

5/4/2004

22,145.90 out of USFWS Habitat Fund

THOMAS L. SANSONETTI
Assistant Attorney General
WILLIAM D. BRIGHTON
Assistant Section Chief
Environmental Enforcement Section
Environment & Natural Resources Division
United States Department of Justice
Washington, D.C. 20530

2004 MAY - 9 PM 4:10

DWR - Habitat Support - 10,355

Knowl/Hompson } 157,152.40
Ken 106,1103 }
TEN-TCP

2004/WP } 315,605. -
def pro }

483,112.40

REGINA R. BELT
Environmental Enforcement Section
Environment & Natural Resources Division
United States Department of Justice
801 B Street, Suite 504
Anchorage, Alaska 99501-3657
Telephone: (907) 271-3456
Facsimile: (907) 271-5827

ATTORNEYS FOR THE UNITED STATES

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

UNITED STATES OF AMERICA,

Plaintiff,

v.

EXXON CORPORATION, EXXON SHIPPING
COMPANY, and EXXON PIPELINE COMPANY,
et al., in personam, and the T/V
EXXON VALDEZ, in rem,

Defendants.

No. A91-082 Civil (HRH)

NOTICE OF FILING
AMENDED NINTH JOINT
NOTICE OF EXPENDITURE
FROM THE INVESTMENT FUND

In the Ninth Joint Notice of Expenditure From the Investment Fund ("Ninth Joint Notice") recently filed in this case, Clerk's Docket No. 297, and in *State of Alaska v. Exxon Corporation*, No. A91-083 CV, Clerk's Docket No. 257, the United States and the State of Alaska advised the Court of their intention to expend \$213,111.59 from the EXXON VALDEZ Oil Spill Investment Fund

NOTICE OF FILING AMENDED NINTH
JOINT NOTICE OF EXPENDITURE
FROM THE INVESTMENT FUND

("Investment Fund"), \$266,105.00 from the State of Alaska's General Funds and Other Non-Segregated Investments Account ("GeFONSI Account"), and \$49,500.00 from the Natural Resources Damages and Restoration Fund managed by the Department of the Interior ("NRDA-R Fund").

After the filing of the Ninth Joint Notice, counsel for the United States and the State of Alaska ("the Governments") learned that a lesser amount than that which appeared in the Ninth Joint Notice was needed from the Investment Fund to carry out the terms of Resolution 04-03 of the Trustee Council, which appeared as Attachment A, pp. 7-8 to the Ninth Joint Notice. That resolution authorized the reimbursement to The Nature Conservancy and The Conservation Fund of monies those organizations had expended in furtherance of the acquisition of several small parcels. After the Ninth Joint Notice was filed, Trustee Council staff learned that monies provided to the Department of the Interior as a result of the small parcel grant program established in 2001 could be used toward the reimbursement authorized under Resolution 04-03. Accordingly, the amount needed from the Investment Fund for this purpose is \$45,604.19 less than anticipated. In addition, the amounts to be provided to the individual Governments were erroneous. Both of these errors and the figures in the Ninth Joint Notice affected by them have been corrected in the Amended Ninth Joint Notice Of Expenditure From The Investment Fund.

The amounts the Governments intend to use from the GeFONSI Account and the NRDA-R Fund for the purposes identified in the Ninth Joint Notice remain the same.

There have been no additional Trustee Council meetings since the original Ninth Joint Notice was filed on April 15, 2004.

RESPECTFULLY SUBMITTED this 4th day of May, 2004 at Anchorage, Alaska.

Regina R. Belt
REGINA R. BELT

ATTORNEY FOR THE UNITED STATES

DATED: 5/4/04

GREGG D. RENKES
Attorney General
State of Alaska

By:

Craig Tillery
CRAIG J. TILLERY
Assistant Attorney General
1031 West Fourth Avenue Ste. 200
Anchorage, Alaska 99501-1994
Telephone: (907) 269-5274

ATTORNEYS FOR THE STATE OF ALASKA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 4th day of May, 2004 a copy of the foregoing NOTICE OF FILING AMENDED NINTH JOINT NOTICE OF EXPENDITURE FROM THE INVESTMENT FUND was served by United States mail, first class, postage paid, to the following: Craig Tillery, Maria Lisowski, James F. Neal, Esq., Craig O'Connor, Douglas J. Serdahely, Esq., Barry Roth, John F. Clough III, Esq., and Patrick Lynch, Esq.

Lorraine A. Carter
Lorraine A. Carter

NOTICE OF FILING AMENDED NINTH
JOINT NOTICE OF EXPENDITURE
FROM THE INVESTMENT FUND

THOMAS L. SANSONETTI
Assistant Attorney General
WILLIAM D. BRIGHTON
Assistant Section Chief
Environmental Enforcement Section
Environment & Natural Resources Division
United States Department of Justice
Washington, D.C. 20530

REGINA R. BELT
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Telephone: (907) 271-3456
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ATTORNEYS FOR THE UNITED STATES

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

UNITED STATES OF AMERICA,

Plaintiff,

v.

EXXON CORPORATION, EXXON SHIPPING
COMPANY, and EXXON PIPELINE COMPANY,
et al., in personam, and the T/V
EXXON VALDEZ, in rem,

Defendants..

No. A91-082 Civil (HRH)

AMENDED NINTH JOINT
NOTICE OF EXPENDITURE
FROM THE INVESTMENT FUND

The United States and the State of Alaska ("the Governments") jointly provide notice of the expenditure of \$167,507.40 from the EXXON VALDEZ Oil Spill Investment Fund ("Investment Fund"), \$266,105.00 from the State of Alaska's General Funds and Other Non-Segregated Investments Account ("GeFONSI Account"), and \$49,500.00 from the Natural Resources Damages and Restoration Fund

managed by the Department of the Interior ("NRDA-R 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.

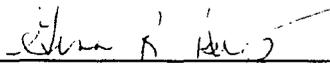
The Governments provide notice of this ninth expenditure from the Investment Fund and the NRDA-R Fund for necessary natural resource damage assessment and restoration activities during

^{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.

federal fiscal year 2004.^{2/} Of the \$483,112.40 that is the subject of this notice, \$206,652.40 will be provided to the United States and \$276,460.00 will be provided to the State of Alaska.

A complete summary of the Trustee 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 the Fourteenth Joint Notices of Expenditure From Settlement Account Monies Previously Disbursed, and the First, Second, Fourth, Seventh and Eighth Joint Notices of Expenditures from Investment Fund. The Trustee Council has met twice since the last summary was provided to the Court. Appended to this Notice at Attachment B are the meeting notes for those two meetings.

RESPECTFULLY SUBMITTED this 4th day of May, 2004 at Anchorage, Alaska.


REGINA R. BELT

ATTORNEY FOR THE UNITED STATES

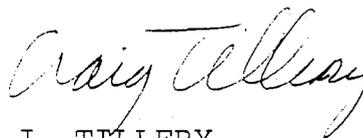
^{2/} The resolutions of the Trustee Council documenting its unanimous agreement to expend \$49,500.00 from the NRDA-R Fund, \$266,105.00 from the GeFONSI Account, and \$167,507.40 from the Habitat Investment Sub-Account of the Investment Fund are appended to this Notice at Attachment A, pp. 3-44.

DATED:

5/4/04

GREGG D. RENKES
Attorney General
State of Alaska

By:



CRAIG J. TILLERY
Assistant Attorney General
1031 West Fourth Avenue Ste. 200
Anchorage, Alaska 99501-1994
Telephone: (907) 269-5274

ATTORNEYS FOR THE STATE OF ALASKA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 4th day of May, 2004 a copy of the foregoing CORRECTED NINTH JOINT NOTICE OF EXPENDITURE FROM THE INVESTMENT FUND was served by United States mail, first class, postage paid, to the following: Craig Tillery, Maria Lisowski, James F. Neal, Esq., Craig O'Connor, Douglas J. Serdahely, Esq., Barry Roth, John F. Clough III, Esq., and Patrick Lynch, Esq.


Lorraine A. Carter

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

MEMORANDUM



To: Craig Tillery, Alaska Department of Law
Regina Belt, U.S. Department of Justice

From: Paula Banks *Paula Banks*
Administrative Manager

Date: April 27, 2004

Re: Court Notice Errata: 9th Joint Notice from the EVOS Investment Fund

The purpose of this memorandum is to request that the Alaska Department of Law and the United States Department of Justice notify the United States District Court to initiate an Errata to the 9th Joint Notice of Expenditures from the Investment fund that was filed on April 15, 2004. The following summarizes the pertinent items and notes the necessary revisions (in bold text).

The EVOS Trustee Council noticed the court of the intention to expend a total of \$528,716.59 from the EVOS Investment Fund – **the correct amount is \$483,112.40**. This expenditure was designated as follows: \$266,105.00 from the *Exxon Valdez* Oil Spill Trustee Council (EVOS) State of Alaska settlement (GeFONSI) account; \$213, 111. 59 from the EVOS Investment Habitat Sub-Account – **the correct amount is \$167,507.40**; and \$49,500.00 from the NRDAR account.

This correction will result in the total expenditure being reduced by \$45,604.19 from what was enumerated in the 9th Joint notice filed April 15, 2004. This correction reflects utilization of the available balance of \$45,604.19 from the Department of the Interior (USFWS) Habitat disbursement fund; an account previously established for habitat expenditures. The previous \$150,000 transfer from which the balance remains was noticed to the courts October 19, 2001.

In addition to the corrected disbursement amounts above, the errata also needs to revise the distribution among the recipient accounts as follows: \$461,508.30 to the State of Alaska – **the correct amount is \$276,460.00**; and \$67,208.29 to the United States – **the correct amount is \$206,652.40**. This redirection of funds is necessary to utilize an extension of the Small parcel Habitat pilot grant as the mechanism to carry out the transaction approved by the Council. (see attached letter to USFWS)

Below are tables showing the account disbursement submitted for the 9th Joint Notice of Expenditure from the Investment fund as well as the corrected version to be submitted in the Errata.

Description	From Habitat Sub-account	From NRDAR	From GeFONSI
FY 04 Work Plan (second Expenditure)	\$ 213,111.59	\$ 49,500.00	\$ 266,105.00
United States \$ 67,208.29			
State of Alaska \$ 461,508.30			
Total \$ 528,716.59			
Sub-Total to be disbursed as follows:	To be disbursed as follows:	To be disbursed as follows:	To be disbursed as follows:
United States \$ 67,208.29	United States \$ 17,708.29	United States: \$ 49,500.00	United States: \$ 0.00
State of Alaska \$ 461,508.30	State of Alaska \$ 195,403.30	State of Alaska: \$ 0.00	State of Alaska: \$ 266,105.00
TOTAL \$ 528,716.59	TOTAL \$ 213,111.59	TOTAL: \$ 49,500.00	TOTAL: \$ 266,105.00

The information below is the corrected disbursement of funds:

Description	From Habitat Sub-account	From NRDAR	From GeFONSI
FY 04 Work Plan (second Expenditure)	\$ 167,507.40	\$ 49,500.00	\$ 266,105.00
United States \$ 206,652.40			
State of Alaska \$ 276,460.00			
Total \$ 483,112.40			
Sub-Total to be disbursed as follows:	To be disbursed as follows:	To be disbursed as follows:	To be disbursed as follows:
United States \$ 206,652.40	United States \$ 157,152.40	United States: \$ 49,500.00	United States: \$ 0.00
State of Alaska \$ 276,460.00	State of Alaska \$ 10,355.00	State of Alaska: \$ 0.00	State of Alaska: \$ 266,105.00
TOTAL \$ 483,112.40	TOTAL \$ 167,507.40	TOTAL: \$ 49,500.00	TOTAL: \$ 266,105.00

There have been no Trustee Council meetings since the last court notice request April 15, 2004.

The following documents are attached:

- Approved Agenda for March 1, 2004
- Approved Agenda for February 9, 2004
- Approved meeting notes for February 9, 2004
- Draft meeting notes for March 1, 2004.
- Resolution 04-02, spreadsheet Attachment A, 04-03, 04-04, 04-05, 04-06 and spreadsheet attachment A.
- Spreadsheet Attachment B – (correction to spreadsheet for resolution 04-03, 04-03 amended 04-05, and 04-06).

If you have any questions or need additional materials, please let me know.

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

FAX MEMORANDUM



To: Kevin Buckland, Finance Officer, ADFG
 Bruce Nesslage, Budget Officer, DOI
 Divina Pelayo, Account, ADFG
 Sue Bump, Investment Officer, DOR

From: Paula Banks *Paula Banks*
 Administrative Manager, EVOS

Date: April 30, 2004

Re: Authorization to Disburse Funds
 Authorization to Transfer Funds

Per the attached documents and the outline below, this memo authorizes the transfer of funds from the EVOS Habitat Investment Sub-account to the State and United States for land acquisitions and support activities. This memo also authorizes the disbursement of funds to the NRDAR and GeFONSI funds.

The EVOS Trustee Council noticed the court of the intention to expend a total of \$483,112.40 from the EVOS Investment Fund. This expenditure is designated as follows: \$266,105.00 from the Exxon Valdez Oil Spill Trustee Council (EVOS) State of Alaska settlement (GeFONSI) account to the state of Alaska; \$167,507.40 from the EVOS Investment Habitat Sub-Account, \$157,507.40 to the United States Department of the Interior (USFWS), and \$10,355 to the State of Alaska GeFONSI (ADNR); and \$49,500.00 from the NRDAR account.

The information below describes the disbursement of funds:

Description	From Habitat Sub-account	From NRDAR	From GeFONSI
FY 04 Work Plan (second Expenditure)	\$ 167,507.40	\$ 49,500.00	\$ 266,105.00
United States \$ 206,652.40			
State of Alaska \$ 276,460.00			
Total \$ 483,112.40			
Sub-Total to be disbursed as follows:	To be disbursed as follows:	To be disbursed as follows:	To be disbursed as follows:
United States \$ 206,652.40	United States \$ 157,152.40	United States: \$ 49,500.00	United States: \$ 0.00
State of Alaska \$ 276,460.00	State of Alaska \$ 10,355.00	State of Alaska: \$ 0.00	State of Alaska: \$ 266,105.00
JTAL \$ 483,112.40	TOTAL \$ 167,507.40	TOTAL: \$ 49,500.00	TOTAL: \$ 266,105.00

The following documents are attached:

- ◆ Court Notice Errata: 9th Joint Notice from the EVOS Investment Fund
- ◆ Letter from Craig Tillery to Lee Livermore regarding disbursements
- ◆ Approved project budgets
- ◆ Disbursement spreadsheet
- ◆ Allocation spreadsheet

If you have any questions or need additional materials, please let me know.

