

**RESOLUTION 10-12 OF THE *EXXON VALDEZ* OIL SPILL TRUSTEE COUNCIL
REGARDING KODIAK ISLAND HABITAT PROTECTION**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") do hereby certify that, in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of *United States of America v. State of Alaska* No. A91-081 Civil, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of *State of Alaska v. Exxon Corporation, et al.*, No. A91-083 CIV, and *United States of America v. Exxon Corporation, et al.*, No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment and restoration activities for federal fiscal year 2010, as described in Attachment A.

This resolution authorizes the distribution of \$40,000 of FFY 2010 funding for due diligence expenses, consistent with State and Trustee Council requirements, in support of Kodiak Island Habitat Protection Efforts for lands owned by the Leisnoi Native Corporation, as described in Attachment A, to be distributed according to the following schedule:

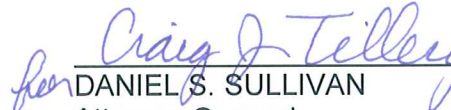
Alaska Department of Natural Resources (includes 9% GA)	\$43,600
TOTAL TO STATE OF ALASKA	\$43,600
TOTAL APPROVED	\$43,600

Authorization of the approved funding shall run from July 1, 2010 to September 30, 2011.

By unanimous consent, we hereby request the Alaska Department of Law and the Assistant Attorney General of the Environmental and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary to make funds available in the amount of \$43,600 from the appropriate account as designated by the Executive Director.

Approved by the Trustee Council at its meeting of June 23, 2010 held in Anchorage, Alaska, as affirmed by our signatures affixed below:


STEVE ZEMKE
Trustee Alternate
Chugach National Forest
U. S. Department of Agriculture


DANIEL S. SULLIVAN
Attorney General
Alaska Department of Law

KIM ELTON
Senior Advisor to the Secretary
for Alaska Affairs
U.S. Department of Interior

CRAIG R. O'CONNOR
Special Counsel
National Oceanic & Atmospheric
Administration
U.S. Department of Commerce

DENBY S. LLOYD
Commissioner
Alaska Department of Fish and Game


LARRY HARTIG
Commissioner
Alaska Department of Environmental
Conservation

Attachment A - Restoration Benefits Report and Map

Approved by the Trustee Council at its meeting of June 23, 2010 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

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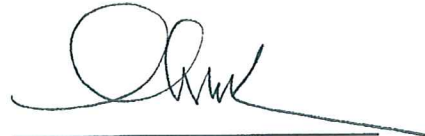
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Attachment A - Restoration Benefits Report and Map

KAP 145: Termination Point

Owner:	Leisnoi, Inc.
Physical Location:	This parcel is located on Monashka Bay on the northeast coast of Kodiak Island approximately 4 miles from the town of Kodiak.
Acreage:	1,028 acres
Brief Description:	Tract C, T 27 S, R 19 W, SM
Agency Sponsor:	Alaska Department of Natural Resources
Appraised Value:	Unknown

Parcel Description. This parcel is located on Monashka Bay on the northeast coast of Kodiak Island approximately 4 miles from the town of Kodiak. This relatively flat coastal tract is forested with Sitka spruce and has an understory of shrubs and grasses. The parcel includes four miles of convoluted shoreline that is characterized by rocky cliffs and protected beaches. The coastline has numerous nearshore rocks and extensive kelp beds.

Linkage to Restoration:**Restoration Benefits.**

The productive intertidal area and the adjacent Narrow Strait are important feeding areas for marbled murrelets and pigeon guillemots as well as other marine birds. Additionally the mature Sitka Spruce forest of Termination Point offers prime nesting habitat for marbled murrelets, a species for which recovery has been difficult to determine. Three cultural resource sites containing middens and barabara depressions (remnant house pits) are located on the parcel. The parcel also provides subsistence resources for the village residents of Ouzinkie. Residents harvest marine mammals and fish, salmon and deer.

The parcel also possesses high recreational qualities for the residents of Kodiak because of its proximity to town and road access. The area was historically used by the public on a regular basis for both beach and trail use and is popular with bird viewing groups. The parcel is unique because it can provide for a variety of road-accessible year-round recreational opportunities such as hiking, fishing, hunting, ice skating, camping and bird watching. As Leisnoi's conveyances have been resolved, the relatively easy and free public access to which Kodiak residents have become accustomed has changed to a fee permit system administered by Leisnoi, which may impact public use.

