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

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,

v.

蔚

Plaintiff,

No. A91-082 Civil (HRH)

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

_-

Defendants.

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND

The United States and the State of Alaska ("the Governments") jointly provide notice of the expenditure of \$21,732,734 from the EXXON VALDEZ Oil Spill Investment Fund ("Investment Fund") and \$1,055,700 from lapsed funds and accrued interest on settlement monies previously disbursed that are within

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND -1the Natural Resource Damage Assessment And Restoration Fund managed by the Department of the Interior. 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.

Paragraph 27 of the Third Amended Order provides that "funds in an Investment Fund shall remain on deposit in that Fund

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND -2until 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 expenditure from the Investment Fund and from lapsed funds and accrued interest on settlement monies previously disbursed to fund: (1) the sixth (final) installment payment associated with the acquisition of lands from the Eyak Corporation in accordance with the resolutions of the Trustee Council dated July 2, 1997 and August 13, September 4, and November 30, 1998;²/ (2) the eighth (final) installment payment associated with the acquisition of lands from the Kodiak Island Borough in accordance with the resolution of the Trustee Council dated December 11, 1995;³/ (3) necessary natural resource damage assessment and restoration activities during federal fiscal

² These resolutions appeared as part of Attachment A of our Joint Application for Thirty-Seventh Disbursement From Settlement Account. This \$7,000,000 payment is due on October 1, 2002.

³ This resolution was appended to the Joint Application For Twentieth Disbursement From Settlement Account as Attachment A. This \$11,805,734 payment is due October 1, 2002.

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND -3-

 $[\]frac{1}{2}$ 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.

year 2003;⁴/ (4) the acquisition of small parcel KAP 1087;⁵/ (5) increased and unanticipated support costs for projects 02126 and 030126(habitat protection;⁶/ and (6) monies needed to equalize the value of land on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation in exchange for land in Kiliuda Bay to be conveyed to the State by Old Harbor Native Corporation.²/

Of the \$22,788,734 that is the subject of this notice, \$8,315,700 will be provided to the United States and \$14,472,734 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

 $\frac{4}{}$ The resolution of the Trustee Council documenting its unanimous agreement to expend \$3,725,200 for implementation of Phase I of the FY 2003 Work Plan and describing the purposes of those expenditures is appended to this notice as Attachment B, pp. 15-42. Of this amount, \$2,569,500 will come from the Investment Fund. The remainder, \$1,055,700, will come from lapsed funds and accrued interest on monies previously disbursed from the settlement account that are within the Natural Resource Damage Assessment and Restoration Fund managed by the United States Department of the Interior.

 5 / The resolution of the Trustee Council documenting its unanimous agreement to expend \$160,000 for this purpose and the certification of the Executive Director of the Trustee Council evidencing satisfaction of the conditions appearing in that resolution are appended to this notice as Attachment A, pp. 3-7.

 $\frac{6}{}$ The certifications of the Executive Director evidencing the unanimous agreement of the Trustee Council to expend \$56,500 for this purpose are appended to this Notice as Attachment A, pp. 8-9.

 2 / The certification of the Executive Director evidencing the unanimous agreement of the Trustee Council to expend \$41,000 for this purpose is appended to this Notice as Attachment A, p. 10.

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND

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 Thirteenth Joint Notices of Expenditure From Settlement Account Monies Previously Disbursed, and the First Joint Notice of Expenditures from Investment Fund. Since the last summary provided to the Court, the Trustee Council has met on two occasions. Appended to this application as Attachment B are the meeting notes for these two meetings.

RESPECTFULLY SUBMITTED this 23^{rel} day of August, 2002 at Anchorage, Alaska.

-5-

Mury REGINA R. BELT

ATTORNEY FOR THE UNITED STATES

DATED:

BRUCE M. BOTELHO Attorney General State of Alaska

raig) Tilley

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

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 23 day of August, 2002 a copy of the foregoing SECOND JOINT NOTICE OF EXPENDITURES FROM 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

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

1031 WEST 4TH A VENUE, SUITE 200 ANCHORAGE, ALASKA 99501-1994 PHONE: (907)269-5100

(907)276-3697

FAX:

TONY KNOWLES. GOVERNOR

August 23, 2002

Lee Livermore 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. Livermore:

The Exxon Valdez Trustee Council has unanimously determined to expend \$21,732,734 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in United States v. State of Alaska, No. A91-081 CIV (D. Alaska) on August 28, 1991. 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: Account: \$14,472,734 State of Alaska Exxon Valdez Settlement Account GeFONSI 33070 Account 65040

ATTACHMENT PAGE

Lee Livermore Exxon Valdez Oil Spill Investment Fund

United States

Amount:

\$7,260,000

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, FY03 Joint Funds

Beneficiary Reference A91-082Civil

The transfer should take place on Tuesday, September 3, 2002 or as soon thereafter 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

ATTACHMENT PAGE 2 OF 10

RESOLUTION 02-06 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING SMALL PARCEL KAP 1087/CHOKWAK

٠.

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. 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 (the grant to The Conservation Fund is hereinafter referred to as the "Grant");

2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;

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

4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398792

Reso Jution 02-06 **ATTACHMENT**

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

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

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

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30, 2003;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

Resolution 02-06

ATTACHMENT

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

2

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

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

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

(i) title search;

(ii) a determination that the seller is willing and able to convey title in

a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States;

 (iii) an executed purchase or option agreement and conveyance documents that are ready for execution;

(iv) hazardous materials survey; and

statement of compliance with the National Environmental Policy Act.

(vi) statement of compliance with the National Environmental Policy Act.

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

Resolution 02-06

ATTACHMEN

By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

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

Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

4

M DAVE GIBBONS

Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

Ris Dario

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

FRANK RUE Commissioner Alaska Department of Fish and Game

Attachment A - Restoration Benefits Report

Assistant Attorney General² State of Alaska

JAMES/BALSIGER Administrator, Alaska Region National Marine Fisheries Service

ATTACHMENT

MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

ACE 30398795

Resolution 02-06

÷

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



August 14, 2002

I certify that the State of Alaska has complied with the terms and conditions of the *Exxon Valdez* Oil Spill Trustee Council's resolution of July 9, 2002, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursements from the EVOS Investment Fund:

Parcel Number KAP 1087

<u>Landowner</u> James F. Chokwak, Sr. Purchase Price \$160,000

Molly McCammon Executive Director

ACE 30398796

ATTACHMEN PAGE

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation



٠.