Spreadsheet B
 Correction to Court Notice #9 Filed April 15, 2004
 Reference: Resolutions: 04-03, 04-05, and 04-06

DNR Total (From Habitat Sub-Acc)	\$ 10,355.00
ADFG (From GeFONSI Lapse)	\$ 266,105.00
Total to the State of Alaska	\$ 276,460.00

FY04	FY05	FY06	Decision	Amount Funded FY 04 Including GA	
10,355.00			fund	\$ 10,355.00	DNR expenses associated with transfer of parcels acquired by TNC for the state on Thompson, Nakada, Knoll and McGee
10,355.00				\$ 10,355.00	From the Habitat Sub-account
461.94			fund	\$ 461.94	\$462 cost to TNC
81,042.08			fund	\$ 81,042.08	\$80.0 property cost \$1,042 cost to TNC
75,648.38			fund	\$ 75,648.38	\$90.0 property cost \$7,794 direct cost, total \$97,794.28 to TNC \$22,145.90 paid out of USFWS habitat fund
3250-			fund	3250-	TCF over head cost \$3250 paid out of the USFWS fund
2500-			fund	2500-	\$2,500 TNC over head cost paid out of the USFWS Habitat disbursement fund
6193.83-				6193.83-	\$6,193.83 TNC overhead cost paid out of the USFWS Habitat disbursement fund
11514.46-				11514.46-	\$11,514.46 TNC Overhead cost paid out of USFWS Habitat disbursement fund
157,152.40	\$ -	\$ -	-	\$ 157,152.40	\$202,756.59 total cost. \$45,604.19 from the USFWS account and \$157,152.40 from the Habitat Sub-account
FY04	FY05	FY06	Decision	Amount Funded FY 04 Including GA	
37,600.00	\$ 56,100.00	\$ 56,000.00	fund	\$ 37,600.00	Restoration Projects
45,000.00	\$ 90,400.00	-	fund	\$ 45,000.00	Restoration Projects
18,800.00	-	-	fund	\$ 18,800.00	Restoration Projects
4,905			fund	\$ 4,905	Restoration Projects
89,800	\$ 68,000	\$ 27,900	fund	\$ 89,800	Restoration Projects
70,000	-	-	fund	\$ 70,000	Additional allocation EVOS admin SM budget
266,105	\$ 214,500	\$ 83,900		\$ 266,105	From the GeFONSI account
49,500	-	-	fund	\$ 49,500	Restoration Projects
49,500	-	-		\$ 49,500	From the NRDAR account

GA
4,100.00
855.00
21,971.98
-
26,926.98

ACCOUNT DISBURSEMENTS	
NRDAR	\$ 49,500.00
GeFONSI	\$ 266,105.00
Habitat Sub-Account	\$ 167,507.40
Total disbursements	\$ 483,112.40

remaining \$45,604.19 is being utilized to offset the authorized habitat disbursement (listed above) of \$202,756.59, which results in a lesser amount of

**STATE OF ALASKA**

Department of Law
Attorney General's Office
1031 W. 4th Avenue, Suite 200
Anchorage, AK 99501-1994
Environmental Section
Phone No. (907) 269-5274
Fax No. (907) 278-7022

FAX TRANSMITTAL SHEET

Please deliver the following pages:

TO: Gary Bader
Kevin Buckland
Paula Banks

FAX: 907-465-4397
907-465-6078
276-7178

DATE: May 4, 2004

TOTAL PAGES: 3
(including cover sheet)

FROM: Craig Tillery
Assistant Attorney General

REMARKS: Original of this letter is going out by mail today to Mr. Bader.

If you have any problems with this transmission, please call Sheila at (907) 269-5275

The information contained in this FAX is **Confidential and/or Privileged**, and is intended to be reviewed by only the individual(s) named above. If the reader of this transmittal page is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination or copy of this fax or the information contained herein is prohibited. If you have received this fax in error, please immediately notify the sender by telephone and return this fax to the sender at the above address.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FRANK H. MURKOWSKI,
GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907)269-5100
FAX: (907)276-3697

May 4, 2004

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:

On April 15, 2004 we provided you with a letter directing the transfer of a total of \$213,111.59 from the Investment Fund. Shortly thereafter it was discovered that the amounts were in error and I understand that while you have liquidated this amount, it has not yet been transferred. This letter replaces the April 15th letter and provides you with revised instructions regarding the transfer of money. Please note that the amount to be transferred is less than in the original letter. You will shortly receive a letter from the Executive Director of the Exxon Valdez Oil Spill Trustee Council explaining what to do with the monies that were liquidated but no longer need to be transferred.

The Exxon Valdez Trustee Council has unanimously determined to expend \$167,507.40 in joint trust funds from the Investment Fund 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. Of this amount, all \$167,507.40 will come from the Habitat Investment Sub-Account. These joint trust funds are 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: \$10,355.00
State of Alaska
Exxon Valdez Settlement Account
GeFONSI 33070
Account 22177

Gary Bader

May 4, 2004
Page 2**United States**

Amount: \$157,152.40

Beneficiary

account: 14X5198

name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)Beneficiary

account: 14010001

name: Department of the Interior
Financial Management Services National Business CenterBeneficiary Bank

account: 021030004

name: Treasury, NYC

OBI Text

Natural Resource Damage Assessment Restoration Fund 14X5198
EVOS Exxon Valdez, Civil Settlement, FY04 Joint FundsBeneficiary Reference

A91-082Civil

The transfer should take place as soon as possible. If you have any questions, please call Craig Tillery at (907) 269-5274.

Sincerely,


Craig J. Tillery
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: Kevin Buckland

FY 04 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET
 October 1, 2003 - September 30, 2004

Budget Category:	Authorized FY 03	Proposed FY 04	PROPOSED FY 03 TRUSTEE AGENCIES TOTALS					
			ADEC	ADF&G	ADNR	USFS	DOI	NOAA
				\$344.1	\$103.6		\$13.9	
Personnel	\$74.4	\$18.6						
Travel	\$127.8	\$120.6						
Contractual	\$302.0	\$281.6						
Commodities	\$2.7	\$2.7						
Equipment	\$0.0	\$0.0						
			LONG RANGE FUNDING REQUIREMENTS					
Subtotal	\$506.9	\$423.5	Estimated					
General Administration	\$45.6	\$38.1	FY 2005					
Project Total	\$552.5	\$461.6	\$461.6					
Full-time Equivalents (FTE)								
Other Resources								
Dollar amounts are shown in thousands of dollars.								

Comments:
 Personnel assumes NOS funding of Science Coordinator for 9 months

PREPARED 07/16/03

Pg 1 of 2
 11946300

FY04	Project Number: 040630 <i>GEM</i> Project Title: Scientific Management for GEM and Lingering Oil Programs Lead Agency: ADFG/Trustee Council Office	FORM 2A MULTI-TRUSTEE AGENCY SUMMARY
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Approved Feb 9, 2004
\$64.2 Travel \$5,780 G&A = \$70.0 K

FY 04 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET
 October 1, 2003 September 30, 2004

Budget Category:	Authorized FY 03	Proposed FY 04					
Personnel	\$74.4	\$18.6					
Travel	\$127.8	\$120.6					
Contractual	\$194.2	\$173.8					
Commodities	\$2.7	\$2.7					
Equipment	\$0.0	\$0.0					
Subtotal	\$399.1	\$315.7					
General Administration	\$35.8	\$28.4	LONG RANGE FUNDING REQUIREMENTS				
Project Total	\$434.9	\$344.1					
Full-time Equivalents (FTE)							
Dollar amounts are shown in thousands of dollars.							
Other Resources							
<p>Comments:</p> <p>Additional travel approved at the February 9, 2004 Trustee Council meeting to pay for 48 people to attend four modeling workshop based at the EVOS office in Anchorage (see justification for explanation) \$64.2.</p>							
FY04		Project Number: 040630 Project Title: Scientific Management for GEM and Lingering Oil Programs Agency: ADFG/Trustee Council Office					FORM 3A TRUSTEE AGENCY SUMMARY

Pg 2 of 2

**EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
DETAILED BUDGET FORM FY 04 - FY 06**

Budget Category:	Proposed FY 04	Proposed FY 05	Proposed FY 06	TOTAL PROPOSED
		12-Sep		
Personnel	\$69.0	\$58.6	\$60.8	\$188.4
Travel	\$6.8	\$9.6	\$5.8	\$22.2
Contractual	\$61.6	\$65.1	\$62.6	\$189.3
Commodities	\$17.6	\$7.4	\$8.1	\$33.1
Equipment	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal	\$155.0	\$140.7	\$137.3	\$433.0
General Administration (9% of Subtotal)	\$14.0	\$12.7	\$12.4	\$39.0
Project Total	\$169.0	\$153.4	\$149.7	\$472.0

Cost-share Funds:
In this box, identify non-EVOS funds or in-kind contributions used as cost-share for the work in this proposal. List the amount of funds, the source of funds, and the purpose for which the funds will be used. Do not include funds that are not directly and specifically related to the work being proposed in this proposal.

In year one, the salary for Craig Stricker will be covered through his post-doctoral position with the US Geological Survey. The cost of isotope analysis will also be defrayed by Dr. Stricker's lab. The in-kind contribution of funds towards the stable isotope analysis is: \$72,000.

The Alaska Department of Fish and Game, Sport Fish Division will supply weir materials, supervision, operational plan for fish sampling, and data analysis for the weir on the North Fork, and will be operating sonar on the mainstem and a weir on the South Fork, enabling us to estimate escapement to the whole system and the two major tributaries. Their in-kind contribution amounts to \$123,100.

The Kachemak Bay Research Reserve will supply lab support, and office support (paper, telephones, computers, field vehicles).

FY 04-06

Date Prepared: 6/11/2003

Project Number: *040726 Walker*
 Presence and Effects of Marine Derived Nutrients (MDN) in Stream, Riparian and Nearshore Ecosystems on the Southern Kenai Peninsula, Alaska:
 Developing Monitoring Tools for tracking MDN in Alaska Watersheds
 Agency: Kachemak Bay Research Reserve/ADFG Sport Fish Division

FORM 3A
TRUSTEE
AGENCY
SUMMARY

ADFEG

Approved equipment \$17.6 + 1.2 GA = \$18.8
March 1, 2004

**EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
DETAILED BUDGET FORM FY 04 - FY 06**

Budget Category:	Proposed FY 04	Proposed FY 05	Proposed FY 06	TOTAL PROPOSED
Personnel	\$24.3	\$47.5	\$0.0	\$71.8
Travel	\$2.5	\$4.4	\$0.0	\$6.9
Contractual	\$5.2	\$13.0	\$0.0	\$18.2
Commodities	\$1.0	\$1.4	\$0.0	\$2.4
Equipment	\$0.0	\$0.0	\$0.0	\$0.0
Indirect	\$8.3	\$16.6		
Subtotal	\$41.3	\$82.9	\$0.0	\$99.3
General Administration (9% of Subtotal)	\$3.7	\$7.5	\$0.0	\$8.9
Project Total	\$45.0	\$90.4	\$0.0	\$108.2

Comments:

1) The indirect rate is 25% as negotiated between the EVOS Trustee Council and the University of Alaska.

FY 04-06

Date Prepared: 2/20/04

Project Number: 040649

Mann

Project Title: Reconstructing Sockeye Populations in the Gulf of Alaska
over the Last Several Thousand Years: The Natural Background to Future
Changes

Agency: *ADFS*

FORM 3A
TRUSTEE
AGENCY
SUMMARY

*Approved March 1, 2004
\$45.0*

**EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
DETAILED BUDGET FORM FY 04 - FY 06**

Budget Category:	Proposed FY 04	Proposed FY 05	Proposed FY 06	TOTAL PROPOSED
Personnel	\$16.5	\$29.0	\$29.6	\$75.1
Travel	\$0.0	\$1.4	\$1.7	\$3.1
Contractual	\$17.0	\$20.1	\$19.1	\$56.2
Commodities	\$1.0	\$1.0	\$1.0	\$3.0
Equipment	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal	\$34.5	\$51.5	\$51.4	\$137.4
General Administration (9% of Subtotal)	\$3.1	\$4.6	\$4.6	\$12.4
Project Total	\$37.6	\$56.1	\$56.0	\$149.8

Cost-share Funds:

FY04 - \$20.8k Total contribution from ADF&G general funds

- \$10.1k - Bechtol, F.B. III - Principal Investigator - funded for 1.5 months
- \$3.5k - Trowbridge, FB III, management biologist - funded for 0.5 months
- \$7.2k - Three technicians - funded an aggregate of 2.0 months for field work and gear prep

FY05 - \$21.1k Total contribution from ADF&G general funds

- \$10.1k - Bechtol, F.B. III - Principal Investigator - funded for 1.5 months
- \$3.6k - Trowbridge, FB III, management biologist - funded for 0.5 months
- \$7.4k - Three technicians - funded an aggregate of 2.0 months for field work and gear prep

FY06 - \$21.6k Total contribution from ADF&G general funds

- \$10.4k - Bechtol, F.B. III - Principal Investigator - funded for 1.5 months
- \$3.6k - Trowbridge, FB III, management biologist - funded for 0.5 months
- \$7.6k - Three technicians - funded an aggregate of 2.0 months for field work and gear prep

**FY 04-
06**

Project Number: 40639 *Bechtol*
 Project Title: Monitoring Ecosystem Parameters in the
 Northern Gulf of Alaska
 Agency: Alaska Department of Fish and Game

FORM 3A
 TRUSTEE
 AGENCY
 SUMMARY

Date Prepared:

Approved March 1, 2004
\$37.6
 1 of 10

**EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
DETAILED BUDGET FORM FY 04 - FY 06**

Budget Category:	Proposed FY 04	Proposed FY 05	Proposed FY 06	TOTAL PROPOSED
Personnel	\$22.9	\$22.9	\$23.6	\$69.4
Travel	\$1.0	\$1.0	\$1.0	\$3.0
Contractual	\$37.5	\$37.5	\$1.0	\$76.0
Commodities	\$1.0	\$1.0	\$0.0	\$2.0
Equipment	\$20.0	\$0.0	\$0.0	\$20.0
Subtotal	\$82.4	\$62.4	\$25.6	\$170.4
General Administration (9% of Subtotal)	\$7.4	\$5.6	\$2.3	\$15.3
Project Total	\$89.8	\$68.0	\$27.9	\$185.7

Cost-share Funds (annual):

Item	Purpose	Source	Amount
Vessel charter	data collection	ADFG	37.5
Personnel	data analysis	ADFG	17.4
CTD & Fisheries Sonar	data collection	ADFG	52.0

040670

**FY 04-
06**

Date Prepared:

Project Number: G-040670 *willette*
 Project Title: Monitoring dynamics of the Alaska coastal
 current and development of applications for management
 of Cook Inlet salmon
 Agency: ADFG

FORM 3A
TRUSTEE
AGENCY
SUMMARY

Approved Feb 9, 2004
1 of 10
89.8

**EXXON VALDEZ OILSPILL TRUSTEE COUNCIL
DETAILED BUDGET FORM FY 04 - FY 06**

Budget Category:	Proposed FY 04	Proposed FY 05	Proposed FY 06	TOTAL PROPOSED
Personnel	\$26,532.5	\$0.0	\$0.0	\$26,532.5
Travel	\$482.0	\$0.0	\$0.0	\$482.0
Contractual	\$10,135.0	\$0.0	\$0.0	\$10,135.0
Commodities	\$3,850.0	\$0.0	\$0.0	\$3,850.0
Equipment	\$18,000.0	\$0.0	\$0.0	\$18,000.0
Subtotal	\$58,999.5	\$0.0	\$0.0	\$58,999.5
Indirect (rate will vary by proposer)	\$14,749.9			\$14,749.9
Project Total	\$73,749.4	\$0.0	\$0.0	\$73,749.4
Trustee Agency GA (9% of Project Total)	\$6,637.4	\$0.0	\$0.0	\$6,637.4
Total Cost	\$80,386.8	\$0.0	\$0.0	\$80,386.8

**FY 04-
06**

Date Prepared:

Project Number: 040340
 Project Title: Long-Term Monitoring of the
 Alaska Coastal Current
 Proposer: Thomas Weingartner, Institute of
 Marine Science

**FORM 4A
NON-
TRUSTEE
SUMMARY**

ADFG

*\$ 4,500.00 . University F.C.A
 \$ 405.00 . Agency GA
 4,905.00*

*Approved Feb 9, 2004
 \$ 4,905.00*

Projects Approved by the Council and Noticed to the Court May 4, 2004
Structure

Approved	Agency	PI - Title	Project Number	FY 04 Allocation this notice	Total Allocation	Personnel	Travel	Contractual	Commodities	Equipment	UAA - Indirect	General Administration	Project total	
1-Mar	DNR	Habitat Protection (9,500 plus 855 GA)	40126	\$ 10,355.00		\$ 9,500.00						\$ 855.00	\$ 10,355.00	DNR expenses associated with transfer of parcels acquired by TNC for the state on Thompson, Nakada, Knoll and McGee. Continuation
		Total											\$ 10,355.00	From the Habitat Sub-Account

DNR

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
PROJECT BUDGET

Approved 3/1/04

Budget Category:	Proposed FY 04							
Personnel	\$9,500.0							
Travel	\$ -							
Contractual	\$ -							
Commodities	\$ -							
Equipment	\$ -							
Subtotal	\$ 9,500.00							
General Administration	\$ 855.00							
Project Total	\$ 10,355.00							
Other Funds								
<p>Comments: This budget represents an estimate of costs associated with the transfer of parcels, acquired by The Nature Conservancy through the Habitat Grant, to the State of Alaska. Thompson, Nakada, Knoll, McGee</p>								

FY04

Prepared: 8/2/02

Project Number: 040126 *DNR*
 Project Title: Habitat Protection
 Agency: Alaska Department of Natural Resources