Potential Threats.

The continued use of this parcel for recreation and the quality and popularity of recreational use are potentially at risk because of the potential for timber harvest or more likely subdivision development of the parcel. Acquisition of the parcel would ensure that residents of Kodiak would continue to have access to a popular recreational area.

Proposed Management.

This parcel has been identified as a priority for the Division of Parks and Outdoor Recreation. This parcel will be managed by the Alaska Department of Natural Resources, Division of Parks and Outdoor Recreation, Kodiak Area Office in consultation with the State Historic Preservation Officer for the purposes of protecting resources and services injured by the *Exxon Valdez* Oil Spill.

Support for this parcel was previously expressed by the Kodiak Island Borough Assembly (Resolution 95-23), Kodiak State Park Citizen's Advisory Board, and a variety of individuals testifying at a public scoping meeting for the *Exxon Valdez* Oil Spill Trustee Council's Supplemental Environmental Impact Statement.

KAP 3003 Mouth of the American River

Owner:	Leisnoi, Inc.
Physical Location:	This parcel is located on Middle Bay approximately 15 miles from the town of Kodiak.
Acreage:	Unknown. Preliminary footprint includes approximately 25-40 foot easements on either side of the river for approximately 1 mile upstream from the mouth.
Brief Description:	Downstream of the Chiniak Highway bridge: Portions of sections 20, 21 and 28, T 29 S,R 20 W, SM adjacent to the American River: Upstream of the Chiniak Highway bridge: Portions of sections 28 and 29, T29S, R20W, SM adjacent to the American River
Agency Sponsor:	Alaska Department of Fish & Game
Appraised Value:	Unknown

Parcel Description. This parcel is located on Middle Bay on the northeast coast of Kodiak Island approximately 15 miles from the town of Kodiak. This relatively flat coastal tract is predominantly vegetated with willow shrubs and beach grasses in the area between the Chiniak Highway and Mean High Tide. The vegetation in the area immediately upstream of the highway is similar with some cottonwood trees. The parcel includes a portion of the flood plain, the meandering river to the mouth and areas adjacent to the intertidal zone. There is a 17(b) public access easement (25 feet wide) from the bridge downstream to the river mouth on the south side of the river.

Linkage to Restoration:

Restoration Benefits.

The parcel has high recreational qualities for the residents of Kodiak because of its proximity to town and road access. The area was regularly used by the public historically and is popular with recreational and subsistence fishermen. The American River has spawning populations of pink, chum and coho salmon and the Alaska Department of Fish

and Game (ADF&G) stocks Chinook salmon. Most of the effort for salmon fishing is downstream of the highway bridge but Dolly Varden, and salmon outside of the closed season, are fished year around upstream.

The parcel is unique because it can provide road-accessible year-round fishing opportunities, which are limited on Kodiak Island. As Leisnoi's conveyances have been resolved, the relatively easy free public access to which Kodiak residents have become accustomed has changed to a permit system administered by Leisnoi.

Potential Threats.

The continued use of this parcel for recreation and the quality and popularity of recreational use are potentially at risk because of the potential for subdivision development of the parcel. Subdivisions and conversion of Lesnoi Corporation land to private use is already occurring nearby along the Chiniak Highway. Development on this parcel has the potential to negatively affect the adjacent intertidal and nearshore habitat. Acquisition of the parcel would ensure that residents of Kodiak would continue to have access to popular fisheries and that riparian habitat remains intact. ADF&G's Chinook stocking program would be jeopardized because existing easements may not allow adequate access for the program.

Proposed Management.

This parcel has been identified as a priority for ADF&G. The conservation easements will be managed by ADF&G.

