

TALIS J. COLBERG
ATTORNEY GENERAL

CRAIG J. TILLERY
DEPUTY ATTORNEY GENERAL

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Attorneys for the State of Alaska

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

STATE OF ALASKA,

Plaintiff,

v.

EXXON CORPORATION, and EXXON
SHIPPING COMPANY,

Defendants.

No. 3:91-CV-0083 (HRH)

**TWENTY-FOURTH
JOINT NOTICE OF
EXPENDITURES FROM
THE INVESTMENT
FUND**

The State of Alaska and the United States (the "Governments") jointly provide notice of the expenditure of \$334,000.00 from the Habitat Investment Sub-Account of the EXXON VALDEZ Oil Spill Investment Fund ("Investment Fund"). The Governments' natural resource trustee agencies will use these funds for purposes consistent with the

Memorandum of Agreement and Consent Decree entered by this Court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991 ("MOA").

On September 25, 1991 the State of Alaska and the United States settled their claims against the Exxon Corporation, Exxon Shipping Company, Exxon Pipeline Company, and the T/V EXXON VALDEZ arising from the EXXON VALDEZ oil spill. All funds resulting from these settlements were subsequently ordered by this Court to be placed in an interest-bearing account in the Court Registry Investment System ("CRIS") administered through the United States District Court for the Southern District of Texas.

On June 7, 2000 this Court entered its Third Amended Order for Deposit and Transfer of Settlement Proceeds ("Third Amended Order"). The Third Amended Order allows the Governments the option of investing the money in an account outside the United States Treasury. On September 29, 2000, upon application by the Governments, the Court entered an Order Re: Transfer of Funds from the Exxon Valdez Liquidity Account and the Reserve Fund to an Investment Fund Within the Alaska Department of Revenue, Division of Treasury, authorizing transfer of settlement proceeds to an account within the State. On October 5, 2000 all funds and securities were transferred from the CRIS to the Investment Fund. The Third Amended Order further allows the Governments to establish separate sub-accounts within the primary account as the Trustee Council determines appropriate. On October 1, 2002 three sub-accounts were created in the Investment Fund, to wit: the Research Investment Sub-Account, the Habitat Investment Sub-Account, and the Koniag Investment Sub-Account. These sub-accounts were established to carry out the Trustee

Council's decision in its Resolution of March 1, 1999 to separately manage the remaining assets of the Joint Trust Funds for the specific purposes of funding a long term research and monitoring program, the acquisition of lands along the Karluk River and the establishment of a fund to purchase small parcels of land that may become available in the future.

Paragraph 27 of the Third Amended Order provides that "funds in an Investment Fund shall remain on deposit in that Fund until such time as the Exxon Valdez Oil Spill Trustee Council unanimously resolve to expend all or part of the funds." The funds may then be expended, for purposes consistent with the MOA, upon the joint notification of the Governments to the Investment Fund and the Court.¹ The notification is to inform the Court of the proposed uses of the funds in the same manner and to the same extent as was the Governments' practice when the funds were in the registry of the Court.

The Governments provide notice of this twenty-fourth expenditure from the Investment Fund for: necessary natural resource damage assessment and restoration activities during federal fiscal years 2007 and 2008.² The full \$334,000.00 that is the subject of this notice will be provided to the State of Alaska.

¹ A copy of the notice provided to the Investment Fund pursuant to paragraph 27 of the Third Amended Order for Deposit and Transfer of Settlement Proceeds is appended to this Notice as Attachment A, pp. 1 - 2.

² Appended to this Notice at Attachment A, pp. 3-17, are Resolutions 07-04 and 07-05 documenting the Trustee Council's unanimous agreement, at its June 27, 2007 meeting, to provide \$160,000.00 for the acquisition of the Chokwak II small parcel (KAP 3001) on Kodiak Island and \$174,000.00 for the undertaking of due diligence activities in connection with the potential acquisition of lands on northern Afognak Island that are the subject of Trustee Council resolutions dated December 11, 2001 and November 8, 2002.

TWENTY-FOURTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND
3:91-CV-0083 (HRH)

A complete summary of the Council's activities since approval of the settlement was appended to our Second Application, filed January 19, 1993, as Attachment B, and interim updates of activities appeared as Attachments to each of the Governments' Third through Sixth, Eighth through Twelfth, Fifteenth, Nineteenth, Twenty-First, Twenty-Second, Twenty-Fourth through Twenty-Ninth, Thirty-First, and Thirty-Third through Forty-Fifth applications for disbursement, the Fifth through Seventh and Tenth through Fourteenth Joint Notices of Expenditure From Settlement Account Monies Previously Disbursed, and the First, Second, Fourth, and Seventh through the Twenty-Second Joint Notice of Expenditures From Investment Fund. The Trustee Council has met once since the Governments' filing on March 15, 2007 of their Twenty-Third Joint Notice of Expenditures from Investment Fund and from Monies Previously Disbursed. The Governments will submit the meeting notes for that June 27, 2007 meeting once they have been approved. The meeting notes for the Trustee Council's January 10, February 16, and March 9, 2007 meetings are appended to this Notice as Attachment B.

RESPECTFULLY SUBMITTED this 6th day of July, 2007 at Anchorage,
Alaska.

FOR THE STATE OF ALASKA

TALIS J. COLBERG
ATTORNEY GENERAL

By: s/Rita H. Lovett
Assistant Attorney General
State of Alaska
Department of Law
1031 West Fourth Avenue, Suite 200
Anchorage, Alaska 99501-1994
Telephone: (907) 269-5274
Facsimile: (907) 278-7022

TWENTY-FOURTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND
3:91-CV-0083 (HRH)

Email: Rita.Lovett@alaska.gov
Alaska Bar #9911065

FOR THE UNITED STATES OF AMERICA
RONALD J. TENPAS
Acting Assistant Attorney General
Environment & Natural Resources Division

WILLIAM D. BRIGHTON, Asst. Section Chief
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
Washington, D.C. 20530

By: s/Regina R. Belt (consent)
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
801 B Street, Suite 504
Anchorage, Alaska 99501-3657
Telephone: (907) 271-3456
Facsimile: (907) 271-5827
Email: Regina.Belt@usdoj.gov