FORM 3A
Project
SUMMARY

Approved March 1, 2004
 \$ 10,355.00
 1 of 4

Projects Approved by the Council and Noticed to the Court May 4, 2004
Structure

Approved	Agency	PI - Title	Project Number	FY 04 Allocation this notice	Total Allocation	Personnel	Travel	Contractual	Commodities	Equipment	UAA - Indirect	General Administration	Total	Comments:
9-Feb	NOAA	Stabeno - Bottom Control of Ecosystem Diversity	\$ 40,654.00	\$ 49,500.00	\$ 45,400.00	\$ 36,600.00	\$ 5,800.00	\$ -	\$ 1,800.00	\$ 1,200.00	\$ -	\$ 4,100.00	\$ 49,500.00	New Restoration Project From NRDAR
													\$ 49,500.00	

NOAA

Correction to Attachment C
 FY 04 funds to be disbursed from Habitat Sub account for Resolutions 04-03 and 04-05

DOI (From Habitat Sub-Acc)	\$	157,152.40	DNR Total (From Habitat Sub-Acc)	\$	10,355.00
NOAA (From NRDAR 2003 Lapse)	\$	-	ADFG (From GeFONSI Lapse)	\$	-
Total to the United States	\$	157,152.40	Total to the	\$	10,355.00

Approved	Agency	Cooperating Agency	Listing	FY04	Decision	Amount Funded FY 04 Including GA	
1-Mar	DNR	DNR	Habitat Protection (9,500 plus 855 GA) Proj 040126	\$ 10,355.00	fund	\$ 10,355.00	DNR expenses associated with transfer of parcels acquired by TNC for the state on Thompson, Nakada, Knoll and McGee
1-Mar	DOI	USFWS	Nakada	\$ 461.94	fund	\$ 461.94	\$462 cost to TNC
1-Mar	DOI	USFWS	Knoll	\$ 81,042.08	fund	\$ 81,042.08	\$80K property cost \$1,042 cost to TNC
1-Mar	DOI	USFWS	Thompson	\$ 75,648.38	fund	\$ 75,648.38	\$90K property cost \$7,794 direct cost, total \$97,794.28 to TNC \$22,145.90 paid out of USFWS habitat fund
1-Mar	DOI	USFWS	McGee	3250-	fund	3250-	TCF over head cost \$3,250 paid out of the USFWS fund
1-Mar	DOI	USFWS	Best	2500-	fund	2500-	\$2,500 TNC over head cost paid out of the USFWS Habitat disbursement fund
1-Mar	DOI	USFWS	Duck Flats	6193.83-		6193.83-	\$6,193.83 TNC overhead cost paid out of the USFWS Habitat disbursement fund
1-Mar	DOI	USFWS	Jack Bay	11514.46-		11514.46-	\$11,514.46 TNC Overhead cost paid out of USFWS Habitat disbursement fund
Total Funding For DOI/USFWS March 1, 2004				\$ 157,152.40		\$ 157,152.40	\$202,756.59 total cost. \$45,604.19 from the USFWS account and \$157,152.40 from the Habitat Sub-account

FUNDING RECOMMENDATIONS Feb 9, and March 1, 2004	Fund	Total Funding by Agency (includes GA)
NOAA	\$ -	\$ -
DNR Total	\$ 10,355.00	\$ 10,355.00
ADFG	\$ -	\$ -
* DOI	\$ 157,152.40	\$ 157,152.40
Total	\$ 167,507.40	\$ 167,507.40

ACCOUNT DISBURSEMENTS	
NRDAR	\$ -
GeFONSI	\$ -
Habitat Sub-Account	\$ 167,507.40
Total disbursements	\$ 167,507.40

* DOI/USFWS received \$150,000 in October 2001 to administer and implement the Small parcel grant program. The remaining \$45,604.19 is being utilized to offset the authorized habitat disbursement (listed above) of \$202,756.59, which results in a lesser amount of \$167,507.40 withdrawn from the Habitat Sub-Account. See Memo on Court Notice #9 errata.

DOI

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



Memorandum

To: Gary Bader *Gary*
Investment Officer, DOR

From: Gail Phillips *Gail*
Executive Director, EVOS

Date: April 30, 2004

Re: Re-allocation of Habitat Investment Funds

A 9th Joint Notice of Expenditures from the Investment fund was filed on April 15, 2005. Following that notice, a letter was written to you directing you to transfer \$231,111.59 from the Habitat Investment fund to the State GeFONSI fund.

This figure and direction was corrected by an errata filed on April 30, 2004. The correct amount to be disbursed is \$167,507.40: \$157,152.40 is to go to the United States Department of the Interior to the U.S Fish and Wildlife Service; and \$10,355.00 is to go to the State of Alaska Department of Natural Resources.

Upon your advice we requested you to liquidate the \$231, 111.59 out of the fixed income pool, as was done. The errata filed requests the lesser amount of \$167,501.40 to be withdrawn; therefore, a total of \$45,604.19 plus any interest that the original amount withdrawn has earned, needs to be returned to the Habitat Sub-account.

Thank you for your assistance in these matters.

Cc: Divina Pelayo, ADFG
Kevin Buckland, ADFG
Reading file

PB

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



FAX COVER SHEET

To: Gary Zader Number: 465-4397
From: Paula Banks Date: 5/5/04
Comments: Pages: 2 with cover

cc: Sue Bump 465-4397
Devina Pelayo 465-6078
Kevin Bucklew 465-6078

HARD COPY TO FOLLOW: _____

Document sent by: _____

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 1471
CONNECTION TEL 19074654397
SUBADDRESS
CONNECTION ID
ST. TIME 05/05 02:59
USAGE T 00'52
PGS. SENT 2
RESULT OK

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



FAX COVER SHEET

To: Gary Zader Number: 465-4397
From: Paula Banks Date: 5/5/04
Comments: Pages: 2 with cover

cc: Sue Bump 465-4397
Deanna Pelayo 465-6078
Kevin Buckham 465-6078

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 1472
CONNECTION TEL 19074656078
SUBADDRESS
CONNECTION ID
ST. TIME 05/05 03:00
USAGE T 00'37
PGS. SENT 2
RESULT OK

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



FAX COVER SHEET

To: Gary Zader Number: 465-4397
From: Paula Banks Date: 5/5/04
Comments: Pages: 2 with cover

cc: Sue Bump 465-4397
Devina Pelayo 465-6078
Kevin Bucklan 465-6078

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FRANK H. MURKOWSKI,
GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907)269-5100
FAX: (907)276-3697

May 4, 2004

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:

On April 15, 2004 we provided you with a letter directing the transfer of a total of \$213,111.59 from the Investment Fund. Shortly thereafter it was discovered that the amounts were in error and I understand that while you have liquidated this amount, it has not yet been transferred. This letter replaces the April 15th letter and provides you with revised instructions regarding the transfer of money. Please note that the amount to be transferred is less than in the original letter. You will shortly receive a letter from the Executive Director of the Exxon Valdez Oil Spill Trustee Council explaining what to do with the monies that were liquidated but no longer need to be transferred.

The Exxon Valdez Trustee Council has unanimously determined to expend \$167,507.40 in joint trust funds from the Investment Fund 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. Of this amount, all \$167,507.40 will come from the Habitat Investment Sub-Account. These joint trust funds are 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: \$10,355.00
State of Alaska
Exxon Valdez Settlement Account
GeFONSI 33070
Account 22177

Gary Bader

May 4, 2004

Page 2

United States

Amount: \$157,152.40

Beneficiary

account: 14X5198

name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)

Beneficiary

account: 14010001

name: Department of the Interior

Financial Management Services National Business Center

Beneficiary Bank

account: 021030004

name: Treasury, NYC

OBI Text

Natural Resource Damage Assessment Restoration Fund 14X5198

EVOS Exxon Valdez, Civil Settlement, FY04 Joint Funds

Beneficiary Reference

A91-082Civil

The transfer should take place as soon as possible. If you have any questions, please call Craig Tillery at (907) 269-5274.

Sincerely,

Craig J. Tillery
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: Kevin Buckland

RESOLUTION 04-02 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING THE FY 04 WORK PLAN

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 2004 as described in Attachment A. The following Fiscal Year 2004 Work Plan projects:

1. UAF/Weingartner, Long-term monitoring of the Alaska Coastal Current (040340) is funded at an additional \$4,905 (includes \$4,500 for facilities and administration costs and \$405 GA).
2. Stabeno, Surface nutrients over the shelf and basin in summer-bottom up control of ecosystem diversity (040654) is funded at \$49,500.
3. Willette, Monitoring dynamics of the Alaska Coastal Current and development of applications for management of Cook Inlet salmon (040670) is funded at \$89,800.
4. Scientific Management under GEM and Lingering Oil Programs (040630) is funded an additional \$70,000.

The monies are to be distributed according to the following schedule:

Alaska Department of Fish & Game	\$164,705
Alaska Department of Natural Resources	0
SUBTOTAL TO STATE OF ALASKA	\$164,705
U.S. Department of the Interior	0
National Oceanic & Atmospheric Administration	\$49,500
SUBTOTAL TO UNITED STATES OF AMERICA	\$49,500
TOTAL APPROVED	\$214,205

Funds must be spent in accordance with Attachment A, with the following conditions: (1) If a Principal Investigator (PI) has an overdue report or manuscript from a previous year, no funds may be expended on a project involving the PI unless the report is submitted or a schedule for submission is approved by the Executive Director; (2) a project's lead agency must demonstrate to the Executive Director that requirements of the National Environmental Policy Act (NEPA) are met before any project funds may be expended (with the exception of funds spent to prepare NEPA documentation); and (3) a PI for each project must submit a signed form to the Executive Director indicating their agreement to abide by the Trustee Council's data and report requirements before any project funds may be expended.

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 available for the Fiscal Year 2004 Work Plan, the amount of \$214,205 from the appropriate account designated by the Executive Director.

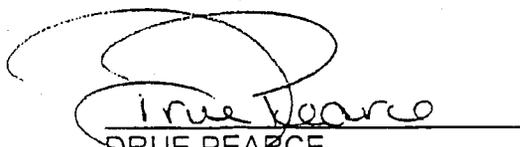
Approved by the Council at its meeting of February 9, 2004 held in Anchorage, Alaska as affirmed by our signatures affixed below.



JOE L. MEADE
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture

for 

GREGG RENKES
Attorney General
State of Alaska



DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior



JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce



KEVIN DUFFY
Commissioner
Alaska Department of Fish and Game



ERNESTA BALLARD
Commissioner
Alaska Department of Environmental
Conservation

Attachment A:
FY 04-06 Numbers Spreadsheet, Court Notice, FY 04, February 9, 2004

Court Notice
 FY 04
 February 9, 2004

ATTACHMENT A
 Page 6 of 44

Projects approved for Funding February 9, 2004

NOAA	\$	49,500	DNR Total	\$	-
DOI	\$	-	ADFG	\$	164,705
Total to United States to NRDA	\$	49,500	Total to State to GeFONSI	\$	164,705

Approved	Agency	Cooperating Agency	Listing	Project Number	FY04	FY05	FY06	Decision	Amount Funded FY 04 Including																																								
9 Feb	ADFG		Weingartner-FY04-Alaska Coastal Current	40340	\$ 4,905			fund	\$ 4,905																																								
9 Feb	ADFG		Willetts Monitoring Dynamics of the AK Coastal Current	40370	\$ 89,800	\$ 68,000	\$ 27,900	fund	\$ 89,800																																								
9-Feb	ADFG		GEM- Admin	40330	\$ 70,000	\$ -	\$ -	fund	\$ 70,000																																								
Total Funding For ADFG Feb 9, 2004					\$ 164,705	\$ 68,000	\$ 27,900		\$ 164,705																																								
9-Feb	NOAA		Stabeno - Bottom Control of Ecosystem Diversity	40354	\$ 49,500	\$ -	\$ -	fund	\$ 49,500																																								
Total Funding for NOAA Feb 9, 2004					\$ 49,500	\$ -	\$ -		\$ 49,500																																								
<table border="1"> <thead> <tr> <th colspan="5">FY 04 EVOS FUNDING RECOMMENDATIONS February 9, 2004</th> </tr> <tr> <th></th> <th>Fund</th> <th>Fund Contingent</th> <th>Total Funding by Agency (includes GA)</th> <th>GA</th> </tr> </thead> <tbody> <tr> <td>NOAA</td> <td>\$ 49,500</td> <td>\$ -</td> <td>\$ 49,500</td> <td>\$ 4,100</td> </tr> <tr> <td>DNR Total</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>ADFG</td> <td>\$ 164,705</td> <td>\$ -</td> <td>\$ 164,705</td> <td>\$ 13,600</td> </tr> <tr> <td>DOI</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>EVOS Admin funding*</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>\$ 214,205</td> <td></td> <td>\$ 214,205</td> <td>\$ 17,700</td> </tr> </tbody> </table>										FY 04 EVOS FUNDING RECOMMENDATIONS February 9, 2004						Fund	Fund Contingent	Total Funding by Agency (includes GA)	GA	NOAA	\$ 49,500	\$ -	\$ 49,500	\$ 4,100	DNR Total	\$ -	\$ -	\$ -	\$ -	ADFG	\$ 164,705	\$ -	\$ 164,705	\$ 13,600	DOI					EVOS Admin funding*					Total	\$ 214,205		\$ 214,205	\$ 17,700
FY 04 EVOS FUNDING RECOMMENDATIONS February 9, 2004																																																	
	Fund	Fund Contingent	Total Funding by Agency (includes GA)	GA																																													
NOAA	\$ 49,500	\$ -	\$ 49,500	\$ 4,100																																													
DNR Total	\$ -	\$ -	\$ -	\$ -																																													
ADFG	\$ 164,705	\$ -	\$ 164,705	\$ 13,600																																													
DOI																																																	
EVOS Admin funding*																																																	
Total	\$ 214,205		\$ 214,205	\$ 17,700																																													

*The total allocation of \$5,000,000 does not include the additional NOS grant funding

*The total projects funded of \$4,974,204 does not include the NOS Grant

\$ 5,000,000	Trustee Council Authorization FY 04 Allocation*
\$ 4,760,002	Total project including State, Eves recommendations and Fund contingent projects Approved Nov 10, 2003
\$ 214,205	Projects Approved February 9, 2004
\$ 4,974,207	Total Projects Approved to date*
\$ 25,793	Remaining un-committed FY 04 funds
\$ 607,310	FY 03 Surplus Operational Admin lapsed funds
\$ 25,793	Remaining un-committed FY 04 funds
\$ 633,103	Total Remaining FY 03 Lapse plus Remaining FY 04 allocation

RESOLUTION 04-03 OF THE
 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 AUTHORIZING PAYMENT FOR OUTSTANDING OBLIGATIONS

At the direction of the Council, The Nature Conservancy and The Conservation Fund purchased three small parcels, KEN1101/Knol, KEN1102/Nakada, and KEN1103/Thompson. In addition to the purchase price, direct and indirect costs associated with the parcels identified above, The Nature Conservancy and The Conservation Fund incurred direct and indirect costs associated with the pursuit of the following parcels, Jack Bay, McGee, Best, and Duck Flats.

We, the undersigned duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council (Council) authorize payment of the outstanding obligations identified in Attachments A and B, to be administered by the U.S. Forest Service and Alaska Department of Natural Resources as outlined in Attachment C.

The total parcel costs are listed below:

KEN1101. Knol	\$81,042.08	purchase price & closing
KEN 1102. Nakada	\$461.94	property tax & closing
KEN 1103. Thompson	\$97,794.28	purchase price & closing
Jack Bay	\$11,514.46	appraisal & closing
McGee	\$3,250.00	appraisal & title work
Best	\$2,500.00	appraisal
Duck Flats	\$6,193.83	appraisal
 TOTAL	 \$202,756.59	

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Approved by the Council at its meeting of March 1, 2004 held in Anchorage.

Alaska, as affirmed by our signatures affixed below.



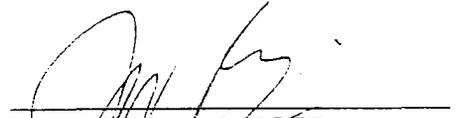
JOE L. MEADE
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture



GREGG RENKES
Attorney General
State of Alaska



DRUE PEARCE
Senior Advisor to the
Secretary for Alaskan Affairs
U.S. Department of the Interior



JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce



KEVIN DUFFY
Commissioner
Alaska Department of Fish and Game



ERNESTA BALLARD
Commissioner
Alaska Department of
Environmental Conservation

Attachments:

- A. The Nature Conservancy and The Conservation Fund spreadsheet outlining completed transactions, parcels waiting funding and parcels awaiting acquisition.
- B. Letter dated February 17, 2004 and information packet for the Knol, Nakada, Thompson and McGee parcels.