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

August 7, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive \$37,700 for Project 030126 habitat protection support costs for the protection of coastal habitat in Perenosa Bay.

Molly McC

Molly McCammon Executive Director

ACE 30398797

ATTACHMENT PAGE

Federal Trustees U.S. Department of the Interior U.S. Department of Apriculture State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation

.

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



August 13, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive an additional \$18,800 under Project 02126 for unanticipated, habitat protection support costs.

a Schubert for

Molly McCammon Executive Director

ACE 30398798

ATTACHMENT PAGE.

Federal Trustees U.S. Department of the Interior State Trustees Alaska Department of Fish and Game



÷

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

August 13, 2002

I certify that on July 9, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion to provide \$41,000 to the State of Alaska Department of Natural Resources to cover the difference in the value of land on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for land in Kiliuda Bay to be conveyed to the State by Old Harbor Native Corporation.

Sundra Schubert for

Molly McCammon Executive Director

ACE 30398799

ATTACHMENT PAGE 10 OF 10

 Federal Trustees
 State Trustees

 U.S. Department of the Interior
 Alaska Department of Fish and Game

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

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska August 6, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

●Drue Pearce, DOI James Balsiger, NMFS Frank Rue, ADF&G Michele Brown, ADEC *Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons, Tillery, and Brown

By teleconference: Balsiger (DC), Rue (Juneau), Toohey (Anchorage)

Alternates

Cam Toohey served as alternate for Drue Pearce or the entire meeting.

Meeting convened at 2:06 p.m., August 6, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the August 6, 2002 agenda. (Attachment A)

Motion by Brown, second by Gibbons.

2. <u>Approval of Meeting Notes</u>

APPROVED MOTION:

Approved the July 9, 2002 meeting notes. (Attachment B)

Motion by Gibbons, second by Brown.

ACE 30398800

ATTACHMENT PAGE_

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture

1

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



DRAFT

.

Public comment period began at 2:10 p.m.

No public comment received.

Public comment period closed at 2:12 p.m.

3. Investment Fund Fees

APPROVED MOTION:

Approved a motion to adjust the investment fund fees as outlined in the memo to the Trustee Council dated August 6, 2002 regarding the Investment Fund Fees (Attachment C), with a correction on page 4 changing 1/12 to 12.

Motion by Brown, second by Gibbons.

Public comment period re-opened at 2:26 p.m.

No public comment received.

Public comment period closed at 2:27 p.m.

4. FY 03 Work Plan Phase I

ADOPTED RESOLUTION:

Adopted resolution 02-07 approving funding of \$3,725,200 for FY 03 Phase I projects as outlined in resolution 02-07(Attachment D).

-Motion by Brown, second by Gibbons.

5. FY 02 Amendment to Project 02126

APPROVED MOTION:

Approved a motion to provide \$18,800 for the Alaska Department of Natural Resources under Project 02126 for the unanticipated contractual expenses outlined on page 3 of the memo dated July 12, 2002 from Carol Fries to Molly McCammon, including a general administrative fee of 7% (Attachment E).

Motion by Brown, second by Gibbons.

2

Ь. ATTACHMENT

6. Afognak Island Acquisition Support

APPROVED MOTION:

Approved a motion to provide \$37,700 in funds for the Alaska Department of Natural Resources to provide the following services in regard to the proposed protection of coastal habitat in Perenosa Bay and other coastal habitat on northern Afognak Island: review land and timber appraisals, review title, and conduct a hazardous materials survey and site inspection.

Motion by Brown, second by Gibbons.

7. <u>Habitat Grant Extension</u>

ADOPTED RESOLUTION:

Adopted resolution 02-08 approving an extension of the termination date of the United States Fish and Wildlife Service grants to The Conservation Fund and The Nature Conservancy from September 30, 2002 to September 30, 2003, an extension of due date for the grant recipients' activity report to the Council from December 31, 2002 to December 31, 2003, and a revision to the schedule for funding recipients' indirect costs from quarterly disbursement to upon request for reimbursement occurring no more frequently than every 30 days (Attachment F)

Motion by Gibbons, second by Brown.

8. Injured Resources Update

APPROVED MOTION:

Approved a motion to adopt the Status of Injured Resources and Services dated July 29, 2002 with a motion to amend by Gibbons, seconded by Balsiger, approving the following changes: move Subtidal Communities from "Recovered" to "Recovery Unknown" and include corresponding language changes in the recovery description of subtidal communities.

Motion by Brown, second by Gibbons.

ATTACHMENT _____B 59

Public comment period re-opened at 4:23 p.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 4:27 p.m.

Meeting adjourned 4:28 p.m.

Motion by Gibbons, second by Brown.

ATTACH	MENT	Ē	3
D. 05	Ý		29

ATTACHMENT A

Exxon Valdez Oil Spill Trustee Council

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

AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL TELECONFERENCE MEETING August 6, 2002 2:00 p.m. 441 West 5th Ave., Suite 500, ANCHORAGE

Trustee Council Members:

MICHELE BROWN Commissioner Alaska Department of **Environmental Conservation**

> MARIA LISOWSKI for DAVE GIBBONS **Forest Supervisor** Forest Service Alaska Region U.S. Department of Agriculture

FRANK RUE Commissioner, Alaska Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500 State Chair

1. Call to Order - 2:00 p.m.

- Approval of Agenda*
- Approval of Meeting Notes* July 9, 2002
- 2. Public Advisory Group meeting summary - June 20, 2002
- 3. Public comment - 2:15 p.m.
- 4. Executive Director's report Quarterly Project Report Investment fee amendment*

ACE 30398804

ATTACHMENT

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture

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



DRAFT

CRAIG TILLERY Assistant Attorney General State of Alaska

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

Administrator, Alaska Region National Marine Fisheries Service

JAMES W. BALSIGER

- 5. FY 03 Work Plan Phase I*
- 6. FY 02 Work Plan Amendment (02126)*
- 7. Support for northern Afognak acquisition efforts*
- 8. Extension of Habitat Grant*
- 9. Update on Status of Injured Resources and Services*

.:

Adjourn - 4:00 p.m.

* Indicates tentative action items.

ATTACHMEN 6 PAGE

ATTACHMENT B



Exxon Valdez Oil Spill Trustee Council

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

TRUSTEE COUNCIL MEETING NOTES

.

Anchorage, Alaska July 9, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

•Dave Gibbons, USFS *Drue Pearce, DOI James Balsiger, NMFS Frank Rue, ADF&G Michele Brown, ADEC Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. <u>Approval of the Agenda</u>

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. <u>Approval of Meeting Notes</u>

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

ACE 30398806

Motion by Tillery, second by Brown.

