

1 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

2 March 25, 2015

3 1:00 p.m.

4 4210 University Drive

5 Anchorage, Alaska

6

7 TRUSTEE COUNCIL MEMBERS PRESENT:

8

9 U.S. FOREST SERVICE: Terri Marceron

10 AK DEPT OF FISH & GAME: Tony DeGange

11 AK DEPT OF LAW: Steve Mulder

12 AK DEPT OF ENVIRON CONSERVATION: Larry Hartig(T)

13 U.S. FISH AND WILDLIFE SERVICE: Geoff Haskett(T)

14 U.S. DEPT OF COMMERCE, NOAA: Jim Balsiger(T)

15

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1 ALSO PRESENT:

2

3 Elise Hsieh, Executive Director, EVOSTC

4 Cherri Womac, EVOSTC

5 Erica Ammann, NOAA

6 Samantha Carroll, Ak Dept of Natural Resources

7 Joe Darnell, US DOI, Solicitor's Office

8 Mark Fink, Ak Dept of Fish & Game

9 Chuck Gilbert US National Park Service

10 Rebecca Lasell, Kenai Fjords National Park

11 Gillian O'Doherty, Ak Dept of Fish & Game

12 Robert Ruffner, Kenai Watershed Forum

13 Phil Shephard, Great Land Trust

14 Rick Steiner

15 David Wigglesworth, US Fish & Wildlife Service

16

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19 ATTENDING TELEPHONICALLY:

20 Dede Bohn, US Geological Survey

21 Sam Cotten, Commissioner, Ak Dept of Fish & Game

22 Pete Hagen, NOAA

23 Carrie Holba, ARLIS/EVOSTC

24 Gabriel McKilly, Uyak Natives, Inc.

25 Erika Zimmerman, US Dept of Justice

1	TABLE OF CONTENTS	
2		
3	Call to Order	04
4	Approval of Agenda	06
5	Approval of Meeting Notes	07
6	PUBLIC COMMENT	
7	MR. STEINER	08
8	Executive Director's Report	11
9	Kenai Peninsula Aquatic Ecosystem Restoration	14
10	Thorsheim Drainage Parcel KAP 3005:	
11	Uyak/TransPac timber rights	36
12	Kenai Fjords Port Graham Parcels PGC 1 - PGC 8	46
13	Adjournment	56

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2  
3  
4  
5  
6  
7  
8  
9  
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11  
12  
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14  
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P R O C E E D I N G S

(On record)

MS. HSIEH: Hello. I wanted to -- this is Elise Hsieh, the Executive Director. I wanted to know, is Larry Hartig on the line?

MR. HARTIG: Yes, I am, Elise.

MS. HSIEH: Okay. So you are in Juneau?

MR. HARTIG: Yes, I am.

MS. HSIEH: Okay. And Jim Balsiger, are you on the line?

MR. BALSIGER: Yes. I am on the line. I'm in Juneau.

MS. HSIEH: Thank you. And Geoff Haskett, are you on the line?

MR. HASKETT: I am also on the line. Thanks.

MS. HSIEH: Thank you. Our Chairman today is Steve Mulder from the Department of Law. And we also have Terri Marceron here in person from the U.S. Forest Service.

MR. COTTEN: Yeah, this is Sam Cotten. I'm on the line, too.

MS. HSIEH: Oh, excellent. Thank you, Sam.

Tony, are you sitting as Trustee?

MR. DEGANGE: Yes.

MS. HSIEH: Okay. And Tony Degange from the

1 Department of Fish and Game. All right. So.....

2 CHAIRMAN MULDER: All right. Well, good  
3 afternoon. Thanks for joining us. Do you normally do  
4 -- so I'll call the meeting to order. Do you normally  
5 go -- have a roll call on the people on the telephone?

6 MS. HSIEH: I think we'll do that on the  
7 telephone. Yeah.

8 CHAIRMAN MULDER: All right. So if the folks  
9 on the phone could identify themselves, please.

10 MR. BALSIGER: Jim Balsiger in Juneau.

11 MR. HARTIG: Yeah, Larry Hartig, Juneau.

12 CHAIRMAN MULDER: Anyone else on the phone?

13 MR. McKILLY: This is Gabriel McKilly. I'm not  
14 sure if I'm supposed to say anything or not.

15 CHAIRMAN MULDER: We're just trying to identify  
16 who's on the phone, please. Thank you.

17 MR. McKILLY: Gabriel McKilly.

18 CHAIRMAN MULDER: Okay. Anyone else?

19 MS. ZIMMERMAN: Hi. This is Erika Zimmerman  
20 with the Department of Justice.

21 CHAIRMAN MULDER: Welcome.

22 MS. BOHN: Dede Bohn with U.S.G.S.

23 MS. HOLBA: Carrie Holba, EVOS Trustee Council  
24 Librarian at ARLIS.

25 MR. HAGEN: Pete Hagen, NOAA Fisheries in

1 Seattle. Or in Juneau, excuse me. Wishful thinking.

2 (Laughter)

3 CHAIRMAN MULDER: Anyone else?

4 MR. HASKETT: Geoff Haskett here, sir. I got

5 disconnected for a second.

6 CHAIRMAN MULDER: All right. So I that's

7 everybody -- do you have everybody on the phone?

8 MS. HSIEH: It says there's 10 people. Is

9 there one more person on the phone? Sam Cotten. I

10 think I counted him.

11 MS. WOMAC: It may be counting us.

12 MS. HSIEH: It may be counting us.....

13 CHAIRMAN MULDER: Oh, yeah.

14 MS. HSIEH: .....as a line. Okay.

15 CHAIRMAN MULDER: All right. We called the

16 meeting to order. And the first thing on the agenda is

17 to approve the agenda. Any additions or changes to the

18 agenda?

19 MR. HARTIG: No. I'll move to approve. This

20 is Larry.

21 CHAIRMAN MULDER: Second?

22 MS. MARCERON: I'll second.

23 CHAIRMAN MULDER: Any objection?

24 (No objections)

25 CHAIRMAN MULDER: All right. The next thing on

1 the agenda is approval of the meeting notes from the  
2 November 19 meeting. Are there any additions or  
3 changes to those notes.

4 (No comments)

5 CHAIRMAN MULDER: So I hear a motion to  
6 approve.

7 MR. HARTIG: Move to approve. Larry.

8 CHAIRMAN MULDER: Second?

9 MR. DEGANGE: Second.

10 REPORTER: Who seconded?

11 MS. HSIEH: Tony.

12 REPORTER: Thank you.

13 CHAIRMAN MULDER: Any objection?

14 (No objections)

15 CHAIRMAN MULDER: All right. No objection.

16 The meeting minutes -- our meeting notes from November  
17 19 are approved.

18 The next thing on our agenda is to take public  
19 comment, which will be limited to three minutes person.  
20 Is there anyone on the phone who wants to give public  
21 comment.

22 (No comments)

23 CHAIRMAN MULDER: All right. Do we have a  
24 sign-up list?

25 MS. HSIEH: We do have. We ask if there's

1 anyone in the room, and I believe we do have at least  
2 one person.

3 CHAIRMAN MULDER: All right. Volunteers?  
4 There we go.

5 MR. STEINER: I shall volunteer.

6 CHAIRMAN MULDER: All right.

7 MR. STEINER: Am I supposed to come up here?  
8 Is that.....

9 CHAIRMAN MULDER: Yeah, you're fine.

10 MR. STEINER: Rick Steiner from Anchorage, and  
11 I've been involved in the process since day 1,  
12 primarily in the habitat deals.

13 I want to -- first of all I wanted to salute  
14 you for even discussing Kenai Fjords proposals and the  
15 Thorsheim acquisition. I support those strongly.  
16 That's great. Good job.

17 Mainly I wanted to bring up this very  
18 concerning issue of the Port Gravina Mine exploration  
19 project that the Trustee Council is well aware of  
20 within an EVOS habitat protection surface parcel. This  
21 is something we have worried about since day one. I  
22 have encouraged the Trustee Council for the last two  
23 decades to deal with the subsurface estate beneath the  
24 surface acquisitions. Nothing has occurred as far as  
25 any subsurface acquisition.