Financial Status Report -- EVOS Small Parcel Grant to The Nature Conservancy and The Conservation Fund -- updated 2/25/04

Location:	Tract:	Acres:	Value \$	Agency:	Lead:	Purchase Price to EVOS	Other Direct Costs to EVOS (1)	Total Incurred Cost to EVOS	Total Paid to Date by EVOS to grantee	Total Incurred Costs Unpaid to Date	Projected Future Costs (not incl. purchase price) to EVOS (2)	Total Projected Costs by Parcel
Completed Transactions												
Kodiak Island	Chukwak	160	160,000	DNR	UCI	160,000		160,000	160,000			160,000
Anchor River	Thorn-Crowther	46	200,000	ADFG	UCF	200,000	7,316	207,316	207,316			207,316
Nimilchik River	Swartzes Enterprises	0.2	6,000	DNR	UCF	6,000	5,018	11,018	11,018			11,018
PHS	UA-Jack Day	942.03	1,130,000	USFS	UCF	(see Note 3)	11,514	11,514		11,514		11,514
Acquired Parcels Awaiting EVOS Funding												
Anchor River	Nakada	5	27,500	ADFG	UCF	(see Note 4)	462	462		462	7,493	7,955
	Kenol	37	80,000	ADFG	UCF	80,000	1,042	81,042		81,042	5,420	86,462
	Thompson	64	90,000	ADFG	UCF	90,000	7,794	97,794		97,794	3,719	101,513
Parcels for Potential Acquisition (see Notes 5 & 6)												
Anchor River	McGee	8	40,000	DNR	UCF	40,000	3,250	43,250		43,250	15,070	58,320
Kasilof River	Mental Health I & II	43.3	293,500	DNR	UCI	293,500	3,000	300,000	3,000		33,750	300,250
PHS	Best (see Note 7)	2.05	28,000	DNR	UCI	14,000	2,500	2,500		2,500	10,000	26,500
Kenai River	Carr (see Note 8)	120.4	1,000,000	ADFG	UCI	500,000	3,000	3,000	3,000		22,000	523,000
Kodiak	Chukwak II	160	160,000	DNR	UCI	160,000					25,000	185,000
Parcels No Longer Being Pursued (see Note 9)												
PHS	Duck Flats (see Note 10)	32.66	130,000	USFS	UCF		6,194	6,194		6,194		6,194
Stariski Creek	Moser (see Note 11)	260	90,000	ADFG	UCI		2,400	2,400	2,400			2,400
Total						1,543,500	53,490	589,490	386,733	202,757	124,472	713,962

(1) Projected Future Costs include estimated costs of transferring land to the appropriate agency. These costs include: recording and closing fees, title reports, title insurance, and updates to appraisals and hazardous materials reports.

(2) UA-Jack Day land was purchased with other EVOS funds, other direct expenses were charged to this grant.

(3) The Conservancy is not seeking reimbursement for the purchase price for the Nakada tract. The \$15,000 purchase price was privately funded and the property is being donated to the state.

(4) No money has been spent on land costs yet, but money has been spent on appraisals and preliminary title work. If we proceed on these deals then the land purchase price and other direct expenses would need to be added to the projected costs.

(5) There are additional parcels (not listed here) that have been identified for potential acquisition, but for which funds have not been expended.

(6) UCI will cover \$11,000 (50%) of the purchase price for the Best tract.

(7) The Carr tract will likely be a conservation easement with an estimated value of \$1,000,000. UCI will cover \$500,000 (50%) of the purchase price.

(8) Includes properties that were once active that had expenditures of non-reimbursable direct expenses, but are no longer viable projects.

(9) UCI - Duck Flats has been purchased by the City of Valdez. No additional expenses will be incurred.

(10) A conservation easement on the Moser tract will likely be donated to either a local land foundation. No additional will be incurred.

Final Detail of "Other Direct Costs to EVOS" and "Projected Future Costs to EVOS"

<u>Location:</u>	<u>Tract:</u>	<u>Other Direct Costs to EVOS</u>	<u>Projected Future Costs to EVOS</u>
<u>Completed Transactions</u>			
Prince William Sound	UA-Jack Bay	11,514.46 Appraisal and update = \$6,193.83 travel = \$159.00 FedEx = \$60.63 Closing = \$5,161.00	none
Anchor River	Thorn Crowther	7,315.77 Appraisal = \$3,800; appraisal review = \$600; haz mat = \$1,871.77; title insurance = \$450.00; travel = \$456.00; closing = \$138.00	none
Ninilchik River	Swartzes Enterprises	5,017.57 Appraisal = \$2,500; appraisal review = \$000; haz mat = \$1,871.40; travel = \$46.17	none

Acquired Parcels Awaiting EVOS Funding

Anchor River	Nakada	461.94 FedEx = \$15.38 Closing = \$168.08 Property tax = \$278.48	7,493 Property tax = \$278 Appraisal = \$5,000 Title Insurance = \$250 Haz Mat update = \$1,700 Escrow = \$265
Anchor River	Knol	1,042.08 FedEx = \$27.47 Closing = \$239.61 Property tax = \$775.00	5,420 Property tax = \$388 Appraisal update = \$2,500 Title insurance = \$502 Haz Mat update = \$1,700 Escrow = \$330
Anchor River	Thompson	7,794.28 Appraisal = \$7,000.00 Closing = \$136.60 Property tax = \$657.68	5,739 Appraisal update = \$2,500 Property tax = \$657 Title Insurance = \$542 Haz Mat update = \$1,700 Escrow = \$340

Parcels for Potential Acquisition

Anchor River	McGee	3,250.00	15,070 Appraisal update = \$2,500 Property tax = \$355 Title Insurance = \$250 Haz Mat = \$1,700 Escrow = \$265 Indirect = \$10,000
Prince William Sound	Best	2,500 Appraisal = \$2,500	10,000 Direct \$7,500; indirect \$5,000 minus appraisal
Kasilof	Mental Health Trust I & II	3,000 Appraisal = \$3,000	33,750 Direct \$21,750; indirect \$15,000 minus appraisal
Kenai River	Corr	3,000 Appraisal = \$3,000	22,000 Direct \$13,000; indirect \$12,000 minus appraisal
Kodiak	Chokwak II	0	25,000 Direct \$15,000; indirect \$10,000

Parcels No Longer Being Pursued

Prince William Sound	UA-Duck Flats	6,193.83 Appraisal = \$6,193.83	none
St. Lawrence Creek	Moser	2,400 Appraisal = \$2,400	none

EVOS Small Parcel Acquisition Grant - Summary of incurred and projected expenses

Summary of expenses incurred and projected:

Original funding allocated:	S	1,000,000
Administrative costs to USFWS		(32,500)
Staff and indirect costs to TNC:		(25,000)
Staff and indirect costs to TCF:		<u>(25,000)</u>
Amount available for acquisitions:		917,500
Land cost and other direct expenses reimbursed by EVOS:		<u>(386,733)</u>
Current balance remaining:		530,767
Land cost and other direct expenses not yet reimbursed by EVOS:		<u>(202,757)</u>
Balance remaining after full reimbursement:		328,010
Projected expenses to convey acquired lands to State of Alaska:		<u>18,652</u>
Balance remaining for future acquisitions:		346,662

Note: Additional agency expenses to be drawn from the original habitat protection grant should be added here.



The Nature Conservancy in Alaska
715 L Street, Suite 100
Anchorage, Alaska 99501

tel [907] 276.3133
fax [907] 276.2584
nature.org

February 17, 2004

Gail Phillips
Executive Director
Exxon Valdez Oil Spill Trustee Council
441 West 5th Avenue, Suite 500
Anchorage, AK 99501-2340

Dear Gail,

Enclosed please find information packets for the Knol-Nakada-Thomson parcels and the McGee parcel. Per your request, the enclosed package provides the following information about the parcels:

- a) a benefit report that includes information about the location of the property, fair market value, acquisition costs, and the restoration benefits of each parcel;
- b) maps showing location;
- c) appraisal information.

As you know, the Knol, Nakada, Thompson parcels are now owned by The Nature Conservancy, having been acquired at the request of the Alaska Department of Fish and Game for repurchase by the state under the EVOS small parcel grant. The McGee parcel is currently held by an estate. We are in contact with the estate's representatives and are prepared to negotiate the purchase of that property once we learn that funding is available.

Please contact me (x-118) or Randy Hagenstein (x-119) at 276-3133 with any questions.

Best Regards,

Kenny Powers
Director of Protection

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Anchor River - Knol, Nakada, Thompson

Location: Anchor River, Kenai Peninsula

Legal Descriptions: KEN 1101 (Knol) parcel: T05S R14W S19 S1/2 SW1/4 SE1/4 NE1/4,

Seward Meridian; KEN 1102 (Nakada) parcel: T05S R14W S19 S1/2 SW1/4 SE1/4 NE1/4,

Seward Meridian; KEN 1103 (Thompson) parcel: Portion of W2NE4, S19, T5s, R14W, SM, lying NE of Sterling Highway right-of-way, Seward Meridian

Agency Sponsor: ADF&G

Landowner: The Nature Conservancy

Appraised Fair Market Value: \$217,500 (Knol-\$100,000 per 12/15/01 appraisal; Nakada-\$27,500 per 11/21/02 TNC value assessment; Thompson-\$90,000 per 9/10/02 appraisal)

Total Cost to EVOS: \$197,950.30 (estimated)

Cost Breakdown: \$170,000 (fair market value of \$217,500 less \$47,500 donated by The Nature Conservancy); \$27,950.30 (incurred and estimated direct costs); indirect costs (staff time and overhead) for transfer to state donated by The Nature Conservancy

Estimated Closing Date: December 2004

The Knol, Nakada, and Thompson parcels, totaling nearly 103 acres, are located approximately eight miles upstream from the mouth of the Anchor River on the southern Kenai Peninsula. They are in the floodplain of the river, one of four priority aquatic systems identified in The Nature Conservancy's Cook Inlet Basin Ecoregional Assessment. When combined with existing state lands and properties owned by the Kachemak Heritage Land Trust, the acquisition of these three tracts will protect over two miles of river frontage and 500 acres of contiguous intact floodplain communities.

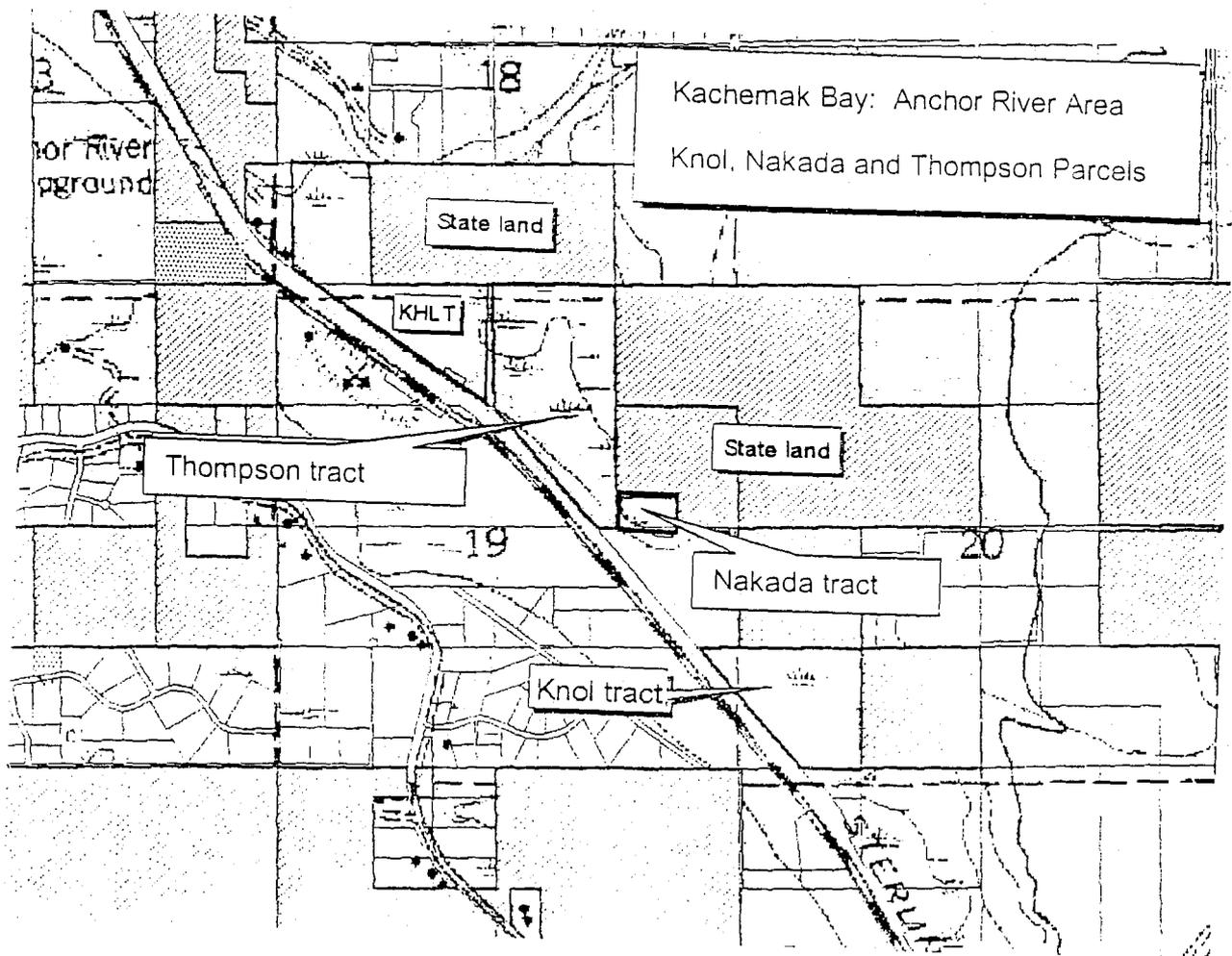
For its lower 9 miles, the Anchor River meanders through a floodplain about 1/2 mile in width consisting of river channels, meander scars, old river terraces, and adjoining wetlands. The vegetation includes willow thickets along the river banks, gallery stands of cottonwoods, dense Lutz spruce stands, and scattered sedge, grass, shrub wetlands. This portion of the Anchor River provides important spawning and rearing habitat for four species of salmon and the largest steelhead run in Cook Inlet. It provides some of the best steelhead fishing in the state. Bald eagles nest and feed extensively in the cottonwoods along this portion of the river. The willow thickets provide critical overwintering habitat for moose.

The Nature Conservancy acquired these parcels at the request of the Alaska Department of Fish and Game. The Conservancy purchased the 37-acre Knol property in November 2001 for \$80,000 (\$20,000 below fair market value). The 63-acre Thompson tract was purchased February 28, 2003 for \$90,000. The 5-acre Nakada property was purchased in December 2002 for \$15,000 through a bargain sale (i.e., below fair market value with donative intent) using private funding. The Conservancy intends to donate the Nakada property to the state as part of this 3-property transaction.

Protection of these tracts supports restoration of species and services injured by the Exxon Valdez Oil Spill by protecting habitat for salmonids and other fish species; nesting, resting and feeding habitat for bald eagles; and recreational and tourism uses.

