. Who's the third party that
14 you're referencing?

15 MR. POWERS: Well, there is a party to the
16 agreement, which would be the state. The grantor is
17 Koniag, the grantee is U.S. Fish and Wildlife. Okay.
18 And the state is a party to the agreement.

19 MR. ELTON: But it -- I guess my expec -- and
20 this may be a question for Joe, but my expectation is
21 that the state and the federal government are
22 represented on the Trustee Council. Are you saying
23 there are three signatures that are needed to have an
24 agreement?

25 MR. POWERS: Well, I think the original

1 agreement, if you go back and look at the signators,
2 there was I believe the commissioner of Department of
3 Natural Resources was for the state, and then there was
4 cc'd copies that includes others, and I think it was
5 the regional director, if I'm not mistaken, for U.S.
6 Fish and Wildlife.

7 CHAIRMAN HARTIG: Well, maybe we'll toss this
8 to you, Joe. The question is, you know, who would be
9 the parties I guess to the conservation easement's one
10 question; the other is who are the parties that need to
11 approve the whole transaction, which I assume includes
12 the money?

13 MR. DARNELL: Yeah. Well, I think it's
14 actually two different combinations. The -- ultimately
15 the Trustee Council has to approve whatever is worked
16 out. The signators on the conservation easement and on
17 the exchange -- on the overall -- I'm sorry, on the
18 conservation easement is the commissioner of DNR, the
19 Fish and Wildlife Service, and.....

20 CHAIRMAN HARTIG: Koniag.

21 MR. DARNELL: Koniag. I'm sorry. Koniag. So
22 those are the three that have to sign the documents,
23 but ultimately the nego -- the agreement is between the
24 Trustee Council and Koniag. And I think the way it's
25 worked in the past is the state and the -- whoever the

1 state designates and whoever the Interior Department --
2 or federal government designates, it's been Interior in
3 the past, they do the ground work, but it's ultimately
4 the -- between the Trustees -- the Trustees have to
5 ratify it through a resolution, but the actual
6 signatures are by commissioner of Natural Resources,
7 Koniag and the Fish and Wildlife Service.

8 And I also should note here one other thing.
9 This arrange -- this particular conservation easement
10 is unusual in that both the state of Alaska and the
11 United States are joint grantees. It's not one of
12 these is subservient to the other. The state and
13 the federal government are equal on this particular
14 conservation easement.

15 MR. ELTON: Mr. Chairman. Before we go into
16 executive session, is it possible to have Mitch come up
17 for a moment for a question?

18 CHAIRMAN HARTIG: Sure. Yeah.

19 MR. POWERS: Would you like me to stay here?

20 CHAIRMAN HARTIG: Yeah, you might just stay
21 there a minute, Charlie, thanks.

22 MR. POWERS: We've got some chairs, Mitch.

23 CHAIRMAN HARTIG: This is all real helpful
24 information. So, Mitch, would you introduce yourself
25 again, and then Kim will have a question or two for

1 you.

2 MR. ELLIS: Sure. My name is Mitch Ellis. I
3 work or the U.S. Fish and Wildlife Service. My
4 position is assistant regional director over the
5 national wildlife refuges in Alaska.

6 CHAIRMAN HARTIG: Okay.

7 MR. ELTON: Thanks, Mr. Chairman. Thanks,
8 Mitch. I'm looking at a letter of a couple of weeks
9 ago that -- in which -- that was sent to Koniag. And
10 it said, we also want you and your client to know that
11 the U.S. Fish and Wildlife Service and the state of
12 Alaska's Department of Fish and Game are not inclined
13 to recommend to their respective Trustees a short-term
14 extension of the current easement.

15 And I'm not asking you, you know, a question
16 about the state's position, but what happened in the
17 last two weeks to cause a potential change of mind on
18 the part of the Fish and Wildlife Service?

19 MR. ELLIS: Well, as Charlie pointed out, we
20 had a very productive meeting in Kodiak recently, and
21 if you go back to February, the original proposal from
22 Koniag included far more than the seven items that are
23 listed in this letter you got yesterday. There were
24 some that frankly we wouldn't support. It did take us
25 a while to get back to Koniag with a counter-proposal.

1 Some of the things that we had in our counter-proposal
2 were not acceptable to Koniag, and so it resulted in a
3 delay.

4 I think what you're seeing in front of you
5 today is a proposal that's sort of the middle ground.
6 And within the last couple of weeks, we were able to
7 narrow it down to these seven issues that we think we
8 can make progress on, and that didn't happen until the
9 last week or two. And so it's got a long, complicated
10 history, but I think we're at a point now where the
11 Service does support a short-term extension.

12 We don't support a two-phased approach. I
13 would agree with you that I don't think that's
14 necessary, but if we had an extension until, you know,
15 prior to the next meeting, maybe January or February,
16 we feel like we can meet. We're committed to meeting
17 with Koniag and trying to work out the details on these
18 seven issues. But that did -- it is a little -- yeah,
19 it was very abrupt and it happened within the last
20 couple of weeks.

21 If I could add one more thing, ultimately the
22 Fish and Wildlife Service would like to see some sort
23 of permanent or perpetual conservation benefits on that
24 easement area, and Koniag's been very clear that
25 they're not willing to sell fee title, at least at this

1 point. However, at the most recent meeting with
2 Charlie and Will Anderson, their president, we did make
3 some movement towards the possibility of a perpetual
4 conservation easement. And so on the outside chance
5 that we would be able over the next several years to
6 talk about that more, and, you know, there's a chance I
7 think in the future that we might be able to bring a
8 proposal before the Council on some sort of perpetual
9 conservation easement if the interest of all the
10 parties could be met and, you know, I hope that that's
11 possible. But, you know, I don't speak for the state
12 or Koniag.

13 But we're very supportive of the extension. We
14 feel like we can meet seven issues, and hopefully, you
15 know, have another 10 years of conservation benefits
16 there on that easement.

17 MR. ELTON: Yeah, kind of two-part follow-up.
18 The first is -- and again I don't expect you to speak
19 for the state. Somebody else might be able to do that.
20 But what is not on the list of seven that you wanted to
21 negotiate with Koniag? What's not on that list of
22 seven?

23 MR. ELLIS: Well, was a permanent conservation
24 easement. The Fish and Wildlife Service in recent
25 years I think across the nation we've been very

1 proactive at developing less than complete fee title
2 acquisition transactions that result in significant
3 conservation benefits. We've done it in a lot of
4 places where, you know, in order to protect the
5 conservation aspects of that landscape, we don't feel
6 like we have to go buy everything. We feel like
7 conservation easements are sometimes the best way to
8 go.

9 And so that was in our counter-proposal. You
10 know, okay, Koniag, if you're not willing to sell fee
11 title, maybe we can do a permanent conservation
12 easement. But that didn't seem to resonate with them
13 initially. But that was in the counter-proposal.

14 MR. ELTON: Okay. And this is maybe a process
15 question then for Jen or for Joe. I mean, if we
16 approve the extension predicated on the seven items
17 listed, does that create a problem for negotiation on
18 an eighth item? I mean, how does that work?

19 MS. SCHORR: I think.....

20 MR. DARNELL: Well, this -- I'll -- this is
21 Joe. I'll jump in there. I think that in the -- the
22 Council in extending it could just agree to include
23 these and any other parties that we've excluded -- or
24 that the negotiators want to cover. So I don't think
25 you have to limit it to these particular items.....

1 MR. ELTON: But if.....

2 MR. DARNELL: If there are some other items,
3 for example, that the state may want to bring up.

4 MR. ELTON: If I can, Mr. Chairman. But, Joe,
5 if we don't add that item, are we precluded from
6 discussing it in the future?

7 MR. DARNELL: No, I don't think -- I think if
8 you.....

9 MR. ELTON: Okay.

10 MR. DARNELL:if you provide in your
11 resolution if that's where your Council wants to go,
12 that they -- into nego -- the discussions should --
13 would include these items on the Koniag list and maybe
14 you want to -- if there are other ones that you want to
15 add on, you could just add them on.....

16 MR. ELTON: Okay. But they would.....

17 MR. DARNELL:of give the negotiators the
18 discretion to add other items in.....

19 MR. ELTON: Okay. But there.....

20 MR. DARNELL:they could.....

21 MR. ELTON:would have to be a provision
22 in the Trustee Council action today that would allow
23 them at their discretion to add other items then?

24 MR. DARNELL: Right.

25 MR. ELTON: Okay.

1 MR. DARNELL: I think you -- I don't-- I think
2 you could do that.

3 MR. ELTON: Okay. Thanks, Mr. Chairman.

4 CHAIRMAN HARTIG: Yeah. Good point, Kim.

5 MS. SCHORR: And I agree with Joe. I also
6 think from the state's standpoint, there are some items
7 that we would like to see on that list that have been
8 discussed previously with the Service and with Koniag.
9 Those relate to a small study, a possible buffer
10 between bear viewing and bear hunting season, in
11 addition to the possible relocation of the weir.

12 Tom, do you have anything you want to add?

13 MR. BROOKOVER: No. And I had a similar
14 thought in terms of the items that are on the list. I
15 envision those to be guidelines, and with respect to,
16 Kim, your earlier question of Mitch in terms of what's
17 changed, my sense from talking to staff and Brad can
18 correct me if I'm wrong, is that earlier, you know, one
19 of our concerns was that the negotiation period would
20 be open-ended, and the negotiation scope would be open-
21 ended, and so that gave us some pause. Now since then
22 Koniag's defined both. And I view -- my initial take
23 at least on the list was as a good list of guideline
24 topics to discuss, not so specific that they'd include
25 discussing the timing of bear viewing, because it says

1 bear viewing locations, but that that gives the group a
2 concept to discuss, a specific concept to discuss. So
3 I viewed them as guidelines.

4 And as Jen mentioned, there were several that
5 were talked about before. The two that I don't see on
6 the list that I'd like the group to consider is on-
7 going discussions of the weir site, and the smoke camp
8 siting as well.

9 MR. POWERS: And that, excuse me, that might be
10 able to be included in that agency use and reporting as
11 an item.....

12 MR. BROOKOVER: Right. Right.

13 MR. POWERS:actually.

14 MR. BROOKOVER: Right. And then again Jen
15 mentioned the timing of bear viewing, but I don't see
16 the list as excluding that, so that's what I had.

17 CHAIRMAN HARTIG: Any other questions from the
18 Trustees?

19 MR. ELTON: Yeah. I keep saying I'm done, and
20 I.....

21 CHAIRMAN HARTIG: That's okay. It's.....

22 MR. ELTON:then I keep thinking.....

23 CHAIRMAN HARTIG:all good.

24 MR. ELTON:of something.

25 CHAIRMAN HARTIG: It's all good.

1 MR. ELTON: A question for Charlie. Charlie,
2 on any of these items, are there dollar values attached
3 that would require adjusting the annual -- the amount
4 of the annual payment in your point of view?

5 MR. POWERS: No. Originally our concept to
6 improve the effectiveness of the easement agreement and
7 the parties' ability to meet their obligations of the
8 easement agreement, we believe it was a good idea to
9 use the fund -- our original proposal was to use it as
10 kind of an endowment to help espouse the character of
11 the easement agreement and its intended outcomes. And
12 so things like enforcement, which really happens very
13 little. Things like -- one of the outcomes of the
14 easement agreement was to share economic opportunity
15 for the villages of Karluk and Larson Bay that surround
16 -- are the most directly affected by that land, and our
17 shareholder base. We felt there were opportunities to
18 really -- to juice that up and make it really work the
19 way it was intended to work. Our proposal does not
20 have that in it now. We still think that that would be
21 valuable. And it -- and it's a shame that the other
22 parties didn't see the value that that would bring to
23 meeting, you know, the intended outcomes of the
24 easement agreement, but as you have it and what we're
25 proposing over the course of this period of time does

1 not include dollar values to that.

2 MR. ELTON: Thank you, Mr. Chairman.

3 CHAIRMAN HARTIG: Okay. Any other questions
4 or.....

5 MS. HSIEH: Your question about the dollar
6 values, was that including not only the seven items on
7 the list, but the other items which were noted by the
8 state regarding the bear hunt/viewing buffer, et
9 cetera, the weir location, would those have dollar
10 values as well attached to them? Did you.....

11 MR. ELTON: Well, I mean, I guess what I wanted
12 a good understanding of it, I think Charlie answered it
13 pretty definitively, is.....

14 MS. HSIEH: Okay.

15 MR. ELTON:whether or not the items that
16 they expected to discuss in the next period of, however
17 long that period is, whether or not that would require
18 an adjustment to the, you know, payment. And I'm
19 understanding Charlie to say is no.

20 MR. POWERS: No.

21 MR. ELTON: Okay.

22 MS. HSIEH: Okay. And I think that would
23 include the items which were just added a few minutes
24 ago by the state as another trust?

25 MR. BROOKOVER: Correct, yea.

1 MS. SCHORR: Correct.

2 MS. HSIEH: Charlie?

3 MS. SCHORR: I mean.....

4 MR. POWERS: Excuse me?

5 MS. SCHORR:from my perspective at least.

6 MR. BROOKOVER: Yeah.

7 MS. HSIEH: Those also would not have a dollar
8 value attached?

9 MR. POWERS: No.

10 CHAIRMAN HARTIG: I mean, is -- Larry here, the
11 Chair. It just brings up one thought here, and that is
12 my understanding basically is the money that we spend
13 is for restoration, the Trustees. That's what the
14 trust is for, restoration related to the Exxon Valdez
15 oil spill. And I don't know, you know, if we started
16 using money for other things that are nice, that we
17 like, we think are good ideas, you know, whether that's
18 still within the concept of restoration and how far we
19 can, I think that, you know, if we were looking at
20 spending money for things that, you know, are less tied
21 to restoration, we'd have to be talking with our
22 attorneys again. It doesn't sound like we are at this
23 point, so.....

24 MR. POWERS: No.

25 CHAIRMAN HARTIG: Yeah.

1 MR. POWERS: One of the items that would have
2 been maybe more directed towards restoration is we've
3 done that entire archeological inventory, for example,
4 and there's a lot of bank erosion, just from use, and
5 we had originally proposed a camp site hardening to try
6 to, you know, to keep.....

7 CHAIRMAN HARTIG: Yeah.

8 MR. POWERS:that from happening. But
9 again that's -- we aren't looking for any dollars
10 towards that, but.....

11 CHAIRMAN HARTIG: Yeah.

12 MR. POWERS: Yeah. And, again, this is -- it
13 has no dollars attached. Just those items as -- I
14 think we all understand the concept. Yeah.

15 CHAIRMAN HARTIG: Other questions, discussions.
16 It doesn't look like it right now, so do I need a
17 motion to go into executive session?

18 MS. SCHORR: I'll move.

19 MR. ELTON: Do we have to state a reason for
20 going into.....

21 CHAIRMAN HARTIG: Right. We do.

22 MR. ELTON:executive session?

23 CHAIRMAN HARTIG: Yeah, what we're going
24 to.....

25 MS. SCHORR: To discuss the specifics and the

1 process of the extension.

2 MS. HSIEH: And with your legal counsel as
3 well.

4 CHAIRMAN HARTIG: Yeah. I think it's to get --
5 the Trustees want to get -- have a discussion with
6 their legal counsel regarding some of the issues or
7 questions we have relating to this proposal, that we
8 won't be taking any action in executive session. That
9 we'll confirm that when we come out of session.

10 So is there a second to the motion?

11 MR. BALSIGER: I'll second.

12 CHAIRMAN HARTIG: Thanks, Jim. Any opposition
13 to it?

14 (No objection)

15 CHAIRMAN HARTIG: Do we need a roll call vote
16 for that?

17 MS. HSIEH: We usually don't do -- you haven't
18 typically done roll call votes unless someone's on the
19 phone.

20 CHAIRMAN HARTIG: Okay.

21 MS. HSIEH: A Trustee.

22 CHAIRMAN HARTIG: Good. I don't see any
23 objection, so we'll go ahead and go into executive
24 session. And for planning purposes, it looks like we
25 intend to be -- do you think we'll need the 25 minutes?

1 MS. HSIEH: That's up to you.

2 CHAIRMAN HARTIG: Okay. Well, let's say 25
3 minutes, so that would be by my watch about, let's see,
4 15, 20 -- I don't know, maybe 20 till 11 that we'll go
5 back into session.

6 (Off record)

7 (Executive Session)

8 (On record)

9 CHAIRMAN HARTIG: Thanks for everybody's
10 patience. I guess we'll go out of executive session.
11 While in executive session, we took no action. We
12 discussed just the matters that we mentioned before we
13 went into executive session.

14 And so now we're back onto the regular public
15 agenda, which is the Koniag conservation easement. We
16 have a proposal in front of us from Koniag,
17 Incorporated to extend the October 14 deadline to allow
18 the parties additional time to negotiate certain terms,
19 and there's a list of seven proposed items for
20 negotiations here. And so I'll open it up to the other
21 Trustees to see if there -- if anybody wants to make a
22 motion.

23 MR. BROOKOVER: Mr. Chair.

24 CHAIRMAN HARTIG: Tom.

25 MR. BROOKOVER: Well, first of all I appreciate

1 Koniag coming to the meeting and offering testimony
2 earlier on. And I guess I'm just thinking of, you
3 know, where things are at in the big picture with
4 respect to the Koniag easement. In my mind the
5 easement was signed 10 years ago, now Koniag's at a
6 point where they've got the exclusive option on whether
7 to continue the easement for the next 10 years, and
8 that point's now. And my understanding is beyond this
9 point in time, come October 1st I believe, they can
10 either elect to continue the easement agreement or they
11 can elect to void it and it becomes null at that point.

12 And under that scenario, assuming there's no
13 negotiations in terms, if they opt in for the next 10
14 years, then there is not an opt-out clause for any of
15 the parties is my understanding, except for should
16 Koniag wish to purchase the -- sell, excuse me, sell
17 the land, at which point that could -- that decision
18 could be reached at any specific year end within the
19 next 10 years.

20 From my standpoint, there's been quite a bit of
21 time that the parties have been working to discuss the
22 terms, and there's been quite a bit of time that's been
23 available to reach resolution on those terms. That
24 hasn't happened.

25 So Koniag's faced with a decision come October

1 1st of opting in or out for the next 10 years. My
2 sense is from their letter, my clear sense is that they
3 would -- are not satisfied at this point with the
4 current easement, at least today, and they would like
5 to discuss a list of issues that they provided in their
6 letter. I know our agency had some concerns initially
7 with extending the deadline with which Koniag had to
8 respond, because there has been quite a bit of time.
9 And we weren't sure what the scope of the time period
10 they were looking at was or what the scope of the terms
11 that they were looking at were. That's been made clear
12 in their letter and through Charlie Powers' testimony
13 this morning, that they're looking at a finite period
14 of time that they'd like to have beyond October 1st to
15 discuss a fairly limited list of issues, most of which
16 I think concern existing provisions of the easement is
17 my understanding.

18 So there's some complexities I think with doing
19 this in that we have a master agreement. We have a
20 conservation easement under that agreement. We have a
21 Camp Island agreement under that agreement. And I'm
22 not sure I quite have my head around all of what would
23 need to be done. But I guess one thing that I'm
24 thinking in terms of the Council is that the Council
25 originally agreed to the master agreement, including

1 the conservation agreement 10 years ago. We're now at
2 the 10-year point. I'd like to continue to honor that
3 agreement as a Council.

4 If Koniag's not quite where they want to be
5 with respect to some of these terms, I'd like to
6 provide them that opportunity. I'm just not sure how
7 best to do that. I think it is important that it is on
8 a specified period of time, and that it is good that
9 we've got a list of issues to deal with. Beyond that,
10 I'm not sure what else I have to say at this point
11 except that I'd like Koniag to have the opportunity to
12 work these out without necessarily, you know, locking
13 themselves in for the next 10 years one way or the
14 other, and not having satisfaction on those terms. I
15 think they are doable. I think our agency would be
16 willing to work with them as one of the three parties
17 to the conservation easement, and I'd like to see that
18 concept carried out.