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 6th day of
July, 2007, a copy of the foregoing TWENTY-FOURTH
JOINT NOTICE OF EXPENDITURES FROM THE
INVESTMENT FUND, together with attachments A
and B thereto were served by U.S. mail, first class,
postage prepaid, on the following:

Regina R. Belt
U.S. Dept. of Justice
801 B Street, Suite 504
Anchorage, AK 99501-3657

James F. Neal
Neal & Harwell
2000 One Nashville Place
150 Forth Avenue North
Nashville TN 37219

TWENTY-FOURTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND
3:91-CV-0083 (HRH)

Douglas J. Serdahely
Patton Boggs LLP
601 W. 5th Avenue, Suite 700
Anchorage, AK 99501

Patrick Lynch
O'Melveny & Meyers
400 South Hope Street
Los Angeles, CA 90071

John F. Clough III
Clough & Associates
PO Box 211187
Auke Bay, AK 99821-1187

s/Rita H. Lovett

Case 3:01-cv-00083-HRH Document 284-2 Filed 07/06/2007 Page 1 of 2

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

SARAH PALIN, GOVERNOR

Environmental

1031 WEST 4th AVENUE, SUITE 200

ANCHORAGE, ALASKA 99501-1994

PHONE: (907) 269-5274

FAX: (907) 278-7022

June 29, 2007

Mr. Gary Bader
Chief Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: Exxon Valdez Oil Spill Investment Fund

Dear Mr. Bader:

The Exxon Valdez Trustee Council has unanimously determined to expend \$334,000.00 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991. The full \$334,000.00 will come from the Habitat Investment Sub-Account. The Habitat Investment Sub-Account is currently held by the State of Alaska in the Exxon Valdez Oil Spill Investment Fund and invested by the Treasury Division, Alaska Department of Revenue. Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amounts from cash held in the Exxon Valdez Oil Spill Investment Fund to the accounts described below:

State of Alaska

Amount: \$334,000.00
State of Alaska
Exxon Valdez Settlement Account
GeFONSI 33070
Account 22177

The transfer should take place when most financially advantageous, but no later than July 11, 2007 or as soon thereafter as possible. If you have any questions, please call Rita Lovett at (907) 269-5274.

08/29/07 15:48 FAX 907 271 5827

DOJ, ENRD

TILLERY, C

0002

08/28/2007 14:25 FAX 2782022

ENVIRONMENTAL

Filed 07/06/2007 Page 2 of 2

0003

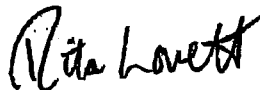
Case 3:91-cv-00083-HRH

Document 20-2

Mr. Gary Bader
Treasury Division, Department of Revenue

Page Two
June 29, 2007

Sincerely,



Rita H. Lovett
Assistant Attorney General
State of Alaska



Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
United States of America

cc: Divina Pelayo, Alaska Department of Fish and Game
Christine O'Sullivan, Alaska Department of Fish and Game
Sue Bump, Alaska Department of Revenue
Bob Mitchell, Alaska Department of Revenue
Barbara Hannah, Exxon Valdez Oil Spill Trustee Council Restoration Office

**RESOLUTION 07-04 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING
CHOKWAK II SMALL PARCEL, KAP 3001**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("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 fiscal year 2007, as described in Attachment A.

This resolution authorizes the distribution of FY 07 funding for the purchase of the above-referenced property totaling \$160,000, to be distributed to the State of Alaska according to the following schedule:

Department of Natural Resources	\$160,000
TOTAL APPROVED FOR DISTRIBUTION	\$160,000

The Council further finds as follows:

1. An appraisal of the parcel completed by the Department of Natural Resources and approved by the Bureau of Indian Affairs of the United States Department of the Interior determined that the fair market value of the parcel is \$160,000;

2. As set forth in Attachment A, Restoration Benefits Report for KAP 3001 and Parcel Map, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres located on the north shore of Killis Bay on the east side of Kodiak Island. The parcel is east of the Chokwak I parcel acquired in 2002, and surrounded by lands the State recently received through a land exchange between the State and Old Harbor Native Corporation. The parcel includes Anadromous Stream #258-20-100 4 0, valuable

riparian and intertidal habitat, as well as access to the adjacent state-owned uplands. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

3. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

4. There has been widespread public support for the acquisition of lands within Alaska as well as on a national basis;

5. The purchase of this parcel is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of this parcel is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds to the State of Alaska, Department of Natural Resources for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 3001 pursuant to the following conditions:

(a) the amount of funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 3001;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by July 15, 2008;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund

established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 3001 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States prior to purchase; and

(f) completion of the following to the satisfaction of the State of Alaska and the United States:

- (i) title search;
- (ii) a determination that the seller is willing and able to convey title in a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States
- (iii) an executed purchase or option agreement and conveyance documents that are ready for execution;
- (iv) hazardous materials survey; and
- (v) statement of compliance with the National Environmental Policy Act.

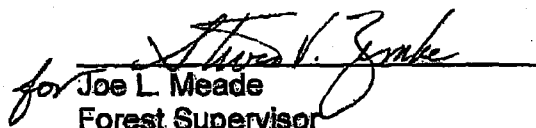
It is the intent of the Trustee Council that the above referenced conservation easement will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to prespill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS, and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services, as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Final Restoration Plan as approved by the Council.

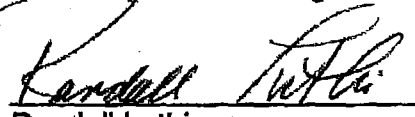
By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska


Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

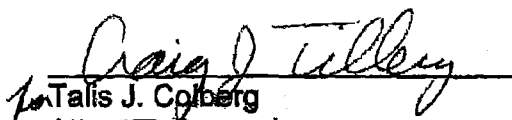
Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

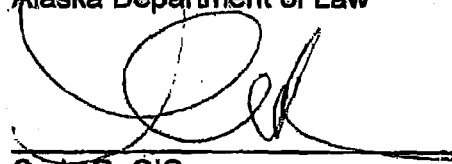
Approved by the Council at its meeting of June 27, 2007, held in Anchorage, Alaska, as affirmed by our signatures affixed below:

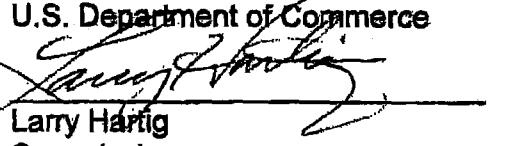

for Joe L. Meade
Forest Supervisor
Forest Service Alaska Region
U. S. Department of Agriculture