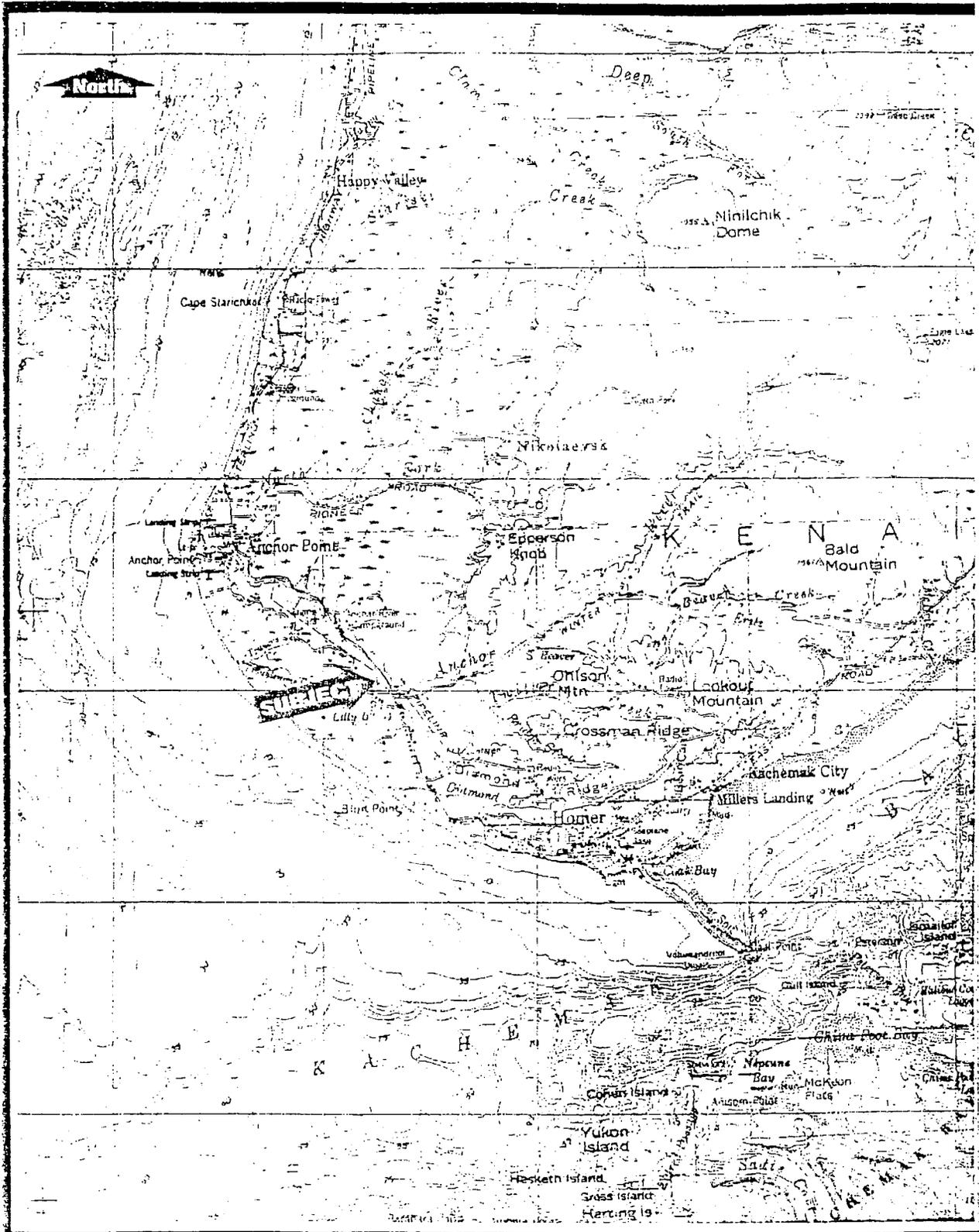
ATTACHMENT A
Page 13 of 44

Attachment A: Parcel locations



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Attachment B: Project Area



ATTACHMENT A
PAGE 15 OF 44

Attachment C: Alaska Department of Fish and Game letter of commitment

Sent By: ALASKA DEPT FISH & GAME -ABITAT; 907 465 4759;

Oct-31-01 14:25;

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TONY KNOWLES, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 25528
JUNEAU, ALASKA 99802-5528
PHONE: (907) 465-4100
FACSIMILE: (907) 465-2332

October 30, 2001

David Banks, Director
The Nature Conservancy of Alaska
421 W 1st Avenue, Suite 200
Anchorage, AK 99501

Dear Mr. Banks:

The Alaska Department of Fish and Game (ADF&G) appreciates The Nature Conservancy's efforts in the acquisition of lands with important fish and wildlife and public use values. In furthering the mutual goals of our organizations, ADF&G requests the assistance of TNC in acquiring three parcels: a 37-acre property owned by Sharon Knol, a five-acre property owned by Henry Nakada, and a 60-acre property owned by Herndon & Thompson Leasing. All three properties are located along the Anchor River near Sterling Highway mile 163 and all are adjacent to existing state lands managed for wildlife habitat and public recreation.

The properties serve as important habitat for salmon, steelhead, overwintering moose, bald eagles and other species, and provide access to sportfishing opportunities. State ownership of these properties will ensure protection of and access to these important wetlands, which is vital for the maintenance of fishing and hunting opportunities along the Anchor River.

ADF&G will make every effort to repurchase the properties from TNC within two years from the date of purchase with moneys to be made available from Exxon Valdez Oil Spill funds through the small parcel acquisition program being administered by TNC and The Conservation Fund. We understand that TNC will bring these properties before the Exxon Valdez Trustee Council for approval. We also understand that TNC intends to acquire the Henry Nakada property for \$15,000 with private funds and that this property would be donated to the state as part of this package.

It is understood that our commitment to repurchase the land from TNC will be contingent upon our concurrence with the purchase price and condition of the properties. We further understand that we will be responsible for additional costs incurred by TNC in the acquisition of the property, including, in addition to the land cost, the cost of appraisals, title insurance, recording fees, attorney's fees, and other related expenses of TNC that result from the financing and

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Mr. David Banks

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October 30, 2001

handling of the purchase. ADF&G's commitment to payment of these costs is contingent upon receipt of funding from the Exxon Valdez Oil Spill Trustee Council for these purposes. In the event we are unable to purchase the property from TNC within the above stated period, it is understood that TNC may place the property on the open market if no conservation purchasers can be found.

Thank you very much for your assistance. Once again, we appreciate the opportunity to work together to further the causes of conservation in Alaska.

Sincerely,



Frank Ruc
Commissioner

cc: Directors, Divisions of Wildlife Conservation, Sport Fisheries,
and Habitat & Restoration

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Attachment D: Appraisal summaries and memorandum of Fair Market Value

KEN 1101 / Knol Property

MacSwain Associates

4401 Business Park Blvd., Suite 22
Anchorage, Alaska 99503
Telephone: 907-561-1965
Fax: 907-561-1955

December 15, 2001

Randall H. Hagenstein
The Nature Conservancy of Alaska
Kachemak Bay Office
P.O. Box 3231
Homer, Alaska 99603-3231

Re: Valuation of the 37-Acre Knol Parcel located at Mile 163 Sterling Highway
Anchor Point, Alaska

Dear Mr. Hagenstein:

Attached is a *Summary Appraisal Report* that analyzes the above referenced property. The appraised property represents a 37-acre parcel fronting the Anchor River and Sterling Highway near Anchor Point, Alaska. The purpose of the report is to estimate the market value of the fee simple estate of the subject property. The appraisal has been completed in compliance with the Uniform Appraisal Standards for Federal Land Acquisitions (*UASFLA*) and the Uniform Standards of Professional Appraisal Practice (*USPAP*).

The accompanying report sets forth the most pertinent data gathered, the techniques used, and the reasons leading to the opinion of value. Based on the result of our investigation and analysis, the estimated market value of the subject property, as of November 9, 2001, is:

Estimated Market Value Subject Property \$100,000

Your attention is directed to the Assumptions and Limiting Conditions for an explanation of restrictions and limitations of the report. We hope this report assists your evaluation of the subject property. If you have questions pertaining to our analyses or conclusion, please contact our office.

Respectively submitted,



Steve MacSwain, MAI

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MacSwain Associates

Summary of Facts & Conclusions

Purpose of Appraisal:	Estimate market value
Property Type:	Vacant land
Property Interest Appraised:	Fee simple estate
Location:	The property is located at Mile 163 of the Sterling Highway, near Anchor Point, Alaska.
Legal Description:	That portion of the Southwest $\frac{1}{4}$ Southwest $\frac{1}{4}$ of Section 20, lying East of the Sterling Highway, together with the portion of the Southeast $\frac{1}{4}$ Southeast $\frac{1}{4}$ of Section 19, lying East of the Sterling Highway all within Township 5 South, Range 14 West, Seward Meridian
Owner:	Sharon Knol per preliminary title documents
Size:	37-acres
Access:	Sterling Highway, a paved two-lane road
Frontage:	There is approximately 1,725 feet of Sterling Highway frontage and 1,500 feet of Anchor River frontage
Topography:	Undulating with the majority of the parcel below grade with the highway
Utilities:	Electricity and telephone
Highest and Best Use:	Recreational/residential
Date of Value:	November 9, 2001
Date of Report:	December 15, 2001
Estimated Market Value:	\$100,000 (\$2,500 to \$3,000 per acre)

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Memorandum

To: Steve Karbowski
From: Randy Hagenstein
Cc: Lauren Soliday; Kei Sochi; Anne Richards
Date: 11/21/02
Re: Kachemak Bay: Nakada tract documentation of value

The Alaska Chapter is evaluating purchase of the Nakada tract, a parcel totaling 5 acres along the Anchor River in the Kachemak Bay conservation area for \$15,000. The seller views this as a bargain sale and indicated that he will be obtaining an appraisal to document the FMV of the property.

In my professional judgement, the fair market value of the Nakada tract is \$27,500.

I base this judgement of value on the following evidence:

1. The Kenai Peninsula Borough assessment is \$23,500. Typically in this area the assessed value is less than the fair market value.
2. The Conservancy recently purchased a similar 37-acre property for \$80,000 (\$2,162/ac).
3. The Conservation Fund recently closed on a subdivided 46-acre property with stream frontage for \$200,000 (\$4,347/acre). The high unit cost of this transaction reflected the newly subdivided state of the property. None of the subdivided parcels had been sold.
4. A nearby 10 acre property was offered to the Conservancy for sale for \$110,000 (\$11,000/acre): this price was supported by an appraisal, although half of the attributed value was due to a site clearing, gravel driveway and landscaping to the site. A realistic value for the raw land is \$5,500/ac
5. A 19.84-acre property nearby sold in 3/01 for \$65,000 (\$3,276/acre).

These comparable properties are all larger in size than the Nakada tract. According to the Kenai Peninsula Borough assessor, land of this type in this area increases in unit value by a factor of 1.7 for each halving in property size. When this adjustment is applied to the comparable properties listed in points 2, 4, and 5 above, the adjusted unit value is \$9,350 to \$10,600/acre. For the Nakada property, this would translate to a value of \$46,750 - \$53,000. This value should be adjusted downward substantially to reflect inaccessible portions of the property across the Anchor River. Taking all of this into account, I believe the value of the property is \$5,000 to 6,000/acre. Using the mid-point of \$5,500/acre yields a value of \$27,500 for the Nakada tract.

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Attachment F: KEN 1103 / Thompson tract appraisal information

MacSwain Associates

4401 Business Park Blvd., Suite 22
Anchorage, Alaska 99503
Telephone: 907-561-1965
Facsimile: 907-561-1955
E-mail: macswain@alaska.net

September 10, 2002

Randy Hagenstein
The Nature Conservancy of Alaska
P.O. Box 3231
Homer, Alaska 99603

Re: Thompson Property
60.93-Acre Anchor River Parcel
Anchor Point, Alaska

Dear Mr. Hagenstein:

Attached is a *Summary Appraisal* report that analyzes the above referenced vacant land that has Sterling Highway and Anchor River frontage. The purpose of the appraisal is to estimate the fee simple market value of the property. We prepare a complete analysis that intends to comply with the reporting requirements of the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) and the *Uniform Standards of Professional Appraisal Practice* (USPAP). Since UASFLA states that an estimate of market value linked to exposure and marketing time is inappropriate and requires exclusion from the appraisal report, we invoke the jurisdictional exception rule permitted in USPAP.¹

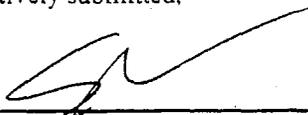
Based on the data, reasoning, and analysis that follow, we estimate the market value of appraised land, as of July 15, 2002, is \$90,000.

Market Value of 60.93-Acre Appraised Land

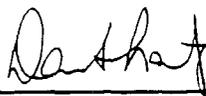
\$90,000

We direct your attention to the Assumptions and Limiting Conditions for an explanation of the restrictions and limitations of this report. If you have questions regarding our analysis or conclusion, please contact us at our office.

Respectively submitted,



Steve MacSwain, MAI, Certificate No. 42



Dan Shantz, Certificate No. 47

¹ Standard Rule 1-1(c) of USPAP requires the appraiser to estimate a reasonable exposure time in conjunction with their opinion of market value. Section D-15 of UASLA provides legal authority for invoking the Jurisdictional Rule.

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MacSwain Associates

Summary of Salient Facts and Conclusions

Property Type: Vacant land with Anchor River frontage

Property Location: Mile 162.5, Sterling Highway; 5= miles SE of Anchor Point; 10= miles NW of Homer, Alaska

Purpose of Appraisal: Estimate market value

Property Rights Appraised: Fee simple estate

Legal Description: Portion of W2NE4, Section 19, T5S, R14W, SM lying NE of Sterling Highway right-of-way

Property Owner: Fred and Constance Thompson

Land Area: 60.93 acres

Anchor River Frontage: 2,000± feet

Access: Sterling Highway, 1,850± feet of frontage

Topography: Undulating terrain, relatively level

Public Utilities: Electricity and telephone

Wetland Area: 5= acres of wetlands with low probability of development due to high ecological significance

Flood Hazard Conditions: Outside of FEMA mapping area, but 100-year floodplain expected to extend 500= feet inland from each riverbank

Zoning: Unrestricted per Kenai Peninsula Borough

Highest and Best Use: Residential or recreation

Date of Value: July 15, 2002

Date of Report: September 10, 2002

Market Value of Appraised Land

\$90,000

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Anchor River - McGee

Location: Anchor River, Kenai Peninsula

Legal Description: KEN 1104 (McGee) parcel: Tract A, McGee Tracts. Plat 80-104, Homer Recording District

Agency Sponsor: ADNR, Division of Parks and Outdoor Recreation.

Landowner: McGee Family Revocable Trust, dated February, 28, 2000. Albert D. McGee Trustee

Appraised Fair Market Value: \$40,000 (per 7/15/02 appraisal)

Total Cost to EVOS: \$58,320.00 (estimated)

Cost Breakdown: \$40,000 (fee simple); \$8320 (estimated direct costs); \$10,000 (estimated indirect costs including staff time and overhead)

Estimated Closing Date: December 2004

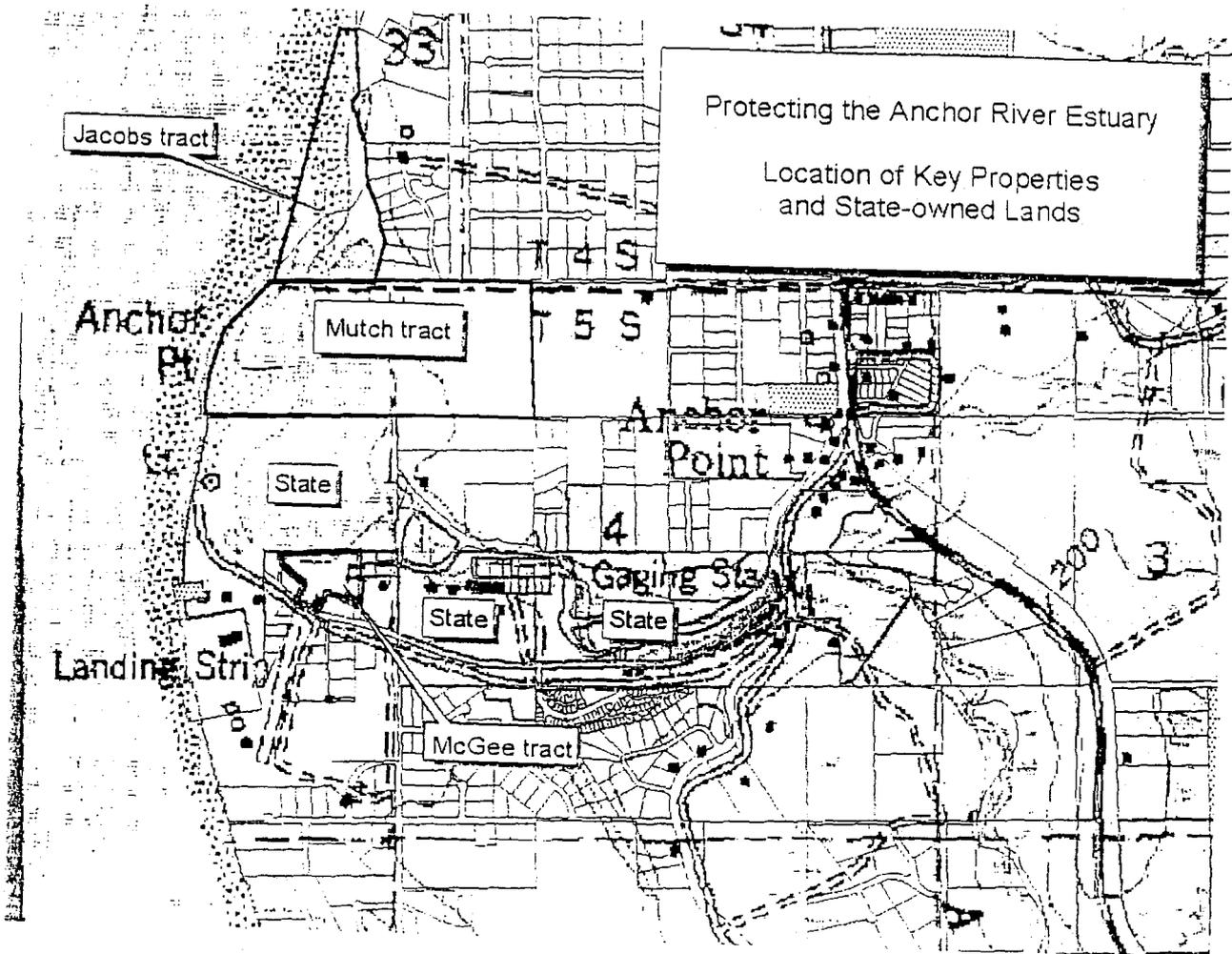
The McGee parcel is one of three remaining private parcels located along the Anchor River estuary on the southern Kenai Peninsula – an ecologically important salt marsh that supports a large and popular sport fishery. The McGee parcel is located on the north side of Anchor Point Beach Road, 1,200± feet east of Cook Inlet (boat launch) and 1± mile west of Anchor Point, Alaska. The 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 7.56 acres.