19 CHAIRMAN HARTIG: Discussions or motions.

20 MR. BROOKOVER: Well, Mr. Chair, maybe for
21 clarity, conceptually, could that be carried out under
22 the current agreement? My understanding is that Koniag
23 would not have the ability to opt out if it did not
24 reach satisfaction.

25 MS. HSIEH: That is correct. It's my

1 understanding that under the current agreement, of
2 course, these -- it's not statutorily driven or by some
3 outside law. The parties could come together at any
4 time and, with Council approval, amend the conservation
5 easement and the master agreement. However, it's also
6 my understanding that, as you summarized at the
7 beginning of your comments, they can't unilaterally opt
8 out after they opt in October 1st with notice to the
9 state and federal governments. I believe that the
10 agreements and the easement would have to be formerly
11 amended to allow that, for a unilateral opt-out and
12 whatever timeline, if that was desired.

13 CHAIRMAN HARTIG: Well, I'll put my concern on
14 the table, and I would kind of defer to the land
15 managers and the resource managers. More it's just a
16 -- I guess purely as a Trustee here. And that is that,
17 and I mentioned this earlier, you know, during some of
18 the presentations, that our role here is the
19 restoration, you know, relating to this bill. And, you
20 know, a number of these seven items could be real
21 important to Koniag, and I appreciate that they are,
22 but they don't further necessarily the restoration
23 goals of the Trustees. And it did cause me to pause
24 when Charlie mentioned that, well, we're not interested
25 in -- and I don't know how to -- I don't want to

1 misinterpret the words, we don't need to necessarily
2 clarify them right now, but I don't know that they're
3 not interested, Koniag, in selling the fee, but I don't
4 know whether that also really meant they're not
5 interested in permanent protection, which is what the
6 Trustees are interested in, to the extent that that's
7 necessary for our restoration goal here.

8 And so to me it would be not a good situation
9 for us to send the parties off to negotiate with a
10 pretty tight time frame around it on issues that are
11 important to them, but not necessarily make the day
12 with us, you know, which is, you know, the restoration
13 aspect of this whole thing. And I don't know to the
14 extent that Koniag is not interested in something more
15 permanent, whether that really starts cutting off the
16 opportunities, you know, for the Trustees to get what,
17 you know, we're required to seek, you know, in
18 negotiations like this, and we're not at the table.

19 So I think, yeah, that I certainly don't want
20 to send a message to Koniag that we're not flexible,
21 you know, as Trustees. Our flexibility may lay in a
22 different place than the agencies themselves and their
23 interests. I certainly wouldn't want to discourage
24 anybody from negotiations. On the other hand, I
25 wouldn't want to send them down a false path, you know,

1 of getting something that's of interest to them, but
2 ultimately doesn't satisfy the restoration aspects,
3 particularly when we're talking about \$52 million, or
4 whatever it's at now in that fund.

5 I don't think that anything that we do or don't
6 do precludes the parties from continuing their
7 discussions, you know. I think that we certainly
8 realize that the concerns that Charlie was raising and
9 then -- or have been raised in earlier discussion with
10 Koniag are very legitimate, you know, on why they would
11 be concerned about something permanent. But maybe
12 there is more time, maybe it's -- we need to kind of
13 recast the negotiations to make sure the restoration
14 values are getting discussed, too, you know, since
15 that's what we'll look at when we vote, and not rush
16 into this, you know, by setting a deadline. And I
17 don't see where keeping the status quo is necessarily
18 bad, you know, it's -- I don't know if it locks them in
19 for 10 years, they come back with a proposal, you know,
20 after talking with the agencies and whoever. It makes
21 sense for everybody why we couldn't amend things then.

22

23 I mean, I'm happy to listen to a motion. I'm
24 not going to make one, because I don't -- it's not my
25 area of expertise, I'm just expressing concerns.

1 MR. ELTON: A couple of points, and we'll see
2 if I can remember the second one by the time I get to
3 it.

4 I'm going to assume, and I'm looking at Mitch
5 as I say this, I'm going to assume that since two weeks
6 ago the recommendation was there is nothing outstanding
7 that is a deal breaker for not extending the time to
8 negotiate.

9 And so the second point is that -- I mean,
10 there is nothing that precludes the parties from
11 continuing to talk. I mean that would require probably
12 -- would require, not probably, would require Koniag to
13 say yes, you know, we're opting in for the second 10-
14 year period. Just like it would be difficult I suspect
15 for Charlie to say that the Koniag Board might change
16 their mind on selling eight years down the road, it's
17 difficult for us to commit as a current council, it's
18 difficult for us to commit that in fact we will accept
19 anything that could be negotiated at any point in the
20 future, whether it's 35 days or six months from now,
21 that those kind of negotiations can happen if Koniag
22 opts in for the second 10-year provision. We can't
23 commit that the Trustee Council would accept it,
24 because that could be a future council, but there is
25 nothing that stops any negotiation on the seven points

1 that were delineated or any other point that wasn't.

2 And so given that, I'm comfortable with the
3 notion that we don't need to extend the deadline that
4 was extended once.

5 MR. BROOKOVER: Mr. Chairman.

6 CHAIRMAN HARTIG Tom.

7 MR. BROOKOVER: I guess a question for staff.
8 Would it be possible to, you know, relatively simply
9 provide an opt-out for Koniag at a time certain without
10 multiple extensions of multiple agreements?

11 MS. HSIEH: You wouldn't have -- you could --
12 with no extension, I believe, and Jen can correct me if
13 I'm wrong, I think we don't have Joe Darnell on the
14 phone, but it's my understanding that the attorneys
15 could draft an amendment to the master agreement and to
16 the conservation easement, amending the termination
17 clauses that are found that would then -- and allow
18 Koniag for an opt-out, a unilateral opt-out to those
19 documents as for a timeline or, you know, with a date.
20 For example, the anniversary of next October, an opt-
21 out, or every year on October, at the time of the
22 payment, opt out, to parallel the option to sell or
23 something like that. I'm just throwing out examples.

24 MR. BROOKOVER: Okay. So I think I'll propose
25 a motion, and then if I get a second, I'll explain it.

1 I'd like to move that we provide an opt-out clause for
2 Koniag that's consistent with their opportunity to opt
3 out October 1st. And I'd say, you know, something
4 along the timeline that Koniag proposed for April 15th.
5 I'm just picking a date. Is that sufficient for a
6 motion in terms of clarity?

7 CHAIRMAN HARTIG: A question of -- yeah, a
8 question on the motion. Would your motion require
9 Koniag to make an initial decision by the deadline of
10 this October 1st to opt in under the current
11 provisions?

12 MR. BROOKOVER: Can you repeat that? Sorry.

13 CHAIRMAN HARTIG: Is the intent of your motion
14 to -- as you set the new opt-out provision for Koniag,
15 that would require them to opt in by October 1st and
16 then they could exercise the opt out on April 1st or at
17 some date in the future?

18 MR. BROOKOVER: That would provide them the
19 ability that they have as of this October 1st to go
20 ahead and extend for the remaining 10 -- remaining
21 portion of the 10-year term coming up.

22 CHAIRMAN HARTIG: Under the current terms.

23 MR. BROOKOVER: Under the current terms. Or
24 opt out as they could October 1st as well.

25 Now that -- now, part of my motion though is

1 related to what Mr. Hartig was saying earlier, in that
2 as a council I would like to be able to discuss
3 renegotiated terms prior to that opt-out date, because
4 I think it is important. Mr. Hartig's point is very
5 important, that the resource issues associated with the
6 conservation easement bear our scrutiny as well.

7 MS. HSIEH: Mr. Chairman, may I? The April
8 15th date that was discussed by Mr Powers is a little
9 bit of a red herring, because this year we --
10 unbeknownst to Mr. Powers, we sort of changed our --
11 when the Trustee Council meets and how often.

12 So perhaps, Tom, if it would work, a motion to
13 provide a resolution -- the Council would sign a
14 resolution directing an amendment to the agreements and
15 the conservation easement termination clause to allow
16 Koniag a unilateral opt out. *It* would, if they
17 chose to opt in on October 1st, then allow them to
18 opt out. And as for the dates, if the Trustee Council
19 were to meet in, let's say February, perhaps you would
20 want the opt-out date to be March 15th or March 1st so
21 that the Council could, for example, in
22 January/February review any negotiations that have come
23 to the table. And if they were to come to a decision
24 with which Koniag was not comfortable, then Koniag
25 would have that March 15th or April 1st opt out, as the

1 agreements were amended.

2 CHAIRMAN HARTIG: Kim.

3 MR. ELTON: I mean, I think we may be getting
4 to a point where we understand what the motion is, but
5 two things. One is, I think we probably need to have
6 the different parties sit down and put a motion on a
7 piece of paper that we can react to. And then the
8 second will be, instead of maybe doing a date certain,
9 March 1st or March 15th, we could -- I would suggest
10 that what we do is say they have the ability to
11 exercise an opt-out motion up to 30 days after the next
12 regularly scheduled Trustee Council.

13 MS. HSIEH: That's much better.

14 MS. SCHORR: I would also just -- I'm sorry.

15 CHAIRMAN HARTIG: Yeah. Jim, go ahead.

16 MR. BALSIGER: I'm struggling with the
17 effective difference between granting an extension
18 until, for example, March 1st as was discussed earlier,
19 and having Koniag agree to extend, but with an option
20 to unilaterally opt out by March 1st. Effectively I
21 don't see the difference between those two routes, and
22 so maybe I'm missing something?

23 MS. SCHORR: I guess I was just going to put
24 out there for discussion that because the parties can
25 agree to amend the master agreement and the

1 conservation agreement at any time, and can bring those
2 amendments to the Trustee Council for approval, that
3 perhaps we should consider allowing that opt out to
4 continue as well.

5 MS. HSIEH: Which opt out?

6 MS. SCHORR: Instead of having a date certain
7 for an opt out, if the Council's decision is that it
8 would like to provide Koniag the option to have a
9 unilateral opt out, which the current conservation
10 easement and master agreement do not do, that -- I
11 guess I'm just -- I'm struggling with the -- with
12 setting a date by which they need to exercise that opt-
13 out option, if amendments can occur at any time.

14 MS. HSIEH: I.....

15 CHAIRMAN HARTIG: Yeah, Kim.

16 MR. ELTON: I will say something, and I may be
17 trying to channel Charlie here.

18 MR. POWERS: Right. Channel.

19 MR. ELTON: Yeah, don't give me carte blanche.
20 I mean, I would think that an advantage of having a
21 date certain for opt out would be that it -- they do
22 have the option of -- I mean, I would imagine they have
23 the option any time in the next 10 years to come
24 forward and say, this isn't working, we want out of
25 this. The advantage for Mr. Powers might be, and I'm

1 not necessarily suggesting it's an advantage for the
2 Council, but the advantage for Mr. Powers might be that
3 he can go back to his board and say, you know, you
4 don't have to make a decision now on whether you're
5 going to just not re-up. You can re-up, but we have
6 the option if something doesn't happen in the next few
7 months, we have the option of then exercising that.
8 And again I apologize, Charlie, I'm not channeling
9 clearly.

10 MR. POWERS: Would you like -- do you want
11 me.....

12 CHAIRMAN HARTIG: Well, why don't -- yeah,
13 let's finish with it, and make sure we understand the
14 motion first before we start asking other people to
15 opine on it.

16 But one question, Tom, is say that a motion
17 like this passes and that Koniag does exercise its opt-
18 out -- this opt-out provision. Would it have an --
19 what would be the effective date of it, because I'm
20 worrying about timing. You know, I wouldn't want to
21 just have it go up to the day before, then they make
22 the decision and the next day the conservation
23 easement's gone. That wouldn't work for people. You
24 have a weir out there, you know. I mean, maybe there
25 has to be some kind of an accommodation for that, you

1 know, where maybe there's a two-year or one-year lag
2 between the decision and the effective date. And I
3 don't know that -- I'm not the land manager. I don't
4 know if that's a concern or not.

5 MR. BROOKOVER: Well, the current scenario is a
6 decision is due October 1st and the expiration is
7 October 14th. And my sense is if -- and, of course,
8 that's in the fall. My sense is if the decision point
9 becomes the spring, then that's
10 probably an appropriate separation. But that's just
11 my thought.

12 CHAIRMAN HARTIG: So you would -- your motion
13 would be that if, you know, April 15th, or 30 days
14 after the next Trustees meeting, whatever -- however
15 that's cast.....

16 MR. BROOKOVER: Right.

17 CHAIRMAN HARTIG: That decisions made, it be
18 immediately effective?

19 MR. BROOKOVER: No. No, sorry. I think it
20 should have some separation there. To me 15 days may
21 be adequate. I think to be safe we could say 30.

22 CHAIRMAN HARTIG: Okay.

23 MR. ELTON: And I'm assuming that it would not
24 be necessary to articulate in a proposed motion that
25 if, in fact, the opt out happens, and I'm just going to

1 say the middle of March, that we're not obligated for a
2 full year of the annual payment; we're only obligated
3 for that portion of the year that we were operating
4 under the opt in.

5 MS. HSIEH: So should I try and summarize?

6 CHAIRMAN HARTIG: Well, let's just make sure we
7 get everything discussed here first before we try to --
8 because I think what we're going to do is probably have
9 the -- give the attorneys the lunch hour or something
10 to kind of digest what we said here along with their
11 lunch and come up with a draft motion for us to look at
12 and discuss further, because it's important enough, you
13 know, there's probably nuances here, and we're not deep
14 in the agreements like they are. We might be missing
15 something, if that's okay with the Trustees.

16 But, Kim, I didn't mean to cut you off.

17 MR. ELTON: Well, that's fine. I think that's
18 probably.....

19 CHAIRMAN HARTIG: Yeah. I think your point is,
20 is that you know, if we get four years of conserva --
21 or four months of conservation easement, we should pay
22 for four months.

23 MR. ELTON: Right.

24 CHAIRMAN HARTIG: Yeah.

25 MR. ELTON: I don't know that that needs to be

1 in any kind of a motion, but that would be a
2 decision.....

3 CHAIRMAN HARTIG: I think it would be.

4 MR. ELTON:that the attorneys would make.

5 CHAIRMAN HARTIG: I think it would be important
6 to clarify that, and the attorneys can look at it. If
7 there's any other kind of concerns like that, feel free
8 to do that in the draft, and, you know, deal with
9 those,

10 I guess Tom's got a motion. The way we can do
11 this, if it's okay with you, Tom, we don't have a
12 second yet, but.....

13 MR. BROOKOVER: Right.

14 CHAIRMAN HARTIG:we could ask them to
15 kind of put it in writing, maybe run it by you again.
16 And then, you know, you look at it, and if that's the
17 motion you want to make, then make it and then we'll
18 see if we get a second and take it from there.

19 Charlie, if you want -- I want to give you an
20 opportunity now, or Mitch, you know, if you have any
21 thoughts on this. You know, you see where we're at.
22 We're struggling with trying to do the right thing
23 here. I think you can appreciate that, but if you have
24 any words of wisdom for us, we can take those right now
25 before we go onto the next agenda item. We'll come

1 back to this obviously this afternoon -- or not this
2 afternoon, I guess -- yeah, this afternoon probably.

3 MR. POWERS: Do I need to come up?

4 CHAIRMAN HARTIG: Yes, please. Yeah, if you
5 don't mind.

6 MR. BALSIGER: And you have to grab a mic.

7 CHAIRMAN HARTIG: Yeah, we'll get him that,
8 because we want to make sure the attorneys on the other
9 side.....

10 MR. POWERS: Well, first of all I'd like to say
11 that we really appreciate your deliberation, because I
12 know your time's very valuable, and appreciate that.

13 I understand. The complexity is just the
14 timing horizon. You know, from our perspective, the
15 only reason -- and actually I think the real narrow
16 window of negotiating time was proposed by the Service.
17 We appreciate that time also, because it really holds
18 feet to the fire, too, to work through the issues,
19 rather than just having them get pushed off in the
20 future. So, you know, we were just meeting over coffee
21 and a muffin over there, and I think there's a
22 commitment from everyone to move forward.

23 The opt out I guess would be just another
24 technical way with handling that. And I don't think
25 that's an issue for us administratively. Maybe it is

1 best to look at an annual type of thing so there's not
2 so much modification that happens. I know the weir
3 happens during the summer and they need that winter to
4 plan the weir activities, and maybe that's why it was
5 originally looked at in October rather than in the
6 spring, so maybe it would be logical to put something
7 out in that October date, and just tied to that same
8 time frame.

9 But, again, appreciate it. Hopefully that
10 provides you guys some clarity.

11 I do have a question if -- it may be valuable
12 -- I will also call Will Anderson here on the phone,
13 and our counsel. Will isn't here present right now,
14 because we have our annual meeting cycle right now, and
15 we have our shareholder meetings in Seattle and the
16 West Coast right now, and so he's actually down in
17 Seattle at a shareholder meeting right now and wasn't
18 able to attend. I'm attending in his place. But I do
19 have his number. I'll call him. I don't know if it's
20 appropriate to have our counsel, Bill Timme, have a
21 conversation with the solicitor, just so we make sure
22 that we have something in front of you that -- so we
23 don't waste any more of your time.

24 CHAIRMAN HARTIG: Yeah, that's fine. Any
25 discussion, deliberation will be in this room in the

1 public.....

2 MR. POWERS: Okay.

3 CHAIRMAN HARTIG:but I don't see any
4 problem with the attorneys talking with each other.

5 MR. POWERS: Yeah.

6 CHAIRMAN HARTIG: Do you, Jen, or.....

7 MS. SCHORR: No, I don't. The one disadvantage
8 is that we've lost Joe Darnell who has been the most
9 significantly involved in this process. And Jason is
10 here, and might be willing to step up, but -- and I'm
11 not sure how to.....

12 CHAIRMAN HARTIG: Well, that's just the way it
13 is.

14 MS. SCHORR:fix that problem. It's just
15 -- yes.

16 CHAIRMAN HARTIG: Yeah.

17 MS. SCHORR: It's just a concern.

18 CHAIRMAN HARTIG: Yeah.

19 MR. ELTON: And I would just -- I would be
20 uncomfortable if the discussions with the attorneys
21 went beyond what Tom's proposed motion is.

22 CHAIRMAN HARTIG: Absolutely. Right.

23 MS. SCHORR: Right.

24 MR. POWERS: Absolutely.

25 CHAIRMAN HARTIG: What you're doing is you're

1 capturing what was here, discussed here, not
2 negotiating.

3 MS. SCHORR: Right.

4 CHAIRMAN HARTIG: It's just saying, you know,
5 are there any things that -- you can see what these
6 want to do, maybe, you know. We had that discussion in
7 the room. But, you know, any things that we need to
8 think about, need to be in there. And really what it
9 is is if the motion passes, it gives an opportunity for
10 people, it may take a little bit of the heat off, but
11 also kind of -- we're kind of telling you, too, you
12 need to kind of focus on what's important to the
13 Trustees, too, not just yourself.

14 MR. POWERS: Absolutely.

15 MS. SCHORR: And I would recommend in that
16 motion also providing enough time that if the motion is
17 passed and any type of a resolution is required, that
18 it allows, you know, everybody to look at the
19 resolution and review it carefully. So I would
20 propose, you know, not having the resolution signed
21 today, for example, but reviewed.

22 CHAIRMAN HARTIG: Something has to happen
23 today.

24 MS. HSIEH: A motion would be made today, a
25 resolution would be circulated.....

1 CHAIRMAN HARTIG: Yeah.

2 MS. HSIEH:for review and signature.

3 Yes.

4 CHAIRMAN HARTIG: Yeah. That will be fine.

5 MS. HSIEH: Okay.

6 CHAIRMAN HARTIG: Okay. Does anybody else --

7 Mitch, do you want to add something?

8 MR. ELLIS: Yeah. Again, Mitch Ellis, Fish and

9 Wildlife Service. The only concern I would have is if

10 the opt out option was included annually. I think some

11 of the things that we'd like to do with the easement

12 would require more than an annual commitment. So as I

13 understood the proposal, it was to provide a single opt

14 out in the spring, and not an annual opt out every

15 year. So I think, you know, that would be our only

16 concerns, that we'd like to move forward if we can get

17 resolution to, you know, a longer-term commitment.