ATTACHMENT PAGE

Federal Trustees U.S. Department of the Interior State Trustees Alaska Department of Fish and Game Public comment period began at 10:53 a.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. <u>GEM Program Document</u>

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. <u>Revised Operating and Report Procedures</u>

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. <u>Trustee Council Data Policy</u>

APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

6. <u>Executive Session</u>

APPROVED MOTION:

Approved a motion to move to an Executive Session.

Motion by Tillery, second by Rue.

BREAK

Off Record at (11:39 a.m.) On Record at (11:45 p.m.)

EXECUTIVE SESSION

Off record at (11:45 a.m.) On record at (1:53 p.m.)

ACE 30398807

7. Injured Resource Update

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

ATTACHMENT R

8. Habitat Protection

APPROVED MOTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

ADOPTED RESOLUTION:

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ATTACHMENT PAGE OF

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

MEMORANDUM

TO: Trustee Council

FROM: Molly McCammon Executive Director

RE: Investment Fund Fees - REVISED

DATE: August 6, 2002

Background

At the July 5, 2000 meeting, the Trustee Council approved the "Resolution of the *Exxon Valdez* Oil Spill Trustee Council Pertaining to the Transfer of the Joint Trust Funds and Fees on the Investment Fund". In this resolution fixed flat fees and specific fee rates (basis points) per service or type of asset class were detailed. However, we have since learned that these fees fluctuate. For example, two of the variable rates depend upon the total amount the Alaska Division of Treasury has invested in each asset class. As a result, we are out of compliance with the July 5th resolution and would like to correct it by having the Trustee Council approve a motion that supersedes this resolution.

<u>lssue</u>

Alaska Division of Treasury negotiates the management fee contracts for the Alaska State Pension Investment Board (ASPIB). The Council's Investment Fund "piggybacks" on these fee contracts, especially for the International and Domestic Equity pools of the Investment Fund. The fee rates do not remain constant. This is because the fee schedule is incremental. Each additional increment of invested dollars is invested at a lower rate than the previous.

1. International Pool

For example, the fee schedule for the International pool of the Investment Fund is detailed below:

ACE 30398809

ATTACHMENT PAGE

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation

Amount Invested		mount Invested Cumulative Assets		
1 ⁵¹	\$200 m	\$200,000,000	50	
Next	\$100 m	\$300,000,000	45	
Next	\$100 m	\$400,000,000	40	
Next	\$100 m	\$500,000,000	- 35	
Next	\$100 m	\$600,000,000	. 30	
Next	\$100 m	\$700,000,000	25	
Next	\$300 m	\$1,000,000,000	20	
Remainder		Over \$1 billion	.15	

Non-retirement funds are charged at the lowest incremental rate. In the case above this means that, so long as the retirement assets remain at a market value of over \$1 billion, the non-retirement assets pay the final and lowest incremental rate of 15 basis points. In the event that the retirement assets market value decreases to a market value (MV) between \$700 million and \$1 billion, the non-retirement assets rate actually increases to the incremental rate of 20 basis points.

Non-retirement funds choose this option, along with the associated risk of an increase in basis point fees, because they would be hard pressed to go out and obtain active international management fees at even the retirement systems highest incremental rate of 50 basis points.

2. Domestic Equity Pool - REVISED

The fee schedule for domestic equity assets follows:

Amount Invested		t Invested Cumulative Assets			
151	\$250 million	\$250,000,000	1.4		
Next	\$375 million	\$625,000,000	1.0		
Next	\$1,075 million	\$1,700,000,000	0.8		
Rema	inder	Over \$1,700 million	0.6		

EVOS participates along with <u>several other non-retirement funds</u> in the above domestic equity pool. At June 30, EVOS' assets represented 17% of the total \$426 million in the fund. Each fund pays its prorated share of the fees for this pool. For example, for EVOS, the calculation would be:

EVOS average month end MV for the quarter Total average month end MV, all funds X of

X quarterly fee = EVOS share

Note that if the international fees were allocated using this same formula (Domestic Equity), EVOS' fee for FY02 would have been over 30 basis points.

ATTACHMENT _ 17 OF

Recommendation

Recommend that the Trustee Council approve a motion that would approve Investment Fund fees based upon a basis point range instead of a flat rate. The motion should also recognize that the Division of Treasury's personal services costs will most likely increase each year and that Treasury charges funds it manages based upon a percentage of its personal services costs. Therefore, the Investment Management Fee should not be dollar specific but stated only as 0.5% of the Division of Treasury's budgeted personal services amount. Note that the 0.5% is charged per account that is established at Treasury's custodial bank, State Street Company. Treasury may cap the total Investment Management Fee to 1.0% of personal services for funds who require more than 2 accounts at the custodial bank.

Ċ

The table below shows the fee approved by the Trustee Council in its July 5, 2000 resolution, the actual fees incurred for the past quarter, and the recommended fee range.

Description of Fee	Fee Approved by Trustee Council	Actual Fees for SFY 02	Fee Ranges Likely to Cover Actual Fees as Recommended by Division of Treasury	Notes
Custody Safekeeping Fee	\$5,000	Fee waived	Fee waived	Treasury has waived this fee for funds over a certain size as the 1 basis point variable fee is sufficient to cover larger funds share of the costs.
Custody Transaction Fee	1 basis point	1 basis point	No Change	
Investment Management Fee (Treasury personal services for fixed income management and accounting)	\$11,222 (0.5% of budgeted amount for Division of Treasury's personal services)	¹ /4 of \$11,900 (0.5% of budgeted amount for Division of Treasury's <u>personal</u> services)	(0.5% of budgeted amount for Division of Treasury's personal services)	This fee fluctuates as Division of Treasury's personal services fluctuate. In SFY 03 our fee will be \$13,100 for the year. This increase is 'because Treasury received an increment in their 2003 budget to cover increased investment officer salaries.
Domestic Equity Fee	1.3 basis point	2.0 basis point	0.8 to 1.4 basis points	The fee would only go as high as 1.4 basis points if all other participants were to exit and EVOS was the only fund left (at approximately their existing \$70 million investment).
International Equity Management Fee	15 basis point	20 basis point	15.00 to 25.00 basis points	The retirement assets would have to be reduced by \$300 million before EVOS' fees increased to the next increment, which would be 25 basis points. This is unlikely to happen from market conditions alone. However the ASPIB board could move a portion of these assets to another manager.