Randall Luthi
Deputy Director
U.S. Fish and Wildlife Service
U.S. Department of Interior


Denby Lloyd
Commissioner
Alaska Department of Fish and Game


Talis J. Colberg
Attorney General
Alaska Department of Law


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


Larry Hartig
Commissioner
Alaska Department of Environmental
Conservation

Attachment A – Restoration Benefits Report for KAP 3001 and Parcel Map

KAP 3001, Chokwak II Parcel

Owner:	Heirs of Phillip Chokwak
Location:	Kiliuda Bay, Shearwater Peninsula, Kodiak Island
Legal Description:	U.S. Survey 8981, T33S R23W, Sections 5 and 8, Seward Meridian.
Acreage:	159.97 acres
Agency Sponsor:	DNR
Appraised Fair Market Value:	\$160,000
Total Cost to EVOS:	\$185,000 (estimated)
Cost Breakdown:	\$160,000 fee simple; \$15,000 estimated for title, hazmat, and appraisal review and other tasks as necessary to meet State due diligence requirements.

Background: This 160-acre Native allotment is located on the north shore of Kiliuda Bay on the east side of Kodiak Island. The Chokwak II tract is surrounded by lands the State recently received through a land exchange between the State and the Old Harbor Native Corporation, a component of the larger Old Harbor acquisition package acquired by USFWS. Before undertaking the exchange, the state identified the inholdings on the north shore of Kiliuda Bay as priorities under the small parcel program. The Old Harbor Exchange has been completed. The objectives of the Old Harbor exchange and subsequent acquisition of inholdings were to improve public access to state acquired lands and protect and restore species and associated services injured by the oil spill.

The Chokwak II tract is east of the Chokwak I parcel acquired in 2002 through the EVOS Small Parcel Grant. The owners of the Chokwak II property have listed the parcel for sale after completing BIA requirements. Mr. Chokwak has approached the State on behalf of the heirs many times in the past in hopes of having the State purchase the property.

The following comment received, and response provided, are part of the public record created during the public comment period relative to the Old Harbor Land Exchange:

Comment:

The Alaska Department of Fish and Game (ADF&G) commented that the most used access points in the lands to be acquired by the State were native allotments that would remain in private hands. ADF&G requested that efforts be undertaken to acquire these in holdings.

Response to the comment:

Owners of two of the allotments have already approached the state to sell their allotments. The allotments could be purchased using funds from the Exxon Valdez oil spill Trustee Council or other sources. The State would like to acquire the other native allotments if they become available.

Physical Description: The Chokwak property is located in Kiliuda Bay just north of Old Harbor. The bay has notable wilderness qualities and the parcel is in its natural condition absent permanent buildings or continuous human habitation. Anadromous Stream #258-20-100 4 0 flows through the parcel to a rich intertidal, providing valuable riparian and intertidal habitat as well as important access to the adjacent state owned uplands.

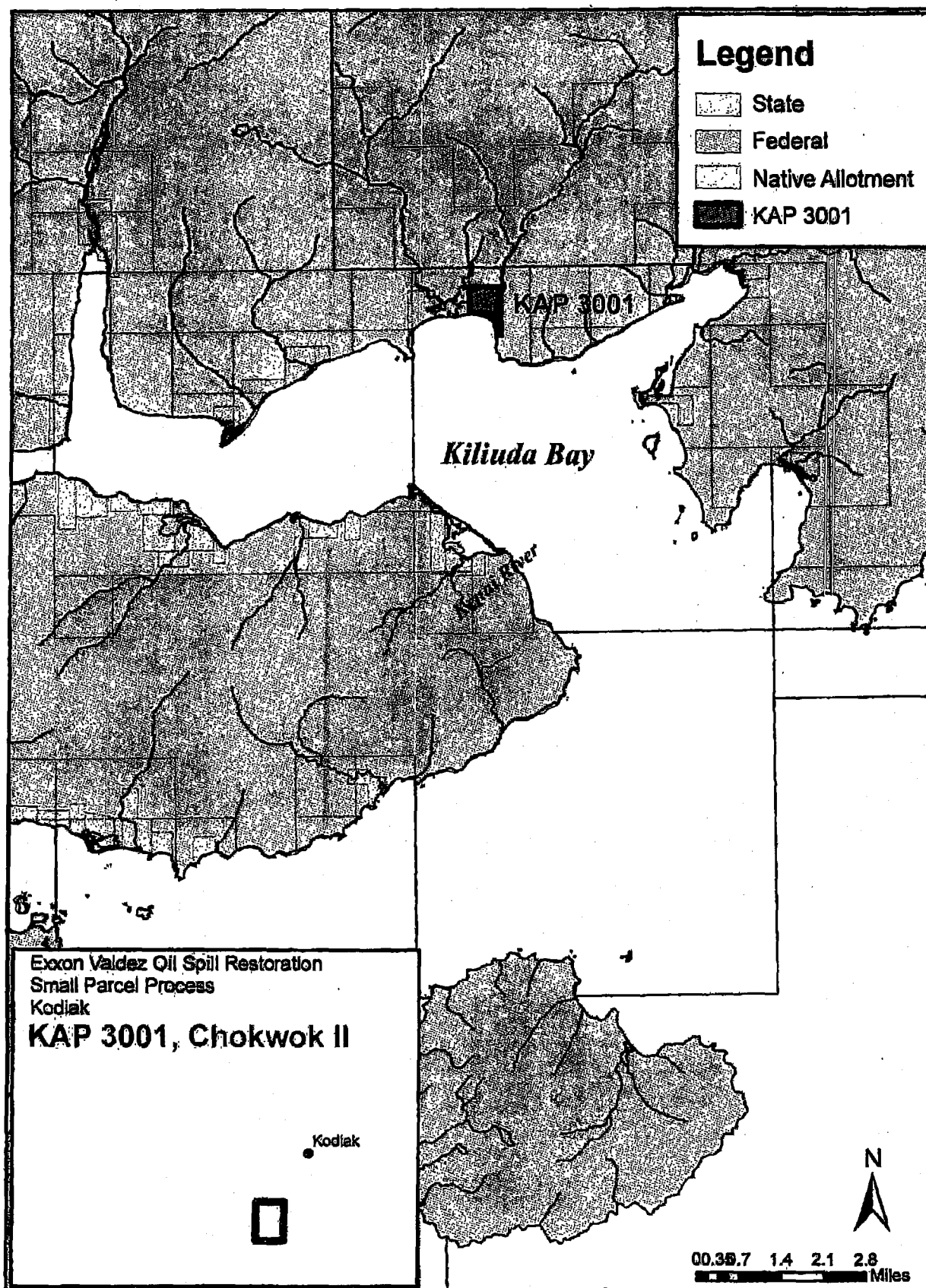
Linkage to Restoration: The property has particular habitat value to injured species and services including bald eagles, harlequin ducks, pink salmon, Sockeye salmon and Dolly Varden, as well as herring that spawn in Kiliuda Bay. Marine bird nesting colonies of cormorants and pigeon guillemots are found in Kiliuda Bay and likely utilize this area for feeding. The parcel is an important access point for sport hunting, sport fishing, camping and bear viewing. This area is also important for subsistence use by residents of Old Harbor. The wildlife and habitat values of the Chokwak parcel support subsistence, recreation, sport fishing, passive use, and wilderness services impacted by the Exxon Valdez Oil Spill.