18 CHAIRMAN HARTIG: Yeah. My understanding, of

19 course, there's -- we'll see the motion when it gets

20 here, is -- along with what you say, is that there

21 would be a window of time here where Koniag would, if

22 this -- it could play out this way, you know. They

23 would accept the existing easement, but then, you know,

24 for the 10-year period, but for some -- for the next

25 four months or whatever it would be, they would have an

1 option of saying -- of trying to have -- discussing it
2 with Fish and Wildlife and others, possible amendments
3 to the three agreements that we discussed earlier, and
4 if they didn't get to a point where they wanted to
5 continue, they would have an opt out at that point.
6 But then if they didn't opt out at that point, it would
7 be the full 10 years. But with in that 10 years,
8 nothing -- I think this was Kim's point, nothing
9 precludes the parties from having another discussion.
10 We want to make that clear, is that it isn't like the
11 door's slamming in anybody's face here no matter what
12 happens. That they can come back and raise whatever
13 concerns and bring it back to the Trustees, you know,
14 at any point in time, but they opt out -- we're talking
15 about the special opt out would be this one time only
16 as I understand; is that right, Tom?

17 MR. BROOKOVER: That's correct.

18 CHAIRMAN HARTIG: Okay.

19 MR. ELLIS: That was all I had.

20 CHAIRMAN HARTIG: Okay. Thank you.

21 MR. PALACH: Mr. Hartig, Brad Palach with the
22 Department of Fish and Game.

23 CHAIRMAN HARTIG: Sure, Brad.

24 MR. PALACH: And I just wanted to say on the
25 record with Charlie and Mitch that we're -- that I'm

1 comfortable in continuing in the discussions under the
2 concept that's been described.

3 CHAIRMAN HARTIG: Okay. I appreciate that.
4 It's important to us to have the agencies that are
5 directly involved see this.

6 MR. PALACH: Thank you.

7 CHAIRMAN HARTIG: Thank you.

8 MS. HSIEH: We should probably see if there's
9 any other public comment, because I'm not sure that
10 that was given an opportunity earlier.

11 CHAIRMAN HARTIG: Right. Yeah. Elise reminded
12 me that we have a public comments period on the agenda
13 for 10:25, and we certainly blew right through that.
14 But we will try right now to accommodate people. If
15 anybody has any public comment for any item that's not
16 on the agenda, we would certainly welcome that at this
17 point in time. And I'll check back, you know, later in
18 the meeting to make sure in case somebody signed off
19 for a little bit, that we get a get a second
20 opportunity today.

21 So I'll start, anybody on the phone have any
22 public comments they'd like to make?

23 (No comments)

24 CHAIRMAN HARTIG: Okay. Hearing none, anybody
25 in the room here in Anchorage?

1 (No comments)

2 CHAIRMAN HARTIG: Okay. I don't see any public
3 comments today. We'll check again this afternoon. So
4 I think we're up to the PAC report if I'm right?

5 MS. HSIEH: Yes. And Doug Mutter is here
6 to.....

7 CHAIRMAN HARTIG: Oh, so Doug's going to do it
8 rather than Kurt?

9 MS. HSIEH: That's correct.

10 CHAIRMAN HARTIG: Okay.

11 MS. HSIEH: We just found that out.

12 MR. MUTTER: Thank you, Mr. Chairman. I'm Doug
13 Mutter, Department of Interior. I'm the designated
14 federal official for the public advisory committee.

15 Kurt Eilo is the chair and he extends his
16 apologies. He had a personal crisis he had to deal
17 with today, so he asked me to provide the report.

18 I believe in your packet is the summary of the
19 July 9th PAC meeting here in Anchorage. And
20 unfortunately due to summer activities, we did not
21 generate a quorum, so no votes were taken. No action
22 was taken. The PAC members that were in attendance or
23 on the teleconference heard reports from the EVOS
24 staff, and heard summaries of the work plan, and there
25 were no great objections to any of that information.

1 The one concern that PAC members did raise was
2 the appropriateness of possibly dealing with Japanese
3 marine debris removal, whether or not that fit within
4 the mission of the Trustee Council, or if it was kind
5 of a diversion from the other long-term programs.

6 Other than that, it was a brief meeting, and I
7 believe with your altered schedule for having PAC
8 meetings in the fall in the future that we'll have
9 quorums.

10 So any questions on that?

11 CHAIRMAN HARTIG: Questions for Doug.

12 (No comments)

13 CHAIRMAN HARTIG: I don't think so. I guess
14 you'll be back here in a minute.

15 MR. MUTTER: Yep.

16 CHAIRMAN HARTIG: Thanks, Doug.

17 Okay. We'll get back to the Executive
18 Director's report. Anything else that you needed to
19 add from before?

20 MS. HSIEH: I'm going to be as brief as I can,
21 just -- and so if there is a topic that you would like
22 more discussion information on, please let me know.

23 We're looking to shift the Trustee Council's
24 funding cycle from a federal fiscal year to a February
25 1st through January 31st cycle, similar to what Doug

1 was just discussing. The meeting cycles running during
2 the summer isn't really ideal.

3 In February of this year the Council
4 established long-term monitoring and herring programs
5 on the February 1st through January 31st cycle. The
6 cycles worked out really well. It has many
7 administrative advantages that were discussed with the
8 Council and PAC and staff last year when the programs
9 were established. Similar to those discussions,
10 adjusting the Council's administrative cycle would
11 facilitate efficiency and timeliness and project
12 contracting, allows for a fall meeting cycle, and
13 additional opportunity for PAC member participation,
14 and increases the availability of a prior scientific
15 field session results. It would also then dovetail
16 with the funding cycle for the long-term programs.

17 To effectuate this shift, as the Council did
18 with the long-term programs, the Council would
19 authorize funding for a 16-month period, October 1st,
20 2012 through January 31st, 2014, similar to what we did
21 with the program regarding the administrative budget.
22 As with the long-term program shift, subsequent Council
23 authorizations would be for the standard 12-month
24 period.

25 Would you like more information about that?

1 About the different administrative advantages?

2 CHAIRMAN HARTIG: No, but it looks like you
3 want a motion on it.

4 MS. HSIEH: Yes.

5 CHAIRMAN HARTIG: Okay. Can we get a motion,
6 then we can have some discussion on the motion if we
7 need to.

8 MR. ZEMKE: I move we approve the shifting of
9 the Trustee Council's annual funding cycle from the
10 federal fiscal year to a February 1 through January 31
11 cycle.

12 MR. BALSIGER: Second.

13 CHAIRMAN HARTIG: Thank you, Jim. Any other
14 discussion on the motion?

15 (No comments)

16 MS. HSIEH: Thank you. The next item is.....

17 CHAIRMAN HARTIG: Well, we'll make it a vote.

18 MS. HSIEH: I'm sorry. We're so late that I
19 thought.....

20 CHAIRMAN HARTIG: Not that late.

21 MS. HSIEH: Excuse me.

22 CHAIRMAN HARTIG: Okay. Do we need a roll call
23 on this one? I don't think so.

24 MS. HSIEH: You typically don't do roll calls
25 unless people are on the phone.

1 CHAIRMAN HARTIG: Okay. I have to go -- I sit
2 on different boards. I have to remember.....

3 MS. HSIEH: Yeah.

4 CHAIRMAN HARTIG:how each of them does
5 it. Okay. Is there -- are there any objections to the
6 motion.

7 (No comments)

8 CHAIRMAN HARTIG: Seeing none, the motion's
9 approved.

10 MS. HSIEH: The next item: as you're aware,
11 we've been updating all of the Trustee Council's
12 policies and we will, as we sort of fine tune them,
13 we'll bring small changes to you. Here are my revisions
14 to the financial and reporting policies. The financial
15 procedures contain a default project authorization
16 definition of fiscal year which would be revised to
17 note the new February 1st fiscal cycle.

18 We've also noted an error in our reporting
19 policies. On October -- on Page 9 they note the
20 program's final reports are due August 1st. This is to
21 be revised to September 1st. And on Pages 9 and 13, in
22 the discussion of fiscal years and due dates, September
23 31st is revised to September 30th.

24 Your meeting packets contain both policies and
25 track to this format.

1 And I just want to make a note. Actually the
2 reporting policies, we're starting to create a timeline
3 of how -- I'm trying to get the Trustee Council on sort
4 of an annual timeline of meetings that's more scheduled
5 and regular. And actually we'll probably be changing
6 the reporting policies to require final reports, what
7 I'm looking at now as a draft, is October 1st to give
8 them time after the field season.

9 So we can go ahead and authorize these changes
10 in this meeting, and it's likely in January/February
11 I'll bring you a couple date changes for proposal dates
12 and reporting as we fine tune the timeline cycle.

13 MS. SCHORR: I just wanted to note that on Page
14 5 of the investment policies, it just needs to be
15 renumbered, but.....

16 MS. HSIEH: Oh, actually we're going to get to
17 that next.

18 CHAIRMAN HARTIG: We're on.....

19 MS. SCHORR: Oh, sorry.

20 CHAIRMAN HARTIG: the fiscal.....

21 MS. SCHORR: Sorry. Sorry.

22 MS. HSIEH: That's okay.

23 CHAIRMAN HARTIG: procedures. Elise,
24 maybe remind me again. What process did you go through
25 that -- and what other eyes were on this? I mean, I

1 think it looks like a good document, but.....

2 MS. HSIEH: The fiscal policy?

3 CHAIRMAN HARTIG: Yeah. Or, no, the financial
4 procedures and.....

5 MS. HSIEH: Oh, we're getting to that next.....

6 CHAIRMAN HARTIG:and the.....

7 MS. HSIEH:the updated investment policy
8 is -- this -- I'm just mentioning the financial and
9 reporting policies, which are housekeeping.....

10 CHAIRMAN HARTIG: Okay.

11 MS. HSIEH:but then we'll move to
12 investment, which is more substantive.

13 CHAIRMAN HARTIG: Okay.

14 MS. HSIEH: So if you'd like to make a motion
15 on the financial policies and reporting policies, those
16 are fairly minor and actually we'll have a couple more
17 tweaks at the next meeting. Those are just date
18 shifts. And then we'll talk about the investment
19 policies.

20 CHAIRMAN HARTIG: Should we just do it at the
21 next meeting then or do you need it now?

22 MS. HSIEH: We'll need them now, because of --
23 why don't -- I think we need them now, at least with
24 regard to the financial procedures.

25 CHAIRMAN HARTIG: Okay.

1 MS. SCHORR: Do we need to do them as separate
2 motions for each?

3 CHAIRMAN HARTIG: Yeah, I think so.

4 MS. SCHORR: Okay. Policy. Okay.

5 CHAIRMAN HARTIG: So anybody want to make a
6 motion on whether to adopt the revised financial
7 policies dated June 19th?

8 MR. ZEMKE: Excuse me. We were just talking
9 about the reporting policies right now, so.....

10 MS. HSIEH: Actually I did both.

11 MR. ZEMKE:should we make a motion.....

12 MS. HSIEH: I summarized both for you. So
13 you're welcome to make.....

14 CHAIRMAN HARTIG: You can combine them I guess.
15 Yeah.

16 MS. HSIEH: You can move to adopt.....

17 MR. ELTON: I would be tempted to make a
18 motion, but for some reason I don't have a motion
19 sheet.

20 CHAIRMAN HARTIG: Sorry. This one and this
21 one, we're combining those two.

22 MR. ELTON: Mr. Chair, I move we adopt the
23 revised reporting policies dated June 14th, 2012, and
24 that we adopt the revised financial policies dated June
25 19th, 2012.

1 MS. SCHORR: Second.

2 CHAIRMAN HARTIG: Okay. Thank you.

3 MS. HSIEH: Okay. Thank you.

4 CHAIRMAN HARTIG: Any other discussion.

5 (No comments)

6 CHAIRMAN HARTIG: Any objection to the motion.

7 (No objection)

8 CHAIRMAN HARTIG: Okay. Seeing none, it's
9 approved.

10 MS. HSIEH: Thank you. With regard to the
11 updated investment policy, the Council's investment
12 policies previously adopted in 2000 have been updated
13 with the generous assistance of the Alaska Department
14 of Revenue, Callan & Associates, the Alaska Department
15 of Law, the U.S. Department of Justice, and the
16 Council's investment working group. The draft revised
17 policy draws heavily from the current policy, but was
18 also extensively revised and reformatted. Plus I've
19 included comments on the draft in your meeting packets
20 to highlight where prior reviewers had questions and
21 where substantive changes were made.

22 The updated investment policy now also includes
23 two attachments, Public Law 106-113 and Resolution 99-
24 0301 with regard to creating the restoration reserve
25 and the three accounts which are referred to in the

1 current and revised policy in the text, but had not
2 been previously appended. The investment working group
3 recommends this May 15th, 2012 draft. It is in your
4 packet for approval.

5 In addition, yesterday afternoon I had a
6 discussion with Bob Mitchell of the Alaska Department
7 of Revenue, and we did create a draft yesterday which
8 was sent to -- which removed language on Page 5 and
9 cleaned up the numbering typo that was there.

10 Upon Bob's recommendation, they have been --
11 the Department of Revenue had wanted more direction
12 with regard to the three accounts, and he had
13 recommended we added to each of those paragraphs under
14 14.a., b., and c. found on Pages 4 and 5, those last
15 sentences, unless otherwise directed by the Council,
16 all scheduled and anticipated outflows over 0 to 5
17 years should be placed into cash and/or bonds with the
18 balance of the sub account invested more aggressively
19 due to the longer time horizon. This addition of that
20 clause to those three subparagraphs engendered no
21 discussion from our reviewers. It was really
22 recommended by Department of Revenue to give them some
23 additional direction. Upon further reflection,
24 Department of Revenue recommended to me yesterday that
25 those -- that direction was too narrow. And I believe

1 Bob Mitchell is on the line to describe which he did
2 say to me yesterday about I would probably butcher it,
3 with regard to why he would now recommend actually
4 removing those clauses from the draft, so you would be
5 making a motion on a September 13th draft which was
6 circulated yesterday. If you'd like Bob to address the
7 intricacies of that, I believe he's available.

8 CHAIRMAN HARTIG: I'm just looking at the
9 language right now. Let's see. So we're looking at
10 Section 14, individual account objectives?

11 MS. HSIEH: Correct. The objectives would
12 remain, but Bob was trying to add more detail,
13 direction to the Department of Revenue.....

14 CHAIRMAN HARTIG: Uh-huh.

15 MS. HSIEH:as to what to do with the
16 anticipated outflows, but upon further reflection
17 realized those directions were too narrow.

18 MR. ZEMKE: For all three, a, b, and c
19 sections?

20 MS. HSIEH: Yes. It's identical. Uh-huh.

21 CHAIRMAN HARTIG: I mean, I understand I think
22 the concept here now, but, Bob, do you want to give us
23 any insight into this? I don't see any questions.....

24 MR. MITCHELL: Sure.

25 CHAIRMAN HARTIG:but it may help us.....

1 MR. MITCHELL: Sure. I think it would be.....

2 CHAIRMAN HARTIG:evaluate it.

3 MR. MITCHELL: This is Bob. Our motivation for
4 including the language was to recognize that in the
5 event that there are significant plan expenditures in
6 the near term, that that be reflected in the asset
7 allocations. And upon further review. And upon
8 further reflection, and with the inclusion of Mike
9 O'Leary and Callan Associates in the discussion
10 process, I think that that can be incorporated at any
11 time by Trustees. And having the language in the
12 guidelines doesn't necessarily add to that discussion,
13 but may on the margin constrain the Trustees now and in
14 the future. So I don't think there's necessarily
15 anything added at this point by having the language
16 though. Upon further reflection, I recommended that we
17 strike the language but certainly recognizing that the
18 Trustees have always retained the ability to pass an
19 asset allocation for each of these funds that would
20 reflect near term cash flows that they're aware of.

21 CHAIRMAN HARTIG: Right. Okay. That's clear
22 to me. Jim.

23 MR. BALSIGER: I didn't download.....

24 MS. HSIEH: The new one?

25 MR. BALSIGER:a new one yesterday, so is

1 the effect that the last sentence in each of those
2 paragraphs would be deleted?

3 MS. HSIEH: Correct. And we -- and I cleaned
4 up the numbering.

5 MR. BALSIGER: Okay. Thank you very much.

6 CHAIRMAN HARTIG: I think I know the answer to
7 this one, but this version of our investment policy, it
8 brings in all the different documents relating to our
9 investment policy, so this is the only place our
10 advisors would need to look? I mean, our -- all our
11 investment policy decisions -- or policies are in this
12 one document?

13 MS. HSIEH: Along with the resolutions
14 regarding asset allocations. We also have a management
15 agreement for the funds with the Department of Revenue,
16 which doesn't really have a lot of substantive
17 information in it, so.....

18 CHAIRMAN HARTIG: Yeah, but this is our
19 investment policy and.....

20 MS. HSIEH: Uh-huh. (Affirmative)

21 CHAIRMAN HARTIG: Okay. And I guess I can see
22 if there's a motion.

23 (Laughter)

24 MR. ELTON: (Indiscernible - laughter) motion
25 sheets except you.

1 MR. ZEMKE: I will make a motion, Mr. Chairman.

2

3 CHAIRMAN HARTIG: Oh, I'm sorry.

4 MS. HSIEH: You don't have a motion sheet
5 either?

6 MR. ELTON: No.

7 MR. ZEMKE: I'll make it. I move we adopt the
8 revised investment policy dated September 13th, 2012.

9 MS. HSIEH: Perfect.

10 MR. BROOKOVER: Second.

11 CHAIRMAN HARTIG: Any other discussion.

12 (No comments)

13 CHAIRMAN HARTIG: Any objection to the motion.

14 (No objection)

15 CHAIRMAN HARTIG: Seeing none, the motion's
16 approved.

17 MS. HSIEH: Thank you. The next item is asset
18 allocation for October 1st, 2012 through January 31st,
19 2014. After meeting and reviewing data and recommended
20 -- recommendations by Callan Associates, the investment
21 working group recommends that Council retain the
22 current asset allocation for October 1st, 2012 through
23 January 31st, 2014.

24 Callan Associates, Mike O'Leary, is here
25 telephonically I believe to give a brief overview if

1 desired of the updated version of the presentation he
2 provided for the investment working group, which is
3 also -- an earlier one was sent to you in your packet.
4 And he did electronically -- he did update it 10 days
5 before the meeting with some few changes. If you'd like
6 him to review that?

7 Mike, are you on the phone?

8 MR. O'LEARY: Yes, I am.

9 MS. HSIEH: Thank you.

10 CHAIRMAN HARTIG: Hi, Michael, this is Larry.

11 MR. O'LEARY: Good morning in Alaska.

12 CHAIRMAN HARTIG: Yeah, it still is. Well,
13 appreciate you joining us today, and I guess I'll turn
14 it over to you.

15 MR. O'LEARY: I will attempt to be very brief.
16 The presentation that was made in May with update and
17 high data through the end of the December of 2011 is
18 updated in your current package to include performance
19 through the end of June of 2012. We -- and so I will
20 just touch briefly on that.

21 If you would turn to Page 9 of the
22 presentation?

23 CHAIRMAN HARTIG: Okay. We're there.

24 MR. O'LEARY: You'll see and focus on the last
25 two quarters' performance, you'll see that all three

1 funds had very similar results, right around 6.8
2 percent increase in value over the six months. And
3 when compared with their policy asset allocation
4 target, they outperformed the target by a discernible
5 sum. And then obviously each of the trailing periods
6 is now different, because we added those six months.
7 But we get the same pattern of performance on a since-
8 conception basis, and I note that the inception dates
9 are different in the case of the research fund from the
10 habitat and Koniag fund. But the performance for all
11 three funds has exceeded target, and I am very pleased
12 to report that.