ATTACHMENT 59 12 PAGE

Motion:

The Trustee Council approves the EVOS Investment Fund fees for one account as follows:

- Custody fees shall be charged monthly at 1 basis point of the month end market value divided by 1/12.

- Investment Management fees shall be charged monthly at 0.5% of the budgeted amount of the Division of Treasury's personal services divided by 1/12.

- Domestic Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 1.4 basis points divided by 4.

- International Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 25 basis points.

If in one fiscal year the EVOS Investment Fund (assumes EVOS adds no new money in the fund, i.e., contributions and not earnings) fees for one investment account exceed \$150,000, approval of these fees is required by the Trustee Council.

ATTACHMENT ____ PAGE 13 OF

Attachment A

The fees Treasury shall charge EVOS for providing domestic and international equity management are based upon Treasury's existing contracts, which expire June 2003. The fee schedules are shown below:

Domestic Equity Management - Provided by State Street Global Advisors (SSGA) - Russell 3000 Common Trust Fund

Amount Invested		Cumulative Assets	Basis Point Fee		
1 51	\$250 million	\$250,000,000	1.4		
Next	\$375 million	\$625,000,000	1.0		
Next	\$1,075 million	\$1,700,000,000	0.8		
Remainder		Over \$1,700 million	0.6		

EVOS shall be charged a prorated share of the quarterly billing from SSGA based upon EVOS' total assets in this investment as a percent of the total of all assets in this investment. EVOS' total fee cannot exceed 1.4 basis points in this investment.

Basis Point Cumulative Amount Invested Assets Fee 1 51 \$200 m \$200,000,000 50 Next \$100 m \$300,000,000 45 \$100 m \$400,000,000 Next 40 \$100 m \$500,000,000 35 Next Next \$100 m \$600,000,000 30 \$700,000,000 25 \$100 m Next Next \$300 m \$1,000,000,000 20 15 Remainder Over \$1 billion

International Equity Management - Provided by Lazard Frere Asset Management

EVOS shall be charged the lowest incremental rate applicable during the billing period after taking into account the total assets held by Treasury in this investment. For example, if the total assets equal \$950,000,000 then EVOS' fee would be 25 basis points.

The incremental rate over the last 24 months has ranged from 15 to 20 basis points. Total assets in this investment are approximately in the \$900-1,000 million range. If the Pension Board were to significantly reduce their investments in this account, the incremental rate would move progressively up (in 5 basis point adjustments). These fees for international are contingent upon the Pension Board's continued relationship with Lazard and their concurrence with Treasury's method of allocating costs of this contract.

Should either fee schedule change, Treasury will notify EVOS of the expected impact on fees to EVOS.

ATTACHMENT	B
PAGE 14	OF 59

RESOLUTION 02-07 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING THE FY 03 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 <u>United States of America v</u>. <u>State of Alaska</u>, 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 <u>State of Alaska v</u>. <u>Exxon Corporation, et al.</u>, No. A91-083 CIV, and <u>United <u>States of America v</u>. <u>Exxon Corporation, et al.</u>, No. A91-083 CIV, and <u>United</u> <u>States of America v</u>. <u>Exxon Corporation, et al.</u>, No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment and restoration activities. The Fiscal Year 2003 Work Plan Phase I is funded at \$3,725,200 as described in Attachment A. The monies are to be distributed according to the following schedule:</u>

Alaska Department of Fish & Game Alaska Department of Natural Resources	2,240,000 329,500
SUBTOTAL TO STATE OF ALASKA	\$2,569,500
U.S. Department of the Interior National Oceanic & Atmospheric Administration	687,300 468,400
SUBTOTAL TO UNITED STATES OF AMERICA	\$1,155,700
TOTAL APPROVED	\$3,725,200
	ACE 30398814

Funds must be spent in accordance with Attachments A and B, with the following conditions: (1) If a Principal Investigator (PI) has an overdue report or manuscript from

ATTACHMENT B

Resolution 02-07

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 for withdrawal of the Fiscal Year 2003 Work Plan Phase I amount (\$3,725,200) from the appropriate account designated by the Executive Director.

ACE 30398815

ATTACHMENT PAGE 16 OF

Resolution 02-07

Approved by the Council at its meeting of August 6, 2002 held in Anchorage, Alaska as affirmed by our signatures affixed below.

DAVE GIBBONS

Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

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

FRANK RUE Commissioner Alaska Department of Fish and Game

CRAIG J. TILLERY Assistant Attorney General State of Alaska

JAMES W. BALSIGER Administrator, Alaska Region National Marine Fisheries Service

MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

Attachments:

- A Funding Distribution
- B Executive Director's Recommendation

ACE 30398816

ATTACHMENT PAGE.

Resolution 02-07

blution 02-07 Attachment A te EXXON VALDEZ OIL St TRUSTEE COUNCIL 2003 Federal Fiscal Year Project Budgets October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification	
ADF&G		G		030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	30.
	DOI-USGS, DOI-0/S	-	030100	Public Information and Administration	950.	
- ····································			030190	Construction of a Linkage Map for the Pink Salmon Genome	54.	
		G	030210	Youth Area Watch	98	
	ADNR, DOI-USGS, NOAA	G	030250	Project Management	50	
·····		G	030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska	51.	
			· · · · · · · · · · · · · · · · · · ·	Ecosystem		
		G	030455	Gulf Ecosystem Monitoring and Research Program Data System	212	
•		G	030550	Alaska Resources Library and Information Services	95.	
			030558	Harbor Seal Recovery: Application of New Technologies for	286.	
				Monitoring Health (including Bench Fees)		
		G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	39.	
		G	030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	22	
		G	030610	Kodiak Archipelago Youth Area Watch	63	
		G	030614	Monitoring Program for Near-Surface Temperature, Salinity, and	18	
	and the second sec			Fluorescence in the Northern Pacific Ocean	1	
	ADNR	G	030630	Scientific Management under GEM	174.	
		G	030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the	92.	
				Last Several Thousand Years	1	
		• • • • • • • •	- · · ·	ADF&G Tota	2,240	
	· · · · · · · · · · · · · · · · · · ·					
ADNR	ADFG, DOI-USGS, NOAA		030250	Project Management	10.	
	ADFG, DOI-0303, NOAA	G	030600	Synthesis of the Ecological Findings from the EVOS Damage	215	
		G	050600	Assessment and Restoration Programs, 1989-2001		
	ADFG	G	030630	Scientific Management under GEM	103	
· · · · ·			000000		····	
				ADNR Tota	329	
DOI-NPS	DOI-USGS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on	4	
DOI-NPS	001-0303	G I	030030	Analysis of Archaeological Material & Isotopes		
				DOI-NPS Subtota	1 4	
DOI-FWS	DOI-USGS		030423	Patterns and Processes of Population Change in Selected Nearshore	11	
DOI-F 113			000420	Vertebrate Predators		
	alaan oo oo oo ayaaalaan oo ahoo oo ahoo ahaanaa kaalaa saada taalaa saada ah	G	030561	Community-Based Forage Fish Sampling	17	
				DOI-FWS Subtota	28	
		 				