KAP 3004 Mouth of the Olds River

Owner:	Leisnoi, Inc.
Physical Location:	This parcel is located on Kalsin Bay approximately 25 miles from the town of Kodiak.
Acreage:	Unknown. Preliminary footprint includes approximately 25-40 foot easements on either side of the river for approximately 1 mile upstream from the mouth.
Brief Description:	Downstream of the Chiniak Highway bridge: Portions of sections 10 and 11, T30S, R20W, SM adjacent to the Olds River: Upstream of the Chiniak Highway bridge: Portions of sections 10 and 15, T30S, R20W, SM adjacent to the Olds River
Agency Sponsor:	Alaska Department of Fish & Game
Appraised Value:	Unknown

Parcel Description. This parcel is located on Kalsin Bay on the northeast coast of Kodiak Island approximately 25 miles from the town of Kodiak. This relatively flat coastal tract is predominantly vegetated with willow shrubs and beach grasses in the area between the Chiniak Highway and MHT. The vegetation in the area immediately upstream of the highway is similar with some cottonwood trees. The parcel includes a

portion of the flood plain, the meandering river to the mouth and areas adjacent to the intertidal zone.

Linkage to Restoration:

Restoration Benefits.

The parcel has high recreational qualities for the residents of Kodiak because of its proximity to town and road access. The area was regularly used by the public historically and is popular with recreational and subsistence fishermen. The Olds River has spawning populations of pink, chum and coho salmon and ADF&G stocks Chinook salmon. Most of the effort for salmon fishing is downstream of the highway bridge but Dolly Varden, and salmon outside of the closed season, are fished year around upstream. A subsistence fishery for eulachon occurs downstream of the bridge.

The parcel is unique because it can provide road accessible year-round fishing opportunities, which are limited on Kodiak Island. As Leisnoi's conveyances have been resolved, the relatively free easy public access to which Kodiak residents have become accustomed has changed to a permit system administered by Leisnoi.

Potential Threats. The continued use of this parcel for recreation and the quality of recreational use are potentially at risk because of the potential for subdivision development of the parcel. Subdivisions and conversion of Leisnoi Corporation land to private use is already occurring nearby along the Chiniak Highway. Development on this parcel has the potential to negatively affect the adjacent intertidal and nearshore habitat. Acquisition of the parcel would ensure that residents of Kodiak would continue to have access to popular fisheries and that riparian habitat remains intact. ADF&G's Chinook stocking program would be jeopardized because existing easements may not allow adequate access for the program.

Proposed Management.

This parcel has been identified as a priority for ADF&G. The conservation easements will be managed by ADF&G.

REQUEST.