13 There is a great deal of detail, which I won't
14 go into, unless someone has a specific question, where
15 we look at each asset class component and evaluate
16 their performance, the performance of each -- for each
17 component. And in all cases the performance was
18 superior to the appropriate bench mark over the vast
19 majority of periods analyzed.

20 If you then go on to Page -- bear with me just
21 a second while I get it. Page 28. Has everybody found
22 that? Should I proceed?

23 CHAIRMAN HARTIG: Yeah, go ahead, Michael.

24 MR. O'LEARY: Okay. What is presented on Page
25 28 are Callan's long-term projected returns for major

1 asset categories. We use this -- these projections to
2 then model the range of possible outcomes for your
3 current policy and for other potential policies. And
4 these are the key input assumptions.

5 If we go to Page 29, there's a presentation of
6 how we modified these projections from the beginning of
7 2011 to the beginning of 2012. And you can see across
8 the board we lowered them, and that was primarily
9 driven by the decline in interest rates that's been
10 observed. We maintained our long-term inflation
11 projection at two and a half percent. And remember
12 this is a long-term number. It's -- we're focusing on
13 10 years with -- so it is not surprising that when one
14 lowers the expected returns for each of the asset
15 classes, the expected return with the current policy
16 would decline.

17 And if you go on to Page 30, you'll see a
18 comparison of the expected compound annual returns over
19 5 and 10 years. And then when you look at the table at
20 the bottom of Page 30, you'll note under your current
21 policy that the expected single year return, arithmetic
22 return would be 7.46 percent, but because of the
23 volatility of the return, the longer-term returns would
24 be in the six -- the 10-year number I'll focus on,
25 would be 6.82. And if you subtract the inflation

1 estimate of 2 and a half percent from that, that would
2 suggest a policy return, real return of 4.32 percent
3 over a 10-year period. And that is solely attributable
4 to the current low level of interest rates as the
5 starting for the projection.

6 We then contrast the range of return for the
7 current policy and alternative mixes over on Pages 32
8 and 33. And our conclusion is that your current policy
9 is an attractive policy. It is essentially on what
10 financial analysts would call the efficient frontier,
11 and it has over a 76 percent probability in our
12 analysis of generating a positive real return over that
13 -- over a 5 or 10-year period, but it doesn't even have
14 a 50 percent probability of achieving a 5 percent real
15 return. And that of course is significant to you.

16 Page 34 shows the range of returns that we
17 would expect for your current policy in a 1-year
18 period, over 5 years, and then over 10 years.

19 And then just some concluding thoughts. On
20 Page 35 we comment you for the use -- for the
21 management structure that you use. You use passive in-
22 depth management for our domestic equity exposure. The
23 Department of Revenue manages the bonds and cash funds
24 at a very attractive with -- and low fee. And the
25 international component is managed actively, but in

1 what I'll call an index-aware manner, and it has
2 performed well. Our own research supports the notion
3 that active management in international markets can be
4 -- can add value. So we're very comfortable with that.

5 Given the nature of the funds and their long-
6 term objectives, we do think that at some point in the
7 future substituting treasury inflation-protected
8 securities, or TIPS, for a portion of the bond
9 portfolio would be worthy of consideration. We don't
10 think that now is the -- an appropriate time to do it,
11 so we're not recommending that the policy be modified,
12 but I just wanted to raise awareness that those types
13 of investments are in our opinion consistent with your
14 long-term objectives of maintaining and enhancing the
15 purchasing power of the fund assets.

16 And, Mr. Chairman, that concludes the
17 presentation. I would be happy to go into nauseating
18 detail if you desire.

19 (Laughter)

20 CHAIRMAN HARTIG: No. Good job, Michael, that
21 was a good overview.

22 Kim, do you have a question?

23 MR. ELTON: And not for nauseating detail. I
24 mean, does the recent announcement by the Fed which
25 tend -- or seems to my unprofessional eye to tie low

1 interest rates to the unemployment rate, does that
2 substantially change, you know, your analysis of what
3 may be happening in the future?

4 MR. O'LEARY: I think it does in two ways. In
5 the shorter term, it reduces the possibility of another
6 immediate contraction, although it doesn't eliminate it
7 in our view, because of the fiscal cliff situation that
8 the economy will be con -- is confronting.

9 In the longer term, it clearly in our mind
10 raises the possibility of higher inflation than we
11 would have otherwise seen, and therefore underscores
12 our confidence in the wisdom of considering the
13 modification of the policy to expressly include some
14 portion of the portfolio in inflation protected
15 securities.

16 MR. ELTON: Okay. Thanks, Michael.

17 CHAIRMAN HARTIG: Yeah. Michael, this is
18 Larry. And I'll try to recap what I think are the high
19 points here, and you can correct me if I'm wrong on any
20 thing, and please do, is we probably shouldn't expect a
21 five percent real return with the fairly low interest
22 rates that are out there now. But we don't see --
23 there isn't a reason to reallocate at this point. You
24 know, we're pretty -- where we -- pretty much where we
25 should be in terms of balancing risk with return.

1 There's some risk out there with inflation, but it's
2 not something that we need to worry about today. One
3 mechanism we might look at going forth -- in regards to
4 that issue going forward would be to get into some tips
5 for inflation-proofing and maybe there could be other
6 options, too, out there some day. But really no
7 changes that we need to make at this point in time?

8 MR. O'LEARY: That is an excellent summary of
9 our conclusions.

10 CHAIRMAN HARTIG: Thank you. Any other
11 questions or comments.

12 (No comments)

13 CHAIRMAN HARTIG: Okay. Again, thanks for your
14 help here.

15 MR. O'LEARY: Delighted to do it. Have a good
16 meeting.

17 CHAIRMAN HARTIG: Thank you. Okay. Going back
18 to this world, okay. So let's see, we've got.....

19 MS. HSIEH: We'll need a motion.

20 CHAIRMAN HARTIG: A motion on the investment
21 policy?

22 MS. HSIEH: A motion on.....

23 MR. ELTON: Asset allocation.

24 MS. HSIEH:the asset allocation.

25 CHAIRMAN HARTIG: Asset allocations, excuse me.

1 MS. SCHORR: I move we approve the following
2 asset allocation for the period October 1, 2012 through
3 January 31st, 2014: Domestic equities 47 percent, plus
4 or minus 7 percent; international equities 23 percent,
5 plus or minus 7 percent; and domestic bonds 30 percent,
6 plus or minus 5 percent.

7 MR. ELTON: Second.

8 CHAIRMAN HARTIG: Any other discussion.

9 (No comments)

10 CHAIRMAN HARTIG: Any opposition to the motion.

11 (No objection)

12 CHAIRMAN HARTIG: Okay. Seeing none, it
13 passes.

14 Okay. So I guess we're ready for Public
15 Advisory Committee selections.

16 MS. HSIEH: Yes. Doug, I don't think you need
17 any introduction to these. Did you want to say
18 anything about the nominees before the Trustee Council
19 had a brief executive session to discuss the PAC
20 nominees as required?

21 MR. MUTTER: No, they've got the packet of.....

22 MS. HSIEH: Yea.

23 MR. MUTTER:their information.

24 CHAIRMAN HARTIG: Okay. Well, I think what
25 we're do, rather than go into executive session, do you

1 want to -- do you have lunch scheduled now or what do
2 you want to do?

3 MS. HSIEH: We could go have lunch, yes, and
4 then come back and do the public advisory committee
5 selections.

6 CHAIRMAN HARTIG: That would then give -- we
7 wouldn't have to come back in and out.

8 MS. HSIEH: Yes. Doug will stay.

9 MR. MUTTER: Yes, I'm hungry. Let's go eat.

10 (Laughter)

11 CHAIRMAN HARTIG: Okay. We'll do that. We'll
12 recess until, let's see, we'll have the exec -- we'll
13 come back at 1:00 o'clock, but at that point, we're
14 going to have the -- let's see.

15 MS. HSIEH: Public Advisory Committee
16 selections. You can have an executive session if you'd
17 like. Also the MOU requires the Council, all six, to
18 review the executive director's performance. We've
19 been recalcitrant. In fact, the last couple years NOAA
20 and Department of Fish and Game has been reviewing my
21 position, so I have those reviews, copies of those for
22 you.

23 CHAIRMAN HARTIG: Okay.

24 MS. HSIEH: That's required by the MOU.

25 CHAIRMAN HARTIG: Well, I think if it's okay

1 with the other Trustees, what I'd propose doing is we
2 come back at 1:00. We do have the marine debris, since
3 we'll have guest presenters there, get through that
4 timely. I don't know that that's an action item. I
5 think it's more presentation, isn't it?

6 MS. HSIEH: It's a potential action item if the
7 Trustees wanted.

8 CHAIRMAN HARTIG: Just want to, but there's
9 nothing on the table.....

10 MS. HSIEH: Correct.

11 CHAIRMAN HARTIG:right now.

12 MS. HSIEH: Correct.

13 CHAIRMAN HARTIG: But I assume we'll get done
14 in 25 minutes there. Then right after that, Doug,
15 we'll have the PAC nominations, if that works for you,
16 too.

17 MR. MUTTER: I'm available at your convenience
18 this afternoon.

19 CHAIRMAN HARTIG: Okay. We'll plan on that,
20 and then we'll recess for lunch now and be back here at
21 1:00 o'clock for marine debris.

22 (Off record)

23 (On record)

24 CHAIRMAN HARTIG: Okay. Let's call the meeting
25 to order again, please. It's a little after 1:00

1 o'clock, but we'll be sure to give the next presenters
2 adequate time here on the agenda, but we need to move
3 along here.

4 The next topic is marine debris, and we have
5 with us today several different presenters. I think --
6 I'll quickly introduce it, Larry Hartig, and then we'll
7 move to Elaine from DEC and then I don't know whether
8 Tim will go or Chris will go, but contractors that are
9 doing work, including for the Trustees as you know.

10 The main purpose I think is just to get
11 everybody up to speed on what's happened recently, and
12 kind of what's in the works, because a lot has happened
13 recently, and some of it's been reported in the paper,
14 some of it hasn't. But here you have the people that
15 are actually doing the work, that have been out in the
16 field and seen it with their own two eyes and touched
17 it, felt it, piled it up, carried it away, whatever.
18 And you'll also hear what the different agencies are
19 doing.

20 Unfortunately Peter Murphy who's kind of at the
21 center of all this from NOAA, the coordinator, couldn't
22 make it today. This got scheduled at the last minute
23 and I didn't think it was necessary for him to change
24 his schedule. I'm sure he would have tried to
25 accommodate us.

1 So anyway, in the audience, just for Elaine,
2 Chris, and Tim's benefit, we have a number of the land
3 managers, both here at the table and out in the
4 audience. And, I don't know, Terry from -- has the
5 Chugach National Forest, Doug's with the Department of
6 Interior. Of course, Kim Elton up here at the table,
7 Department of Interior, Special Assistant to Secretary
8 Salazar. We have Tom is with Fish and Game. And Jim
9 Balsiger with the National -- or, excuse me. NMS?

10 MR. BALSIGER: National Marine Fisheries
11 Service.

12 CHAIRMAN HARTIG: Fisheries Service.

13 MR. BALSIGER: NMFS.

14 CHAIRMAN HARTIG: But we have a lot of the
15 players in the room that can benefit from the
16 information that you're providing today, and so it's
17 just -- we're all looking forward to getting updated on
18 what's going on.

19 On the marine debris, Governor Parnell signed
20 an administrative order issued at the very end of July
21 designating my agency, DEC, as the lead for the state,
22 kind of the point of contact. And when I say lead, it
23 doesn't shift any responsibilities. We're working
24 closely with Fish and Game and with our land manager,
25 such as in the tidelands, DNR. But we're the

1 coordinator, we're the single point of contact, you
2 know, for the federal agencies, and so our role here
3 today and going forward is just trying to work with
4 everybody, you know, and help,, you know, coordinate
5 this effort.

6 And from the Trustees Council's perspective, I
7 think it's, what, 1.1 million we have in marine debris
8 at this point for the next five-year term. When we put
9 that contract out, I think it was before we understood
10 the potential full impact of the Japanese tsunami
11 event, and so, you know, there may at some point need
12 to be some course correction there, maybe not. but I
13 thought it's good for the Trustees to hear this
14 information, not just as from your own agency
15 perspective, but as the Trustees.

16 So at that point I'll turn it over to you,
17 Elaine, if you want to introduce things.

18 MS. FLOYD: Thank you, sir. Thank you for
19 having us here today. We appreciate the opportunity to
20 be able to speak about this. It's exciting for us to
21 have a (indiscernible - away from microphones).

22 CHAIRMAN HARTIG: You want to get close to a
23 microphone, Elaine, you have to have one of these here
24 so the people on the phone can hear.

25 MS. FLOYD: I wonder if that will move?

1 MS. HSIEH: No, that's the.....

2 CHAIRMAN HARTIG: No, the round one there.

3 Yeah, just.....

4 MS. HSIEH: Yeah, that one.

5 CHAIRMAN HARTIG: If we could move it over to

6 the table there by the end there.

7 MR. ELTON: I don't think so.

8 MS. FLOYD: I don't think it will stretch any

9 further.

10 CHAIRMAN HARTIG: We can move this with it,

11 then it will go. Let's see. Rearrange the mics here.

12 There we go.

13 MS. FLOYD: All right. Just a little bit.

14 There. Just get it all connected. All right. So I'm

15 speaking onto the phone, too.

16 CHAIRMAN HARTIG: Yeah. There you go.

17 MS. FLOYD: All right. Thank you. My name is

18 Elaine Floyd. I'm the acting director of

19 environmental health, and I'm the commissioner's right-

20 hand person for marine debris and environmental

21 conservation. And with me today is Chris Pallister

22 from Gulf of Alaska Keeper who you have a contract

23 with, and Tim Veenstra from Airborne Technologies,

24 Incorporated who was our aerial survey contractor.

25 And we're going to be a little interactive here

1 with all three of us talking and pointing at things,
2 and some pictures on the easels, too. And we put
3 pictures out on the back just for your viewing
4 pleasure. So if the -- you guys want to turn -- if you
5 can turn around a little bit, maybe that will help and
6 Tim's going to come up and use the easel just a little
7 so you guys will be cozy there. Sorry.

8 REPORTER: Whoever speaks does need to be next
9 to one of the little microphones, too.

10 MS. HSIEH: Yes.

11 CHAIRMAN HARTIG: Okay. The recording.

12 REPORTER: That way (indiscernible -
13 simultaneous speech).

14 (Off record conversation regarding placement of
15 easel)

16 MS. FLOYD: And our presentation is just going
17 to be 10 to 12 minutes long, and then Chris has a
18 presentation of his own as well. He's a participant in
19 this one as well. So without further ado, then let us
20 get started, and thank you for accommodating our little
21 rearrangement.

22 Some background on the tsunami marine debris.
23 As a result of the devastating earthquake in Japan in
24 March of 2011, and the resulting tsunami, the
25 government of Japan estimates 5 million tons of debris

1 swept into the Pacific Ocean and they also estimate
2 about 70 percent sank immediately, which left 1.5
3 million tons floating off the coast that's caught by
4 the wind and ocean currents. The composition of that
5 debris as we know now is materials typically found in
6 urban home -- urban areas, homes and fishing
7 communities, consisting of styrofoam buoys, bottles,
8 jugs, household items, everything -- houses were swept
9 away so we're finding contents of people's
10 refrigerators, the refrigerators themselves, a lot of
11 rigid urethane insulation and wood from the destroyed
12 buildings, warehouses and homes. And then all -- it's
13 a large fishing and aquaculture area, so the floating
14 docks and the boats and all of that is what we're
15 finding.

16 The NOAA models originally showed that debris
17 would reach -- wouldn't reach the United States until
18 2013, but they found that the high windage, lighter
19 debris that's carried by the wind arrived much sooner
20 than expected, and it's definitely here now. The
21 heavier items, the low windage debris carried by the
22 ocean current is slower, and even the high windage
23 items vary in their weight and composition, so the
24 really light items like styrofoam arrived in great
25 quantities early, and it's being backed up by the

1 heavier urethane now that's coming in, so you can kind
2 of see -- and the refrigerators are coming in now where
3 they weren't coming in at the beginning of the year.

4 Well, as a result of that, DEC contracted with
5 Airborne Technologies for an aerial survey of the coast
6 line, and, Tim, if you'd like to talk to that, and then
7 -- I'm sorry, but we will need the lights again as
8 well. At least one back here. There you go.

9 MR. VEENSTRA: All right. I'm going to have to
10 orate around for everybody.

11 We started the survey about mid July, and
12 weather kept us on the ground a lot longer. It just
13 wasn't a good year for coastal survey work. We've done
14 a lot of that over the years, and this is probably one
15 of the worst seasons we've had.

16 But we also were trying to cover about 2500
17 square miles -- or 2500 linear miles of coastline. We
18 wanted to do all of Southeast from the very southern
19 point and then our intention was to come all the way up
20 through Southcentral, not going into Prince William
21 Sound, just hitting the outside, and then down the
22 peninsula, then Kodiak and Barren Islands, and then
23 down the peninsula as far as Cold Bay.

24 It ended up with the weather -- as you can see
25 on the map, those were -- our basic -- the way we

1 divided up the flights. The only one we did not
2 complete is the Bristol Bay and the Cold -- Alaska
3 Peninsula, and we got parts of that. We were down
4 there, but many mornings woke up, fog and -- or high
5 winds.

6 So with that survey, I've flown around this
7 area for about 30 years, and have been working --
8 involved with marine debris for about 12 of them. And
9 I'm used to seeing stuff on the beach. We've done
10 other debris surveys in the Bristol Bay area and up
11 northern Alaska before, and I had no idea what to
12 expect. I was actually completely shocked at the
13 amount of new debris that I was seeing from my own
14 eyes. And I realize that's not a scientific
15 calibration. Once we started to actually quantify --
16 or qualify some of that debris as being tsunami debris,
17 it was a little easier for me then to peg that. It's
18 just not debris.

19 And so what I have here, this one we didn't get
20 into the presentation, but it's just a map of random
21 sampling of -- and we took 8,200 images, and there's
22 probably -- all those dots, and basically as you can
23 see, it covers the whole coastline where we flew.
24 Tsunami debris is everywhere. And what we were calling
25 tsunami debris, the indicators were some oyster buoys

1 as one of the main ones, and a lot of foam, and Chris
2 will talk to that.

3 So feel free to look at these. We've got a
4 sampling of other images that's along the back table.

5 There's one other breakdown that I'd like to
6 talk to -- or two, and Elaine will probably touch on
7 this, but I might as well go ahead while I've got the
8 images here. This is down, one of the islands off of
9 Kodiak, southern Kodiak, and as you can see, it's a
10 collection point. This is not unusual to see this. If
11 you looked in there, most of that's marine fishing
12 gear, not unusual to see that, but definitely spread
13 into here is many of the tsunami debris indicators.
14 Urethane foam, white styrofoam flats and other oyster
15 buoy floats.

16 And also -- this is really not the image I was
17 showing it, but you can see one way up here, and it's
18 not that far off the beach, but this stuff, the lighter
19 stuff, gets blown way inland. And on our flight, we
20 would see recent ones, and mostly the white styrofoam,
21 a half mile inland, which is really nothing. I've seen
22 it 5, 10, 15 miles inland. It all depends on the
23 topography of the area.

24 Another little breakdown that I just want to
25 point out, this is one of our aerial shots, okay. This

1 is a single shot that we have, typical of what we'd
2 take in the airplane. And from your perspective, you
3 probably don't see a bunch. If you got close, you
4 would start to see -- obviously some color pops out at
5 you. But our images were with a 36 megapixel camera,
6 and out of this shot I just cropped a little area right
7 here, and that's on this little 8 by 10, I mean, that's
8 probably about -- and suddenly -- and that's again if
9 you had the details being on a computer, you can really
10 start to drill down and see what's there. And now you
11 start to see all the foam, as big as a golf ball. It's
12 very readily available to see with the human eye. And
13 it's everywhere through there.