1           Number 1, I would ask -- and I brought this  
2 issue up in November at your Trustee Council meeting, I  
3 would ask that today that the Trustee Council add as an  
4 agenda item an urgent priority to discuss with Chugach  
5 Alaska Corporation alternatives to them proceeding with  
6 the Port Gravina Mine exploration project. This will  
7 compromise not only the integrity of that particular  
8 parcel and acquisition and habitat deal, but it will,  
9 in my mind, compromise the integrity of the restoration  
10 process. And that is a big deal. It's not so much  
11 just what happens at Port Gravina, but it's what it  
12 means for all the other surface acquisitions throughout  
13 the region.

14           And the alternatives to it can be another  
15 gravel quarry available elsewhere to find riprap for  
16 the Valdez harbor or whatever. It could be acquiring  
17 the subsurface estate within that parcel.

18           Secondly, I would reiterate the urgency of  
19 negotiating a complete subsurface requirement within --  
20 underneath all the surface acquisitions that the  
21 Trustee Council has done. I mean, if there's one  
22 singular great shining achievement of the Trustee  
23 Council in my mind, it's the habitat protection  
24 program. And that all stands at risk from this very  
25 issue.

1           Thirdly, I would ask -- this issue brought up  
2 something that I'd like to mention again, and that is  
3 that the -- I think that every single development  
4 project that is proposed within the Exxon Valdez Oil  
5 Spill region needs to be reviewed. You need to  
6 establish a policy and a process by which every  
7 proposed project is reviewed relative -- concerning its  
8 consistency or lack thereof with the restoration plan.  
9 To date it's actually stunning to me that no such  
10 process or policy exists. Lacking a coastal zone  
11 management plan and program in Alaska, you would think  
12 that at least the Exxon Valdez Oil Spill Trustee  
13 Council would have a process in place by which any  
14 development proposal is reviewed regarding the impact  
15 it has on the restoration program or its consistency or  
16 lack thereof. And then the agency that's in charge,  
17 either the State or the Federal agency, goes ahead and  
18 makes its determination, but with the input of the  
19 Trustee Council regarding consistency with the plan.

20           And then finally I'll just say that your number  
21 1 goal is to do everything possible to aid in the  
22 recovery of the injured ecosystem, period, regarding  
23 this process. So any project that will assist with  
24 that sounds great. Any project that compromises that  
25 goal should be reviewed very carefully. And the

1 project in Port Gravina certainly contravenes the  
2 entire goal of paying \$45 million in public funds for  
3 those parcels, and I don't know if any of you were  
4 around, involved in this at the time, but those of us  
5 that were, and there were plenty of people that were,  
6 remember the blood, sweat, and tears that were expended  
7 to get those acquisitions in the first place.

8           So I would urge you, number 1 goal, to sit down  
9 with CAC and find an alternative to them proceeding  
10 with this project which will involve cutting trees,  
11 building a road in a roadless-managed area. I'm kind  
12 of surprised that the Forest Service approved this  
13 without further review there. And it involves blasting  
14 and drilling for a mining exploration project. It  
15 certainly does not comport with what we had in mind  
16 with habitat restoration and protection.

17           If there's any questions, I'll be around. So  
18 thank you.

19           CHAIRMAN MULDER: Thank you for your comments.

20           Anyone else for public comments?

21           (No comments)

22           CHAIRMAN MULDER: All right. We can move to  
23 the next agenda item, which is the Executive Director's  
24 report. Elise.

25           MS. HSIEH: Really brief today. We have some

1 staffing changes coming up.

2           Carrie Holba, our EVOS and ARLIS master  
3 librarian has worked with EVOS and the Trustee Council  
4 for almost 25 years and will be retiring this spring.  
5 She doesn't like to be the focus of attention, so she's  
6 on the phone here. But we cannot overstate how greatly  
7 she'll be missed both for her lovely presence in the  
8 office and her high level of professionalism and  
9 excellent work. We offer our deepest thanks to her for  
10 her many years of excellence, and congratulations on  
11 her upcoming retirement to climes that are warmer and  
12 her family. So thank you very much, Carrie. Carrie's  
13 been a huge part of the Trustee Council.

14           As noted in briefings to facilitate the  
15 transition of Lauri Adams, she has been serving our  
16 habitat program in the Department of Law, and we are  
17 welcoming her to work in-house at EVOS, and the APDI  
18 budget has an internal adjustment to facilitate that  
19 shift. I think we're able to transfer funding within  
20 the FY 15 APDI budget which the trustees already  
21 approved last fall, and I don't think we'll need to  
22 release additional funds. So we're looking forward to  
23 retaining Lauri's expertise, and are appreciative of  
24 her interest in continuing Council work as she retires  
25 from the Alaska Department of Law.

1           Those are the only two items I have on my  
2 report, and one, the APDI adjustment is an action item.

3           CHAIRMAN MULDER: All right. Any discussion?

4           (No comments)

5           CHAIRMAN MULDER: Do I hear a motion?

6           MS. MARCERON: I move we approve an adjustment  
7 of \$11,752 within the fiscal year 15 Annual Program  
8 Development and Implementation Budget Project 15120100,  
9 as detailed in the revision dated February 25th, 2015.  
10 Authorization for this funding is approved for July  
11 1st, 2015 through January 31st, 2016.

12          CHAIRMAN MULDER: Any second?

13          MR. HARTIG: This is Larry. I'll second.

14          CHAIRMAN MULDER: Any objection?

15          (No objections)

16          CHAIRMAN MULDER: Hearing none, the motion  
17 passes.

18          So next on the agenda we have the Kenai  
19 Peninsula Aquatic Ecosystem Restoration. Is David  
20 going to speak to that?

21          MS. HSIEH: Yep. As noted in the fall EVOS  
22 meeting, EVOS agency staff have been reviewing habitat  
23 enhancement and restoration projects to bring before  
24 the Council. The Kenai Peninsula Aquatic Ecosystem  
25 Restoration project is a result of this multi-agency

1 review. It came to the top of the projects being  
2 reviewed very quickly as sort of a timely opportunity.  
3 The package allows for direct restoration that would  
4 enhance prior Council investment in habitat protection  
5 and has a lot of momentum and support at this time from  
6 each of the agencies involved.

7 David Wigglesworth from the U.S. Fish and  
8 Wildlife Service is here to give a brief overview and  
9 to answer any questions.

10 MR. WIGGLESWORTH: Thank you.

11 CHAIRMAN MULDER: Welcome.

12 MR. WIGGLESWORTH: Thank you very much. Again  
13 my name is David Wigglesworth, and I'm the regional  
14 coordinator for habitat restoration and conservation  
15 partnerships with the Alaska region of Fish and  
16 Wildlife Service. And thank you for the opportunity to  
17 discuss this really important project.

18 There are many agencies and organizations  
19 involved in the development of this request, and  
20 continue -- will continue to be active in its  
21 implementation. And there's a long history of  
22 organizations involved in trying to move these projects  
23 for the past several years.

24 I wanted to acknowledge some key players in  
25 this whole effort that are in the room today. Robert

1 Ruffner is Executive Director of the Kenai Watershed  
2 Forum; Gillian O'Doherty, who's the habitat biologist  
3 and fish passage program manager for the Department of  
4 Fish and Game; and then Erika Ammann, who is the  
5 habitat biologist with NOAA Fisheries in Alaska.

6 Other groups supporting this project include  
7 Trout Unlimited, Kenai Peninsula Fish Habitat  
8 Partnership, and I'm told through discussions with  
9 Robert that Cook Inlet Aquaculture and also Kenai  
10 Sportfishing Association are also supportive of this  
11 effort to address the restoration that we're talking  
12 about today. We've also worked closely with Council  
13 staff as well as consulted with other organizations  
14 throughout the development of the project, obviously  
15 including Department of Transportation, Forest Service  
16 staff, as well as DNR.