Proposed Management: Acquisition of this parcel will enhance access to state lands acquired through the Old Harbor Exchange and enhance the protection of important intertidal and riparian habitat in this area. This parcel should it be acquired, will be managed consistent with the management of the lands acquired by the State through the Old Harbor Exchange and the Chokwak I small parcel previously acquired.

Attachments:

Parcel Map, KAP 3001

Map of the Old Harbor Land Exchange

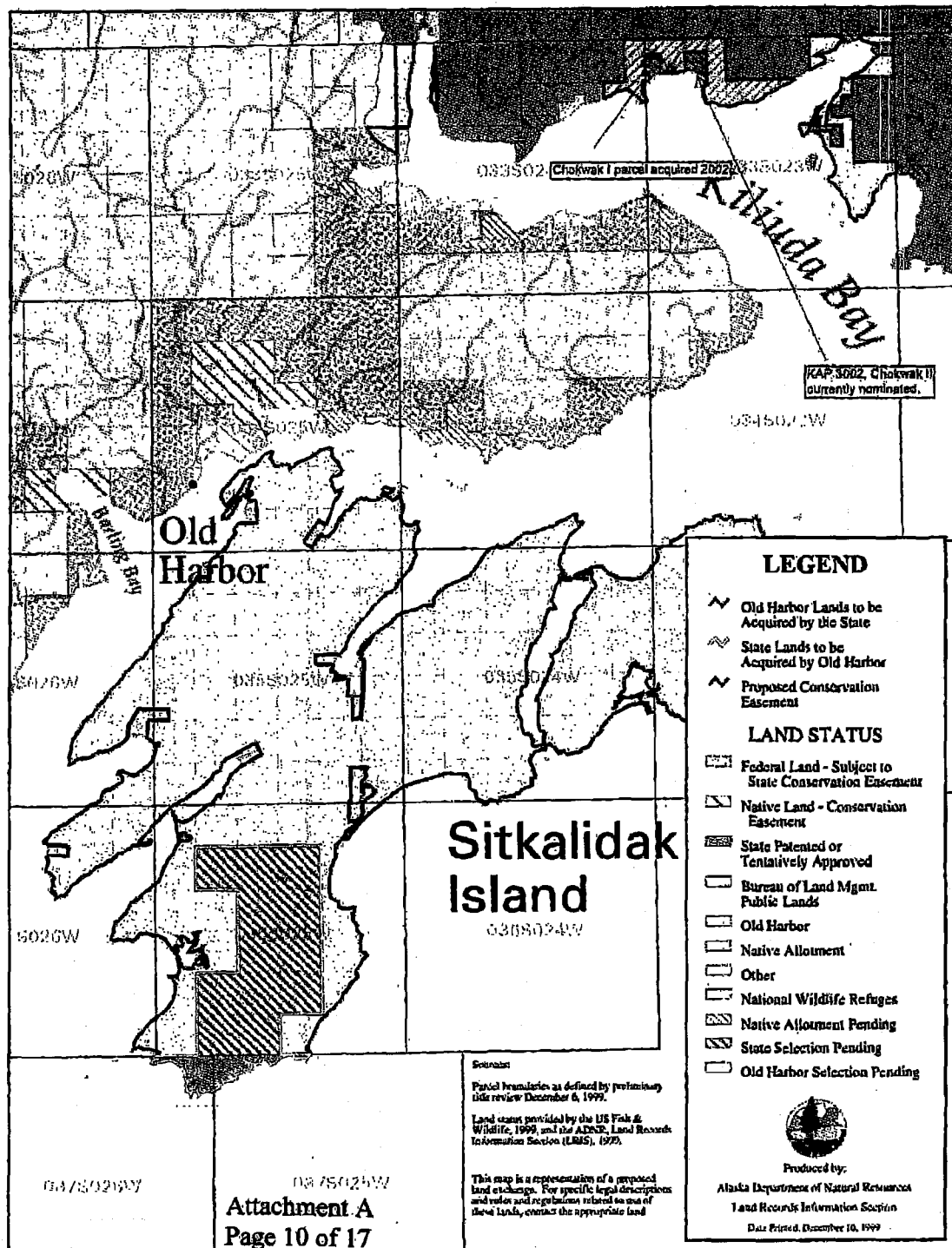


EVOS TRUSTEE COUNCIL OLD HARBOR EXCHANGE

Scale 1:150,000



Albers Equal-Area Projection



**RESOLUTION 07-05 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING NORTHERN AFOGNAK HABITAT PROTECTION**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill 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 fiscal year 2007, as described in Attachment A.

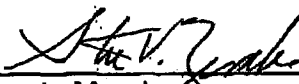
This resolution authorizes the distribution of \$174,000 of FY 07 funding for due diligence expenses in support of Northern Afognak Habitat Protection Efforts, as described in Attachment A, to be distributed according to the following schedule:

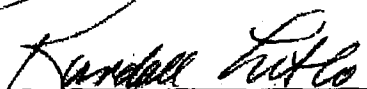
Department of Natural Resources	\$174,000
TOTAL APPROVED FOR DISTRIBUTION	\$174,000

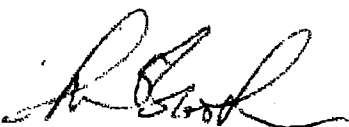
Of the \$174,000 approved for distribution, \$160,000 is directed to the Rocky Mountain Elk Foundation specifically for due diligence requirements consistent with State and Trustee Council requirements. Authorization of the approved funding shall run from July 1, 2007 to September 30, 2008.