14 So Chris Pallister got to Gore Point about
15 three weeks after I took these photos. He sent me some
16 photos, and he sent me this one. And you can see
17 immediately that's the same buoy in there, there's no
18 question. If you want ground truth, that's as close to
19 ground truth as you can get. Most of the objects in
20 this picture are evident in that picture as well. But
21 what he did, what I can't do, is he looked down between
22 the logs, and he sees this. And this is styrofoam
23 that's broken down, and it's -- all this white
24 styrofoam in particular is going to break down into
25 this, and that's -- there's a seagull feather there, so

1 you get the idea that we're talking stuff, you know,
2 the size of tip of your little finger, a quarter-inch

3 MS. FLOYD: Popcorn.

4 MR. VEENSTRA:or so. So I'll let you
5 take it from there.

6 MS. FLOYD: Okay. We have -- there's a picture
7 from Chris, okay, two pictures, that just gives you an
8 idea of when you see one of those big white styrofoams
9 from the aerial photo, you don't really have a
10 perspective on how big it is, and there on the landing
11 craft, it's huge. And that big giant piece, we're not
12 positive where that came from, but it's -- they've
13 never seen anything like that before here in Alaska
14 with regular marine debris.

15 Chris, would you like to talk to this slide?

16 MR. PALLISTER: I can't see that far.

17 MS. FLOYD: Okay.

18 (Laughter)

19 MS. FLOYD: Well, it's pretty dramatic. The
20 blue is all pre-tsunami averages off of four different
21 monitoring points, two in Prince William Sound and two
22 on Gore Point. And the red is post-tsunami. So the
23 difference in the amount of buckets, the amount of
24 plastic drums, they categorize everything. And then
25 there was a control. The heavier rope and line items

1 that don't -- that are low windage and are driven by
2 current, they expected that to be about the same, and
3 you can see it's almost identical pre and post-tsunami,
4 because the heavier items aren't here yet, but the
5 lighter items increased dramatically.

6 This picture, that's the one that we're -- that
7 Tim already showed, but on the right-hand side, that --
8 all that white is where a bear has played with that
9 item, okay, and ripped it and torn it apart to make it
10 into all those little popcorn pieces.

11 Some of the buoys come in, they're still
12 wrapped in -- they're double wrapped and they are
13 banded, and they have nets around them, but underneath,
14 and that shows it quite well, underneath there's just
15 that real fine white styrofoam that falls apart very
16 easily.

17 Again then, this slide from Chris is just
18 purely styrofoam from those four specific points.
19 Those are the five years prior to and pre-tsunami. The
20 one right next to the tall red line would be the
21 average of -- from '07 to '11. And you can see Black
22 Island, for instance, had virtually no styrofoam in the
23 previous five years, and it's huge.

24 MR. PALLISTER: I just want to point out those
25 numbers there, like Gore Point had a little less than

1 900 pounds of styrofoam on it, and 900 pounds of
2 styrofoam is a tremendous volume, so we've just got to
3 keep that in mind, too.

4 MS. FLOYD: Right.

5 MR. VEENSTRA: And I'll also throw out that our
6 initial intent was not to go to Prince William Sound,
7 but we got shut down on the Peninsula. We actually
8 went into Prince William Sound and looked at some spots
9 and there's definitely, as far as Colross side -- I
10 mean, up on Perry Island, Colross, Eleanor, Knight
11 Island, coming around Montague, you were finding
12 pockets. Nothing that I would rate -- we rated all of
13 these as zero to five. Zero had no debris, five is the
14 heaviest as far as quantity. There were no five
15 beaches in there, but there were certainly some threes,
16 maybe even pushing fours. Just some of those small
17 bites in Prince William Sound that are collected it.
18 So it is getting into the Sound.

19 MS. FLOYD: And there.....

20 MR. PALLISTER: Well, one other point about
21 Prince William Sound, too. Every one of those beaches
22 that Tim looked at in Prince William Sound have been
23 cleaned repeatedly, and we cleaned them all within the
24 last year, and.....

25 MS. FLOYD: So anything.....

1 MR. PALLISTER: every bit of it's brand
2 new.

3 MS. FLOYD: everything on it is brand new,
4 and the collector islands, Montague and Kayak, those
5 act as a break point for -- to really collect all the
6 debris and prevent it from going into Prince William
7 Sound, but the longer that it sits there, then the
8 storms and the wind start to carry it in, and that's
9 why at this point Tim says there aren't any beaches
10 inside the PWS with -- that are fives, but we feel that
11 they're going to get there.

12 Again just one more chart showing total
13 styrofoam weight, pre-tsunami and post tsunami. And
14 the one down on the bottom left is the total marine
15 debris weight.

16 Sorry, that's a little harder to see than I
17 expected, but I wanted to point out that way down on
18 the lower right, at Cape Muzon, then up around Kayak
19 Island, Montague, Gore Point. For some people that
20 don't know those locations, it was helpful to me to see
21 that, and then -- how do you say that island, Tagushek?

22 MR. VEENSTRA: Off of Kodiak?

23 MS. FLOYD: Yeah.

24 MR. VEENSTRA: I always just pronounce Tugidak
25 Island.

1 MS. FLOYD: Okay.

2 MR. VEENSTRA: It's one of the two off the
3 south end of Kodiak.

4 Those pictures that are pinpointed there, most
5 of them are on the back table there. And they're just
6 samples. These are high fi images that I wanted to
7 high grade, you know, for show and tell. These are
8 just sampling shots of the work (indiscernible - away
9 from microphone)

10 MS. FLOYD: So a little bit more. We are
11 finding debris continues to come in, and that's
12 evidenced by, you know, there will be a storm surge.
13 It moves all the debris up, and then there's debris
14 lines. You can see the -- you know, basically
15 consecutive lines of low tides, high tides come in, and
16 it pushes the debris, and every tide brings in fresh
17 debris. The wind as Tim showed carries the debris
18 inland. The -- and the heavier debris is starting to
19 come in now, because they're finding refrigerators and
20 the heavier styrofoam.

21 This is a nice example of a debris line. Just
22 one. And that picture's from Chris.

23 Why are we concerned about it? Well, first of
24 all, we don't know how much is going to arrive and what
25 the total comp -- what the composition is. We know

1 what we've been getting, and we're getting different
2 things than we have in the best. The potential
3 toxicity of the components that do arrive.

4 The breaking up and redisbursement of that
5 styrofoam in particular. The potential impact of the
6 small styrofoam pieces on marine and terrestrial life.
7 The birds like to peck at it. Once it gets small, it
8 looks like food to them. The fish look at it, eat it.
9 The bears rip it apart. We're not sure if they're
10 eating it, but we do know that the birds -- it doesn't
11 digest . So it either gets stuck in their throat, or
12 it doesn't pass through and then they essentially die
13 of starvation.

14 We're concerned about the smothering of
15 sensitive habitats. Invasive species. Disposal is a
16 big concern. This -- the volume of the styrofoam in
17 particular is huge. And the landfills are filling up,
18 even with recycling efforts. So we're looking into
19 things like barging it out to Washington where there's
20 a large landfill, but obviously that's expensive to put
21 barge trash out. They're looking into things like
22 styrofoam crunchers or melters that just, you know,
23 reduce the volume of it to a significant degree, but
24 disposal is going to be an increasing big issue.

25 The safety issues involved with removals.

1 Everything from weather, the remoteness of the site,
2 the sea conditions, and there's a lot of bears and
3 other wildlife out there, too, so that's a concern for
4 the crews that are on the ground. And potential
5 navigation risks for large debris items.

6 Briefly, just some things that you think about
7 for cleanup costs, and Chris mentioned this. The
8 first time you clean a beach that's never been cleaned
9 before, it's more intensive, and there's years
10 accumulation on it. He's done several beaches over and
11 over again, so they go faster. So recleaning a beach
12 is normally a pretty fast -- I don't want to say fast,
13 that's -- it's not as difficult as a first-time debris
14 removal, but the quantity of tsunami debris that has
15 come in has made the recleaning of the beaches as
16 intense as it was in the beginning. So there's higher
17 costs there. The whole thing with all the equipment
18 that you need and food costs, whether there are going
19 to be wages or contractors. And then site access
20 sometimes has to be done via helicopter or plane. You
21 can't land a boat on a lot of the beaches in Alaska.
22 And then again disposal cost is a cost consideration.

23 The last thing I want to talk about is the
24 funding, what we know now. We've heard that the
25 government of Japan wants to give a \$5 million goodwill

1 gesture to the United States. That has not been
2 approved yet by the Japanese National Diet, which is
3 their parliament. The procedure for acceptance and
4 disbursement of the funds has not yet been established
5 by the federal government. And the time frame for
6 arrival, if it arrives I mean, is uncertain. So the
7 five million is an idea, but it's nothing concrete at
8 this point at all.

9 From the federal government DEC received a
10 \$50,000 grant, and the procurement action is out on
11 that. We expect to award a contract next week to do
12 specifically debris removal. And then the \$200,000
13 that we put in for the aerial survey so that we would
14 have a baseline and the proof. And in the picture that
15 Tim showed first with all those little map pins on it,
16 that represented about 450 pictures that he showed us
17 yesterday on his computer. That's out of 8200, right?
18 And there isn't one single picture that we looked at
19 that does not have identifiable tsunami debris in it.
20 And those map pins reflect locations, not every piece
21 of debris. So it's just -- it's really rather
22 overwhelming.

23 With that, I leave you with that 30,000-foot
24 view -- well, really not 30,000-foot, but that's a nice
25 beach and we're not close enough to see if there's

1 debris on it or not. We actually do know that there is
2 debris on it, but we didn't have a perfect beach
3 picture to show you, and I just wanted to leave you
4 with that idea, that we'd like them to look this good
5 close up as they look from way high up in the sky.

6 Do you have any questions?

7 CHAIRMAN HARTIG: Elaine I might add a couple
8 of things.

9 MS. FLOYD: Sure.

10 CHAIRMAN HARTIG: One is, is a big question in
11 our mind that we have raised with NOAA, the state has,
12 is what's the ecological significance now of the
13 styrofoam, either in the big state or the broken down
14 state. And they did do a literature search on that and
15 have put out a fact sheet. And I don't know if it's on
16 anybody's website yet. But they do.....

17 MS. FLOYD: I don't know.

18 CHAIRMAN HARTIG:make the points that
19 Elaine did, that it can be ingested primarily by the
20 birds and it accumulates in the stomach. It makes them
21 feel full and they stopped eating, you know, lead to
22 starvation. And there's pictures there, pretty
23 graphic, and it's the same thing you see with plastics,
24 you know, the small plastics that they eat. You cut
25 the bird open, and see inside, they're full of this

1 stuff. And so that's one concern. And as Trustees,
2 you know, I don't know how that impacts some of the
3 bird species that we're concerned about in the Sound,
4 you know, whether that creates a risk, but that might
5 be a connection between marine debris removal, and
6 particularly the styrofoam, and what we're trying to
7 accomplish as Trustees in terms of restoration.

8 The other thing I wanted, and maybe Tim can
9 elaborate on this, is that not only did he just take a
10 bunch of photos, they're geo-referenced. The idea here
11 is that these will be available to everybody. You
12 know, we want to make sure whoever wants this
13 information can get it readily, but you'll be able to
14 tie it in with other GIS-based kind of information you
15 have. Maybe it would be on beach tides, you know,
16 sensitive habitat or whatever. Because it's such a
17 widespread issue, I don't -- I'm -- I don't see us
18 going out there cleaning up every bid of beach. You
19 know, I don't know that that's possible, particularly
20 in the near term, but it may be that there are
21 particular areas out there where it's very sensitive,
22 valuable habitat, that one would want to get there
23 first, and maybe try to do something, you know, with
24 the styrofoam and other debris that's out there, and,
25 you know, do whatever removal action, you know, we

1 could, you know, through Chris and others like him.

2 And so anyway we're hoping this information
3 will be helpful to people. We would -- and we wanted
4 to put it out there. We plan to continue the
5 discussions with NOAA. We're also having our state vet
6 working with the Department of Fish and Game to
7 evaluate the ecological risks, you know, of the
8 styrofoam. And Chris hasn't really said too much yet,
9 but he might speak to kind of the timing here, and that
10 is -- if I understand, we're kind of getting towards
11 the end of the season, at least in Southcentral, and I
12 presume in Southeast, particularly on these outer
13 beaches, so there may be some time, you know, over the
14 winter period here to look at research gaps that we may
15 have, and looking at the information that Tim and Chris
16 have brought to us and evaluate, you know, what our
17 plan is going forward.

18 But, Chris, I'd be interested in your views on
19 timing, you know, what's next and kind of the logical
20 sequence of things, if you would, please.

21 MR. PALLISTER: I'll talk around this easel.

22 MS. FLOYD: No, you go ahead, I'll trade you
23 spots.

24 MR. PALLISTER: Okay. Just a comment on this
25 picture really quick here before I get to that, that's

1 the East Beach, what we call East Beach at Gore Point.
2 You see that tide rip going from top to bottom. You
3 can't put a landing craft on that beach. You just
4 can't do it, even on the calmest days, because your
5 boat will go sideways and you'll lose it. So that's
6 pretty typical of the outer coast. This is where all
7 the tsunami debris is, in these beaches that are really
8 inaccessible. They're very difficult to access. So,
9 you know, places like this, you either have to get on
10 the other side where we keep our boats, or you've got
11 to do it with helicopters and stuff. So this isn't
12 like the oil spill inside a protected Prince William
13 Sound. This is on the outer shorelines. It's going to
14 be very, very difficult to clean this stuff up, and
15 it's going to be a big safety concern to us I think.

16 So, now the timing. I think we're out of time
17 this fall. I was really hoping we could get the
18 styrofoam off at least part of Montague by this fall,
19 but it's just simply not going to happen. The weather
20 has already turned. It's -- we are -- we quit -- our
21 crew came in September 2nd, and that's really pushing
22 it.

23 And so I think we just have to get together
24 this winter and get a good plan going forward, and
25 hopefully some funding will come up and we can

1 prioritize what needs to be done next summer. And I
2 think we need to be on the ground the first of May.
3 That's about as early as you can do it, because there's
4 going to be snow on a lot of these shorelines, and we
5 won't be able to get to it sooner than that.

6 CHAIRMAN HARTIG: Okay. Let's go on then.

7 MR. PALLISTER: So how do I get rid of this one
8 and get to mine?

9 MS. FLOYD: I think that's the end of mine.
10 Continue. And then there you are. So that -- it's
11 left to right and center.

12 MR. PALLISTER: I just need to get it up to the
13 slideshow if I can.

14 MS. FLOYD: I think you're going to need the
15 mouse for that.

16 MR. PALLISTER: What do I do here?

17 MS. FLOYD: To start the slide show, do you
18 have that.....

19 MR. PALLISTER: Okay. Very fortuitous that we
20 got this grant from EVOS to do this cleanup, because
21 like the Commissioner said, nobody was aware of what
22 was going to happen with the tsunami debris, and that's
23 -- this grant was already proposed long before the
24 tsunami even hit. And we just happened to be out there
25 working, and so I think it was very convenient you

1 could say that we were there when it started to happen,
2 and we were able to mitigate some of the damage, but
3 not much in the whole scheme of things.

4 Most of our funding for this project this
5 summer came from EVOS although we did get some funding
6 from the Marine Conservation Alliance Foundation to do
7 a project down on the southwest corner of Montague
8 Island. We were hoping to get on the outside there and
9 do some work right in that really tsunami stuff, but we
10 just -- the surf just wouldn't let us do it. And the
11 Chugach Forest helped us with funding for fuel and
12 disposal fees this summer, too.

13 Let me see if I pushed the right -- which
14 button is it, the top one?

15 MS. FLOYD: No, to the right.

16 MR. PALLISTER: To the right. This is our
17 operational area. Is there a laser on this thing?

18 MS. FLOYD: It is, but it doesn't show on the
19 screen, it shows on the wall, but it doesn't work on
20 the screen.

21 MR. PALLISTER: We for -- this EVOS contract
22 was basically to clean the southwest Sound, and then
23 also they funded the study down here in Elizabeth Lake,
24 which I'll get to later. We also did a bunch of
25 monitoring and cleanup in here, and then, of course,

1 the MCAF Project was on the corner of Montague Island
2 here.

3 So we stated out this spring, we took over 80
4 volunteers out here for three days, and worked in just
5 really crappy weather, driving cold, sleety weather,
6 and we did manage to get a landing craft load of debris
7 in that time. And then we went down here and worked
8 this project for MCAF. We were supposed to be there 12
9 days. We picked up so much debris that it took us
10 three extra days just to load and haul it out of there,
11 so we wound up being there 15 days. Then total we put
12 55 days in on all this red area for the Council here.
13 And then we put 10 days out at Gore Point, and another
14 8 days up in the Sound doing our monitoring sites. So
15 we had 91 days out there this season.

16 This is one of seven piles of debris that came
17 out of MacLeod Harbor.

18 CHAIRMAN HARTIG: Hold on for a minute.
19 Whoever's on the phone, could you put it on mute?
20 We're having a lot of noise here in the Council office.
21 Thank you.

22 MR. PALLISTER: This is one of seven piles we
23 got out of MacLeod Harbor. We took three and a half
24 landing craft loads out of this project, and a lot --
25 there's very little tsunami debris here. This is all

1 pre-tsunami. And when you get to a beach that doesn't
2 have tsunami stuff on it, you're still looking at 60
3 years of accumulation of marine debris, so it could be
4 quite a bit. This is the only time we got around the
5 outside of Montague Island and did any cleanup work,
6 and we were actually on the beach only like a half
7 hour. The surf came up and we had to leave. So, you
8 know, this is really -- this is helicopter and wheel
9 plane work out there.

10 This is one big net we took out of MacLeod
11 Harbor. That -- we only got about half of that out.
12 We had to haul it out with a helicopter, because we
13 couldn't approach this beach with our landing craft or
14 even with our inflatables. There's a big reef out
15 there. And that net weighed 4200 pounds, just half of
16 it. Two tons. And we had to sling it into MacLeod
17 Harbor where we could then handle it and get it on a
18 landing craft. That's just some of that work.

19 And that's one of the loads. Now, this is a
20 45-foot landing craft, and it's telephoto, so it's
21 foreshortened and it doesn't look like much, but it's
22 not a lot of volume, but it's extremely heavy, because
23 we had all that net and a lot of other nets and lines,
24 and we got it so heavy that its nose wanted to take one
25 and go down below water, so we just kind of stopped.

1 So that's one of the three and a half loads we got out.

2 We've been -- we were really fortunate this
3 summer in that we never put any of our loads into the
4 landfill. And we took out 14 full landing craft loads
5 this summer. Three and a half of them went to Center
6 for Alaska Coastal Studies. They have a big marine
7 debris art project they're doing down there, and it's
8 part of our grant with EVOS. And so that's what
9 they're doing. They're loading a bunch of that to take
10 to Homer to put in that project. We put -- another
11 half a load went out to the Seward Sealife Center.
12 They're using -- they're doing a display down there.
13 And then the rest of it we ran through a recycling
14 center here in Anchorage, and they actually took it all
15 and sorted it all out, and as far as we know, they were
16 able to recycle a really good share of it.

17 This is now onto the southwest Sound project
18 itself for the Council here. I just want to show you
19 some pictures of styrofoam. Just massive blocks of
20 styrofoam we're finding out there, besides this non-
21 floats. And I assume these are busted up docks and
22 things like that. Look at the size of that thing.
23 Just massive.

24 And if you don't get them when they're that
25 big, pretty soon they get this big, and then you're

1 talking hours on your hands and knees trying to clean
2 it up. This is what bears do to it. They drag it back
3 in the woods around the beach or wherever and they just
4 mutilate it. And it's not just bears. We have a lot
5 of evidence that coyotes and every kind of terrestrial
6 mammal except for the deer and goats and stuff, seem to
7 eat the styrofoam and other plastics.