The south 1± acre of the parcel is relatively level and elevated above the Anchor River Estuary. The remaining 6.5± acres are part of a larger salt marsh/estuary complex with high ecological significance. The parcel will contribute to the restoration of several species of salmonids (steelhead, coho salmon, king salmon, Dolly Varden) as well as bald eagles that concentrate at the mouth of the Anchor River to feed. The parcel is also important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

The property is bounded to the north by existing State Park lands. It is also a key link in a recreational trail planned by State Parks running on the uplands adjacent to the existing road from Anchor Point to the state lands at the mouth of the river. The proposed acquisition will be complemented by planned purchase of the two remaining private parcels (totaling 7+ acres) within the Anchor River estuary. Acquisition of these other two parcels is being funded by an approved federal Coastal Wetlands Act grant and private donations.

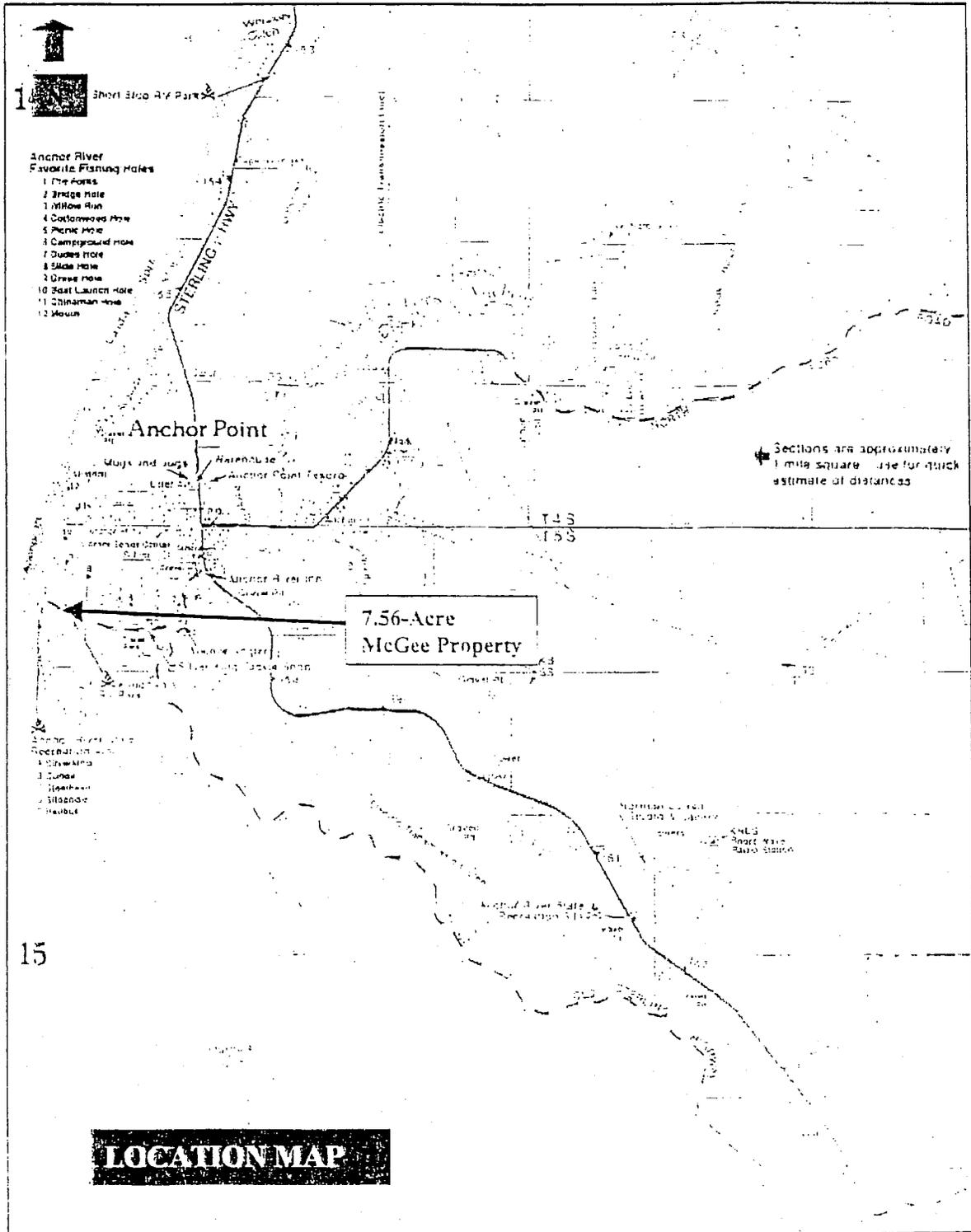
Protection of these tracts supports restoration of species and services injured by the Exxon Valdez Oil Spill by protecting habitat for salmonids and other fish species; feeding habitat for bald eagles; and recreational and tourism uses.

Attachment A: Parcel location



Attachement B: Parcel area

MacSwain Associates



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Summary of Salient Facts and Conclusions

Property Type: Vacant land, including estuary-type wetlands

Property Location: North side of Anchor Point Beach Road, 1,200± feet east of Cook Inlet (boat launch) and 1± mile west of Anchor Point, Alaska

Purpose of Appraisal: Estimate market value

Property Rights Appraised: Fee simple estate

Legal Description: Tract A, McGee Tracts, Plat 80-104, Homer Recording District

Property Owner: McGee Family Revocable Trust

Land Area: 7.56 acres

Access: Anchor Point Beach Road; two-lane with asphalt paving

Public Utilities: Electricity and telephone

Topography: South 1± acre relatively level and elevated above Anchor River estuary; remainder low-lying wetlands

Wetland Type: 6.5± acres of preservation-type wetlands with low probability of development due to high ecological significance

Flood Hazard Conditions: Zone A, area of 100-year floodplain

Zoning: Unrestricted per Kenai Peninsula Borough

Highest and Best Use: Residential or recreation

Date of Value: July 15, 2002

Date of Report: October 10, 2002

Market Value of Appraised Land **\$40,000**

DOI (From Habitat Sub-Acc)	\$	157,152.40	DNR Total (From Habitat Sub-Acc)	\$	10,355.00
NOAA (From NRDAR 2003 Lapse)	\$	-	ADFG (From GeFONSI Lapse)	\$	-
Total to the United States	\$	157,152.40	State of Alaska	\$	10,355.00

Approved	Agency	Cooperating Agency	Listing	FY04	Decision	Amount Funded FY 04 Including GA	
1-Mar	DNR	DNR	Habitat Protection (9,500 plus 855 GA) Proj 040126	\$ 10,355.00	fund	\$ 10,355.00	DNR expenses associated with transfer of parcels acquired by TNC for the state on Thompson, Nakada, Knoll and McGee
1-Mar	DOI	USFWS	Nakada	\$ 461.94	fund	\$ 461.94	\$462 cost to TNC
1-Mar	DOI	USFWS	Knoll	\$ 81,042.08	fund	\$ 81,042.08	\$80K property cost \$1,042 cost to TNC
1-Mar	DOI	USFWS	Thompson	\$ 75,648.38	fund	\$ 75,648.38	\$90K property cost \$7,794 direct cost, total \$97,794.28 to TNC \$22,145.90 paid out of USFWS habitat fund
1-Mar	DOI	USFWS	McGee	3250	fund	3250	TCF over head cost \$3,250 paid out of the USFWS fund
1-Mar	DOI	USFWS	Best	2500	fund	2500	\$2,500 TNC over head cost paid out of the USFWS Habitat disbursement fund
1-Mar	DOI	USFWS	Duck Flats	6193.83		6193.83	\$6,193.83 TNC overhead cost paid out of the USFWS Habitat disbursement fund
1-Mar	DOI	USFWS	Jack Bay	11514.46		11514.46	\$11,514.46 TNC Overhead cost paid out of USFWS Habitat disbursement fund
Total Funding For DOI/USFWS March 1, 2004				\$ 157,152.40		\$ 157,152.40	\$202,756.59 total cost. \$45,604.19 from the USFWS account and \$157,152.40 from the Habitat Sub-account

FUNDING RECOMMENDATIONS Feb 9, and March 1, 2004	Fund	Total Funding by Agency (Includes GA)
NOAA	\$ -	\$ -
DNR Total	\$ 10,355.00	\$ 10,355.00
ADFG	\$ -	\$ -
* DOI	\$ 157,152.40	\$ 157,152.40
Total	\$ 167,507.40	\$ 167,507.40

ACCOUNT DISBURSEMENTS	
NRDAR	\$ -
GeFONSI	\$ -
Habitat Sub-Account	\$ 167,507.40
Total disbursements	\$ 167,507.40

* DOI/USFWS received \$150,000 in October 2001 to administer and implement the Small parcel grant program. The remaining \$45,604.19 is being utilized to offset the authorized habitat disbursement (listed above) of \$202,756.59, which results in a lesser amount of \$167,507.40 withdrawn from the Habitat Sub-Account. See Memo on Court Notice #9 errata.

ATTACHMENT A
 PAGE 28 OF 44

RESOLUTION 04-04 OF THE
 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 AUTHORIZING THE NATURE CONSERVANCY AND THE CONSERVATION FUND
 TO PROCEED WITH NEGOTIATIONS FOR THE MCGEE PARCEL

We, the undersigned duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council (Council) authorize The Nature Conservancy and The Conservation Fund to pursue the possible acquisition of the McGee small parcel as listed below and identified in Attachments A and B.

By resolution adopted at its meeting on January 16, 2001 the Council implemented a small parcel acquisition program through identical grants to The Conservation Fund and The Nature Conservancy to be administered by the United States Department of the Interior. At the direction of the Council The Conservation Fund and The Nature Conservancy has identified the McGee small parcel as available for potential acquisition. The estimated parcel costs are listed below:

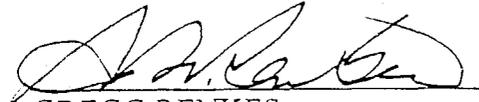
Estimated Costs to EVOS

	Future Purchase Price	Past Direct	Future Direct	Future Indirect	Future EVOS cost	Total
McGee	\$40,000	\$3,250	\$5,070	\$10,000	\$55,070	\$58,320

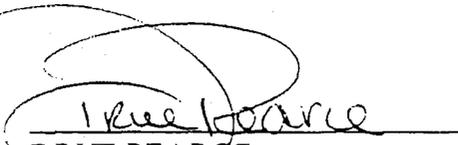
Approved by the Council at its meeting of March 1, 2004 held in Anchorage,
Alaska, as affirmed by our signatures affixed below.



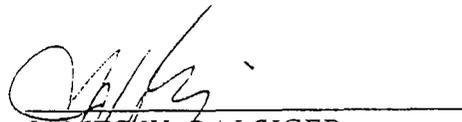
JOE L. MEADE
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture



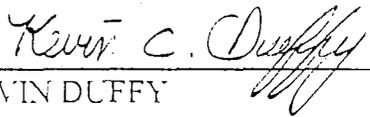
GREGG RENKES
Attorney General
State of Alaska



DRUE PEARCE
Senior Advisor to the
Secretary for Alaskan Affairs
U.S. Department of the Interior



JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce



KEVIN DUFFY
Commissioner
Alaska Department of Fish and Game



ERNESTA BALLARD
Commissioner
Alaska Department of
Environmental Conservation

Attachments:

- A. The Nature Conservancy and The Conservation Fund spreadsheet outlining completed transactions, parcels waiting funding and parcels awaiting acquisition.
- B. McGee Benefits Report

Financial Status Report -- EVOS Small Parcel Grant to The Nature Conservancy and The Conservation Fund -- updated 2/25/04

Location:	Tract:	Acres:	Value \$:	Agency:	Leads:	Purchase Price to EVOS	Other Direct Costs to EVOS (1)	Total Incurred Cost to EVOS	Total Paid to Date by EVOS to grantee	Total Incurred Costs Unpaid to Date	Projected Future Costs (not incl. purchase price) to EVOS (2)	Total Projected Costs (3)
Completed Transactions												
Kodiak Island	Chokwak	160	160,000	DNR	ICE	160,000	-	160,000	160,000	-	-	160,000
Anchor River	Thompson	46	200,000	ADFG	ICE	200,000	7,316	207,316	207,316	-	-	207,316
Ninilchik River	Swartzes Fotequises	9.7	6,000	DNR	ICE	6,000	5,018	11,018	11,018	-	-	11,018
PIFS	UA Jack Bay	942.03	1,130,000	USFS	INC	(see Note 4)	11,511	11,511	-	11,511	-	11,511
Acquired Parcels Awaiting EVOS Funding												
Anchor River	Nakala	5	27,500	ADFG	INC	(see Note 4)	462	462	-	462	491	7,953
	Kuml	37	80,000	ADFG	INC	80,000	1,042	81,042	-	81,042	3,150	84,192
	Thompson	63	90,000	ADFG	INC	90,000	7,794	97,794	-	97,794	4,133	101,927
Parcels for Potential Acquisition (see Notes 5 & 6)												
Anchor River	Metice	8	40,000	DNR	INC	40,000	3,750	43,750	-	43,750	17,970	61,720
Kasilof River	Mental Health I & II	41.3	293,500	DNR	ICE	293,500	3,000	296,500	3,000	-	33,750	330,250
PIFS	Best (see Note 7)	2.05	28,000	DNR	ICE	14,000	2,500	16,500	2,500	-	10,000	26,500
Kenai River	Cott (see Note 8)	170.4	1,000,000	ADFG	ICE	500,000	3,000	503,000	3,000	-	57,500	563,500
Kodiak	Chokwak II	160	160,000	DNR	ICE	160,000	-	160,000	-	-	55,000	215,000
Parcels No Longer Being Pursued (see Note 9)												
PIFS	Duck Flats (see Note 10)	32.66	130,000	USFS	INC	-	6,194	6,194	-	6,194	-	6,194
Stariski Creek	Moser (See Note 11)	260	90,000	ADFG	ICE	-	2,000	2,000	2,000	-	-	2,000
Total						1,543,500	53,190	589,190	386,733	202,757	121,472	713,96

(2) Projected Future Costs include estimated costs of transferring land to the appropriate agency. These costs include: excise and closing fees, title reports, title insurance, and applies to appraisals and hazardous material reports.