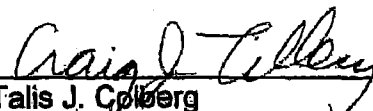
By unanimous consent, we hereby request the Alaska Department of Law and the Assistant Attorney General of the Environmental and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary to make funds available in the amount of \$174,000 from the appropriate account as designated by the Executive Director.


Approved by the Council at its meeting of June 27, 2007, held in Anchorage, Alaska, as affirmed by our signatures affixed below:

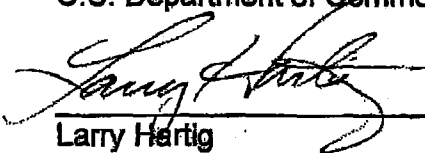

for Joe L. Meade
Forest Supervisor
Forest Service Alaska Region
U. S. Department of Agriculture


Randall Luthi
Deputy Director
U.S. Fish and Wildlife Service
U.S. Department of Interior


Denby S. Lloyd
Commissioner
Alaska Department of Fish and Game


for Talis J. Colberg
Attorney General
Alaska Department of Law


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


Larry Hartig
Commissioner
Alaska Department of Environmental
Conservation

Attachment A – Northern Afognak Habitat Protection Efforts; Northern Afognak, Perenosa Bay, Estimate of Due Diligence Costs; Parcel Maps

DRAFT**Northern Afognak Habitat Protection Efforts**

Goal: Further Trustee Council restoration objectives for Northern Afognak Island by protecting lands previously identified as being of high restoration value for resources and services injured by the Exxon Valdez Oil Spill consistent with Trustee Council Resolutions of December 11, 2001 and November 8, 2002.

Benefits:

- Protection of habitat for injured resources: pink salmon, Dolly Varden, Pacific herring, bald eagles, black oystercatchers, harbor seals, harlequin ducks, marbled murrelets, pigeon guillemots, river otters, and sea otters.
- Protection of habitat benefiting additional species such as bear, deer, and elk.
- Protection of contiguous tracts of land provides further protection of wildlife movement corridors, consistency in land management strategies, and facilitates public recreational use in concert with protection of injured species and supporting habitats.
- Protection of documented anadromous streams supporting populations of pink salmon, coho salmon, sockeye salmon, rainbow trout and steelhead which have significant importance to commercial fishing, subsistence fishing, sportfishing, guiding, as well as bears, eagles, and marine mammals.
- Minimizing disturbance to nearshore habitats where Pacific herring spawn and feed.
- Six species of birds injured by the Exxon Valdez oil spill – marbled murrelet, pigeon guillemot, black oystercatcher, harlequin duck, bald eagle and common murre – use northern Afognak and the protected offshore waters for all or parts of the lifecycles.
- Maintaining water quality and riparian habitat for anadromous fish, river otters and harlequin ducks, maintaining nesting opportunities for bald eagles, marbled murrelets, and pigeon guillemots, minimizing disturbance to nearshore and intertidal habitat used by a variety of species and maintaining opportunities for recreational use by Alaskans and tourists alike.¹
- Protection of the northern tier of Afognak provides for uninterrupted public access, minimizing the potential for trespass and facilitating consistent management of human use of the area.
- Protection of cultural resources including nine identified sites on Portage River.

Background

In 1993 the Trustee Council purchased the Seal Bay and Tonki Cape parcels, totaling 41,549 acres on the eastern side of Northern Afognak. In 1994, the Alaska Legislature designated these lands as Afognak Island State Park. In November 1998, AJV transferred to the state and federal governments surface title to approximately 41,376 acres located to the west of the Seal Bay and Tonki Cape transactions. There remains however, significant acreage separating the acquisitions. In 2005, the Conservation Partners purchased 2,185 acres in this area as well as the remaining timber rights on 2,258 acres of the original Afognak Joint Venture acquisition using grant funds and private donations.

Access from the eastern side of northern Afognak Island to the western side of northern Afognak Island is not possible without trespass, securing a permit, or using a boat. The lands surrounding Perenosa Bay are owned by a variety of Native corporations and include lands conveyed to the Native Corporations under ANCSA and ANILCA. ANCSA lands do not provide for public access. Natives of

¹ Trustee Council Resolution 02-02, December 12, 2001.

DRAFT

Kodiak own lands located just to the south of the areas previously considered for acquisition by EVOS. The lands (approximately three and a half sections) surround Portage Lake and the stream leading into the lake and, in conjunction with a trail easement would secure public access from Afognak Island State Park on the east to the western portion of Afognak Island. In addition, Shuyak Natives, Inc. and Uganik Natives, Inc. are interested in selling their lands located adjacent to previously acquired EVOS parcels and the recently acquired Little Waterfall parcel.

The American Land Conservancy (ALC) and Rocky Mountain Elk Foundation (RMEF), representing the conservation partners, have consulted with state and federal land managers and habitat professionals to identify agency priorities and secure guidance in the development the conservation partners' overall strategy on Northern Afognak and this proposal. The current proposal includes a combination of six parcels owned by three Native corporations in the Perenosa Bay area. All parcels are proposed for fee simple acquisition, with an additional area included for a proposed trail easement to ensure connectivity.

Landowner	Parcel Name	Acres	Status	Mgr.
Natives of Kodiak, Inc.	Portage Drainage	2,240	ANCSA	ADNR
Natives of Kodiak, Inc.	Trail easement	~300	ANCSA	ADNR
Shuyak Natives, Inc.	Little Waterfall Lake (2A)*	1,678	ANILCA	ADNR
Shuyak Natives, Inc.	Delphin Pt (2B)*	439	ANILCA	ADNR
Uganik Natives, Inc.	Big Waterfall Lake (3A)*	1,606	ANILCA	ADNR
Uganik Natives, Inc.	Delphin Pt (3B)*	147	ANILCA	ADNR

*Parcel identifiers on attached map.