	ADFG, DOI-O/S		030100	Public Information and Administration	139	
	INDER, DOI:0/3	-1	020100	IF UDITE INTO INTALION AND AUTOMISTICATION	27	

· ·

1

Dollar Amounts are shown in thousands of dollars Revised 8/19/2002

30398817 Attachment 00 B

PAGE_

l OF

ACE

ITD

Attachment A to R ution 02-07 EXXON VALDEZ OIL SPI USTEE COUNCIL 2003 Federal Fiscal Year Project Budgets October 1, 2002 - September 30, 2003

Agonov	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification
Agency	DOI-FWS	GEM	030423	Patterns and Processes of Population Change in Selected Nearshore	205.1
· · · · ·	NOAA NOAA	1	030585 030620	Vertebrate Predators Lingering Oil: Bioavailability & Effects to Prey & Predators Lingering Oil & Predators: Pathways of Exposure & Population Status	15.7 192.3
·	DOI-NPS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	49.0
				DOI-USGS Subtotal	629.9
DOI-O/S	ADFG, DOI-USGS		030100	Public Information and Administration	24.2
		- · · · · · ·		DOI-O/S Subtotal	24.2
				DOI Total	687.3
NOAA	· · · · · · · · · · · · · · · · · · ·		030012	Photographic and Acoustic Monitoring of Killer Whales in Prince	18.1
· · · · · · · · · · · · · · · · · · ·	ADFG, ADNR, DOI-USGS	<u>G</u>	030250 030290 030476 030574	William Sound and Kenai Fjords Project Management Hydrocarbon Database and Interpretation Service Effects of Oiled Incubation Substrate on Pink Salmon Reproduction Assessment of Bivalve Recovery on Treated Mixed soft Beaches in Prince William Sound	49.7 22.5 37.1 36.0
· <u> </u>	na <u>a</u> na ar an ar	G	030575	Designing a Community Involvement/Community-based Monitoring Plan for GEM	109.6
	USGS	G G	030585 030607	Lingering Oil: Bioavailability & Effects to Prey & Predators Geographic Information Systems (GISs) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	105.9 13.1
		G G	030625 030636	Prince William Sound Isotope Ecology Synthesis Management Applications: Commercial Fishing	25.5 50.9
	· · · · · · · · · · · · · · · · · · ·		<u>.</u>	NOAA Total	468.4
				Total	3,725.2

:::

2

ACE 30398818

Dollar Amounts are shown in thousands of dollars Revised 8/19/2002

ITD

Attachment Page 19

S.

SPREAD TEET B: TRUSTEE COUNCIL ACTION (TEX PREADSHEET)--FY 03 PHASE I WORK PLA

			Lead	New or	FY 03 Approved	FY 03 Deferred to	FY 04	FY 04
Proj.No.	Project Title	Proposer	Agency	Cont'd	8/6/02	11/25/02	Request	Recom.
Oil Spill: Ling	gering Injury				\$428.0	\$151.3	\$52.7	\$52.7
030190	Construction of a Linkage Map for t Pink Salmon Genome	he F. Allendorf/Univ. Montana	ADFG	Cont'd 8th yr. 8 yr. proj	\$54.5 ect	\$0.0	\$0.0	\$0.0
E	Project Abstract	Chief Scientist's Recommend	lation		Trus	tee Council A	ction	
experiments co that use a linka effects of region important to the and survival). I adults were coll cohort produce Likes Creek. In the returning ac differences in m (e.g., body, size	year of a project based upon inducted at the Alaska SeaLife Center age map that was constructed to test for ns of the genome on traits that are a recovery of pink salmon (e.g., growth in summer 2001, 259 sexually mature lected in Resurrection Bay from the 1999 d from wild pink salmon collected from in FY 03, the analysis of the genotypes in dults will be completed to test for genetic narine survival and other life history traits e, egg number, and egg size) and a final ipt will be prepared.	This is the final year of a long-term pr done a good job overcoming unexpect challenges. The genome map will be variety of future studies of pink salmo useful for future pink salmon manage Southcentral Alaska. Based on the p appears that the data analysis is in th completion, and it seems appropriate principal investigator with funding to c identified data analysis and prepare n Fund.	ted technical a benefit to a n, and will be ment in oposal, it process of to provide the omplete the	remaining prepara the gene survival project to fisher to fisher the gene to their into stre	ng data analy tion. This pro etic traits of p . In addition, t will contribute ies managen ons. For exa e pool in a wa environment? ams to affect	al, which redu sis and manu ject is importa ink salmon th the work being to answering nent about hat imple, are hat ay that makes Are enough to productivity of to particular s	script/final r ant for unde at affect gro done unde questions i chery/wild chery fish c wild fish m natchery fis f wild fish?	report irstanding owth and er this important fish shanging aladapted h getting
030290	Hydrocarbon Database and Interpretation Service	J. Short, B. Nelson/NOAA	NOAA	Cont'd 12th yr.	\$22.5	\$0.0	\$22.7	\$22.7
. <u>E</u>	Project Abstract	Chief Scientist's Recommend	lation		Trus	tee Council A	ction	
services for all s analysis in supp data represent 1989 to the pre- laboratory Nation restoration data interpretive services of the	roject provides data and sample archiving samples collected for hydrocarbon port of Trustee Council projects. These samples collected since the oil spill in sent and include environmental and onal Resource Damage Assessment and a. Additionally, this project provides vices for hydrocarbon analysis, public hydrocarbon and pristane databases, d maintenance of the hydrocarbon as.	This is a small project, but critical to the remaining oil and its fate. Studies that whether the remaining intertidal subset Prince William Sound is contamination require the support of this service pro- amount of oil from the spill subsides, the hydrocarbon sources is a question assumes greater importance. This pri- source identification determinations be chemical analyses that are stored in the The technical approach is sound, as a demonstrated by more than ten years The approach and products from this	t will focus or irface oil in g the food we ect. As the the identity of n that oject makes ased on the he database. has been of successes	n (00195, project p b of hydro studies.	01195, 0159 provides the 6	ubmittal of ov 9) and manus ongoing analy for other Trus	cript (0059) sis and inte	8). This rpretation

appeared in many peer reviewed publications.