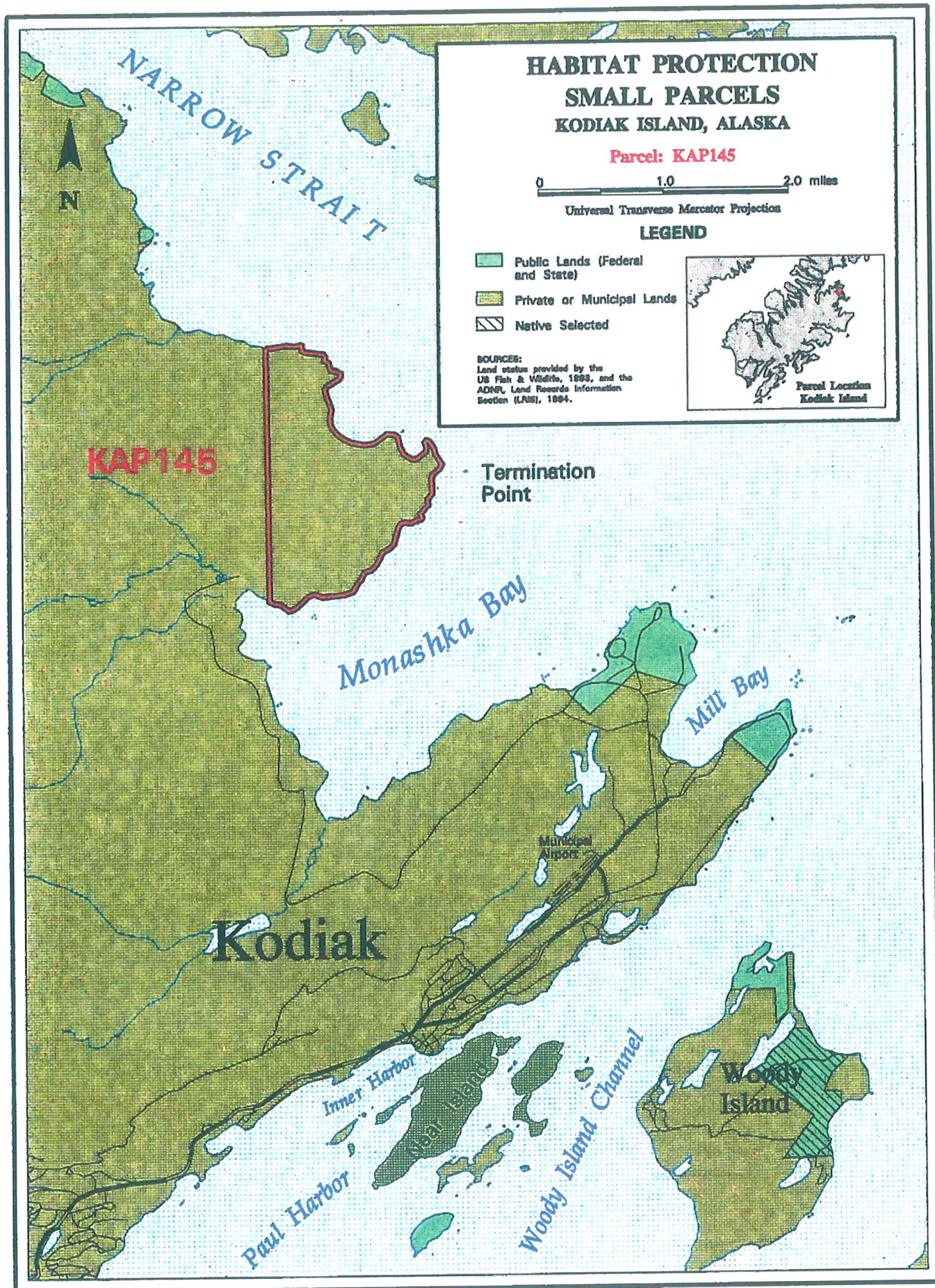
The State would like to move forward with preliminary due diligence efforts including an appraisal of all three parcels. We will require additional funds in order to complete preliminary due diligence efforts on this parcel as outlined below. Following completion of the appraisal process, additional due diligence expenses such as a Phase I environmental assessment will be required should the parties choose to proceed after obtaining the appraisal information.

Task	Estimated Cost
Appraisal	\$20,000
Timber Evaluation (KAP 145) ¹	\$10,000
Appraisal Review	\$10,000
Subtotal (Current Request)	\$40,000
G&A	\$3,600
Total Requested at this time	\$43,600

Attachments:

Map of Termination Point
 Map of American River Project Area
 Map of Olds River Project Area

¹ This timber evaluation is not a full timber cruise, but will consist of an update of previous timber evaluation conducted on the Termination Point parcel.



HABATAT PROTECTION SMALL PARCELS

KODIAK ISLAND, Alaska

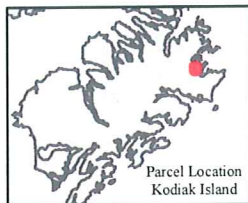
Parcel: KAP3003



Alaskan Albers Equal Area Conic

LEGEND

Private or Municipal Lands



SOURCES:
Land status provided by ADNR
<http://www.asgdc.state.ak.us/>
BLM SDMS
<http://sdms.ak.blm.gov/sdms/fmf.jsp?site=sdms>



Middle Bay

Chiniak Hwy

American River

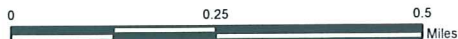
KAP3003

Saltery Cove Rd.

HABATAT PROTECTION SMALL PARCELS

KODIAK ISLAND, Alaska

Parcel: KAP3004



Alaskan Albers Equal Area Conic

LEGEND

Private or Municipal Lands

Trail

SOURCES:
Land status provided by ADNR
<http://www.asgdc.state.ak.us/>
BLM SDMS
<http://sdms.ak.blm.gov/sdms/fmf.jsp?site=sdms>



*Kalsin
Bay*

Chiniak Hwy

Pasagshak Rd.

Olds River

KAP3004