8 Now, this is Gore Point. That was that
9 beautiful picture she had at the end of her
10 presentation there. This is probably about 200 yards
11 of the southern end of it, and you can see all these
12 piles of debris. We have cleaned this beach every year
13 for -- since 2007. And we go out there every year and
14 we collect all the data. Now, we have this ongoing
15 monitoring project. We have 14 sites in Prince William
16 Sound and three out in the Gore Point region. We track
17 140 categories of debris. We get on the beach, collect
18 all the debris, we sort it out in those categories, and
19 weigh and count everything. And take all the debris
20 out. So this debris is all from last year. And
21 probably 70, 80 percent of that is tsunami debris.

22 And we took two full landing craft loads off of
23 this beach, and it's a third of a mile long, so -- and
24 it was very, very difficult to get down off of that
25 beach.

1 Now, this is a beautiful day at Gore Point.
2 And this goes to how rough it's going to be to work on
3 these outside coasts. Our crew is extremely
4 experienced. A lot of these guys have six, seven years
5 experience, and there they are trying to take a load
6 offshore to the landing craft. You can't get closer,
7 because of the currents and it's so shallow. But look
8 what happens here. I call this the crane dance at Gore
9 Point. You know, and that's -- there's \$5,000 worth of
10 equipment that just took a dunking, you know. And it's
11 really dangerous. I mean, that's a rigid hull
12 inflatable. If that had come down on top of somebody,
13 it would have broke their neck. And these guys really
14 know what they're doing.

15 And I think this points out the consideration
16 that -- I hear a lot of talk about putting volunteers
17 out on these beaches. I think it's going to be a very
18 dicey deal.

19 We wound up taking half of that debris, a whole
20 landing craft load, and walking it to the other side.
21 We walked all the light stuff to the west side, which
22 was a half mile. And so we spent a whole day doing
23 that. We had 12 people working on this project. We
24 had four volunteers from the Center for Alaska Coastal
25 Study came out and helped us for a few days. And so

1 that's -- we took it over to the west side. Now we're
2 work -- loading it on a landing craft where we can get
3 it up to the shoreline. And that's one of the 14 loads
4 there. That's actually off the East Beach.

5 These are just some of the loads we took out
6 this summer. And when we were on MacLeod, it was
7 mostly lines and nets and heavy stuff. Then as the
8 summer progressed, the loads went from five tons down
9 to like two and a half tons, and a lot of styrofoam.
10 We're bringing the loads into town, we pull the landing
11 craft up next to a 40-yard dumpster, offload it and
12 then that goes into town, goes to the recycling center.
13 And you can see we overfill these dumpsters. We
14 usually have one or two cubic yards of stuff that we
15 can give to the locals, like totes and fuel drums and
16 buoys and fenders and things like that. So we usually
17 wind up with about 43 cubic yards in a 40-cubic yard
18 dumpster, so that doesn't make them too happy with us.

19 This is all our monitoring sites in Prince
20 William Sound. It took eight of us eight days to clean
21 all those this summer, and that's all on a volunteer
22 basis basically.

23 And this is part of our EVOS grant with --
24 through CACS. they're doing the public outreach on
25 this marine debris project and that -- they call it the

1 Prince William Sound expedition. They bring some
2 junior high kids out and they helped us clean a bunch
3 of beach.

4 This is Megabite (ph) Beach in Prince William
5 Sound, and all this is tsunami debris that's way inside
6 Prince William Sound. See all the oyster floats and
7 stuff.

8 This is a monitoring site out on Gore Point at
9 East Beach. We took us -- four of us spent three days
10 on our hands and knees sorting through all this stuff
11 and counting it all out.

12 And then the North Beach the weather was so bad
13 we had to load it all on a loading craft and bring it
14 back to Seward, and we did it in the parking lot there.
15

16 This is Elizabeth Lake. It's part of the --
17 this project, too, where the Center -- or the
18 University of Alaska-Anchorage and College of William
19 and Mary are doing a toxicology and immunological study
20 on salmonids down here in this little lake on Elizabeth
21 Island. This little lake's about a quarter mile in
22 diameter. In the two previous seasons we took out 17
23 tons of plastic out of that lake.

24 And this is just a beachfront view. The storms
25 just throw everything up and over, and that's a pretty

1 high hill there, and up into that lake and it lodges
2 way in the back. That's a floating log jam back there.
3 And all kinds -- this is from when we originally
4 cleaned it. All kinds of chemical containers back
5 there. And, you know, big chunks of waxy tar-like
6 stuff. This is what's between the logs in that log
7 jam. And those are plastic feedstock pilaster. The
8 lake was riddled with them, so UAA and College of
9 William and Mary thought this would be a really good
10 area to see if any of this stuff is having an impact on
11 salmonids that are in the lake.

12 That's the chemical sheen on top of the lake.
13 That's no longer there, so I think we did something.

14 This is what happens to styrofoam when it gets
15 crushed up. This is in a salmon spawning stream in a
16 different area out there. I can't imagine that's good
17 for the environment, but I'm not enough of a biologist
18 to know. This is part of the salmonid research that's
19 going on, so they're taking organ tissues and then
20 muscles tissues and things like that out of those fish
21 to take back.

22 Now, we all know that fish and birds eat
23 plastic, but so do a lot of mammals, and we have a lot
24 of evidence of it over there from bears all the way
25 down to little rodents. This is scat, bear, coyote,

1 river otter and they all are full of plastic. Every
2 one of them. I can't imagine, you know, particularly
3 -- that bone is not plastic. I can't imagine it's for
4 them.

5 This is from a trip I just took out to Montague
6 on the 27th of August I think, on the outside in the
7 Beach River area. Now there is many, many more times
8 of these, you know, common household products. There's
9 bottles of it all over the place. And that's detergent
10 there. There's drums of chemicals out there. That was
11 pretty full. I didn't open it to see if in fact it was
12 acid. I just took it up and put it in a place where
13 the surf wouldn't get it any more.

14 A drum of some kind of oil. Maybe it's linseed
15 oil or something. I have no clue what it was. I
16 didn't open it.

17 As we said, refrigerators. A lot of
18 refrigerators out there. In a very short distance we
19 found six refrigerators, and they are Japanese. We had
20 that identified by the Japanese consul here in town.
21 That's a Toshiba chest freezer.

22 MR. VEENSTRA: We found dozens and dozens of
23 those spread all along the coastline.

24 MR. PALLISTER: And this is just a stroll on
25 the beach there. This is real close to the waterline.

1 This is in fact the primary raft line. Lots of bottles
2 partially full of stuff. I think if I remember right,
3 I did open this one up. I think it said pomegranate on
4 it, but it's Japanese, and it smelled like whiskey, so
5 maybe it just fermented, I don't know.

6 And that's what it's like. I mean, it's just
7 an incredible amount of styrofoam everywhere you look,
8 and urethane. There's more urethane now. The light-
9 weight styrofoam unfortunately has blown back in to the
10 forest and the surrounding brush. And there's -- you
11 know, it's all up and down the outer coastline like
12 that.

13 Now, you can talk about removing styrofoam, but
14 then when you get to something like this, and I'm
15 guessing this net here is probably in the eight-ton
16 category. And, you know, there's no helicopter that's
17 going to pull that out of the beach. And you can't get
18 heavy equipment to get it there. And so I'm thinking
19 this big stuff, depending on funding level, maybe we
20 ought to think about just concentrating on the
21 styrofoam and hazardous material, and worry about this
22 stuff later.

23 We're supposed to do a Barren Islands' project
24 for you guys next summer, and that's the Barren Islands
25 out there off of the south tip of the Kenai Peninsula.

1 It's a pretty remote little area. It's kind of it's
2 own microcosm out there. We looked at pictures
3 yesterday. There is tsunami debris on it, but not a
4 great deal, but it hasn't changed a lot. And I'm kind
5 of thinking that maybe we ought to put that -- push
6 that back a year and maybe this project back a year,
7 and next summer concentrate on trying to get styrofoam
8 off of this coast here, because everything north of Box
9 Point tends to migrate this way towards Hinchbrook
10 Entrance, and once it does that, it's going to get
11 inside the Sound and it's going to impact all the
12 beaches inside the Sound, and then you have instead of,
13 you know, 30 or 40 miles of beach to clean up, you have
14 hundreds, if not thousands of miles that is going to
15 take a real intensive effort to get cleaned up.

16 CHAIRMAN HARTIG: We're running out of time,
17 Chris, it.....

18 MR. PALLISTER: That's it.

19 CHAIRMAN HARTIG:looks like it's -- yeah.
20 Good. Okay. Well, I think the plan would be, Chris,
21 then to have you back here probably at the February
22 meeting to talk about that. In the meantime, with NOAA
23 and our other partners, we'll be having discussions
24 with the agencies individually.

25 MR. PALLISTER: Okay. Thank you.

1 CHAIRMAN HARTIG: Great presentation. Kim, did
2 you have any last comments you want to make or.....

3 (No comments)

4 CHAIRMAN HARTIG: Okay. Elaine, Chris and Tim,
5 thanks very much for a great presentation. And I
6 didn't want to cut anybody off if they have questions
7 they want to ask now.

8 MR. ELTON: Just thanks for the show. It
9 was.....

10 CHAIRMAN HARTIG: Yeah, very good.....

11 MR. ELTON:that was.....

12 CHAIRMAN HARTIG:information.

13 MS. SCHORR: And the work.

14 CHAIRMAN HARTIG: I echo that, too. That's
15 very informative.

16 MR. PALLISTER: Thanks for supporting us.

17 CHAIRMAN HARTIG: Yeah. Very up to date, too.
18 That's good.

19 Okay. So I think we go back to the PAC
20 nominations. Do you want us to -- we could go
21 executive session, is that what the plan is?

22 MS. HSIEH: As you like.

23 CHAIRMAN HARTIG: We'll do that and then come
24 back and -- yeah. Kim.

25 MR. ELTON: Well, I -- you know, maybe we could

1 go into the presentation. I'm not sure that I need to
2 have an executive session. I think, you know, it may
3 come up that.....

4 CHAIRMAN HARTIG: Okay.

5 MR. ELTON:somebody's and would want.....

6 CHAIRMAN HARTIG: Well, I think we're.....

7 MR. ELTON:an executive session.

8 CHAIRMAN HARTIG:done with -- I don't
9 think there's any more presentation, was there, Doug?
10 I think you just said, here's the material and.....

11 MR. MUTTER: That's right.

12 CHAIRMAN HARTIG: I don't think there's.....

13 MR. MUTTER: You've got one nominee for each of
14 the 10 positions. And I can tell you what the process
15 is, if you want to hear that.

16 CHAIRMAN HARTIG: Do you want that, Kim?

17 MR. ELTON: I don't.

18 MR. MUTTER: Kim's part of the process.

19 MS. HSIEH: Yeah.

20 CHAIRMAN HARTIG: Okay.

21 MR. ELTON: If something goes wrong.....

22 MR. MUTTER: I will say your charter is in the
23 final throes of being surnamed, so it should be signed
24 around October 1st in time for your nominations to go
25 forward.

1 CHAIRMAN HARTIG: It's up to the will of the
2 group. We can either have a motion to approve the
3 proposed appointments or a motion for an executive
4 session to discuss that.

5 MR. BALSIGER: Mr. Chairman, seeing no raised
6 eyebrows, I move we approve the selection of the -- do
7 you want me to read the individuals? -- of this list of
8 individuals to the U.S. Secretary of Interior for
9 appointment to October 1, 2012 to September 30th, 2014
10 term of the EVOS Trustee Council Public Advisory
11 Committee. And would you like me to read the names?

12 CHAIRMAN HARTIG: Yes, please.

13 MR. BALSIGER: For aquaculture/maritime, Gary
14 Fandei; public-at-large, Emilie Springer; commercial
15 fishing, Steve Aberle; recreational users, Stacy
16 Studebaker; commercial tourism, Amanda Bauer; science
17 and technical, John French; conservation/environmental,
18 Kate McLaughlin; sport hunting and fishing, Kurt Eilo;
19 Native landowner, David Totemoff; subsistence, Patience
20 Anderson.

21 CHAIRMAN HARTIG: Thank you, Jim.

22 MR. BALSIGER: I might have left off a last
23 name. Patience Anderson Faulkner.

24 CHAIRMAN HARTIG: Yeah.

25 MR. ZEMKE: I'll second the motion.

1 CHAIRMAN HARTIG: Thanks, Steve.

2 MR. ZEMKE: Well, looking at the resumes of the
3 individuals and the seats that they're applying for,
4 I'm very comfortable with what is there, and I intend
5 vote affirmative on the motion.

6 CHAIRMAN HARTIG: Any other discussion.

7 (No comments)

8 CHAIRMAN HARTIG: Okay. Seeing none, any
9 objection to the motion.

10 (No objection)

11 CHAIRMAN HARTIG: Seeing no objection, the
12 motion passes.

13 So should we go back at this point to the
14 Koniag proposal and Tom's motion? Have you had a chance
15 to.....

16 MR. ZEMKE: I had one point maybe of order,
17 that you had mentioned that you might want to go and
18 see if there were any other public comments?

19 CHAIRMAN HARTIG: Yeah, I planned to do that.
20 We could do that. Do you think should we do it now is
21 what you're asking?

22 MR. ZEMKE: It's close to 2:00 o'clock. It
23 probably would be good to do it now before the end of
24 the meeting.

25 CHAIRMAN HARTIG: Okay. This will be quick.

1 Since we were a little off schedule this morning, I was
2 concerned that there might be somebody here to make
3 public comment, and we passed over the time originally
4 scheduled for that, so I was going to provide a second
5 opportunity this afternoon for that. So is there
6 anybody in the room today that would like to make a
7 public comment.

8 (No comments)

9 CHAIRMAN HARTIG: Okay. Seeing none, anybody
10 on the phone that would like to make a public comment.

11 MR. PEGAU: Yeah. This is Scott Pegau with
12 Prince William Sound Science Center.

13 I don't want to make much of a comment, but I
14 do want to let you know that I am on the line, and so
15 if you have any questions related to the herring
16 program, I can do that.

17 CHAIRMAN HARTIG: Okay. Thanks, Scott.

18 Okay. So if it's the will of the group and
19 Tom's ready, maybe we could go back to an earlier item
20 on the agenda, which is Koniag Conservation Easement.

21 MR. BROOKOVER: Mr. Chair. So given the
22 discussion we had earlier, I think we've modified or
23 clarified the motion. And maybe if it works, I'll just
24 read the motion anew.

25 CHAIRMAN HARTIG: Yes, please, Tom.

1 MR. BROOKOVER: Okay. So I would move to direct
2 the Council staff and legal counsel to take necessary
3 actions to amend the Koniag conservation easement and
4 related agreements, an amendment to provide Koniag the
5 ability to unilaterally terminate the conservation
6 easement and related agreements. Notice must be given
7 by Koniag within 30 days after the next regularly
8 scheduled Council meeting with the termination
9 effective 30 days after notification of the
10 termination. And if they terminate, if Koniag
11 terminates the conservation easement and related
12 agreements, the annual payment for 2013 would be
13 reduced on a pro rata basis.

14 CHAIRMAN HARTIG: Thank you, Tom. Anybody want
15 to second the motion.

16 MR. BALSIGER: Second.

17 CHAIRMAN HARTIG: Okay. Thanks, Jim.

18 Discussion on the motion.

19 (No comments)

20 CHAIRMAN HARTIG: So my understanding, we'd
21 have this motion and the attorneys would look at it,
22 turning it into a resolution. We'd all look at it over
23 the next week or so and if it meets the objectives of
24 the motion in our mind, we would sign it and then it
25 would get executed.

1 Okay. I don't see any additional discussion on
2 the motion then. I guess we're ready then for a vote.
3 Any objection to the motion.

4 (No objection)

5 CHAIRMAN HARTIG: Okay. Seeing none, the
6 motion's approved. Thanks, everybody, for your work on
7 this. We're going to get caught up here.

8 MR. ELTON: Mr. Chairman, just -- I mean, there
9 are some people in the audience that weren't here for
10 the discussion earlier this morning I think, and
11 so.....

12 CHAIRMAN HARTIG: Do you want to recap things?

13 MR. ELTON: Well, just in two sentences. I
14 mean, essentially this motion is predicated on Koniag
15 making a decision to opt for a second 10-year period,
16 and as it was envisioned would happen. But the intent
17 of this motion is to allow them to do that, but then to
18 have an opt-out period that would end -- that the
19 option to opt out would end 30 days after the next
20 regularly scheduled meeting. And this is in lieu of
21 the request from Koniag to provide for a two-step
22 process, but would be predicated on us agreement to
23 extend the period of time for negotiations. This
24 essentially says, keep talking, but you've got to opt
25 in to keep talking, and then if you don't like it,

1 Koniag doesn't like the result, they have the option of
2 opting out within.....

3 CHAIRMAN HARTIG: Right. And it still comes
4 back, if they do decide to have -- if the re-opt as of
5 October under the current agreements, the current
6 agreements don't change in that regard. Then if they
7 choose to negotiate and the parties to this
8 negotiations reach a tentative agreement, that would
9 come back to the Trustees at our February meeting, and
10 we would consider it then. And if it was approved,
11 then I guess it would be implemented. If it wasn't
12 approved, then they would still have this period left
13 in the opt-out, 30 days left, when they can say the
14 current agreement for another 10 years isn't to our
15 liking, and they could opt out at that point.

16 And I think the one thing I would add to what
17 you said, Kim, is that there was -- we did caution the
18 negotiators that when the Trustees look at this in
19 February, we're going to be looking at it with our own
20 Trustee eyes, thinking about it in terms of our
21 individual agencies and desires, you know, that may be
22 unrelated to restoration goals, and we would be looking
23 at it in terms of our mandates as Trustees.

24 Thank you.

25 And I think we'll all remember that in

1 February.

2 (Laughter)

3 CHAIRMAN HARTIG: So I think we're back on the
4 regular agenda now, aren't we, Elise?

5 MS. HSIEH: I think we are. Is it 2:00
6 o'clock?

7 CHAIRMAN HARTIG: Yeah.

8 MS. HSIEH: The next item is the draft APDI,
9 revised as of August 20th. As noted in the discussion
10 of shifting of fiscal cycle, this budget is for October
11 1st, 2012 through January 31st, 2014.

12 The APDI is fairly vanilla. We've continued to
13 reduce our administrative costs over the last few
14 years, so we're getting down to the bare bones. In
15 this APDI we did include \$35,000, which kind of sticks
16 out, because we decreased so many things.

17 MS. KILBOURNE: Page 5.

18 MS. HSIEH: Excuse me?

19 MS. KILBOURNE: Page 5.

20 MS. HSIEH: Thank you. Page 5. For some
21 remodeling. I'm hoping not to use that entire amount,
22 but we have to add a wall and a door to that area and
23 hang up an air conditioner, so I'm -- we're not going
24 to -- we're going to release those funds as needed.

25 In addition, this budget is for a 16-month

1 period. I'm not sure if some of these numbers will
2 flex slightly, but we have I believe a \$15,000 amount
3 that we typically don't have, administration
4 operations, which we have in the budget, but I didn't
5 delineate for what. Because of the 16-month period, I
6 -- and because we've cut ourselves to the bone so much
7 in the past, there was a fair amount of flex and I
8 don't have that anymore, so we did include those
9 amounts. And also we're redoing our computer systems,
10 but I haven't really gotten into that.

11 But those two items are I think different from
12 the prior years, but overall we've continued to reduce
13 the budget, although I think we're slowly reaching a
14 point where that will slow.

15 MR. ELTON: Elise, I have a question.

16 MS. HSIEH: Uh-huh.

17 MR. ELTON: Most of the costs have been going
18 down, except for probably the habitat.....

19 MS. HSIEH: Uh-huh.

20 MR. ELTON:protection program, and it
21 shows a significant climb since.....

22 MS. HSIEH: That.....

23 MR. ELTON:fiscal year '10. Is that kind
24 of a result of -- you were talking before about kind of
25 moving forward on maybe more of an aggressive program

1 to habitat acquisition?