In addition, the partners in consultation with the State and USFWS, are considering the purchase of approximately 2,000 acres in the Thorsheim drainage located on the south side of Paramanoff Bay from Uyak Native Corporation using a mix of EVOS criminal funds and possibly civil funds. USWS would be the logical land manager for this effort. All the lands targeted for acquisition have been discussed with the Alaska Department of Natural Resources and US Fish and Wildlife Service. The Native corporation landowners above have signed option agreements or letters of intent with the Conservation Partners.

The Conservation Partners have successfully brought additional funds to the table and recently purchased 2,200 acres in fee in the Perenosa Bay area and 2,258 acres of timber rights in a previously acquired EVOS parcel using a combination of grant funds and private sector donations. The Conservation Partners have secured additional grant funds to continue their efforts in this area working with State, federal and native landowners.

The Conservation Partners were recently awarded, through the Department of Natural Resources, two additional National Coastal Wetlands grants totaling \$1,805,000 based upon an evaluation of the Portage Lake area. The partners will be utilizing private sector donations, donated timber rights in the Paul's and Laura Lake area, and two smaller Coastal grants to leverage Trustee Council funding.

Funding Summary:**National Coastal Wetlands Grants**

Phase I *\$1,000,000*
Phase II *\$1,000,000*
Phase III **\$ 888,000**
Phase IV **\$ 917,000**

Small USFWS Coastal Grants

Phase III **\$25,000**
Phase IV **\$25,000**

Private Sector Donations/Matching funds: *Phase I and II = \$2,500,000*

Purchase or Targeted Area:

Little Waterfall and Timber Rights
Little Waterfall and Timber Rights
Portage Lake, Perenosa Bay
Portage Lake, Perenosa Bay

NOTE: *Italicized text indicates funds already secured and expended on Phase I and II for acquisition of the Waterfall parcel and retained timber rights. BOLD text indicates grant funds awarded and available.*

6/18/07

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The Conservation Partners include The American Land Conservancy, The Rocky Mountain Elk Foundation, The Kodiak Brown Bear Trust, The Paul Allen Foundation, National Fish and Wildlife Foundation, Thorsen Foundation, Vital Ground Foundation and Johnny Morris Creel Foundation.

Phase III and IV Potential Funding

The conservation partners are pursuing a variety of funding sources to complete the purchase of the identified parcels. The Perenosa Bay proposal was submitted to the Forest Legacy Program for consideration in the FFY 2008 competition. The proposal, identified as a high priority for the State, ranked 25th at the national competition. Funding is dependent on the amount allocated to the Forest Legacy Program in the Federal budget. Remaining oil spill dollars, congressionally appropriated funds, additional government grants such as Forest Legacy and National Coastal Wetlands, and private donations are being sought to complete the purchases, the cost of which could exceed \$12,000,000.

Current Status

The Conservation Partners working in conjunction with the Department of Natural Resources and the US Fish and Wildlife Service, through the National Coastal Wetlands Grant program, have partnered successfully on two previous National Coastal Wetlands grants and are building on the State/Federal/Private working relationships previously established.

The Partners are moving forward with due diligence requirements in order to take advantage of the summer field season. RMEF/ALC have negotiated with the landowners to identify an appraisal process consistent with federal grant requirements and EVOS requirements. RMEF/ALC are contracting with appraisers and other experts to address State and Federal due diligence requirements.

Request:

Based upon the information presented above and the fact that Rocky Mountain Elk Foundation and American Land Conservancy have initiated negotiations with the landowners and begun due diligence efforts in support of this project, the partners are requesting that the EVOS Trustee Council consider authorizing \$174,400 as a contribution toward due diligence expenses related to Trustee Council interests on Northern Afognak to be distributed to The Department of Natural Resources with \$160,000 of that amount directed to The Rocky Mountain Elk Foundation specifically for due diligence requirements consistent with State and Trustee Council requirements with the authorization of these funds to run from July 1, 2007 to September 30, 2008.

Budget:

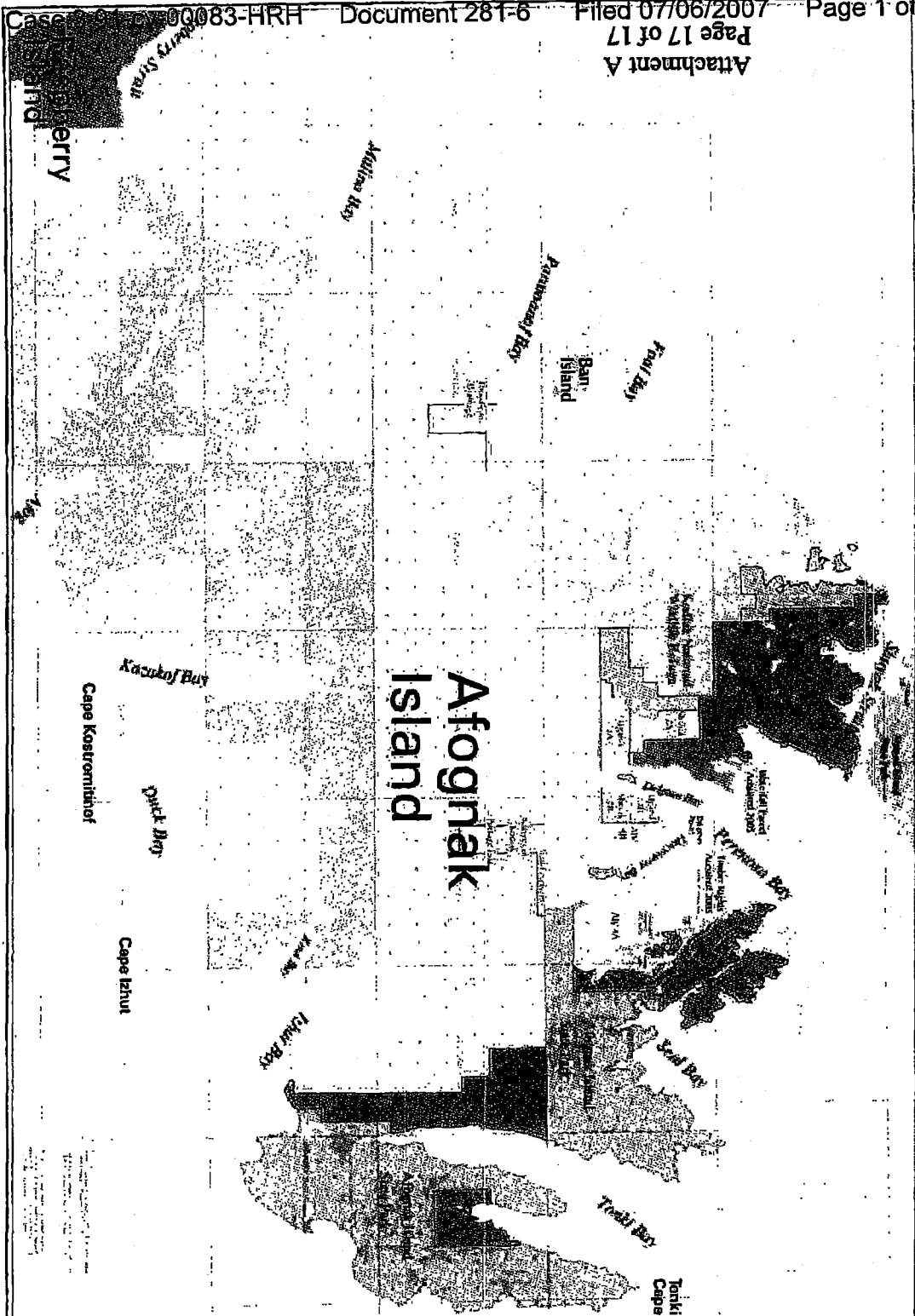
Contractual	\$160,000
G&A	\$ 14,400
Total	\$174,400