17 Today your support will really catalyze this  
18 multi-agency effort and actions to address these long  
19 desired habitat improvements. It's very timely in  
20 terms of supporting and strengthening our current  
21 actions to secure near-term leveraging opportunities.

22 If you approve this, EVOS project funds will be  
23 managed by the Department of Fish and Game with co-PI  
24 support from Fish and Wildlife Service as well as NOAA,  
25 and active involvement of the stakeholders I mentioned.

1 Fish and Game has an outstanding aquatic species  
2 passage program and project management capabilities as  
3 well as excellent working relationships with all  
4 parties concerned. While we don't anticipate this  
5 need, should there be a need, the Federal partners  
6 would also be available to help with administering the  
7 funds.

8           The project is consistent with the goals of the  
9 restoration program the Council adopted. It will  
10 contribute to healthy, productive, biologically diverse  
11 ecosystems for the benefit of injured species and other  
12 fish and wildlife.

13           The project will accomplish this by improving  
14 and restoring connectivity in the Anchor and Kasilof  
15 River watersheds through the elimination of four  
16 aquatic species barriers. Three of these barriers are  
17 located on the Anchor River and one's located on the  
18 Kasilof River watershed at Crooked Creek. If approved,  
19 funding would be directed to three of these, the  
20 Nikolavesk, Two Moose, as well as Crooked Creek  
21 barriers. The fourth barrier at mile 157 of the  
22 Sterling Highway is being addressed entirely as a part  
23 of a DOT upgrade in that area.

24           The benefits of this restoration really get at  
25 the heart of what I think the restoration plan is all

1 about, which is really eliminating the root cause of  
2 ecosystem impacts, which is really the habitat  
3 fragmentation caused by these barriers. Fragmentation  
4 is primarily associated with under-sized and perched  
5 road stream crossings impacting stream processes and  
6 functions as well as creating barriers to aquatic  
7 passage movement -- aquatic species movement. And  
8 through the elimination of these barriers, we can  
9 contribute to the improvements of the physical and  
10 biological processes within these systems through  
11 improving transfer of marine derived nutrients  
12 associated with the life history of anadromous fish  
13 returning to these systems, hydrology, movement of  
14 sediment and other organic material critical to  
15 maintaining channel structure and diverse habitats and  
16 food resources important to species of interest to  
17 EVOS, as well as other fish and wildlife. Such species  
18 include Dolly Varden, steelhead, rainbow trout and  
19 other salmonids, and bird species including harlequin  
20 duck, common loons, bald eagles, and other bird  
21 species. There's numerous bird species identified in  
22 this watershed, some directly related to EVOS interest  
23 and others directly related to other ecological values  
24 in that area.

25           What's really exciting about this project from

1 our perspective, too, is that we believe it will add  
2 value to previous EVOS small parcel purchases in these  
3 watersheds by eliminating barriers and improving  
4 aquatic species access to approximately 100-plus miles  
5 of important spawning and rearing habitat. Benefit  
6 summaries for the small parcels, particularly on the  
7 Anchor River, speak to the exceptional resource values  
8 of these parcels, and how these lands are linked to the  
9 life cycle value of all species, quote/unquote. The  
10 benefit summaries and discussions with staff also  
11 indicate these small parcel investments were aimed at  
12 creating a watershed corridor of sorts for the benefit  
13 of EVOS species and services, and reducing habitat  
14 fragmentation will help realize these stated benefits.

15           And then also as far as the project benefits,  
16 certainly it adds -- it will help in terms of  
17 addressing injured services such as passive recreation,  
18 fishing, subsistence. Kenai Peninsula, as you well  
19 know, and the Anchor and the Kasilof Rivers are one of  
20 Alaska's premier destination points for residents and  
21 out-of-state visitors, and world class fishing  
22 opportunities, wildlife viewing, and other activities.  
23 These activities generate substantial income for the  
24 area and for the residents.

25           In addition to supporting the EVOS restoration

1 plan goals and objectives, this project builds upon  
2 long-standing interests of myriad agencies to eliminate  
3 these barriers. Since about 2000, approximately 55  
4 barriers on the Kenai Peninsula have been removed. The  
5 barriers identified in this proposal are of sufficient  
6 size, complexity and cost that no single agency really  
7 can address them alone or in a manner that maximizes  
8 the habitat benefits. With EVOS' support, the Trustee  
9 Council really can join this broad-based partnership to  
10 eliminate these barriers, which arguably are the last  
11 substantial aquatic species barriers on the Kenai  
12 Peninsula. And, in short, we can really solve a  
13 problem here and address the needs of EVOS.

14           The timing's right for the investment. We've  
15 got DOT going into that area with a major upgrade in  
16 the area where these barriers exist. The project can  
17 leverage this work, enhance benefits and leverage  
18 activities on barriers that would not otherwise be  
19 occurring.

20           So, again, we just really appreciate the  
21 opportunity, your interest in this project, and we're  
22 very hopeful for your favorable consideration of our  
23 request.

24           We're available to answer questions. We've got  
25 other people in the room that can help support this.

1 So thank you very much for your time.

2 CHAIRMAN MULDER: Thank you, David.

3 Do any of the Trustees have questions for  
4 David.

5 MR. DEGANGE: I do. David, I was going through  
6 the different projects, and obviously the north fork of  
7 the Anchor is -- DOT's funding that. And the other  
8 ones vary, seem quite a bit on the match that's going  
9 to be required. Can you maybe enlighten me a little  
10 more about maybe for each project where we're at? It  
11 seems like Nikolavesk doesn't require a whole lot. The  
12 Trustees are paying for most of that, whereas.....

13 MR. WIGGLESWORTH: Right. And we're committed  
14 to raising match monies to that. We potentially can  
15 raise up to a couple of grand or 100 -- 200,000 to  
16 300,000 toward that. The interesting thing there is  
17 that back in I think it was 2002 or so, or 2000, there  
18 was a flood event that washed out that whole crossing.  
19 There was a 10-foot diameter pipe in there, and now two  
20 twin diameter pipes. And now DOT went in and did an  
21 emergency fix, and now there are smaller sized pipes  
22 there. And really, and others can chime in, too, as  
23 part of the team, but the basic understanding is that  
24 nothing will really happen there unless we move this  
25 through the support of the Council and through the

1 support of this team, because really the fix is there,  
2 and like many things, when we go in and we fix these  
3 crossings, there's a life span of those crossings  
4 that's fairly long, and so it's rare that you can  
5 actually fix them unless there's road improvements or  
6 things like that happening there. And so we have the  
7 interest of DOT who's interested in this. They did put  
8 together a preliminary cost analysis for us, and  
9 they're continuing to be interested in working with us  
10 going forward. So with the Council's support and our  
11 ability then to use that support to leverage other  
12 dollars to support that, we can make that happen.

13 MR. DEGANGE: What I was -- I guess what caught  
14 my attention more than the others was the Crooked  
15 Creek.

16 MR. WIGGLESWORTH: Uh-huh.

17 MR. DEGANGE: That's a fairly expensive one at  
18 \$10 million.

19 MR. WIGGLESWORTH: Right. Right.

20 MR. DEGANGE: The Trustee Council might be  
21 kicking in, pledging \$5 million. So I think -- I guess  
22 maybe I missed it, but I didn't see who else is really  
23 at the table on that one to make up the.....

24 MR. WIGGLESWORTH: Well, right now NOAA is in  
25 the process of trying to raise some money to help

1 support some of the design work. We will continue to  
2 contribute where we can with our fish passage dollars  
3 that are.....

4 MR. DEGANGE: Uh-huh.

5 MR. WIGGLESWORTH: .....annually allocated to  
6 us. The problem with that one is it is a large one,  
7 and so our agency has maybe a million dollars, a  
8 million-two annually to do work statewide. So we have  
9 not the sufficient amount of dollars to actually move  
10 that, but we can contribute to it, and we will. And as  
11 I mentioned, NOAA is actively pursuing work for design.  
12 And we can get in -- we can begin to now work with DOT  
13 to sort of move that project down the line and get it  
14 fixed.