2 MS. HSIEH: Actually that increase is probably
3 due from moving Jen Schorr salary increment over to
4 habitat as opposed to where it was in administration.
5 Linda?

6 MS. KILBOURNE: Yeah. And also we had
7 beginning with the last one, we had her rated as the
8 EVOS deputy director level, and this year it's
9 enumerated as a DOL level for salary costs, which was
10 slightly higher. So that's part of the increase.

11 MS. HSIEH: We're not.....

12 MR. ELTON: What's DOL?

13 MS. KILBOURNE: Department of Law.

14 MS. HSIEH: Department of Law.

15 MS. KILBOURNE: I'm sorry.

16 MS. HSIEH: Sorry. We're not expecting a more
17 active habitat programs. I'm not expecting it to
18 increase the salary costs. But there would -- if there
19 was to be a proffered agreement, there would be costs
20 associated with that, but I'm not expecting to increase
21 our infrastructure, and that's what I've been trying to
22 avoid administratively across the board is to not
23 increase our infrastructure.

24 MR. ZEMKE: Another question on kind of data
25 management of the NCEAS and that process is kind of

1 moving forward. Do you see sometime in the future that
2 there would be some additional costs in-house to be
3 able to kind of vest the organization to and then
4 provide for long-term stability of the information
5 services?

6 MS. HSIEH: I think Catherine can speak to
7 that, and Carrie Holba. We've been discussing with
8 regard to the data that's being mined and processed
9 with both AOS' efforts and NCEAS. I believe under
10 the current proposal that data is to reside with AOS11, and
11 NCEAS is also going to propagate it onto the
12 data one network, which is a national system I believe.
13 But Catherine will be able to speak to that.

14 I'm not expecting that right now, but I will
15 admit that data is sort of our next frontier, and so I
16 wouldn't commit to sort of a long-term commitment about
17 the budgeting. But what we're looking for is for the
18 Trustee Council to have a small infrastructure, but be
19 able to handle the programs and to look for our data to
20 be reproduced and housed in other entities and
21 agencies. And a couple years ago I approached NOAA and
22 Department of Fish and Game to see if they wanted to
23 also sort of house us. And we'll probably continue
24 those discussions, because it seems that the resource
25 agencies should be the eventual home of the data,

1 so.....

2 MR. ZEMKE: Thank you.

3 CHAIRMAN HARTIG: I guess we need a motion.

4 MR. ELTON: Mr. Chairman. I move we approve
5 \$2,025,279 funding for the annual program development
6 and implementation budget, October 1st, 2012 through
7 January 31st, 2014, project 13130100, revised as of
8 August 21st, 2012. This funding amount includes
9 general administration items.

10 CHAIRMAN HARTIG: Yeah.

11 MR. BALSIGER: Second.

12 CHAIRMAN HARTIG: Thank you. Any other
13 discussion on that motion.

14 (No comments)

15 CHAIRMAN HARTIG: Any objections.

16 (No objection)

17 CHAIRMAN HARTIG: Seeing none, the motion
18 passes. I guess we're onto the work plan.

19 MS. HSIEH: We have Catherine Boerner here, our
20 science coordinator, to answer any questions and
21 present the draft work plan as revised as of August
22 29th. My note is we're in the process of reformatting
23 this database driven comment to accommodate our ongoing
24 program. It's a clunky document. The comments in the
25 work plan for non-programmatic continuing projects are

1 from prior years, and comments for the programs have
2 been dated to give a sense of context. Overall there's
3 been little comment or concern voiced over the summer
4 by the science panel or the individual PAC members
5 regarding ongoing projects for this upcoming year. The
6 continuing projects and long-term projects are largely
7 the same as you reviewed last summer. There's little
8 new program information due to the programs being newly
9 funded in February 2013. The programs submitted their
10 semi-annual report September 1st, and we have not seen
11 any issues so far with those ongoing projects that
12 Catherine has been immersed in so can give a better
13 sense.

14 MS. BOERNER: Good afternoon. As Elise said,
15 she kind of gave you the background on the document,
16 and we'll hopefully get into a place where it's a
17 little more user friendly, but still gives you all the
18 information that you need about the project, so that
19 will be kind of in progress in the next year. But I'm
20 going to go right into the work plan, and I'm going to
21 start with the continuing projects, a list of which can
22 be fund on Page 4 of your work plan. And these are
23 projects that were originally approved for multi-year
24 funding.

25 The projects currently listed on that list

1 under the PWS herring survey project, they have
2 completed their field work, and this is the -- this
3 year they'll be analyzing their data and writing their
4 final reports. As soon as we get those reports and
5 that data, it will all be shared with the current
6 herring program, which frankly mostly already has been
7 done in an informal basis, but this way they'll have
8 those documents as well. So we have those PWS herring
9 survey projects, last year of those.

10 Then there's two projects listed on there, and
11 I'll bring your attention, Project 12120115, which is
12 the Seward vessel wash-down facility. The project is
13 progressing as expected, and they have completed their
14 EA and FONSI as was required as their fiscal year 12
15 funding.

16 Also the other project in there is the one you
17 just heard presented, which is 12120116, which is the
18 Pallister Gulf of Alaska marine debris program. And as
19 you just heard the report from Chris, that project is
20 going on schedule, and they have requested funding for
21 fiscal year '13 under -- through their fiscal year '12
22 project. There may be changes to that, but right now
23 they're going to continue with their plan, which may
24 change, but that is the plan for the moment for fiscal
25 year '13.

1 There is one thing I need to bring to your
2 attention on Page 4. We accidentally omitted a project,
3 and that's project 1110012-A, which is run by Dr. Gail
4 Irvine. It should have been included on the project as
5 -- on the continuing project list. You did approve
6 funds for the project in fiscal year '12, and there was
7 also a request for an additional \$25,600 in fiscal year
8 '13. This figure should be added to the total of
9 fiscal year '13 funding request at the bottom of the
10 page, which would bring the new total to \$2,350,609.

11 Do you have any questions about the continuing
12 projects?

13 MS. SCHORR: Oh go ahead.

14 CHAIRMAN HARTIG: Yeah. Jim.

15 MR. BALSIGER: Well, the last one you just
16 mentioned which was omitted, you didn't say what it
17 was. Could you characterize it very briefly?

18 MS. BOERNER: That was an amendment to Dr. Gail
19 Irvine's project, and let me get the exact title of
20 that for you so we have it on the record. And that was
21 lingering oil on boulder armored beaches in the.....

22 MR. BALSIGER: Oh, yes.

23 MS. BOERNER:Gulf of Alaska 23 years
24 after the Exxon Valdez oil spill.

25 MR. BALSIGER: Thank you.

1 MS. BOERNER: Yes. And that was an amendment
2 that you approved last year.

3 CHAIRMAN HARTIG: Jen.

4 MS. SCHORR: I'm just hoping, Catherine, that
5 you could speak very briefly to the restoration
6 benefits of the vessel wash-down?

7 MS. BOERNER: I can do my best.

8 MS. SCHORR: Thank you.

9 MS. BOERNER: Sure. This project is a tad
10 outside my wheelhouse, but I did read everything that
11 came in, including the environmental assessment, which
12 was helpful. Give me one moment to go through my
13 documents. There is the document. Sorry, I apologize.
14 Here.

15 The hopeful environmental benefits, where
16 currently they have about 12,000 gallons of waste water
17 from vessel wash-down, which is going directly into the
18 harbor and therefore going into Resurrection Bay. That
19 waste water can contain heavy metals which can
20 accumulate in marine sediments, pollutants that have a
21 tendency to increase up the food chain, may cause
22 toxicity in humans, that can take humans and mammals
23 that may contain -- consume contaminated organisms.

24 MS. SCHORR: And so that was 12,000 gallons?

25 MS. BOERNER: Yes, 12,000.....

1 MS. SCHORR: Okay.

2 MS. BOERNER:gallons.

3 MS. SCHORR: Thank you.

4 MS. BOERNER: And the hope is that it will
5 enhance marine habitat, protect fish, shellfish, and
6 other marine life within Resurrection Bay.

7 MS. SCHORR: Thank you.

8 MS. BOERNER: Sure. And they did -- like I
9 said, they did complete their EA and the FONSI, the
10 finding of no significant impacts.

11 CHAIRMAN HARTIG: I think.....

12 MR. BALSIGER: Mr. Chair? I'm sorry.

13 CHAIRMAN HARTIG: Go ahead, Tom.

14 MR. BALSIGER: Catherine.

15 MS. BOERNER: Uh-huh.

16 MR. BALSIGER: Back in 2010 I believe was when
17 the bulk of these projects were funded, the ones
18 associated with the herring survey.....

19 MS. BOERNER: Uh-huh. (Affirmative)

20 MR. BALSIGER:and most of the others. I
21 think they're all the ones that begin with 1-0.....

22 MS. BOERNER: Yes.

23 MR. BALSIGER:if I'm not mistaken. And
24 of they were funded for the first time in '10, I
25 believe they were funded for three years, so this is

1 the last -- this is a question I guess. Is this the
2 last year of that suite of projects?

3 MS. BOERNER: Yes. They will -- all their
4 field work is completed. They did their three years of
5 field work, and then this is their final year, which is
6 just data analysis and final report, which will be due
7 April 15th.

8 MR. BALSIGER: Okay. Thanks.

9 MS. BOERNER: Uh-huh. Okay. Continue? Okay.
10 I'll move forward.

11 There is one new project. Or I should say a
12 project amendment that's on the table for your review,
13 and that's project 11100112-B. It's again an amendment
14 request from Dr. Gail Irvine who we just discussed
15 earlier. She is requesting an additional \$31,000 for
16 fiscal year '13. They'd like to use this money to fund
17 additional hydrocarbon analysis that will be completed
18 by Woods Hole. Their instrumentation would allow for
19 an order of magnitude improvement in the detection
20 limit and ability to discriminate specific hydrocarbons
21 in their samples. This amendment does have the support
22 of the science panel, the executive director and me.

23 Questions.

24 (No comments)

25 MS. BOERNER: Okay. Okay. To go into the

1 programs, we do have representatives from both of the
2 major programs here that can answer very specific
3 questions, but I'll just give you a very quick overview
4 on what's happened in both since you funded them.

5 Both the herring and long-term monitoring
6 programs have completed their contracting and began
7 receiving funding between February and April of 2012.
8 Their proposals were due June 1st, so there wasn't a
9 lot of time there for analysis. In the limited time
10 most of the projects have not yet begun field work, but
11 several PI meetings, outreach activities, and project
12 coordination did take place during this phase and has
13 continued with the information gathered. From
14 conversations with the teams and their submitted
15 proposals, neither I nor the science panel have any
16 significant concerns regarding their continued funding
17 for fiscal year '13.

18 So I will go into the herring program. The
19 herring program is progressing as proposed. Their
20 fiscal year '13 request has increased. It was an
21 additional \$135,800 from their fiscal year '13 --
22 initial fiscal year '13 request, but they have removed
23 that exact amount from the fiscal year '14 request. So
24 it's a net zero. It won't change the overall five-year
25 cost of the program. They're just actually moving

1 funds forward, because they're getting more work down.

2 Again the science panel, executive director,
3 and I have recommended funding as requested.

4 I'll give you just a quick overview of some of
5 the progress that they made. They said all their
6 contracts and subcontracts were in place, which is
7 quite a feat. Kick-off meetings with the PIs and team
8 management have taken place. Vessel time and sample
9 collection have been coordinated between projects. The
10 PIs have begun training in the use of a new data
11 system. The new system's designed to assist them in
12 the organization and sharing of their data in real
13 time. Outreach efforts have begun with student
14 programs, the development of field notes, radio
15 programs and articles in the Delta Sound Connections.

16 And again there are no major concerns regarding
17 the programs and everything does seem to be going as
18 planned. And like I said, Scott is also on the phone
19 if you have specific questions.

20 CHAIRMAN HARTIG: Kim.

21 MR. ELTON: Yeah. Thanks. And I may have been
22 told this at a previous meeting, but if so, I
23 apologize.....

24 MS. BOERNER: Uh-huh.

25 MR. ELTON:if we're tilling old ground.

1 But you talk on the herring it's a net zero, because
2 you're just transferring money back from 2014. What
3 was the rationale for the earlier division, and what --
4 and can you elaborate just a little bit on why we're
5 kind of forward loading the fund?

6 MS. BOERNER: Right. Actually, Scott, if
7 you're on the line, I think you're the perfect person
8 to answer that question. Did you hear it?

9 MR. PEGAU: Yeah, if you don't mind.

10 MS. BOERNER: Please.

11 MR. PEGAU: It really comes down to the
12 original proposal had an October 1 start date. And
13 when we shifted to a February 1, '13, all our November
14 cruises ended up in the wrong fiscal year, and so what
15 we're trying to do is get the cruise money into the
16 correct fiscal year, and so that's why we needed to
17 make a shift. We have a large program due to start
18 November of 2013.

19 MR. ELTON: Okay. Thanks, Scott.

20 CHAIRMAN HARTIG: Ready for motions?

21 MS. BOERNER: Do you want me to go through the
22 final.....

23 MR. ZEMKE: There's one last.....

24 MS. BOERNER: Yeah, let's go through the final.

25 CHAIRMAN HARTIG: Oh, okay.

1 MS. BOERNER: The long-term monitoring program.
2 Again Molly and Kris are here if we have questions
3 regarding -- specific questions regarding their
4 program.

5 This program's not requesting any additional
6 funds from those requested in their original fiscal
7 year '12 proposal. Some funds have been moved between
8 line items or PIs, but there's no change to the overall
9 request. Again the science panel, executive director,
10 and I have recommended funding as requested.

11 Luckily their progress is very similar, which
12 is actually a good thing. All the contracts and
13 subcontracts are in place. They've had several PI
14 meetings, and team management meetings have taken
15 place, as well as a lot of data management and
16 development, which is -- as we learned, is critical.
17 The PIs have been trained to use that -- the new data
18 system. Their outreach and community involvement
19 steering committee has been formed. And they're in the
20 process and may have already selected their science and
21 technical oversight committee.

22 So there's not too much change to the program,
23 but like I said, Molly and Kris can answer specific
24 project questions if you have them.

25 CHAIRMAN HARTIG: Do they have anything they

1 want to add?

2 MS. McCAMMON: I guess -- this is Molly
3 McCammon. Molly McCammon, the team lead for the --
4 what we call -- what we're referring to as Gulf Watch
5 Alaska now, because it started being -- the Long-term
6 Monitoring Program of the *Exxon Valdez* Oil Spill
7 Trustee Council. And so everyone, all of the PIs said,
8 can we do something a little shorter?

9 So all I want to say is that all the PIs are
10 extremely grateful for the opportunity to participate
11 in this program, and they are so excited to have this
12 kind of a commitment from the Council for the next
13 five years, and hopefully a longer period of time then,
14 to do something that they really see as a legacy
15 program. It's something they as participants in are
16 really looking how they can actually grow the program,
17 leverage with other funding from North Pacific Research
18 Board, National Science Foundation, the agencies, and
19 really make this something that I think the Trustee
20 Council will be very proud of. So I just want to
21 emphasize that, that they're really excited about it.

22 Their first big in-person PI meeting at the end
23 of November. We're really going to talk then about how
24 to synthesize some of the information, and looking at
25 some of the questions that we really want to focus on

1 in the next few years.

2 So that's really all I want to say. Thank you.

3 CHAIRMAN HARTIG: Thanks, Molly. So we can
4 hear you.

5 MS. HOLDERIED: I'm Kris Holderied, science lead
6 for the long-term monitoring program, and I'd just like
7 to follow-up one thing specifically, Molly, is one of
8 the things that we had hoped would happen with this is
9 because we have cruises supported in advance, and
10 there's a known schedule, and there's a longer-term
11 commitment, that there would be leveraging of that.
12 What I hadn't anticipated is that it would happen from
13 the very first cruises that went this year. It is
14 astounding to me the degree to which the PIs are
15 already jumping on that. Not really surprising, this is
16 how these guys work. We know them. But I just want to
17 let you know it already happened. We've got sea bird
18 observers coming out on oceanographic cruises. We have
19 the sea otter folks from one side going out with the
20 other team to cross train between teams.

21 That's things that would not have happened
22 without this integrated program that you guys are
23 supporting. Thank you very much. And just to let you
24 know, the PIs are already taking advantage of that.

25 CHAIRMAN HARTIG: Good. Thank you, Kris.

1 MS. HOLDERIED: Thank you.

2 CHAIRMAN HARTIG: Good to hear the positive
3 news.

4 MS. BOERNER: Uh-huh. Great.

5 (Laughter)

6 MS. HOFFMAN: By way of introduction, Katrina
7 Hoffman, executive director of the Oil Spill Recovery
8 Institute, and also the president and CEO of the Prince
9 William Sound Science Center, which is the third leg of
10 the administrative stool of this five-year program. So
11 I want to introduce myself to you all, and to let you
12 know that I'm pleased to be part of a highly
13 functioning management team with Molly and Kris. And
14 we're also pleased to have a really effective working
15 relationship with our EVOS and NOAA colleagues. And it
16 is exciting to see the program in full swing.

17 So thank you for giving us the opportunity to
18 manage the non-Trustee agency organizations in this
19 program.

20 MS. HSIEH: Thanks.

21 CHAIRMAN HARTIG: Thank you for being that
22 third leg, keeping the stool up.

23 (Laughter)

24 MS. McCAMMON: She does.

25 CHAIRMAN HARTIG: Okay. So now are we ready

1 for a motion? I think so. That was very good
2 information, and very glad to hear it's such good
3 progress and good people working on it.

4 So we've got several here.

5 MS. HSIEH: Yes.

6 CHAIRMAN HARTIG: Okay. I guess we probably
7 should break these up. So, Jen.

8 MS. SCHORR: I just had a question. That
9 motion regarding program continuing projects refers to
10 Attachment B, and I just wasn't sure what that is.

11 MS. HSIEH: That -- Catherine, would you
12 explain what Attachment B is?

13 MS. BOERNER: Actually I think Linda should
14 explain Attachment B.

15 (Laughter)

16 MS. HSIEH: We just retitled it.

17 MS. BOERNER: Who's next on the list.

18 MS. SCHORR: I didn't see an attachment B in
19 the work plan, so I was just.....

20 MS. HSIEH: Okay.

21 MS. BOERNER: Yeah.

22 MS. HSIEH: Attachment B. We're using Molly's
23 plan as Attachment B. It -- Attachment B has always
24 been appended to the resolution as a chart, a
25 table.....

1 MS. SCHORR: Right.

2 MS. HSIEH:with all the funding amounts
3 and the project numbers.

4 MS. BOERNER: Right. And that gets.....

5 MS. HSIEH: In the past also they used to
6 append the work plan.

7 MS. SCHORR: I see.

8 MS. HSIEH: But in the three years I've been
9 involved with Trustee Council, there's always a
10 problem. So this year I said to everyone, lets dump the
11 work plan as the attachment to the legal resolution and
12 just use Attachment B, which has the legally required
13 name, the PIs, the project number, and the exact
14 numbers of funding, because the work plan's very
15 cumbersome, database generated document, it's very
16 difficult to keep updated correctly.

17 MS. SCHORR: So essentially Attachment B will
18 be the charts that are at the beginning of the work
19 plan, not the main body?

20 MS. HSIEH: It's actually the table.....

21 MS. KILBOURNE: It's a whole another
22 spreadsheet that we use. The project durations we have
23 added to the Attachment B, so that is in there. And it
24 breaks down per agency what project is getting what
25 amount, and their overall amount, so NOAA, ADFG, and

1 the total. And then it summarizes it all on another
2 tab so that when the Court Notice and the release of the
3 fund, and it goes to the agencies, they know exactly
4 how much to give to each agency and what disbursement
5 it goes to.