Attachments: Map of Project Area
Estimated Project Budget

**Northern Afognak, Perenosa Bay
Estimate of Due Dillgence Costs**

Initial Costs	Cash	In kind Costs	
Appraisal	\$52,000		
Timber Appraisal	\$125,000		
Appraisal Review	\$10,000		
Timber Review	\$15,000		
Hazmat Assessment	\$15,000		
Surveys (two potential areas)	\$3,500		
Subsurface Assessment	\$2,000		
Partners Expenses: Legal, negotiation and contract support		\$100,000	
Intermediate Costs			
State Expenses	\$25,000	\$25,000	
		\$2,000	
Final Costs			
Title Insurance estimate, actuals tied to parcel cost	\$26,000		
Parcel cost based upon appraisal	TBD		
	\$273,500	\$127,000	\$400,500
Direct Expenses			
Initial Due Dillgence, June 2007	\$222,500		
Request from EVOS			
Initial Due Dillgence, June 2007	\$160,000		
Potential Future Requests			
October 1- Sept 30 2008	\$25,000		
Title Insurance/Escrow	\$26,000		
	\$211,000	\$50,000.00	\$261,000

Budget Category:	FY07-08	FY 08
Personnel	\$0.0	\$0.0
Travel	\$0.0	\$0.0
Contractual	\$160.0	\$51.0
Commodities	\$0.0	\$0.0
Equipment	\$0.0	\$0.0
Subtotal	\$160.0	\$51.0
General Administration	\$14.4	\$4.6
Project Total	\$174.4	\$55.6



**EVOS TRUSTEE COUNCIL
DANIELA PROUTIER'S PROJECT
AFGHAN ISLAND ACQUISITION
HONG KONG, 1970-1971**

Activity 1

- [illegible]

Lead Stories

- | Category | Item | Value |
|-----------------------------|-----------------------------|-----------------------------|
| 1. General | 1. General | 1. General |
| 2. Specific | 2. Specific | 2. Specific |
| 3. Other | 3. Other | 3. Other |
| 4. Total | 4. Total | 4. Total |
| 5. Average | 5. Average | 5. Average |
| 6. Standard Deviation | 6. Standard Deviation | 6. Standard Deviation |
| 7. Coefficient of Variation | 7. Coefficient of Variation | 7. Coefficient of Variation |
| 8. Correlation Coefficient | 8. Correlation Coefficient | 8. Correlation Coefficient |
| 9. Regression Line | 9. Regression Line | 9. Regression Line |
| 10. Residuals | 10. Residuals | 10. Residuals |
| 11. Sum of Squares | 11. Sum of Squares | 11. Sum of Squares |
| 12. Mean Square | 12. Mean Square | 12. Mean Square |
| 13. F-Statistic | 13. F-Statistic | 13. F-Statistic |
| 14. P-Value | 14. P-Value | 14. P-Value |
| 15. Confidence Interval | 15. Confidence Interval | 15. Confidence Interval |
| 16. Hypothesis Test | 16. Hypothesis Test | 16. Hypothesis Test |
| 17. Type I Error | 17. Type I Error | 17. Type I Error |
| 18. Type II Error | 18. Type II Error | 18. Type II Error |
| 19. Power | 19. Power | 19. Power |
| 20. Significance Level | 20. Significance Level | 20. Significance Level |
| 21. Null Hypothesis | 21. Null Hypothesis | 21. Null Hypothesis |
| 22. Alternative Hypothesis | 22. Alternative Hypothesis | 22. Alternative Hypothesis |
| 23. Test Statistic | 23. Test Statistic | 23. Test Statistic |
| 24. Critical Value | 24. Critical Value | 24. Critical Value |
| 25. Decision Rule | 25. Decision Rule | 25. Decision Rule |
| 26. Conclusion | 26. Conclusion | 26. Conclusion |
| 27. Summary | 27. Summary | 27. Summary |
| 28. Appendix | 28. Appendix | 28. Appendix |
| 29. Bibliography | 29. Bibliography | 29. Bibliography |
| 30. Index | 30. Index | 30. Index |

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Exxon Valdez Oil Spill Trustee Council

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TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

January 10, 2007

Chaired by: Joe Meade
Trustee Council Member

Trustee Council Members Present:

• Joe Meade, USFS
Hans Neidig, DOI
Craig O'Connor, NMFS *

Talis Colberg, ADOL
Denby Lloyd, ADF&G
Dan Easton, ADEC **

- Chair
- * Craig O'Connor alternate for James Balsiger
- ** Dan Easton alternate for Mike Maher

The teleconferenced meeting convened at 10:05 a.m., January 10, 2006 in Anchorage at the EVOS Conference Room.

1. Approval of the Agenda

APPROVED MOTION: Motion to approve agenda.