15 I don't know if you want to add.

16 MS. O'DOHERTY: (Indiscernible - away from  
17 microphones)

18 MR. WIGGLESWORTH: Yeah.

19 MS. O'DOHERTY: Yes. The two parties  
20 (Indiscernible - away from microphones)

21 MS. HSIEH: Gillian, would you mind coming up  
22 to the microphone so the court reporter.....

23 MS. O'DOHERTY: Oh, I'm sorry. This is.....

24 MS. HSIEH: Can you actually physically  
25 move.....

1 MS. O'DOHERTY: Oh, sorry. Sure.

2 MS. HSIEH: .....to the -- thank you.

3 MS. O'DOHERTY: This is Gillian O'Doherty with  
4 Fish and Game.

5 And I'm just going to speak a little bit to the  
6 DOT process and how these projects fit in. And there's  
7 not someone here from DOT, but I've been working with  
8 them for about six years now on various projects, so I  
9 can answer those.

10 The two North Fork Anchor River projects are  
11 part of a safety upgrade, which is a Federal Highways  
12 project, and typically those are 10 percent State  
13 match, 90 percent Federal Highways match. So DOT would  
14 be able to use this funding in their projects to, you  
15 know, Federal Highways dollars. Now, the North Fork  
16 Anchor, that project was already planned, and they're  
17 actually in the environment and pre-design phase.

18 However, Crooked Creek basically is putting a  
19 bridge replacement there would be a new project, so  
20 there would also be the opportunity for DOT to go back  
21 to Federal Highways and seek match. And they have, you  
22 know, a pretty favorable match ratio for doing projects  
23 like that. It is also part of a safety upgrade  
24 corridor, most of the Sterling Highway is, so there  
25 would be a mechanism in place for them to go and seek

1 that funding. And Federal Highways also does have some  
2 fish passage dollars. It's a fairly new program, I'm  
3 not super familiar with it, but there is some money  
4 available through that as well.

5 So I think realistically that.....

6 MR. WIGGLESWORTH: Those would be the.....

7 MS. O'DOHERTY: .....the largest match  
8 contributor would probably be something along those  
9 lines.

10 MR. HARTIG: Can't really hear you.

11 MS. O'DOHERTY: Oh, I'm sorry. Turning this.  
12 Is that a little better?

13 MS. HSIEH: Well, you have to speak up, it's  
14 strange, but -- this is the court reporter, or the  
15 microphones, and the people on the phone, it's a fancy  
16 new system, it's all in the ceiling.

17 MS. O'DOHERTY: Okay. I'm sorry. I'm speaking  
18 into the wrong microphone.

19 (Laughter)

20 MS. HSIEH: Sorry.

21 MS. O'DOHERTY: Do I need to repeat any of  
22 that?

23

24 MR. WIGGLESWORTH: Does that answer your  
25 question?

1 MR. DEGANGE: So I guess the answer is.....

2 MR. WIGGLESWORTH: Yeah. Yeah.

3 MR. DEGANGE: .....maybe as you alluded to  
4 earlier is that this will hopefully catalyze these  
5 matches coming in?

6 MR. WIGGLESWORTH: Very much so. I mean, we've  
7 been trying to -- and, Robert, you might be able to  
8 speak to this. We've been -- over the years we, the  
9 collective we, not just Fish and Wildlife Service, have  
10 been really pushing these projects on will alone, and  
11 with this level of commitment and support, we can  
12 really begin to move these projects down the road,  
13 because of the timing with DOT projects, as Gillian  
14 mentioned, their interest, the opportunity for us now  
15 where there are some other sources of funds that we  
16 have access to, that Erika spoke to -- or can speak to  
17 if you're interested, to really move this thing around,  
18 and, most importantly, get in synch with DOT as they  
19 plan projects, because, as you know, these are very  
20 complex projects that are large. And that process  
21 moves, and if you miss one part of it, you're lost.  
22 And as Robert has mentioned to me actually the other  
23 day when we were talking about these things, you know,  
24 some of the -- once a project gets going and gets  
25 installed, they have a 50-year life or so. And so you

1 won't have an opportunity now. And that's why it's so  
2 timely now. We have the opportunity and the interest,  
3 and a lot of broad-based support. And so with your  
4 support, it will really, really help.

5 MR. HASKETT: So can I ask a question? This is  
6 Geoff.

7 CHAIRMAN MULDER: Yes.

8 MR. HASKETT: So maybe just a clarification. I  
9 think it's probably building what David just said, but  
10 if I understand this right, this has been in the works  
11 for a really long time, and I'm new to this meeting at  
12 this time, but I'm aware of this project, and it  
13 includes lots of partners including Fish and Game.  
14 It's got NOAA involved. It's us involved. DOT's  
15 involved. And the timing's right for this. And if  
16 we're able to do this now, there's not much risk to any  
17 of us, because what we're looking for is to kind of put  
18 this together and get the leverage, and we won't  
19 actually release anything until actually the leverage  
20 dollars are in hand. So it's really pretty important  
21 for us I think, David, to move forward on this now,  
22 right?

23 MR. WIGGLESWORTH: Yes.

24 MS. HSIEH: That's correct, Geoff. This is  
25 Elise.

1           We've done this with other projects where the  
2 Trustee Council does commit to the funding, the 1.5  
3 million towards Nikolavesk, one-point million towards  
4 the Two Moose, and five towards Crooked Creek. But  
5 actually those funds will stay in the Trustee Council  
6 investment fund until the PIs present in writing to me  
7 a particular project's ready to go. They have written  
8 commitments for the leveraged funding in the  
9 approximate amounts demonstrated in the summary  
10 overview, or at least up to what people believe the  
11 total budget is at that time once the designing is  
12 complete. And only at that time would I trigger a  
13 review by the Department of Law and the Department of  
14 Justice, and the court notice to release the funds from  
15 the Department of Revenue. And it would be project-by-  
16 project when that project is ready. So until that time  
17 it's pledged and it's encumbered in our account, but it  
18 is not released.

19           MR. HASKETT: Okay. That helps me. I guess I  
20 was trying to make sure, but it sounds like the  
21 timing's right for this. It's very complicated.  
22 There's lots of people involved. And that's fine,  
23 let's move this forward. It doesn't cause any risk, it  
24 just allows this to go forward in the most efficient  
25 way possible.

1           MS. HSIEH: And in fact, this is Elise again,  
2 given the nature of the Trust funds, the Council  
3 typically does not -- they usually authorize funds for  
4 an 18-month period. It's kind of the standard boiler  
5 plate, so we would do that with these projects as well,  
6 so in about 18 months or so you would see this be  
7 renewed, or at some future meeting as more of an  
8 administrative process. And in the meantime you will  
9 be getting status reports, and an overview of how the  
10 project was going, as we do with all our multi-year  
11 projects. So it's the nature of the Trust funds, it  
12 kind of has that renewal lurching process to it, not --  
13 we expect these projects to take some amount of time.

14           MS. MARCERON: May I ask just to clarify? So  
15 my read of the material indicated it's about a three to  
16 one match, so it's about \$3 of partner funds to \$1 of  
17 EVOS; is that -- in all your summary that you.....

18           MR. WIGGLESWORTH: Right.

19           MS. MARCERON: .....just provided Tony, does  
20 that sound.....

21           MR. WIGGLESWORTH: Right. It sounds about  
22 right. Uh-huh.

23           MS. MARCERON: Thank you.

24           CHAIRMAN MULDER: Tony.

25           MR. DEGANGE: I have one additional question.

1 And this is sort of looking down the road. I like what  
2 you've done. I think this will be great, because it  
3 sounds like we can fix a lot of -- we can really open  
4 up a lot of miles of fish habitat.

5 My question is, it sounded like you said this  
6 is -- we're hitting the big ones with this?

7 MR. WIGGLESWORTH: Right.

8 MR. DEGANGE: Do you envision us seeing -- the  
9 Trustee Council maybe seeing more of these down the  
10 road, or maybe this is going to be it?