(4) UA Jack Bay land was purchased with other EVOS funds, other direct expenses were charged to this grant.

(4) The Conservancy is not seeking reimbursement for the purchase price for the Nakala tract. The \$15,000 purchase price was privately funded and the property is being donated to the state.

(5) No money has been spent on land costs yet, but money has been spent on appraisals and preliminary title work. If we proceed on these deals then the land purchase price and other direct expenses would need to be added to the projected costs.

(6) There are additional parcels (not listed here) that have been identified for potential acquisition, but for which funds have not been expended.

(7) ICE will cover \$14,000 (50%) of the purchase price for the Best tract.

(8) The Cott tract will likely be a conservation easement with an estimated value of \$1,000,000. ICE will cover \$500,000 (50%) of the purchase price.

(9) Includes properties that were once in the final expenditure of reasonable direct expenses, but are no longer viable projects.

(10) UA Duck Flats has been purchased by the City of Valdez. The additional expenses will be incurred.

(11) A conservation easement on the Moser tract will likely be donated to either a local land trust. No additional expenses will be incurred.

Detail of "Other Direct Costs to EVOS" and "Projected Future Costs to EVOS"

<u>Location:</u>	<u>Tract:</u>	<u>Other Direct Costs to EVOS</u>	<u>Projected Future Costs to EVOS</u>
<u>Completed Transactions</u>			
Prince William Sound	UA-Jack Bay	11,514.46 Appraisal and update = \$6,193.83 travel = \$159.00 FedEx = \$60.63 Closing = \$5,101.00	none
Anchor River	Thorn/Crowther	7,315.77 Appraisal = \$3,800; appraisal review = \$600; haz mat = \$1,371.77; title insurance = \$450.00; travel = \$456.00; closing = \$138.00	none
Ninilchik River	Swartzes Enterprises	5,017.57 Appraisal = \$2,500; appraisal review = \$600; haz mat = \$1,371.40; travel = \$46.17	none

Acquired Parcels Awaiting EVOS Funding

Anchor River	Nakada	461.94 FedEx = \$15.38 Closing = \$168.08 Property tax = \$278.48	7,493 Property tax = \$278 Appraisal = \$5,000 Title Insurance = \$250 Haz Mat update = \$1,700 Escrow = \$265
Anchor River	Knol	1,042.08 FedEx = \$27.47 Closing = \$239.61 Property tax = \$775.00	5,420 Property tax = \$388 Appraisal update = \$2,500 Title insurance = \$302 Haz Mat update = \$1,700 Escrow = \$330
Anchor River	Thompson	7,794.28 Appraisal = \$7,000.00 Closing = \$136.60 Property tax = \$657.68	5,739 Appraisal update = \$2,500 Property tax = \$657 Title Insurance = \$342 Haz Mat update = \$1,700 Escrow = \$340

Parcels for Potential Acquisition

Anchor River	McGee	3,250.00 Appraisal = \$3,000 Title = \$250	15,070 Appraisal update = \$2,500 Property tax = \$355 Title Insurance = \$250 Haz Mat = \$1,700 Escrow = \$265 Indirect = \$10,000
Prince William Sound	Best	2,500 Appraisal = \$2,500	10,000 Direct \$7,500; indirect \$5,000 minus appraisal
Kasilof	Mental Health Trust I & II	3,000 Appraisal = \$3,000	33,750 Direct \$21,750; indirect \$15,000 minus appraisal
Kenai River	Corr	3,000 Appraisal = \$3,000	22,000 Direct \$13,000; indirect \$12,000 minus appraisal
Kodiak	Chokwak II	0	25,000 Direct \$15,000; indirect \$10,000

Parcels No Longer Being Pursued

Prince William Sound	UA-Duck Flats	6,193.83 Appraisal = \$6,193.83	none
Sitka Creek	Moser	2,400 Appraisal = \$2,400	none

ATTACHMENT A
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EVOS Small Parcel Acquisition Grant - Summary of incurred and projected expenses

Summary of expenses incurred and projected:

Original funding allocated:	\$ 1,000,000
Administrative costs to USFWS	(32,500)
Staff and indirect costs to TNC:	(25,000)
Staff and indirect costs to TCF:	<u>(25,000)</u>
Amount available for acquisitions:	917,500
Land cost and other direct expenses reimbursed by EVOS:	<u>(386,733)</u>
Current balance remaining:	530,767
Land cost and other direct expenses not yet reimbursed by EVOS:	<u>(202,757)</u>
Balance remaining after full reimbursement:	328,010
Projected expenses to convey acquired lands to State of Alaska:	<u>18,652</u>
Balance remaining for future acquisitions:	346,662

Note: Additional agency expenses to be drawn from the original habitat protection grant should be added here.



The Nature Conservancy in Alaska
715 L Street
Anchorage, Alaska 99501

tel [907] 276.3133
fax [907] 276.2584
nature.org

Memorandum

to: Gail Phillips
from: Randy Hagenstein
date: February 27, 2004
re: McGee property on the Anchor River

Dear Gail:

The Nature Conservancy has been working on potential acquisition of the 7 acre McGee property at the mouth of the Anchor River. The property had been included in consultations with the Trustee Council two years ago under the terms of the small parcel grant and remains a priority for the Alaska Department of Natural Resources. In April 2003, I presented a description of this property to the EVOS Restoration Office. The details provided in that write-up remain essentially the same today. Obviously, due diligence on the property including appraisal, title work, and environmental assessment will need to be updated.

The McGee parcel is held by an estate and currently is not being actively marketed. We are in contact with the estate's representatives and are prepared to negotiate for purchase of the property once we learn that funding from the EVOS habitat protection program is likely. A strong signal from the Trustee Council in the form of a resolution or clear intent in the meeting minutes that the Trustee Council supports acquisition of this property (including covering purchase price, direct expenses, and indirect expenses) would make me feel comfortable that investing more time in pursuing this acquisition would be warranted. I also assume that a final decision by the Trustee Council would happen in the future based on final details of the acquisition.

Please feel free to contact me at 276-3133 ext. 119 with any questions.

Anchor River - McGee

Location: Anchor River, Kenai Peninsula

Legal Description: KEN 1104 (McGee) parcel: Tract A. McGee Tracts, Plat 80-104, Homer Recording District

Agency Sponsor: ADNR, Division of Parks and Outdoor Recreation.

Landowner: McGee Family Revocable Trust, dated February, 28, 2000, Albert D. McGee Trustee

Appraised Fair Market Value: \$40,000 (per 7/15/02 appraisal)

Total Cost to EVOS: \$58,320.00 (estimated)

Cost Breakdown: \$40,000 (fee simple); \$8320 (estimated direct costs); \$10,000 (estimated indirect costs including staff time and overhead)

Estimated Closing Date: December 2004

The McGee parcel is one of three remaining private parcels located along the Anchor River estuary on the southern Kenai Peninsula – an ecologically important salt marsh that supports a large and popular sport fishery. The McGee parcel is located on the north side of Anchor Point Beach Road, 1,200± feet east of Cook Inlet (boat launch) and 1± mile west of Anchor Point, Alaska. The 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 7.56 acres.

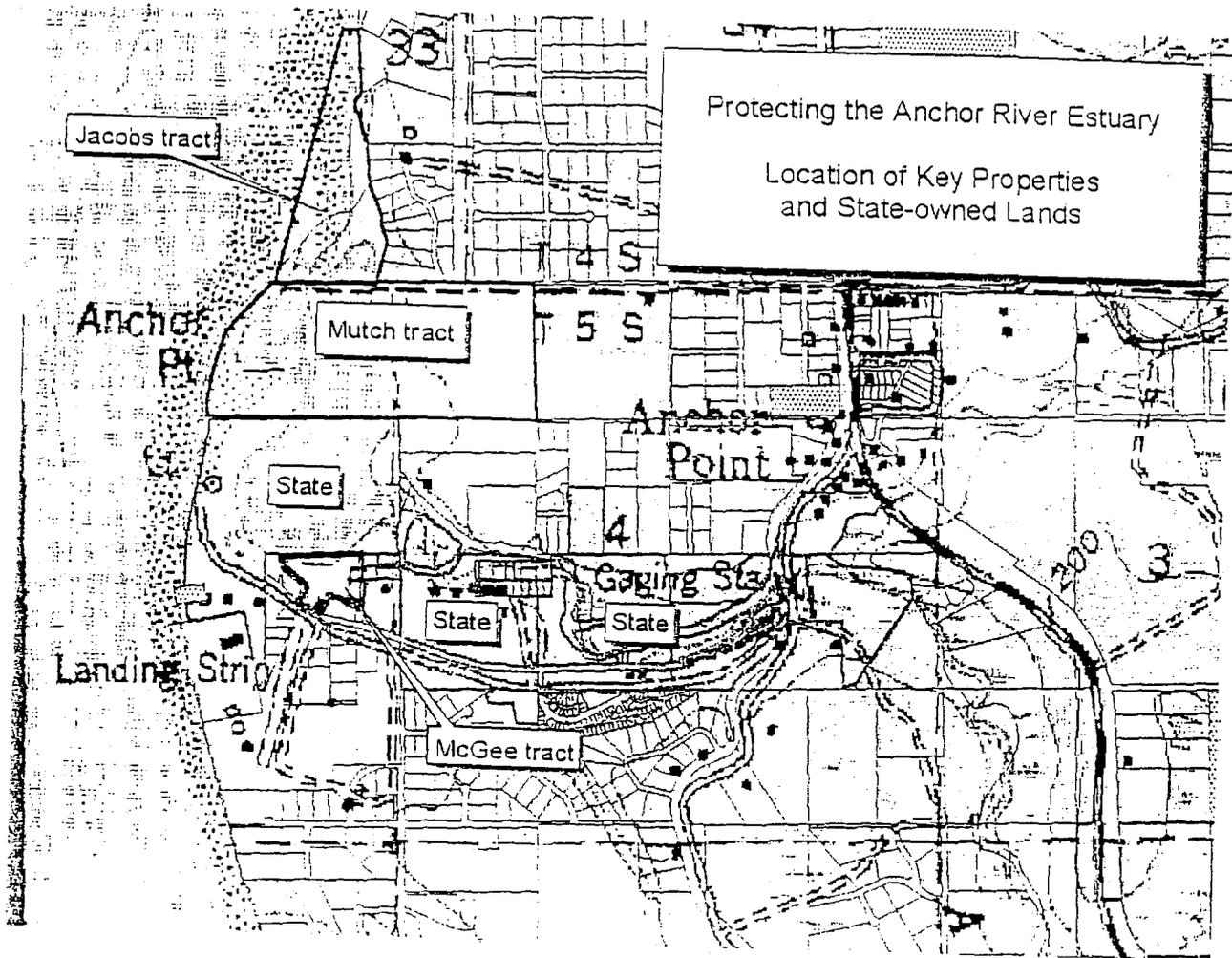
The south 1± acre of the parcel is relatively level and elevated above the Anchor River Estuary. The remaining 6.5± acres are part of a larger salt marsh/estuary complex with high ecological significance. The parcel will contribute to the restoration of several species of salmonids (steelhead, coho salmon, king salmon, Dolly Varden) as well as bald eagles that concentrate at the mouth of the Anchor River to feed. The parcel is also important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

The property is bounded to the north by existing State Park lands. It is also a key link in a recreational trail planned by State Parks running on the uplands adjacent to the existing road from Anchor Point to the state lands at the mouth of the river. The proposed acquisition will be complemented by planned purchase of the two remaining private parcels (totaling 74 acres) within the Anchor River estuary. Acquisition of these other two parcels is being funded by an approved federal Coastal Wetlands Act grant and private donations.

Protection of these tracts supports restoration of species and services injured by the Exxon Valdez Oil Spill by protecting habitat for salmonids and other fish species; feeding habitat for bald eagles; and recreational and tourism uses.

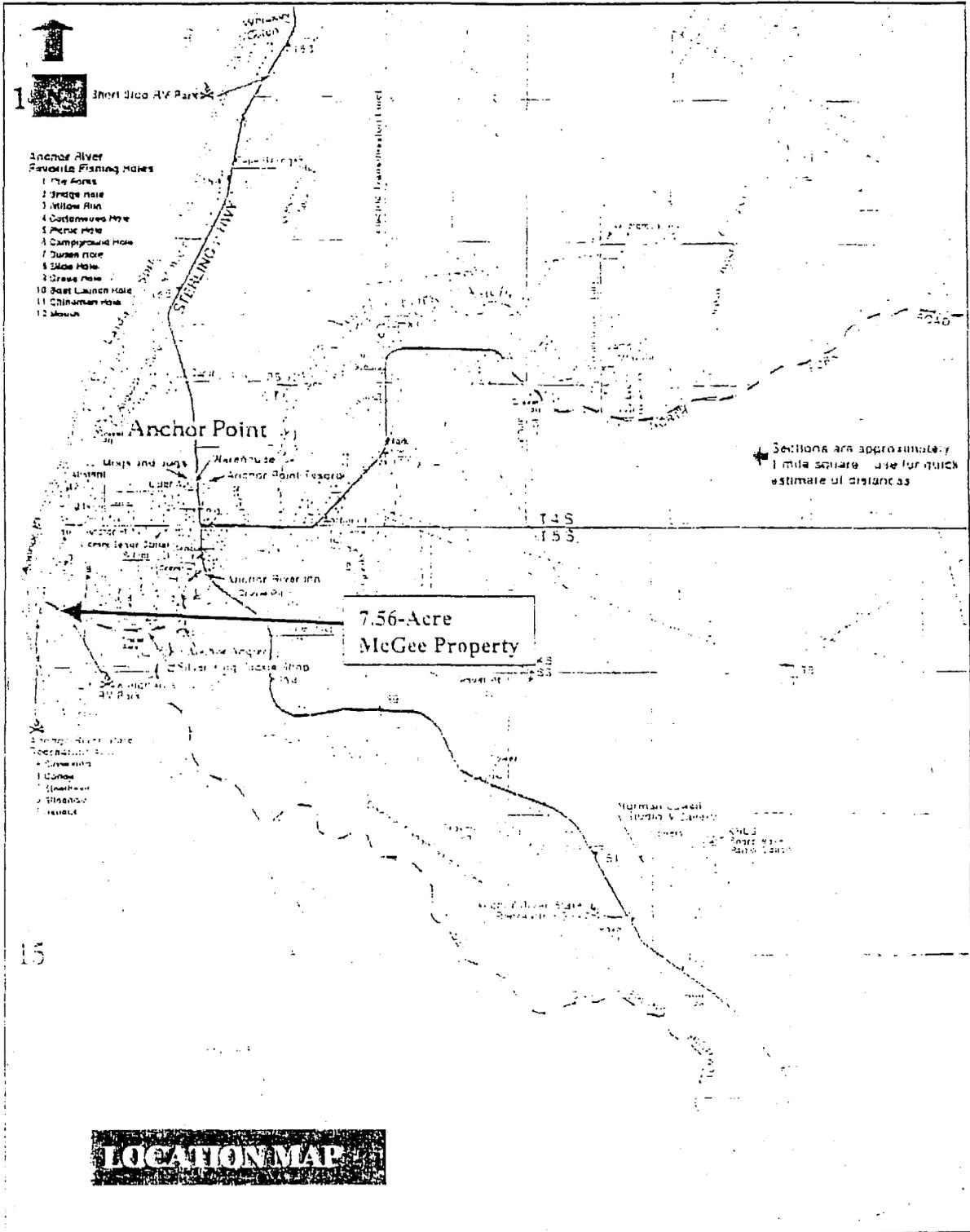
PROJECT A
PAGE 35 OF 44

Attachment A: Parcel location



Attachement B: Parcel area

MacSwain Associates



ATTACHMENT A
PAGE 37 OF 44

Attachment C: Appraisal summary KEN 1104 / McGee Property

MacSwain Associates

4401 Business Park Blvd., Suite 22
Anchorage, Alaska 99503
Telephone: 907-561-1965
Facsimile: 907-561-1955
E-mail: macswain@alaska.net

October 10, 2002

Randall H. Hagenstein
The Nature Conservancy - Alaska Chapter
421 West First Avenue, Suite 200
Anchorage, Alaska 99501

Re: McGee Property
7.56 Acres
Anchor Point, Alaska

Dear Mr. Hagenstein:

Attached is a *Summary Appraisal* report that analyzes the above-referenced vacant land that fronts the north side of Anchor Point Beach Road about one mile west of the Sterling Highway. The purpose of the appraisal is to estimate the fee simple market value of the property. We prepare a complete analysis that intends to comply with the reporting requirements of the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) and the *Uniform Standards of Professional Appraisal Practice* (USPAP). Since UASFLA states that an estimate of market value linked to exposure and marketing time is inappropriate and requires exclusion from the appraisal report, we invoke the jurisdictional exception rule permitted in USPAP.