Motion by Neidig, second by O'Connor

2. Approval of November 14, 2006 Trustee Council meeting notes

APPROVED MOTION: Motion to approve the November 14, 2006 meeting notes, changing "deficiencies" to "efficiencies" on page 4 regarding the Youth Area Watch Programs.

Motion by O'Connor, second by Neidig

Federal Trustees
U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees
Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

3. Approval of December 13, 2006 Trustee Council meeting notes

APPROVED MOTION: Motion to approve the December 13, 2006 meeting notes.

Motion by O'Connor, second by Neidig

Public Advisory Committee (PAC) comments were offered by: RJ Kopchak, Vern McCorkle, and Ed Zeine.

Public comment period began at 10:15 a.m.

No public comment was received.

Public comment closed at 10:15 a.m.

4. FY 07 Final Work Plan

APPROVED MOTION: The Trustee Council approves funding in the amount of \$3,794,162 for the projects approved at the November 14, 2006 Trustee Council meeting. This authorized amount includes the project budget increases due to formula corrections, 9 percent TC Agency G&A adjustments, or omitted project budget items for PJ 070819, PJ 070810, PJ 070834, PJ 070751, and PJ 070829; as well as the project budget decreases for PJ 070210 and PJ 070610.

Motion by O'Connor, second by Neidig

5. Project 070100 Project Management Funds

APPROVED MOTION: The Trustee Council approves an additional \$19,500 in PJ 070100 Project Management funding for projects previously approved as contingent on November 14, 2006. FY 07 Work Plan projects 070210, 070610, 070759 and 070810 have now complied with required deliverables and project management funds are authorized.

Case 3:91-cv-00083-HRH Document 281-7 Filed 07/06/2007 Page 3 of 8

Motion by O'Connor, second by Lloyd

6. Executive Session

APPROVED MOTION:

Motion to move into executive session to discuss legal matters and personnel issues.

Motion by O'Connor, second by Neidig

Off the record: 10:35 a.m.

On the record: 11:08 a.m.

Meeting adjourned at 11:08 a.m.

The Trustee Council returned from Executive Session, no action was taken other than to adjourn.

APPROVED MOTION:

Motion to adjourn O'Connor, second by Lloyd

Exxon Valdez Oil Spill Trustee Council

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TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

February 16, 2007

Chaired by: Talis Colberg
Trustee Council Member

Trustee Council Members Present:

Steve Zemke, USFS **
Hans Neidig, DOI
Craig O'Connor, NMFS *

•Talis Colberg, ADOL
Denby S. Lloyd, ADF&G
Larry Hartig, ADEC

- Chair
- * Craig O'Connor alternate for James Balsiger
- ** Steve Zemke alternate for Joe Meade

The teleconferenced meeting convened at 9:04 a.m., February 16, 2007 in Anchorage at the EVOS Conference Room.

1. Approval of the Agenda

APPROVED MOTION: Motion to approve agenda.

Motion by Hartig, second by O'Connor

Public Advisory Committee (PAC) comments were offered by: Stacy Studebaker

Public comment period began at 9:20 a.m.

Six public comments were received.

Public comment closed at 9:50 a.m.

2. FY 07 Final Work Plan

APPROVED MOTION: Motion to approve funding 070801 - Michel

Motion by O'Connor, second by Hartig

APPROVED MOTION: Motion not to approve funding 070708 - Irvine

Motion by O'Connor, second by Hartig

APPROVED MOTION: Motion not to approve funding 070824 - Patrick-Riley

Motion by Zemke, second by O'Connor

APPROVED MOTION: Motion to disapprove 070828 - Brown-Schwalenberg

Motion by O'Connor, second by Neidig

APPROVED MOTION: Motion to table 070800 - Joyce proposal until meeting after next

Motion by Hartig, second by O'Connor

Off the record: 10:35 a.m.

On the record: 10:50 a.m.

3. Executive Session

APPROVED MOTION: Motion to move into executive session to discuss personnel and legal issues.

Motion by O'Connor, second by Zemke

Off the record: 11:05 a.m.

On the record: 11:50 a.m.

Meeting adjourned at 11:50 a.m.

The Trustee Council returned from Executive Session, no action was taken other than to adjourn.

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APPROVED MOTION: Motion to adjourn Neidig, second by O'Connor

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TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

March 9, 2007

Chaired by: Craig O'Connor

Trustee Council Member

Trustee Council Members Present:

Steve Zemke, USFS **

Hans Neidig, DOI***

• Craig O'Connor, NMFS *

Talis Colberg, ADOL

Denby S. Lloyd, ADF&G

Larry Hartig, ADEC

• Chair

*** Craig O'Connor alternate for James Balsiger**

**** Steve Zemke alternate for Joe Meade**

***** Hans Neidig was present beginning at 11:05 a.m.**

The teleconferenced meeting convened at 10:36 a.m., March 9, 2007 in Anchorage at the EVOS Conference Room.

1. Approval of the Agenda

Agenda approved as revised deferring Degernes project 070752, Mineral Creek Restoration, Enhancement, and Education until a later Trustee Council meeting.

Public Advisory Committee (PAC) comments were offered by: Stacy Studebaker

Public comment period began at 10:50 a.m.

No public comments were received.

Public comment closed at 10:50 a.m.

Case 3:91-cv-00083-HRH Document 281-7 Filed 07/06/2007 Page 8 of 8

Off the record: 10:55 a.m.

On the record: 11:05 a.m.

3. FY 07 Draft Work Plan preprosals

APPROVED MOTION:

Motion to approve Boufadel project 070836, Factors Limiting the Degradation Rate of *Exxon Valdez* Oil in Prince William Sound Beaches as presented including project management funds of \$4,900

Motion by Hartig, second by Neidig

APPROVED MOTION:

Motion to approve Irons project 070853, Pigeon Guillemot Restoration Research in Prince William Sound in full including project management funds of \$4,900

Motion by Neidig, second by Zemke

FAILED MOTION:

Motion to approve Konar project 070854, Recovery of Shallow Subtidal Communities 18 Years After the *Exxon Valdez* Oil Spill

Motion by Hartig, second by O'Connor

APPROVED MOTION:

Motion to approve project management funds of \$4,900 needed for Michel project 070801, Assessment of Lingering Oil in Prince William Sound and Gulf of Alaska

Motion by Colberg, second by Lloyd

Meeting adjourned at 12:25 p.m.

APPROVED MOTION:

Motion to adjourn. Neidig, second by Colberg