11 MR. WIGGLESWORTH: I mean, I -- well, I can  
12 answer it, but Robert or.....

13 MS. O'DOHERTY: Robert.

14 MR. WIGGLESWORTH: Robert, why don't you --  
15 you're the -- he's the -- he's on to be.....

16 MR. RUFFNER: Because I'm looking towards the  
17 -- kind of a crystal ball here.

18 MR. WIGGLESWORTH: He's the grand -- not --  
19 he's had the longest history of really trying to push  
20 these projects, so.....

21 MR. RUFFNER: Well, I do have gray hair now, so  
22 that's right. So I guess for the record I'm Robert  
23 Ruffner. I'm the Executive Director of the Kenai  
24 Watershed Forum and also the Kenai Peninsula Fish  
25 Habitat Partnership.

1           I guess I might start -- I was planning on  
2 coming in, but I might just start by saying that, you  
3 know, our organization's partnered with all the Federal  
4 agencies here that typically have the money to do fish  
5 passage projects and have money set aside for those,  
6 and we've fixed a whole bunch of them on the Kenai  
7 Peninsula in that \$500,000 range and under. And so  
8 much so that it's hard for us to find projects that we  
9 can legitimately bring forward to work on now, so we're  
10 at the cusp of a total success story on the Kenai  
11 Peninsula.

12           So, Tony, to answer your question, you asked if  
13 we're going to come back for more of these. And the  
14 answer is generally no, because the ones that we've  
15 identified on the western Kenai Peninsula we're  
16 bringing them to you as a package. And in my  
17 experience, that is really what's worked the best, to  
18 bring them as a package.

19           There are a few other ones that are major, on  
20 major highways that are on the eastern side of the  
21 Kenai Peninsula, but they have a much smaller habitat  
22 value. So I think those of us that do strategic  
23 thinking on this are going to have to step back a  
24 little bit and decide whether it's really worth our  
25 effort to do what we're doing now which is to ask for

1 money in a pledge to catalyze the additional funding  
2 that we need to fix them, or just to wait until they  
3 come up on the cycle of DOT to have them fixed on their  
4 own, because, you know, we're not talking about dozens  
5 of miles on the eastern Kenai Peninsula like we're  
6 talking about here.

7           But these are very critical ones that need to  
8 be fixed so that we can say it's a success. And  
9 they're Chinook, which is something that, you know,  
10 everybody in my community is very interested in,  
11 so.....

12           MR. DEGANGE: Uh-huh.

13           MR. RUFFNER: Maybe that was a little longer  
14 answer than you wanted, but I'm.....

15           MR. DEGANGE: Okay.

16           MR. RUFFNER: .....I couldn't be in more  
17 support of this, and made an effort to come up here and  
18 pitch for this.

19           MR. DEGANGE: Thanks.

20           CHAIRMAN MULDER: Thank you. Any Trustees --  
21 any other Trustees have questions or comments?

22           (No comments)

23           CHAIRMAN MULDER: All right. I think this is  
24 an action item with a proposed motion. Okay.

25           MS. HSIEH: Cherri.

1 MR. DEGANGE: Mr. Chair.

2 CHAIRMAN MULDER: Yes.

3 MR. DEGANGE: I guess I'm going to read this as  
4 on the motion sheet. I move we approve \$8,175,000,  
5 which includes GA, from the EVOS Research Investment  
6 Sub-Account towards funding of the Kenai Peninsula  
7 Aquatic Ecosystem Restoration Project. These projects  
8 are of a multi-year nature and thus the Council  
9 anticipates a future status report on the progress of  
10 the projects and the potential need to renew the  
11 funding at a future meeting. Release of any funding  
12 for each individual project is conditioned upon the  
13 EVOS Trustee Council Executive Director determining  
14 there are commitments for full funding of the  
15 individual project, including leveraging, as detailed  
16 in the Project No. 150150123, Kenai Peninsula Aquatic  
17 Ecosystem Restoration Project Overview, dated March  
18 3rd, 2015. Authorization for this funding is approved  
19 for April 1st, 2015 to October 1st, 2016.

20 CHAIRMAN MULDER: Is there a second to the  
21 motion?

22 MS. MARCERON: I second.

23 CHAIRMAN MULDER: Any discussion?

24 (No comments)

25 CHAIRMAN MULDER: If not, we'll vote on it.

1 Any objection to Kenai Peninsula Aquatic Ecosystem  
2 Restoration motion?

3 (No objections)

4 CHAIRMAN MULDER: All right. For the trustees  
5 on the phone, just to make sure you're still on the  
6 phone, can you indicate to us that you approve the  
7 motion?

8 MR. BALSIGER: This is Jim Balsiger. I  
9 approve. Nice work there in Anchorage. It is a good  
10 project.

11 MR. HARTIG: Yeah, Steve, this Larry Hartig. I  
12 agree, it's a good project. I've seen some of those  
13 culverts, and this work is definitely needed.

14 MR. HASKETT: Geoff Haskett. I also am in  
15 total agreement.

16 MR. COTTEN: This is Sam Cotten, and Tony  
17 Degange is going to be casting the vote for the State  
18 on this one, but I certainly agree.

19 CHAIRMAN MULDER: All right. Thank you,  
20 gentlemen.

21 (Laughter)

22 CHAIRMAN MULDER: I guess, Tony, you have your  
23 marching orders.

24 MR. DEGANGE: That's right. Yeah, I certainly  
25 agree.

1 (Laughter)

2 MS. HSIEH: If you go rogue at this point, we  
3 will know.j

4 MR. DEGANGE: Yeah.

5 CHAIRMAN MULDER: All right. So next on the  
6 agenda is.....

7 MR. WIGGLESWORTH: Thank you.

8 CHAIRMAN MULDER: Thank you.

9 MR. COTTEN: I had a quick question, please.

10 CHAIRMAN MULDER: Yes.

11 MR. COTTEN: Sam Cotten.

12 CHAIRMAN MULDER: Yes, Commissioner Cotten.

13 MR. COTTEN: Yeah, the funding was approved  
14 until October 1 of 2016, and you may have already  
15 covered this, but does that mean that you'd need  
16 another authorization at that point?

17 MS. HSIEH: This is Elise Hsieh. Yes, this is  
18 typical for multi-year projects. We could -- we may  
19 even, for example, if we are having a Trustee Council  
20 meeting even before the expiration of authorization, we  
21 might just bring it up and have it reauthorized. It  
22 also -- yeah. An that's to trigger the -- the  
23 individual project would need to be completed, and I  
24 would initiate a release of the entire project funds at  
25 that time. So that's -- the project wouldn't have to

1 be completed by that date, but with regard to the  
2 authorization dates, the release of the funds for each  
3 individual project would happen by those authorization  
4 dates which I anticipate will have to be renewed  
5 periodically. Does that -- did I confuse people more?

6 CHAIRMAN MULDER: Did that answer your  
7 question, Commissioner?

8 MR. COTTEN: I think so. It sounds like unless  
9 it's committed by October 1, 2016, there needs to be  
10 yet another authorization by the Council.

11 MS. HSIEH: Correct.

12 MR. COTTEN: Thank you.

13 CHAIRMAN MULDER: All right. Any other  
14 questions?

15 (No comments)

16 CHAIRMAN MULDER: If not, we'll move on to the  
17 next agenda item, the Thorsheim Drainage Parcel KAP  
18 3005. And Phil Shephard was going to introduce this or  
19 is he on the phone? Or were you going to do it?

20 MS. HSIEH: Phil is actually -- I've received  
21 an email with lots of exclamation points. He's on his  
22 way. Something must have held him up, but.....

23 So our agenda today includes a request for a  
24 statement of interest and a proposal for pre-  
25 acquisition work with regard to our habitat program.

1 As background information, any purchase of a property  
2 interest using EVOS funds requires EVOS' approval of a  
3 purchase price or range, an EVOS approved appraisal,  
4 completion of due diligence, the results of which are  
5 acceptable to the agencies accepting a property  
6 interest and to the legal advisors, and a finding by  
7 the EVOS Executive Director informed by the agencies  
8 accepting a property interest and their legal advisors  
9 that it is in the best interest of the Council to move  
10 forward in the acquisition of the land.