Fund.
PREADSHEET)--FY 03 PHASE I WORK P SPREAD HEET B: TRUSTEE COUNCIL ACTION (TEX

I						FY 03	FY 03		
Proj.No.	Project Title	Proposer	к	Lead Agency	New or . Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	R. Heintz/NOAA		NOAA	Cont'd 5th yr. 5 yr. projec	\$37.1	\$0.0	\$0.0	\$0.0

Project Abstract

Populations are maintained through successful reproduction; this study is designed to determine if exposure to oil impairs pink salmon reproduction. This experiment began in the fall of 1998 when pink salmon eggs were incubated in oil contaminated water. Fish that as it has been fundamental for understanding the survived exposure were marked and released in the spring of 1999. They reached maturity at sea and returned to spawn in the fall of 2000. Return rates confirmed previous observations of reduced marine survival among exposed fish, but evaluations of offspring (F1) survival rates did not indicate any reproductive impact. The F1 were incubated in clean water until spring 2001 when they were marked and released. They will mature and return to the hatchery in the fall of 2002 and their reproductive ability will be evaluated by generating an F2 generation. A diminished ability to produce the F2 generation represents a genetic effect of oil transmitted to unexposed generations. Such an effect was demonstrated for similarly treated pink salmon in 1997, but corroborating data do not exist. This project is designed to retest that experiment; if diminished reproductive ability is corroborated, it would demonstrate a significant and unanticipated effect of oil pollution.

Chief Scientist's Recommendation

This is an important project because it rigorously tests the hypothesis that pink salmon have herritable damage expressed as reduced survival. The Trustee Council should complete this project, damage to pink salmon from the oil spill. The FY 03 work will complete a two-generation experiment started in 1998 with exposure of salmon eggs to oil. Fund.

Trustee Council Action

Fund closeout of this project contingent on submittal of overdue reports (99347, 01476). This project is validating the effects of oil contamination on pink salmon, thus contributing to our understanding of the injury and recovery status of this injured species.

:..

ATTACHMENT

td

2 D

ACE

PREADSHEET)--FY 03 PHASE I WORK PL SPREAD EET B: TRUSTEE COUNCIL ACTION (TEX

	· ·				FY 03	FY 03		
Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030585	Lingering Oil: Bioavailability and Effe to Prey and Predators	Ects J. Rice, J. Short/NOAA; J. Bodkir B. Ballachey/USGS; D. Esler/Simon Fraser Univ.	, NOAA & DOI	Cont'd 2nd yr. 2 yr. proj	\$121.6 ect	\$0.0	\$0.0	\$0.0
Proj	ject Abstract	Chief Scientist's Recommenda	ion		Trus	tee Council A	ction	
2001 surveys of w conducted under F otters and harlequ concerns that cont their survival. Biod are consistent with this study, linkages	Project 01543. In these areas, sea in ducks have not recovered, raising tinued oil exposure may be affecting chemical assays and mortality patterns in continuing oil exposures, but prior to s between oil persistence and impacts	This is a very good to excellent propose addresses the potential effects of remain intertidal oil deposits (mainly subsurface food web, including clams and intertidal ducks (harlequin ducks) and sea otters, apparently still exposed to lingering oil. closeout of the two-year project to docu remaining in the intertidal and how it ma	ning) on the fish, sea which are This is a ment oil y be	addition water sa Detailed addition (00195, This pro	al chemical a amples, conti d Project Des al work and (00454, 0119 pject, which ir	a project, inclu- analyses and a ngent on (a) a cription, which b) submittal o 5, 01599) and tegrates studi continue	inalysis of i pproval of t reflects thi f overdue re manuscrip es of sea o	nterstitial he revised s eports t (00598). tters and

at higher trophic levels had not been attempted. In this study, shoreline contamination, exposure and effects were examined simultaneously by choosing a common set of sites at which to assess oil persistence and biological impacts on sea otters and harlequin ducks. Fieldwork was conducted in FY 02, and closeout activities, including data analyses and writing of reports and publications, will be done in FY 03. The National Oceanic and Atmospheric Administration's Auke Bay Lab has been leading the studies of oil bioavailability and impacts to prey species; Department of Interior-U.S. Geological Survey has been directing the studies on sea otters and harlequin ducks.

available to higher trophic levels. The request for funds to analyze oil-exposed bivalves is warranted, as this may establish an exposure pathway to higher trophic levels. The project is related to Project 03620, but the latter project focuses more closely on relating foraging area to exposure. Fund, including funds for additional chemical analyses and sediments. analysis of interstitial water samples.

persistence, is the product of a workshop convened in 2001 to review results from Project 01543/Evaluation of Oil Remaining in the Intertidal and to identify information gaps. The project's objective is to determine if the signs of continued oil exposure in sea otters and harlequin ducks are linked to the oil remaining in intertidat

ATTACHMENT د م 2

AC

m

303988

Proj.No.	Project Title	Proposer	Lead Agençy	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030594	Development of an Alaska Standar Species for Marine Toxicity Testing The Alaska Green Urchin		ADFG	New 1st yr. 1 yr. proj	\$0.0	. \$0.0	\$0.0	\$0,0
<u> </u>	Project Abstract	Chief Scientist's Recommen	ndation		Trus	tee Council A	ction	
testing procedur species. None of or recommende Agency and othe cold-water test a species to make species is unsat and this practice of the results. D	develop a standard marine toxicity re using cold water and an Alaska of the standard test procedures required ad by the Environmental Protection er environmental regulators use animals. Use of typical warm-water e decisions about Alaska conditions and tisfactory from a scientific standpoint, e also interferes with public acceptance Decisions requiring toxicity testing include	The core tasks in this proposal have done and extensively published by D colleagues at the University of Wash the 1980s. The project also has limit restoration. Do not fund.	Dinnel and his hington during		fund based of nendation.	n Chief Scient	işt's	
	onents and cleanup chemicals, such as I beach cleaners. This project proposes							•
developing the A	Alaska green urchin as a test species. fertilization and embryo development are	· · · · · · · · · · · · · · · · · · ·						ti ti