Based on the data, reasoning, and analysis that follow, we estimate the market value of appraised land, as of July 15, 2002, is \$40,000.

Market Value of 7.56-Acre McGee Property

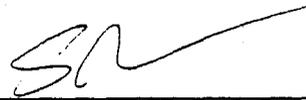
\$40,000

We direct your attention to the Assumptions and Limiting Conditions for an explanation of the restrictions and limitations of this report. If you have questions regarding our analysis or conclusion, please contact us at our office.

Respectively submitted,



Dan Shantz, Certificate No. 47



Steve MacSwain, MAI, Certificate No. 42

Standard Rule 1-1(c) of USPAP requires the appraiser to estimate a reasonable exposure time in conjunction with their opinion of market value. Section D-1b of UASFLA provides legal authority for invoking the Jurisdictional Rule.

Summary of Salient Facts and Conclusions

Property Type: Vacant land, including estuary-type wetlands

Property Location: North side of Anchor Point Beach Road, 1,200± feet east of Cook Inlet (boat launch) and 1± mile west of Anchor Point, Alaska

Purpose of Appraisal: Estimate market value

Property Rights Appraised: Fee simple estate

Legal Description: Tract A, McGee Tracts, Plat 30-104, Homer Recording District

Property Owner: McGee Family Revocable Trust

Land Area: 7.56 acres

Access: Anchor Point Beach Road; two-lane with asphalt paving

Public Utilities: Electricity and telephone

Topography: South 1± acre relatively level and elevated above Anchor River estuary; remainder low-lying wetlands

Wetland Type: 6.5± acres of preservation-type wetlands with low probability of development due to high ecological significance

Flood Hazard Conditions: Zone A, area of 100-year floodplain

Zoning: Unrestricted per Kenai Peninsula Borough

Highest and Best Use: Residential or recreation

Date of Value: July 15, 2002

Date of Report: October 10, 2002

Market Value of Appraised Land

\$40,000

RESOLUTION 04-05 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
AUTHORIZING PAYMENT TO THE
ALASKA DEPARTMENT OF NATURAL RESOURCES

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council (Council) authorize payment of \$10,355 to the State of Alaska Department of Natural Resources (ADNR) to receive four Anchor River parcels, Nakada, Thompson, Knol, and McGee. Funds will cover normal expenses associated with performing due diligence on behalf of the state, including review of chain of title, hazardous materials surveys, appraisals, site inspection and legal documents as necessary.

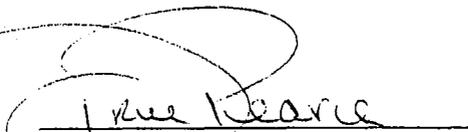
Approved by the Council at its meeting of March 1, 2004 held in Anchorage, Alaska, as affirmed by our signatures affixed below.



JOE L. MEADE
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture



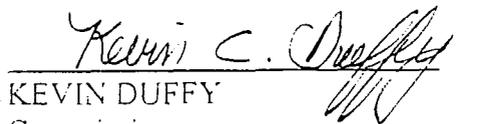
GREGG RENKES
Attorney General
State of Alaska



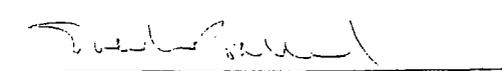
DRUE PEARCE
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U.S. Department of the Interior



JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce



KEVIN DUFFY
Commissioner
Alaska Department of Fish and Game



ERNESTA BALLARD
Commissioner
Alaska Department of
Environmental Conservation

**RESOLUTION 04-06 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING THE FY 04 WORK PLAN**

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 years 2004, 2005 and 2006 as described in Attachment A. The second phase of the Fiscal Year 2004 Work Plan is funded at \$101,400 thousand as described in Attachment A. The monies are to be distributed according to the following schedule:

Alaska Department of Fish & Game	\$101,400
Alaska Department of Natural Resources	0
SUBTOTAL TO STATE OF ALASKA	\$101,400
U.S. Department of the Interior	0
National Oceanic & Atmospheric Administration	0
SUBTOTAL TO UNITED STATES OF AMERICA	\$0
TOTAL APPROVED	\$101,400

_____ A
 _____ 41 _____ 44

Funds must be spent in accordance with Attachments A. with the following conditions: (1) If a Principal Investigator (PI) has an overdue report or manuscript from a previous year, no funds may be expended on a project involving the PI unless the report is submitted or a schedule for submission is approved by the Executive Director; (2) a project's lead agency must demonstrate to the Executive Director that requirements of the National Environmental Policy Act (NEPA) are met before any project funds may be expended (with the exception of funds spent to prepare NEPA documentation); and (3) a PI for each project must submit a signed form to the Executive Director indicating their agreement to abide by the Trustee Council's data and report requirements before any project funds may be expended.

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 available for the Fiscal Year 2004 Work Plan, the amount of \$101,400 thousand from the appropriate account designated by the Executive Director.

A

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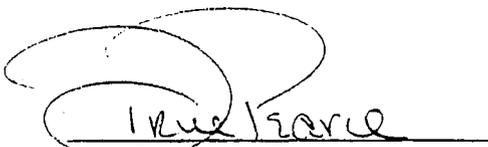
Approved by the Council at its meeting of March 1, 2004 held in Anchorage,
Alaska as affirmed by our signatures affixed below.



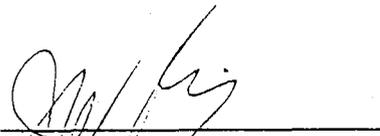
JOE L. MEADE
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture



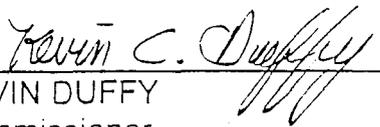
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Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce



KEVIN DUFFY
Commissioner
Alaska Department of Fish and Game



ERNESTA BALLARD
Commissioner
Alaska Department of Environmental
Conservation

Attachments:
A Funding Distribution

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FY 04 FY06 Attachment A Numbers Spreadsheet

Court N
 FY
 March 1,
 Resolution 04-6

Projects approved for Funding March 1, 2004

NOAA	\$
DOI	\$
Total to United States to NRDA	\$

DNR Total	\$
ADFG	\$ 101,400
Total to State to GeFONSI	\$ 101,400

Agency	Cooperating Agency	Listing	Project Number	FY04	FY05	FY06	Decision	Amount Funded FY 04 Including
ADFG		be 104		\$ 37,000	\$ 56,100	\$ 50,000	fund	\$ 37,000
ADFG		1400		\$ 45,000	\$ 90,400	\$	fund	\$ 45,000
ADFG		Walter: project amendment (\$ 17,000 personnel plus \$ 1,000)	10720	\$ 18,800	\$	\$	fund	\$ 18,800
Total Funding For ADFG March 1, 2004				\$ 101,400	\$ 146,500	\$ 50,000		\$ 101,400

FY 04 EVOS FUNDING RECOMMENDATIONS March 1, 2004		Fund	Fund Contingent	Total Funding by Agency (includes GA)	GA
NOAA	\$	\$	\$	\$	
DNR Total	\$			\$	
ADFG	\$ 101,400	\$	\$ 101,400	\$ 8,372	
DOI					
EVOS Admin funding*					
Total	\$ 101,400		\$ 101,400	\$ 8,372	

*The total allocation of \$5,000,000 does not include the additional NUS grant funding

*The total projects funded of \$5,075,607 does not include the NUS Grant

\$ 5,000,000	Trustee Council Authorization FY 04 Allocation*
\$ 4,760,002	Total project including State, Evos recommendations and Fund contingent projects Approved Nov 10, 2003
\$ 214,205	Projects Approved February 9, 2004
\$ 101,400	Projects Approved March 1, 2004
\$ 5,075,607	Total Projects Approved to date*
\$ (75,607)	Remaining un-committed FY 04 funds
\$	- FY 03 Surplus Operational Admin lapsed funds
\$ (75,607)	Remaining un-committed FY 04 funds
\$ (75,607)	Total Remaining FY 03 Lapse plus Remaining FY 04 allocation

Handwritten notes and initials on the left margin, including "A" and "H".

Exxon Valdez Oil Spill Trustee Council

441 W 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/276-8012 • Fax 907/276-7178



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska
February 9, 2004

By Joe Meade
Trustee Council Member

Trustee Council Members Present:

• Joe Meade, USFS***
Drue Pearce, DOI
James Balsiger, NMFS**

Kevin Duffy, ADF&G***
Ernesta Ballard, ADEC***
Gregg Renkes, ADOL**

- Chair
- ** Peter Hagen alternate for Jim Balsiger
- ** Craig Tillery alternate for Gregg Renkes
- *** Participating by teleconference

Meeting convened at 2:10 p.m., February 9, 2004 by teleconference in Anchorage at the EVOS Conference Room.

1. Approval of the Agenda

APPROVED MOTION: Approved the agenda for the February 9, 2004 meeting. (Attachment A)

Motion by Ballard, second by Duffy

Public comment period began at 2:15 p.m.

Public comment received from 12 individuals in Anchorage, Cordova, Homer, and Fairbanks.

Public comment period closed at 2:45 p.m.

2. Approval of the Meeting Notes

APPROVED MOTION: Approved the November 10, 2003 meeting notes. (Attachment B)

Motion by Duffy, second by Ballard

ATTACHMENT ^B
Page 1 of 8

3. Trustee Council to meet with Public Advisory Committee

APPROVED MOTION: Approve meeting with the Public Advisory Committee (PAC) soon after the March 1, 2004 Trustee Council meeting to provide direction to the PAC on how best the PAC can serve the Trustees.

Motion by Duffy, second by Ballard

4. FY 04 Work Plan

APPROVED MOTION: Approve for funding FY 04 Alaska Coastal Current projects by: Stabeno, \$49,500 and Willette, \$89,800.

Motion by Duffy, second by Pearce

APPROVED MOTION: Approve addition funds for FY 04 Alaska Coastal Current project by: Weingartner, \$4,905 and increasing GEM Science Management budget for FY 04 \$70,000.

Motion by Duffy, second by Pearce

5. Draft FY 05 Invitation

APPROVED MOTION: Defer release of FY 05 Invitation until March 1, 2004 Trustee Council meeting to allow Trustees to provide comments and make improvements to language.

Motion by Duffy, second by Pearce

6. Application for NOS Grant

APPROVED MOTION: Approve EVOS staff applying for the NOS grant.

Motion by Pearce, second by Duffy

Deferred decision on what to use NOS grant for until March 1, 2004 Trustee Council meeting.

Meeting adjourned at 5:00 p.m. Motion by Duffy, second by Ballard

Exxon Valdez Oil Spill Trustee Council

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TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

March 1, 2004

DRAFT

DRAFT

By Kevin Duffy
Trustee Council Member

Trustee Council Members Present:

Joe Meade, USFS
Drue Pearce, DOI***
James Balsiger, NMFS

•Kevin Duffy, ADF&G
Ernesta Ballard, ADEC
Gregg Renkes, ADOL**

- Chair
- ** Craig Tillery alternate for Gregg Renkes
- *** Participating by teleconference

Meeting convened at 10:05 a.m., March 1, 2004 in Anchorage at the EVOS Conference Room.

Trustee Meade presented a commemorative tribute for Ken Holbrook, USFS, who is retiring in April. Ovation by all present followed.

1. Approval of the Meeting Notes

APPROVED MOTION: Approved the February 9, 2004 meeting notes as amended. (Attachment B)

Motion by Balsiger, second by Tillery

2. Approval of the Agenda

APPROVED MOTION: Approved the agenda for the March 1, 2004 meeting as amended to hold the Executive Session during a working lunch. (Attachment A)

Motion by Balsiger, second by Meade

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

ATTACHMENT B
Page 4 of 8

Public comment received from 4 individuals in Anchorage, Kodiak, and Homer.

Public comment period closed at 10:30 a.m.

3. Policies and Procedures

APPROVED MOTION: Approve revision to the EVOS Policies and Procedures General Operating Procedures: "The Executive Director shall provide a proposed agenda and appropriate briefing materials to the Trustee Council members at least 10 days in advance of the meeting. All materials from the public or from agency personnel for inclusion on that meeting's agenda shall be turned into the Executive Director at least 15 days prior to the meeting." (The remainder of the language in the policy remains intact and in place.)

Motion by Ballard, second by Meade

4. FY 04 Work Plan Administrative Budget

APPROVED MOTION: Approve Trustee Council Travel be included in FY 04 Work Plan Administrative Budget. "All Trustee Council member's (including designated alternates) travel expenses directly associated with attendance at all Trustee Council business shall be reimbursed out of EVOS TC funds. Reimbursement shall include transportation, overnight accommodations and per diem specific to the Trustee Council business only. EVOS TC funds will not reimburse expenses for lodging for other meetings scheduled in conjunction with Trustee-related business and meetings."

Motion by Ballard, second by Pearce

5. National Ocean System (NOS) Grant

APPROVED MOTION: Approve EVOS staff applying NOS grant funds for Hinchinbrook-Montague Project.

ATTACHMENT 6
Page 5 of 8

Motion by Meade, second by Balsiger

APPROVED MOTION: Approve entering into a MOU with other partners in this project that would clearly outline the responsibilities of all parties. Negotiations with the others involved need to clarify that the TC will not be responsible for large amounts of money for operating expenses.

Motion by Ballard, second by Meade

6. Executive Session

APPROVED MOTION: Approve moving to executive session to discuss litigation issues.

Motion by Ballard, second by Pearce

EXECUTIVE SESSION

Off the record: 11:53 a.m.

On the record: 1:25 p.m.

7. FY 04 Work Plan

APPROVED MOTION: Approve for funding FY 04 deferred projects: Walker - \$18,800, Bechtol - \$37,600, and Mann - \$46,600 (revised budget for \$45,000 was received after the March 1, 2004 Trustee Council meeting).

Motion by Ballard, second by Meade

APPROVED MOTION: Approve modification of FY 04 Work Plan by \$1,500,000 to establish a contingency fund allocated to the Department of Law to address the issue of lingering oil and form a working group to review other unfinished business and remaining deferred projects, including lingering oil, giving Saupe and Couvillian mapping projects priority.

Motion by Balsiger, second by Ballard

APPROVED MOTION: Approve lapsing remaining \$607,310 from FY 03 funds for additional FY 04 Work Plan projects.

Motion by Tillery, second by Balsiger

8. FY 05 GEM Invitation for Proposals

APPROVED MOTION: Approve adoption and release of FY 05 Invitation with the addition of a Community Involvement component in every project and clarifying the lingering oil language.

Motion by Meade, second by Ballard

9. Small Parcel Program

APPROVED MOTION: Approve reimbursing \$202,756.59 outstanding debt to The Nature Conservancy and The Conservation Fund.

Motion by Ballard, second by Meade

APPROVED MOTION: Approve establishing a Small Parcel Working Group. "The Trustee Council instructs the Executive Director to convene a working group to address the EVOS Habitat Protection Small Parcel Acquisition Program. Membership of this group should include interested federal and state trustees and/or their staff, appropriate agency staff, and non-government organization (NGO) representatives, as well as a representative from the EVOS Public Advisory Committee. The charge for this working group includes the review of current and past processes and procedures for the Habitation Protection Small Parcel Acquisition Program and formulating recommendations for future program implementation. The product of this working group is to be prepared by the Executive Director and provided to the Trustee Council for review and consideration."

Amended to include: The Nature Conservancy to proceed with negotiations on the McGee parcel. Further amended to include: reimbursement of \$10,355 to Alaska

Department of Natural Resources for costs associated with the purchase of the Thompson, Knol, Nakada and McGee properties .

Motion by Ballard, second by Meade
First amendment to motion by Balsiger, second by Ballard
Second amendment to motion by Ballard.
second by Meade

Meeting adjourned at 2:50 p.m. Motion by Meade, second by Ballard