11           So again you see the Trustee Council being  
12 presented with opportunities where they approve in some  
13 cases the purchase price or due diligence, and with  
14 regard to purchase price, there's several hoops that  
15 the process goes through after that.

16           Today we're looking at a statement of interest  
17 and due diligence, so just as a little background for  
18 our new Trustees.

19           Due to the requirements of the trust fund as we  
20 discussed with the Kenai projects, the funds are  
21 authorized for an 18-month period, after which they  
22 come before the Council for reauthorization if  
23 necessary. And as with all Council funded habitat  
24 protection, the Council only considers purchase values  
25 that are consistent with an EVOS approved appraisal.

1           Until Phil gets here, I'll just go ahead and  
2 introduce -- and we also have Samantha Carroll here who  
3 I think can help pitch hit in case something's tied him  
4 up.

5           The Thorsheim Lake and drainage, it's a 1,000  
6 acre parcel which has been long sought after for  
7 conservation due to its high habitat values. It's  
8 currently scheduled to be logged this spring; however,  
9 in discussions the timber owners and land owners are  
10 willing to sell with a value range of 4.5 to \$6  
11 million.

12           A statement of interest from the Council will  
13 hold off the logging long enough to obtain an appraisal  
14 for the property and if this potential purchase  
15 continues to develop, a subsequent Council meeting will  
16 be called to approve funding.

17           Samantha, did you want to come up and speak to  
18 this parcel at all?

19           MS. CARROLL: Sure. I think so. I wasn't  
20 prepared to, but.....

21           MS. HSIEH: No, we're not. Phil's.....

22           MS. CARROLL: For the record, this is Samantha  
23 Carroll from the Department of Natural Resources.

24           This is 19 -- a 100-acre parcel. It's on  
25 Afognak Island on, I believe the east side. Like Elise

1 said, it's been long sought. We don't currently have a  
2 sponsor for the project, but there's a lot of interest,  
3 and so the interest that we're asking for approval is,  
4 as Elise said, is to hold off timber activities which  
5 are currently about to be under way. So that's what we're  
looking

6 for from you guys.

7           And I think in the restoration -- it talks to  
8 -- your benefits report talks to all of the injured  
9 species and services that we are looking at that this  
10 parcel would provide.

11           MS. HSIEH: And while a statement of interest  
12 from the Trustee Council may not hold off the timber  
13 logging, apparently the timber contractor has some  
14 other parcels that they're also in place to log this  
15 spring, so it's not necessarily -- you know, it sounds  
16 sort of logistically not possible, but actually  
17 apparently it is. They're interested to see what the,  
18 you know, Trustee Council has to say with regard to  
19 this parcel, so that's my.....

20           MS. CARROLL: Yes. And then the due diligence  
21 would help back that up, because we need those  
22 documents to establish a fair market value that we  
23 could actually negotiate with the landowners, so that's  
24 part of the due diligence package that the Great Land  
25 Trust is seeking.

1 MS. HSIEH: Right. So -- and actually Great  
2 Land Trust in this case is only asking for a statement  
3 of interest. They have the dollars for due diligence,  
4 but they would then move ahead as well.

5 MS. CARROLL: That is correct. And their  
6 annual budget that they get from the Trustee Council,  
7 they have those embedded in -- those funding embedded  
8 within that grant program.

9 MS. HSIEH: Right. Some funding, right?

10 MS. CARROLL: Yeah.

11 CHAIRMAN MULDER: And so this wouldn't be a  
12 commitment to necessarily go forward with the purchase.  
13 This is the kind of preliminary work.

14 MS. CARROLL: That's correct.

15 CHAIRMAN MULDER: Right.

16 MS. CARROLL: Just an interest statement from  
17 you guys, yeah, to ensure, you know, just sort of show  
18 Uyak Native Corporation that we're interested and we're  
19 serious, and that we'll continue to work on the process  
20 to make sure that everything has been.....

21 MR. McKILLY: This is Gabe McKilly. I am with  
22 Uyak Natives. And if you could speak up a little bit,  
23 that would really help.

24 MS. CARROLL: Yes. Sorry. Thank you for the  
25 reminder to talk to the ceiling.

1 (Laughter)

2 CHAIRMAN MULDER: All right. Well, do any of  
3 the Trustees have questions for Samantha at this time,  
4 or do we feel like we have enough in the briefing  
5 material to move forward?

6 MR. DEGANGE: I have a question.

7 CHAIRMAN MULDER: Go ahead.

8 MR. BALSIGER: This is Jim Balsiger. I believe  
9 that the briefing materials were quite clear, and I  
10 think that we -- I could -- from my point of view, we  
11 can move forward.

12 CHAIRMAN MULDER: Tony.

13 MR. DEGANGE: Yeah, this is Tony. I just have  
14 a question. So I notice that all the lands surrounding  
15 it are still in private hands.

16 MS. CARROLL: I believe that's correct.

17 MR. DEGANGE: And I'm just curious, is this --  
18 this is obviously a pristine parcel. Is it -- how much  
19 fragmentation is there, does anybody know, in the  
20 greater area?

21 MS. CARROLL: I don't know the answer.....

22 MR. DEGANGE: Okay.

23 MS. CARROLL: .....to that question to be  
24 honest with you. I don't believe there's much. I do  
25 know that there is -- I believe Uyak's contractor has

1 built a road to the site.....

2 MR. DEGANGE: Uh-huh.

3 MS. CARROLL: .....so there is that linear  
4 feature on the landscape. But when I looked at this  
5 from, you know, high up from Google Earth, it doesn't  
6 appear to be much impact.

7 MR. DEGANGE: Okay.

8 MS. CARROLL: Yeah.

9 MR. DEGANGE: I have no further questions.

10 CHAIRMAN MULDER: Any other Trustees have  
11 questions?

12 MR. DEGANGE: Well, actually I do.

13 MS. CARROLL: All right.

14 MR. DEGANGE: Sorry. What if there isn't an  
15 agency that basically comes forward and.....

16 MS. HSIEH: Then it doesn't progress.

17 MR. DEGANGE: It doesn't progress. Okay.

18 MS. CARROLL: Yeah. We would come back to you  
19 guys once we had a sponsoring agency and ask for  
20 whatever further action we thought was necessary at  
21 that time.

22 MR. DEGANGE: Okay.

23 MS. CARROLL: Yeah.

24 MR. DEGANGE: But it could be DNR could do  
25 that?

1 MS. CARROLL: It could be.

2 MR. DEGANGE: Right. Okay.

3 MS. CARROLL: Yeah. Yeah.

4 CHAIRMAN MULDER: All right.

5 MR. HASKETT: Well, it could be Fish and  
6 Wildlife Service, too, so I mean there are a number of  
7 different ways this one could go.

8 CHAIRMAN MULDER: All right. Well, this is --  
9 it would require a motion to go forward. Does anyone  
10 want to make the motion.

11 MR. McKILLY: I would -- this is Gabe McKilly  
12 again.

13 I just would like to remind you that it's been  
14 a pretty easy winter and the logger's pretty anxious.  
15 He's only got a couple more years left on his contract.  
16 So leave it up to you guys. It's just my two cents.

17 Thank you.

18 MS. HSIEH: Thank you.

19 MR. DEGANGE: Okay. I move we state on the  
20 record our interest in continued discussion with Uyak  
21 and TransPac regarding potentially purchasing fee title  
22 and the timber rights in the Thorsheim Drainage, KAP  
23 3005 parcel. If this potential purchase continues to  
24 develop, a subsequent Council meeting would be called  
25 to approve the purchase. As with all Council-funded

1 habitat protection, the Council only considers purchase  
2 values that are consistent with an EVOS Trustee  
3 Council-approved appraisal.