ACE 30398822

1. 	· ·		Lead	New or	FY 03 Approved	FY 03 Deferred to	FY 04	FY 04
Proj.No.	Project Title	Proposer	Agency	Cont'd	8/6/02	11/25/02	Request	Recom.
030620	Lingering Oil and Predators: Pathway Exposure and Population Status	vs of S. Rice, J. Short, M. Lindeberg/NOAA; J. Bodkin, B. Ballachey/USGS-DOI	NOAA & DOI	New 1st yr. 2 yr. proj	\$192.3 ect	\$151.3	\$30.0	\$30.0
P	roject Abstract	Chief Scientist's Recommenda	tion		Trus	tee Council A	ction	
0 0		This is an important project for understa ingering effects of the oil spill in some o	-		•	eological Surv uuin ducks (\$1	• • •	

long term impacts of the oil spill. Strong evidence is accumulating which implicates lingering oil as a factor constraining recovery of the nearshore ecosystem in western Prince William Sound. Acute and chronic contamination of sediments and prey species were well documented during the years following the spill. Twelve years later, elevated biomarker levels in sea otters and sea ducks have indicated continued exposures to hydrocarbons. Evidence implicating a route of exposure to date has been largely circumstantial. However, in 2001 and 2002, extensive sampling was undertaken to document the distribution, abundance, and bioavailability foraging activities to the contamination of the forage of lingering oil along those shorelines most heavily impacted by the spill. This has paved the way for identifying specific areas where sea otters and sea ducks could be currently foraging and exposed to lingering oil. This project is an outgrowth of the earlier studies and will focus on the direct pathways of lingering oil to sea otter and sea duck populations in two heavily impacted bays in the western sound.

heavily oiled localities from 1989. It is a very good to excellent proposal that addresses the potential effects of remaining intertidal oil deposits (mainly subsurface) on the food web, including sea ducks (harlequins) and sea otters, which have not recovered from the effects of the spill and are apparently still exposed to lingering oil. There is some concern about the experimental design for the prey base study (the National Oceanic and Atmospheric Administration (NOAA) component). particularly being able to relate the location of base. The means of contamination--eating versus external contact -- is also a guestion. Fund USGS (U.S. Geological Survey) component; defer decision on funding NOAA component pending consultation with the peer review team.

decision on funding NOAA (National Oceanic and Atmospheric Administration) component on habital and lingering oil (\$151,300) pending a workshop to be held Fall 2002 on the results to date from Project 03585/Lingering Oil: Bioavailability and Effects to Proy and Predators. If funded, funding for the NOAA component will be contingent on submittal of the principal investigators' overdue reports (00195, 00454, 01195, 01599) and manuscript (00598) from prior years. This project follows on Project 02585, which is integrating studies of sea otters and harlequin ducks. with findings of the lingering oil survey conducted Summer 2001 (Project 01543). The project is designed to address additional objectives related to the potential effects of remaining intertidal oil deposits--specifically in regard to the food web--on sea ofters and harlequin ducks, both of which have not recovered from the oil spill and are apparently still exposed to lingering oil.

August 6, 2002 (LAYOUT: TCActionAugust)

AC

ш

3039882

Ŵ

PACE

P

-

J

ATTACHMENT

Oil Spill: Recovery Monitoring \$340.8 \$25.0 \$18.2 \$0.0 030012 Photographic Monitoring of Resident Killer Whales C. Matkin/North Gulf Oceanic Society NOAA Cont'd \$18.1 \$0.0 \$18.2 \$0.0 Project Abstract This project will support monitoring of the resident AB pod of killer whales and other resident pods as part of a cooperative program with the Alaska SeaLife Center and various foundations. Monitoring has occurred on a yearly basis since 1984; this long-term data set was crucial in evaluating the oil spill effects on killer whales. C. Matkin/North Gulf Oceanic Society NOAA Cont'd \$18.1 \$0.0 \$18.2 \$0.0 This project will support monitoring has occurred on a yearly basis since 1984; this long-term data set was crucial in evaluating the oil spill effects on killer whales. Chief Scientist's Recommendation the partitioning). A decision on funding in FY 04 and increasingly important species for tourism, an industry that is worth many millions of dollars per year. The killer whale population in the Gulf of Alaska has been increasing and overall the population appears to be healthy. However, the AB pod declined precipitously at the time of the spill and, for a time after the spill, appeared to be in danger of complete disintegration. The AB pod has William Sound and Kenai Fjords. William Sound and Kenai Fjords.	Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.	
Killer WhalesSociety11th yr.Project AbstractChief Scientist's RecommendationTrustee Council ActionThis project will support monitoring of the resident AB pod of killer whales and other resident pods as part of a cooperative program with the Alaska SeaLife Center and various foundations. Monitoring has occurred on a yearly basis since 1984; this long-term data set was crucial in evaluating the oil spill effects on killer whales.This project will monitor an important killer whales are a top trophic-level, sentinel pod. Killer whales are a top trophic-level, sentinel pod. Killer whales are a top trophic-level, sentinel species that is dependent on the integrity of the marine ecosystem. Killer whales are also an industry that is worth many millions of dollars per year. The killer whale population in the Gulf of Alaska has been increasing and overall the population appears to be healthy. However, the AB pod declined precipitously at the time of the spill and, for a time after the spill, appeared to be inThe term of the prior of the toricit.Under the toricit of the prior	Oil Spill: Recovery	Monitoring			<u>ka na na na k</u> ita i na	\$340.8	\$25.0	\$18.2	\$0.0	
This project will support monitoring of the resident AB pod of killer whales and other resident pods as part of a cooperative program with the Alaska SeaLife Center and various foundations. Monitoring has occurred on a yearly basis since 1984; this long-term data set was crucial in evaluating the oil spill effects on killer whales. The killer whale population in the Gulf of Alaska has been increasing and overall the population appears to be healthy. However, the AB pod declined precipitously at the time of the spill and, for a time after the spill, appeared to be in				NOAA		\$18.1	\$0.0	\$18.2		
grown since about 1994 and pod disintegration now seems less likely. The continuation of this monitoring project will provide continuing data about the status of the AB pod. Fund, lower priority.	This project will suppor pod of killer whales an cooperative program w various foundations. M yearly basis since 1984	rt monitoring of the resident AB d other resident pods as part of a vith the Alaska SeaLife Center and Aonitoring has occurred on a 4; this long-term data set was	This project will monitor an important kill pod. Killer whales are a top trophic-level species that is dependent on the integri marine ecosystem. Killer whales are all increasingly important species for touris industry that is worth many millions of d year. The killer whale population in the Alaska has been increasing and overall population appears to be healthy. How pod declined precipitously at the time of and, for a time after the spill, appeared danger of complete disintegration. The grown since about 1994 and pod disinter seems less likely. The continuation of the monitoring project will provide continuin	ler whale I, sentinel ty of the so an m, an ollars per Gulf of the ever, the AE the spill to be in AB pod ha gration nov is g data abou	manusc niche pa beyond reduced sources for conti William	Y 03 only con ripts funded i artitioning). A has not yet b I from earlier of funds ava inued monitor	tingent on con in prior years (decision on f een made. Fi years to reflec ilable to the p ring of killer w	mpletion of (mating sys unding in F unding in F of the additi rincipal inve	Y 04 and Y 03 is onal estigator nce	