6 MS. SCHORR: Okay. Thank you.

7 CHAIRMAN HARTIG: I'm just wondering.....

8 MR. ZEMKE: So my understanding is then we'd
9 eliminate the.....

10 MS. SCHORR: Attachment B.

11 MR. ZEMKE:identifying Attachment B and
12 just basically say identified in the work plan?

13 MS. HSIEH: No. It's actually -- for example,
14 the motion regarding non-program continuing projects,
15 identified in the document titled Attachment B, FY 2013
16 work plan funding summary, revised as of September 6th,
17 that's the full -- oh, actually I have an old version,
18 you have the new one -- revised as of the 14th.....

19 MS. BOERNER: But do they have that document?
20 That's the question.....

21 MS. HSIEH: Well, they probably don't, yeah.

22 MS. BOERNER:approving something they
23 haven't seen that we have.

24 MS. SCHORR: Yeah, that's the thing.

25 MS. HSIEH: Yeah. They need Attachment B,

1 yeah.

2 MS. SCHORR: So is there a different way that
3 we can.....

4 MS. BOERNER: Well, B and the work plan --
5 well, it's not the same, because of the other Irvine
6 project, but.....

7 MS. HSIEH: No, it's not.

8 MS. SCHORR: Can we say just.....

9 MS. BOERNER: The numbers are correct except
10 for the Irvine.....

11 MS. SCHORR:with continuing projects and
12 the amount of funding?

13 MS. HSIEH: No, because you don't want to have
14 to read through -- in the past Trustees and I tried to
15 read every single project, the number, and amount,
16 funding, and something always was wrong. So why don't
17 -- we do need the Attachment B.

18 UNIDENTIFIED VOICE: I've got a -- I'd like to
19 take a recess.....

20 (Laughter)

21 MS. KILBOURNE: It's a multi-tab. I've got
22 like five tabs on it. I can give you what I have for
23 you to look at, so it.....

24 MS. HSIEH: You won't be able to -- why don't
25 you give us ours and.....

1 MS. KILBOURNE: Okay. I can do that.

2 MR. ELTON: Right now.

3 MS. KILBOURNE: Well, I'll be back.

4 CHAIRMAN HARTIG: Do we need to take a short
5 break?

6 MS. HSIEH: Yea. And my apologies. I thought
7 Attachment B.....

8 CHAIRMAN HARTIG: How much time do you need?

9 MS. HSIEH:had been sent out.

10 MS. BOERNER: Just to run across.

11 MS. KILBOURNE: Yeah. Give me five minutes.

12 MR. ELTON: Can I ask a question?

13 MS. HSIEH: Uh-huh.

14 CHAIRMAN HARTIG: Well, go ahead, Kim.

15 MR. ELTON: Well, no, I don't.....

16 MS. HSIEH: She can run at the time and be
17 back.

18 MR. ELTON:think -- yeah. Yeah, that's a
19 good.....

20 MS. HSIEH: Yeah. My apologies.

21 MR. ELTON: No, that's okay. So, I mean, I'm
22 looking at the motion and so the motion -- I mean,
23 we'll have a chance to see Attachment B, that's what
24 Linda is.....

25 MS. HSIEH: Yes. Uh-huh.

1 MR. ELTON:going to get.

2 MS. HSIEH: Yes.

3 MR. ELTON: And then the motion I'm assuming,
4 would we need to change the dollar amount to reflect
5 the addition of the Irvine?

6 MS. HSIEH: Your motion -- if you have a motion
7 sheet dated I believe -- I have an old motion sheet,
8 but yours should be dated, what, the 14th?

9 MR. ELTON: 9/14, and it says.....

10 MS. HSIEH: You should.....

11 MR. ELTON:\$2,335,009.

12 MS. HSIEH: Oh, you're right. It should be
13 \$2,350,209.

14 MS. BOERNER: Yeah, that's what I said earlier.
15 Yeah. You know, I might just say, they can approve the
16 continuing projects with the addition of the Irvine, I
17 mean, it's really.....

18 MS. HSIEH: Right.

19 CHAIRMAN HARTIG: Well, we could.....

20 MS. BOERNER:because this is correct, the
21 numbers are correct, just the Irvine.....

22 MS. HSIEH: I think they're.....

23 MS. BOERNER:\$25,600 needs to be.....

24 MS. HSIEH:going to look at Attachment B
25 though.

1 MS. BOERNER:added back in.

2 CHAIRMAN HARTIG: We can go ahead and do the
3 three other motions I guess.....

4 MR. ELTON: Yeah.

5 CHAIRMAN HARTIG:and clear those.

6 MS. SCHORR: Yep. Uh-huh.

7 MS. HSIEH: Yeah.

8 MS. BOERNER: Yes. Uh-huh.

9 MR. BALSIGER: Mr. Chair.

10 CHAIRMAN HARTIG: Tom.

11 MR. BALSIGER: I move we approve funding of
12 \$31,000 for Irvine project amendment 11100112B. The
13 funding is authorized for October 1, 2012 to January
14 31st, 2014. The funding amount includes GA.

15 MS. SCHORR: Second.

16 CHAIRMAN HARTIG: Okay. Any other discussion
17 on that motion? 31,000 for Irvine project amendment.

18 (No comments)

19 CHAIRMAN HARTIG: Any objection to the motion.

20 (No objection)

21 CHAIRMAN HARTIG: Seeing none, the motion's
22 approved.

23 MR. ELTON: So, Mr. Chair, so we don't need --
24 in the first motion that we're waiting on, then we
25 don't need to readjust that amount, because we just did

1 it with this motion?

2 CHAIRMAN HARTIG: No, I think they're two
3 different things.

4 MS. HSIEH: They are.

5 MS. BOERNER: Uh-huh.

6 MS. HSIEH: We were just told yesterday of the
7 clarification regarding the Irvine projects, and I
8 apologize for the confusion.

9 CHAIRMAN HARTIG: Yeah. Yeah.

10 MR. BALSIGER: Irvine gets two addresses.

11 MS. BOERNER: The one missing.....

12 MS. HSIEH: Uh-huh.

13 MS. BOERNER:is dash-A.

14 MS. HSIEH: Irvine has.....

15 MS. BOERNER: It's B you just voted on.

16 MR. ELTON: Okay. And I may have been wrapped
17 around the axle. I mean, just tell me that if we -- if
18 on the first motion that we're waiting on.....

19 MS. HSIEH: Uh-huh.

20 MR. ELTON:if we change that to
21 \$2,350,609, we're not then double funding \$31,000 with
22 the adoption of the motion?

23 MS. BOERNER: Uh-huh.

24 MS. HSIEH: Correct.

25 CHAIRMAN HARTIG: That's my understanding.

1 We're.....

2 MR. ELTON: Okay.

3 MS. HSIEH: Correct. That's a good.....

4 CHAIRMAN HARTIG:two different things.

5 MS. BOERNER: That's correct.

6 MS. HSIEH:question though, but that's

7 correct.

8 MR. BALSIGER: Mr. Chairman.

9 CHAIRMAN HARTIG: Yes, Jim.

10 MR. BALSIGER: I move we approve funding of

11 \$2,614,026 for the long-term monitoring program,

12 13120114. Funding is authorized for February 1st, 2013

13 to January 31st, 2014. This funding amount includes

14 GA.

15 MR. ZEMKE: Second the motion.

16 MR. ELTON: Second.

17 CHAIRMAN HARTIG: Okay. Seconded by Steve, I

18 guess. He was a little faster.

19 MR. ELTON: A little faster.

20 (Laughter)

21 MR. ELTON: He's younger.

22 CHAIRMAN HARTIG: He just wants his name in the

23 last minutes. Okay. Any discussion on the long-term

24 monitoring program funding, continuing funding.

25 (No comments)

1 CHAIRMAN HARTIG: Okay. Any objection to the
2 motion.

3 (No objection)

4 CHAIRMAN HARTIG: Seeing none, it's approved.

5 MR. ELTON: Mr. Chairman. I move we approve
6 funding of \$1,240,529 -- no, wait a minute.

7 MS. HSIEH: Yeah.

8 MR. ELTON: Which -- didn't we just do that?

9 CHAIRMAN HARTIG: No, no, you're right. You're
10 right.

11 MR. ELTON: I move we approve funding of
12 \$1,240,529 for long-term herring program 13120111.
13 Funding is authorized for February 1st, 2013 through
14 January 31st, 2014. This funding amount includes
15 general administration.

16 CHAIRMAN HARTIG: Thank you.

17 MR. BALSIGER: A question on the motion.

18 MS. HSIEH: Uh-huh.

19 MR. BALSIGER: I'm just wondering. Are we okay
20 here? The motion was for 1,240,529, and I'm looking on
21 the table on Page 5, if I'm looking at the right
22 program, the amount's different for FY '13 requested.

23 MS. BOERNER: What is the motion amount?

24 MS. HSIEH: The motion is 1,240,529.

25 MS. BOERNER: Uh-huh.

1 MS. HSIEH: What?

2 MS. BOERNER: I need Linda.

3 MS. HSIEH: Oh, with Attachment B.

4 UNIDENTIFIED VOICE: With Attachment B.

5 MS. HSIEH: Yes. Sorry.

6 MS. BOERNER: That infamous Attachment B has
7 come back to haunt us again.

8 MR. BALSIGER: Is that amount -- that amount
9 though is not part of Attachment B?

10 MS. HSIEH: Attachment B encompasses
11 everything.

12 MR. BALSIGER: It does?

13 MS. HSIEH: It's like five tables of all of the
14 projects and all the different agencies.

15 MR. BALSIGER: Okay.

16 MS. HSIEH: So she can -- and it's always being
17 updated, that's why the work plan.....

18 MR. BALSIGER: Okay.

19 MS. HSIEH:is so difficult to take the
20 numbers off of.

21 MR. BALSIGER: Okay.

22 MS. HSIEH: It's just database driven, too
23 cumbersome. So Attachment B should be accurate, and
24 that is what you will end up approving funding off of.

25 MS. BOERNER: And that's with the

1 (indiscernible) of the Core.

2 MS. HSIEH: Right. And actually the other
3 reason is because of those non-program continuing
4 projects, you'd have to read each one off and not get
5 the program, like you just do those motions in one
6 piece I guess. This is your last year of having that,
7 so.....

8 MR. ELTON: So Attachment B will have the.....

9 MS. BOERNER: Uh-huh.

10 MR. ELTON:1 million 240? Okay.

11 MS. HSIEH: That's.....

12 MR. BALSIGER: We don't know.

13 MS. BOERNER: No, we'll see.....

14 MS. HSIEH: We don't know. We're.....

15 MS. BOERNER:when it gets here.

16 MS. HSIEH:going to take for you to
17 decide.

18 MS. BOERNER: It will be a surprise to all of
19 us.

20 MR. ZEMKE: It looks like we take a short
21 recess?

22 CHAIRMAN HARTIG: Yeah, we could take a short
23 recess here.

24 MS. HSIEH: Yeah, it's been a long day.

25 CHAIRMAN HARTIG: Yeah. See if Linda shows

1 back up, to race back.

2 MS. HSIEH: These amounts, see Attachment B.

3 CHAIRMAN HARTIG: And I don't think we're going
4 to take up anything else the rest of this meeting, I
5 mean, if people are on the phone, I don't know of any
6 other business that we have. I can't guarantee it,
7 but.....

8 MR. ZEMKE: Do we need to move into the
9 executive.....

10 CHAIRMAN HARTIG: Oh, for Elise?

11 MR. ZEMKE: It's not in front of the public
12 though, is it?

13 MR. ELTON: No, it's not public.

14 CHAIRMAN HARTIG: Yeah. Yeah, that would just
15 be a personnel matter.

16 MR. ZEMKE: Yeah.

17 CHAIRMAN HARTIG: That would be the only thing
18 that we would take up likely. Okay.

19 So we'll recess here for five minutes or so.

20 (Off record)

21 (On record)

22 CHAIRMAN HARTIG: The mysterious Attachment B.

23 (Laughter)

24 MS. HSIEH: It's not. Sorry. My apologies for
25 not circulating it.

1 CHAIRMAN HARTIG: Tom's just trying to create
2 problems. I see right through Tom.

3 (Laughter)

4 MS. SCHORR: How dare you read these things
5 carefully.

6 MR. BROOKOVER: I'm trying to avoid them.
7 Trying to avoid them.

8 (Laughter.)

9 CHAIRMAN HARTIG: Okay. So I think we were
10 actually on -- we had a motion, but not a second, on
11 the long-term herring program.....

12 MS. HSIEH: Uh-huh.

13 CHAIRMAN HARTIG:and the amount that was
14 in this. Maybe we should just start there.

15 MS. SCHORR: Agree. Okay.

16 CHAIRMAN HARTIG: The \$1,240,529, is that the
17 correct figure was the question.

18 MS. BOERNER: And that was the question. We
19 did find out what the reason for the error was. And
20 fortunately it is due to some reduced GA for some of
21 the projects, which is good news, so I will update the
22 work plan. But the figure on your motion is correct.

23 MR. ELTON: And it's -- and I think it's also
24 correct in claim -- in Attachment B?

25 MS. BOERNER: Yes.

1 MR. ELTON: Yeah.

2 CHAIRMAN HARTIG: So the work.....

3 MR. ELTON: On Page 5.

4 MS. BOERNER: I will update the work plan with
5 the corrected number.

6 MR. ZEMKE: The work plan on Page 5 would be
7 changed then.....

8 MS. BOERNER: To reflect that number.

9 MR. ZEMKE:to show the.....

10 MS. BOERNER: Yes.

11 CHAIRMAN HARTIG: Okay. So we have a motion,
12 but not a second yet.

13 MR. BALSIGER: Second.

14 CHAIRMAN HARTIG: Thanks, Jim. Okay. Anything
15 else you want to say Catherine on that one?

16 MS. BOERNER: (Shakes head negative)

17 CHAIRMAN HARTIG: Okay. Any other discussion.
18 (No comments)

19 CHAIRMAN HARTIG: Any opposition to the motion.
20 (No objection)

21 CHAIRMAN HARTIG: Okay. Seeing none, it
22 passes.

23 So I guess we're back to the first item, a
24 motion regarding non-program continuing projects. Do
25 you want to fill us in on that one in terms of the

1 amounts in Attachment B and any type clarifications we
2 need?

3 MS. KILBOURNE: The correct amount should be
4 \$2,350,609 as of 9/13/12.

5 CHAIRMAN HARTIG: And just out of curiosity, I
6 know we covered this before, but I know that there's an
7 additional amount in there for the Irvine project, and
8 how does that additional amount differ from the amount,
9 the 31,000 in the motion right below that's already
10 passed?

11 MS. BOERNER: The continuing project, the
12 Amendment A, was -- Dr. Irvine had brought to us --
13 brought that to us in fiscal year '12. She was having
14 issues with her field season, which as we know in
15 Alaska can be tricky, and she needed additional funds
16 at that time for more field work; whereas the project,
17 the new one, which is the B, is for the additional
18 hydrocarbon analysis.

19 CHAIRMAN HARTIG: I think it was one -- okay.
20 So I guess we need a motion.

21 MR. BROOKOVER: Mr. Chair, I move that we
22 approve funding in the amount of \$2,350,609 for the
23 non-program continuing projects identified in
24 Attachment B. The FY 2013 work plan funding summary,
25 revised as of September 6th, 2012.....

1 CHAIRMAN HARTIG: Yeah. 13.

2 MR. BROOKOVER: Excuse me?

3 MS. KILBOURNE: As of 9/13.

4 MR. BROOKOVER: September 13, excuse me, 2012.

5 Funding is authorized for October 1, 2012 to September

6 30th, 2013 with the exception of Anderson project

7 12120115 and Pallister project 12120116. Funding is

8 authorized for October 1, 2012 to January 31st, 2014.

9 And this funding amount includes GA.

10 MS. SCHORR: Second.

11 CHAIRMAN HARTIG: Any other discussion.

12 (No comments)

13 CHAIRMAN HARTIG: Any opposition to the motion.

14 (No objection)

15 CHAIRMAN HARTIG: Okay. Seeing none, it's

16 approved.

17 So we have one other item agenda item, a

18 personnel item to, I guess, do a performance review on

19 the executive director. Meet on that. We'll go in --

20 before we go into executive session, I just want to

21 make sure there's nothing else so people don't have to

22 wait on us coming out of executive session. No other

23 agenda items?

24 MR. HAGEN: Maybe you could mention the

25 Jennings project? I mean, that is money worth letting

1 the Trustees know.

2 MS. HSIEH: Yeah. We have noted in prior
3 emails to you that for projects for which the Council
4 may be considering in the next year, which -- in
5 addition to the spending which you've approved in the
6 work plan, Attachment B, there is the NOAA waste water
7 project which was funded in fall of 2011. You all
8 funded a first phase during which the PIs invited the
9 communities to submit waste water and clean harbor
10 projects. The NOAA PI anticipates circulating those
11 individual proposed projects for Council review in
12 advance of a January/February Council meeting.

13 The first phase is approximately I think about
14 \$40,000, just that outreach kind of invitational
15 process. The second phase is about \$900,000. That's
16 what they're putting out in their invitation to ask for
17 different smaller projects.

18 There's also the Chris Pallister Go AK that may
19 be in an upcoming meeting, and also -- I think that's
20 probably it.

21 CHAIRMAN HARTIG: Okay. Thank you, Pete.

22 And I might mention it's Steve Zemke's last
23 EVOS meeting; is that right?

24 MR. ZEMKE: That's correct. Unless we meet
25 again before December 29th.

1 MS. BOERNER: We might just.

2 MR. ZEMKE: That is true.

3 (Laughter)

4 CHAIRMAN HARTIG: No problem we'll just maybe
5 drag you back.

6 MR. BALSIGER: We should have had some kind of
7 party.

8 CHAIRMAN HARTIG: But it's been great working
9 with you on the Council. You're always prepared and
10 have good insight into things, and I always appreciate
11 your comments and ideas. So we'll miss you on the
12 Council. Thank you.

13 MS. SCHORR: Second.

14 CHAIRMAN HARTIG: Thank you very much.

15 MR. ELTON: No objection.

16 (Laughter)

17 CHAIRMAN HARTIG: I guess I need a motion to go
18 into executive session to discuss a personnel matter.

19 MR. ZEMKE: I move that we -- the Council go
20 into executive session to discuss matters -- personnel
21 matters.

22 MR. ELTON: Second.

23 CHAIRMAN HARTIG: Second. Any objection.

24 (No objection)

25 CHAIRMAN HARTIG: Seeing none, we'll go into

1 executive session.

2 MR. BALSIGER: Do we have to come back here and
3 report back out?

4 CHAIRMAN HARTIG: Yeah, we do.

5 (Off record)

6 (On record)

7 CHAIRMAN HARTIG: I think we'll be pretty quick
8 here. Okay. We're back out of executive session.
9 While in executive session, we only discussed one
10 personnel matter, and we took no action. What we
11 decided though, for Elise's benefit, that Tom and Jim
12 are going to work kind of on an idea of what items that
13 we should cover in meeting with you in February to have
14 a joint discussion about, you know, operations and how
15 everything's going. But that was about it. All we
16 talked about was process, and then I think Tom will be
17 having a discussion with you shortly.

18 MS. HSIEH: Okay.

19 CHAIRMAN HARTIG: So with that, I have a mo --
20 do you want to move to adjourn?

21 MR. ELTON: So moved.

22 MS. SCHORR: Second.

23 CHAIRMAN HARTIG: Any opposition.

24 (No objection)

25 CHAIRMAN HARTIG: Seeing none, we're adjourned.

1 (Off record)

2 (END OF PROCEEDINGS)

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C E R T I F I C A T E

UNITED STATES OF AMERICA)
STATE OF ALASKA)

I, Salena A. Hile, 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 2 through 170 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 14th day of September 2012, commencing at the hour of 9:30 a.m. and thereafter transcribed under my direction and reduced to print:

THAT the Transcript has been prepared at the request of:

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL, 4230 University Drive, Anchorage, Alaska 99508-4650;

DATED at Anchorage, Alaska this 28th day of September 2012.

SIGNED AND CERTIFIED TO BY:

Salena A. Hile
Notary Public, State of Alaska
My Commission Expires: 09/16/14