4 CHAIRMAN MULDER: Is there a second.

5 MR. HASKETT: Second from Geoff.

6 CHAIRMAN MULDER: Thank you, Geoff.

7 Any further discussion by the Trustees?

8 (No comments)

9 CHAIRMAN MULDER: Okay. Would the Trustees on  
10 the phone indicate their approval or objection?

11 MR. BALSIGER: Jim Balsiger on the phone. I  
12 approve. Yes.

13 MR. HARTIG: Yeah. Larry Hartig. Yes.

14 MR. HASKETT: Geoff Haskett. Yes.

15 MR. DEGANGE: Yes.

16 CHAIRMAN MULDER: Okay. Any objections?

17 (No objections)

18 CHAIRMAN MULDER: Okay. All right. So it  
19 passes. Thank you. That moves.....

20 MS. CARROLL: Thank you.

21 CHAIRMAN MULDER: Thank you very much. She was  
22 quick to leave.

23 MS. HSIEH: I see Phil Shephard approaching the  
24 building.

25 CHAIRMAN MULDER: All right.

1 UNIDENTIFIED VOICE: The guilty lunch.  
2 (Laughter)  
3 MS. HSIEH: The guilty lunch. Yes, he does go  
4 out to lunch. He's running.  
5 CHAIRMAN MULDER: He's running.  
6 UNIDENTIFIED VOICE: He's here.  
7 MS. CARROLL: I did it already.  
8 (Laughter)  
9 MS. HSIEH: Phil, please come have a seat.  
10 MR. SHEPHARD: Okay. I apologize for the  
11 scheduling error.  
12 MS. HSIEH: Phil Shephard from the Great Land  
13 Trust. We are on the Port Graham, we're just beginning  
14 the program.....  
15 MR. SHEPHARD: Great.  
16 MS. HSIEH: .....agenda item. The Council has  
17 noted its interest in the Thorsheim Lake and Drainage.  
18 MR. SHEPHARD: Okay.  
19 MS. HSIEH: So would you like me to introduce  
20 the Port Graham parcel, or are you ready?  
21 MR. SHEPHARD: I'm ready.  
22 MS. HSIEH: All right.  
23 MR. SHEPHARD: I just wanted to -- Chuck, did  
24 you.....  
25 MS. HSIEH: Either or both, we could have

1 the.....

2 MR. SHEPHARD: Yeah. Maybe Chuck should come  
3 up, too.

4 MS. HSIEH: Sure.

5 MR. SHEPHARD: And I can give a brief  
6 introduction, and then maybe have .....

7 MR. GILBERT: Sure.

8 MR. SHEPHARD: .....Chuck talk about some of  
9 the details.

10 MR. GILBERT: Good.

11 MR. SHEPHARD: So in our prioritization effort  
12 which I think everybody's sort of familiar with from  
13 the standpoint of looking at all the parcels within the  
14 whole spill area.....

15 MS. HSIEH: And Phil and Chuck, you'll have to  
16 speak loudly towards the ceiling.

17 MR. SHEPHARD: Towards the ceiling.

18 (Laughter)

19 MS. HSIEH: Yeah, that's where the  
20 microphones.....

21 MR. GILBERT: Yeah, make eye contact with the  
22 ceiling here.

23 MR. SHEPHARD: Okay.

24 MS. HSIEH: .....for the telephonic  
25 participants.

1           MR. SHEPHARD: Sure. The area, of course, you  
2 know, on the coast in Kenai Fjords there's a number of  
3 parcels that are owned by Port Graham that in our  
4 prioritization ranked quite high because of the seabird  
5 colonies, the salmon streams, the, you know, coastal  
6 resources that were definitely very much affected by  
7 the spill, and so they came up. And then the Park  
8 Service had been working already with Port Graham on a  
9 parcel in Aialik Bay, and so the thought was, let's  
10 talk to Port Graham some more and see what their  
11 interest was.

12           And so I'll let Chuck take it from here on the  
13 specifics of that particular project.

14           MR. GILBERT: Sure. So I'm Chuck Gilbert, head  
15 of the lands group for the Park Service here in  
16 Anchorage for the Alaska region.

17           And we've been working on this project for a  
18 while. In fact, it first got started in the 90s when  
19 EVOS first got started, and looked at the Port Graham  
20 lands at that time within the Kenai Fjords Park and  
21 Alaska Maritime National Wildlife Refuge, and the  
22 English Bay lands as well. And back in the 90s the  
23 EVOS Council approved a proposal to proceed with  
24 acquisition of both of those. Appraisals were done.  
25 We ended up buying the lands from English Bay, about

1 30,000 acres from English Bay, which also ranked  
2 highly. They ranked pretty much together. They're  
3 kind of scattered down the coastline from Aialik Bay to  
4 Nuka Bay.

5           But Port Graham decided not to proceed. They  
6 had some money at the time, and they didn't want to  
7 sell. So they withdrew from negotiations. So those  
8 lands, all their -- all the lands within Kenai Fjords  
9 Park and the adjoining lands within the Refuge, the  
10 islands within the Refuge, remained in private  
11 ownership. And we've worked with them over the years  
12 doing some appraisals and were not successful in some  
13 cases to proceed with those.

14           But this new opportunity came up, and Port  
15 Graham is kind of in a different frame of mind.  
16 They're really quite interested in proceeding with some  
17 acquisitions, and would like to look at selling  
18 potentially almost all their lands within Kenai Fjords  
19 Park and the Alaska National Wildlife Refuge. And that  
20 consists of about 44,000 acres in eight parcels all the  
21 way from Aialik Bay in the north to Nuka Bay in the  
22 south.

23           And I don't -- I have the -- you have the sheet  
24 in front of you that lists the different species that  
25 were affected, but they ranked highly. These parcels

1 rank highly in terms of EVOS evaluation of protection.

2           These lands, too, are just south of Seward, and  
3 it's a very -- as far as recreation, they're very  
4 important areas. This is probably some of the highest  
5 recreated/tourist areas in the State. Probably most of  
6 you have taken the boat ride from Seward down into the  
7 Park, Aialik Bay, and seen the tidewater glaciers and  
8 the marine birds and the mammals, and terrestrial  
9 animals as well. It's a highly important area to  
10 Seward and to the State for tourism. There's something  
11 like 800 boats per summer that go down there, trip --  
12 boat trips that go in the summer down into this area,  
13 and about, what was it, 85,000 visitors a summer get to  
14 this area to look at it, to look at the wildlife, and  
15 to see the scenery. It's very important as far as  
16 tourism.

17           So we did that first phase with English Bay,  
18 and we bought all those lands, the 30,000 acres from  
19 English Bay, but Port Graham remained. So at this  
20 point what we're looking for is to have approval to do  
21 due diligence on the 44,000 acres of Port Graham lands.

22           And Port Graham has said, their leadership has  
23 said they're willing to look at selling all those lands  
24 potentially, but they'd like appraisals of each one of  
25 them, and they'll decide, you know, which -- how much

1 they'd want to sell. So what we'll be doing is having  
2 appraisals done, if you approve it, of each of those  
3 eight parcels, and the other due diligence, too, the  
4 title work and HAZMAT work to bring back to you a  
5 proposal as to which of these would be available for  
6 sale.

7 So that's really the proposal. And I guess  
8 what we're looking for is about \$60,000 to do the  
9 appraisals. It's probably more than we need, but we'd  
10 only, of course, spend what we need once we contract  
11 for the appraisals.

12 CHAIRMAN MULDER: All right. Thank you, Chuck.  
13 Do any of the Trustees have questions for Chuck or  
14 Phil.

15 MS. MARCERON: I have just a question. Just  
16 knowing from the earlier comment, and also being an  
17 agency manager who was the recipient of split estate  
18 management right now, is so you're talking about the  
19 surface of eight. What is the status of subsurface or  
20 the owner there and whether or not they may be  
21 interested?

22 MR. SHEPHARD: Yeah. That's a great question.  
23 So the subsurface owner in this case is Chugach Alaska  
24 Corporation, and we actually have a meeting with them  
25 tomorrow. So we are continuing to meet with them.

1 We've met with them several times to talk about all the  
2 past EVOS projects, because there are many past  
3 projects that involve subsurface that at the time they  
4 decided not to sell, so, yeah, this would be one of our  
5 topics, would be these projects in addition to the  
6 other past projects. And, of course, we would bring  
7 those to the Trustees for consideration if Chugach was  
8 interested in selling.

9 MR. GILBERT: I guess I'd just add, too, that  
10 the lands we bought from English Bay in the same area,  
11 we only bought the surface, because at that time  
12 Chugach was not interested in selling the subsurface,  
13 so we'd be very interested if we could pick up the  
14 subsurface of those lands we've already bought the  
15 surface of.

16 MR. SHEPHARD: Yeah. Yeah, and that's one of  
17 the.....

18 MS. MARCERON: That's kind of the position that  
19 my agency's in as well in Prince William Sound.

20 MR. GILBERT: Uh-huh.

21 MR. SHEPHARD: Yeah. Yeah.

22 MS. MARCERON: Thank you.

23 MR. DEGANGE: This is my own education. Due  
24 diligence, appraisal, HAZMAT, what else?

25 MR. GILBERT: And title work, just.....

1           MR. DEGANGE: Title work.

2           MR. GILBERT: .....to go to a title company and  
3 get a title search done to see.....

4           MR. DEGANGE: Right.

5           MR. GILBERT: .....if the title's good or not.

6           MR. DEGANGE: Okay. Those are the three  
7 things?

8           MR. GILBERT: Those are the three primary  
9 things, right.

10          MR. COTTEN: This is Sam Cotten. I had a  
11 question, please.

12          CHAIRMAN MULDER: Go ahead.

13          MR. COTTEN: Yeah. On Parcel No. 5 up the  
14 McCarty Fjord there, the area around Delight and Desire  
15 Lakes, that's a pretty important sockeye system there,  
16 and I just wanted to flag that for concern about any  
17 lesser ability of the Department to do management  
18 responsibilities there. I know they often have camps  
19 there for fish counting and that sort of thing, so --  
20 and fishermen are often anchored out there, maybe even  
21 go ashore for whatever reasons. And I don't know that  
22 there's any problems if that got turned over to the  
23 National Park Service, but I was wanting to make sure  
24 that there weren't any problems.

25          Thanks.

1           MR. GILBERT: There is an allowance in the  
2 Lands Act to allow Fish and Game and other departments  
3 to do research, especially fisheries research on lands  
4 that become -- that are Federal lands, so there's --  
5 ANILCA does address that and provides specific  
6 authority to do those kinds of things.

7           CHAIRMAN MULDER: Thank you. Any other Trustee  
8 questions?

9           (No comments)

10          CHAIRMAN MULDER: If not, this request will  
11 require a motion. Do I hear one?

12          MS. MARCERON: I move we approve up to \$60,000  
13 to conduct due diligence for the possible acquisition  
14 of Port Graham Parcels PGC 1 through PGC 8 within Kenai  
15 Fjords National Park. Authorization for this funding  
16 is approved for April 1st, 2015 through October 1st,  
17 2016.

18          CHAIRMAN MULDER: Thank you, Terri. Is there a  
19 second?

20          MR. DEGANGE: Second.

21          CHAIRMAN MULDER: Any further discussion?

22          (No comments)

23          CHAIRMAN MULDER: If not, would the trustees on  
24 the phone indicate their approval or objection to the  
25 motion?

1           MR. BALSIGER: Jim Balsiger in Juneau. I  
2 approve. Good work in Anchorage.

3           MR. HARTIG: Larry Hartig. Yes.

4           MR. HASKETT: Geoff Haskett. Approve as well.

5           CHAIRMAN MULDER: All right. No objection here  
6 in Anchorage, so the motion passes.

7           Any further Trustee business.

8           MR. DEGANGE: I actually have a -- I just  
9 thought of something I wanted to ask Robert Ruffner if  
10 I may.

11          CHAIRMAN MULDER: Go ahead.

12          MR. DEGANGE: And perhaps David and Gillian  
13 would -- I mean, you might have an opinion. This has  
14 to do with restoration, fish habitat on the Kenai. And  
15 so fish passage is obviously an issue, but I heard  
16 years ago that a lot of the beetle kill and the logging  
17 was creating, not savannahs, but grassland habitat on  
18 the Kenai that could result in warming of anadromous  
19 fish streams, because of the lack of tree cover. Do  
20 you know if that in fact has occurred, and whether  
21 that's not necessarily EVOS-funded, but a potential  
22 restoration opportunity?

23          MR. RUFFNER: Sure. So again for the record,  
24 this is Robert Ruffner. I'm the Executive Director of  
25 the Kenai Watershed Forum.

1           We -- you know, there's a number of groups that  
2 have worked in partnership to do temperature monitoring  
3 of the aquatic systems, you know. It started on the  
4 Kenai Peninsula and it's branched out to Western Alaska  
5 and up into the Mat-Su as well. And we don't really  
6 have a long enough record of water temperatures to  
7 really definitively say water temperatures are rising  
8 or not rising as a result of, you know, the disturbance  
9 from spruce bark beetles. But it is clear that that  
10 transformation from forested cover to grasslands is  
11 occurring, or has occurred, and I think the jury's  
12 still out as to whether the Killaman (ph) crosses (ph)  
13 or the blue joint grass that's coming in, and coming in  
14 thick, if that's going to diminish the ability for  
15 recruitment of new spruce trees to come in. I think  
16 we're still kind of watching to see what happens.

17           But I think that's probably the most likely  
18 scenario, and it would stand to reason that the water  
19 temperatures are going to go up as a result of that and  
20 less shade.

21           One of the things that some of our partners in  
22 the Fish Habitat Partnership have done is they've  
23 started flying the rivers with some new technology that  
24 can actually take a snapshot of what water temperatures  
25 are and identifying spots that are warm and areas that

1 are cold, and trying to tie that both to ground water  
2 and to cover from trees to see if we can get a better  
3 understanding of what's going on.

4 MR. DEGANGE: Okay. Thank you.

5 CHAIRMAN MULDER: Okay. Anything else?

6 (No comments)

7 CHAIRMAN MULDER: Well, if not, thank you.

8 MR. RUFFNER: Sure.

9 MS. HSIEH: Do you want to ask the guys on the  
10 phone if there's anything else?

11 CHAIRMAN MULDER: Sure. Do any of the trustees  
12 on the phone have anything else for today?

13 (No comments)

14 CHAIRMAN MULDER: If not, I guess I would  
15 entertain a motion to adjourn.

16 MS. MARCERON: I move we adjourn.

17 CHAIRMAN MULDER: Second?

18 MR. DEGANGE: Second.

19 CHAIRMAN MULDER: Any objection?

20 MS. HSIEH: The guys on the phone, just to make  
21 sure.

22 CHAIRMAN MULDER: Oh, got to prove we have  
23 folks on the phone indicate affirmatively, please.

24 MR. BALSIGER: Affirmative here in Juneau. You  
25 could have told when my phone beeped I guess, but.....

1 (Laughter)

2 MR. HARTIG: Yeah. Larry Hartig. Thanks,  
3 everyone. No objection to the motion.

4 MR. HASKETT: No objection from me either.  
5 Thank you.

6 CHAIRMAN MULDER: All right. Well, thank you  
7 very much.

8 MS. HSIEH: Thank you, everyone.

9 CHAIRMAN MULDER: All right. We'll stand  
10 adjourned.

11 (Off record)

12 (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 57 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 25th day of March 2015, commencing at the hour of 1:00 p.m. and thereafter transcribed under my direction and reduced to print:

THAT the Transcript has been prepared at the request of:

EXXON VALDEZ TRUSTEE COUNCIL

Anchorage, Alaska

DATED at Anchorage, Alaska this 1st day of April 2015.

SIGNED AND CERTIFIED TO BY:

\_\_\_\_\_

Salena A. Hile

Notary Public, State of Alaska

My Commission Expires: 09/16/18