Attachment נ ר ACE 30398824 20

J · › ›

SPREAD TEET B: TRUSTEE COUNC	CIL ACTION (TEX PREADS	HEET)	FY 03	PHASE I	WORK F	PLA	
Proj.No. Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030462 Effect of Disease on Pacific Herrin Population Recovery in Prince Wi Sound		ADFG	Cont'd 5th yr. 5 yr. proj	\$0.0 ect	\$25.0	\$0.0	\$0 O
Project Abstract	Chief Scientist's Recommendati	on		Trus	<u>tee Council A</u>	<u>ction</u>	
Project AbstractChief Scientist's RecommendationTrustee Council ActionIn spring 2001, prevalence of Ichthyophonus hoferi (38 percent) in the Pacific herring population of Prince William Sound was more than 50 percent greater than any year studied (1989-2000). I. hoferi causes severe, disseminated, chronic disease in Pacific herring that is best diagnosed using histopathology. Before 2001, I. hoferi prevalence in Atlantic herring have population biomass, but during the last century increases in I. hoferi prevalence in Atlantic herring have been associated with several disease outbreaks. To understand the significance of the 2001 I. hoferi collected in fall 2001 and spring 2002 as part of Project 02462.Chief Scientist's RecommendationTrustee Council ActionVisition biomase, but during the last century increases in I. hoferi prevalence in Atlantic herring have been associated with several disease outbreaks. To understand the significance of the 2001 I. hoferi collected in fall 2001 and spring 2002 as part of Project 02462.Herring remain one of the herring fishery by work on the VHS (viral hemorrhagic septicemia) virus. The reviewers feel there is insufficient justification for a second pathogen (<i>lchthyophonus hoferi</i>). However, a modest contribution of matching funds a larger effort would be in order. Fund at level of \$25,000 if matching funds are obtained.Trustee Council ActionDefer decision on funding this project will has made an important contribution of funds from non-EVOS sources the value of the project has been obtained through the contributions already made to the literature and to the WHS (viral hemorrhagic septicemia) virus. The reviewers feel there is insufficient justification for a second pathogen (<i>lchthyophonus hoferi</i>). However, a modest contribution of \$25,							
030558 Harbor Seal Recovery: Applicatio New Technologies for Monitoring		ADFG	Cont'd 3rd yr. 3 yr. proj	\$286.7 ect	\$0.0	\$0.0	\$0,0
Project Abstract	Chief Scientist's Recommendati	on		Trus	tee Council A	<u>ction</u>	
This study is a continuation of the study to assess the potential for new technologies to monitor the endocrine and immune systems for the health of harbor seals.	This is an excellent proposal investigatin contaminant effects on reproductive biol- harbor seals. Previous concerns about t	ogy of	develop	ment have be	erns about the een addressed resolved. FY	l and budg	et

During year one, baseline samples were collected from both permanently captive and rehabilitation seals at the Alaska SeaLife Center. Analysis of thyroxine (T4), Dtriiodothyronine (T3), and cortisol (metabolic and gluconeogenic hormones), and measurement of immunoglobulins (IgG, IgM, and IgA) and organochlorine contaminants are currently being assessed. Cell lines to quantify immunoglobulins have been initiated, and baseline hormones have been established. FY 03 will compare the profiles of free-ranging seals and those failing to thrive in their environment in an effort to restore this species.

assay development have been addressed and the project is on track to complete its objectives. Fund. project's closeout year (data analysis and final report writing only) but additional sample collection--and the corresponding bench fees for housing the research animals at the Alaska SeaLife Center--has also been proposed and is recommended for funding along with closeout activities. This project is employing new technologies at the Alaska SeaLife Center to assess and monitor the health of harbor seals. [Note: The funding amount includes \$167,600 for Alaska Seal ife Center bench fees.]

August 6, 2002 (LAYOUT: TCActionAugust)

ACE 30398825

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030574	Assessment of Bivalve Recovery o Treated Mixed-Soft Beaches in Pri William Sound		on. NOAA	Cont'd 2nd yr. 2 yr. proj	\$36.0 ect	\$0.0	\$0.0	\$0.0
	Project Abstract	Chief Scientist's Recomm	endation		Trus	<u>tee Council A</u>	ction	
assemblages of	989 through 1997 suggest that bivalve on beaches in Prince William Sound with hot-water washing remain severely	This is the second and final year of intertidal project. The need for this been recognized in the Restoration	work has long	initiated	under the Na	project, which ational Oceani MAT program	ic and Atmo	ospheric

until last year did an affordable project appear.

Fund.

ace 30398826 Attachment <u>B</u>

J

ducks.

damaged in terms of species composition and function.

considerable proportion of mixed-soft beaches in treated areas of the sound remains extremely disturbed and that these beaches are functionally impaired in terms of their ability to support foraging by damaged nearshore vertebrate predators such as sea otters and harlequin

This project will assess the generality of this apparent

injury to these assemblages. A finding that our

conclusions are accurate will indicate that a

continuing effects of shoreline cleanup on populations

of important bivalves, thus allowing the results to be

generalized over a larger geographic range.

1 		• • • • • • •	Lood	New or	FY 03 Approved	FY 03 Deferred to	FY 04	EY 04
Proj.No.	Project Title	Proposer	Lead Agency	Cont'd	8/6/02	11/25/02	Request	Recom.
Oil Spill: Ecosys	stem Recovery & Function	r	· · · · ·		\$216.6	\$148.9	\$0.0	\$0.0
030423	Patterns and Processes of Populati Change in Selected Nearshore Vertebrate Predators	on J. Bodkin, B. Ballachey/USGS-BRD, D. Esler/Simon Fraser Univ.	DOI	Cont'd 5th yr 5 yr. proj	\$216.6 ject	\$0.0	\$0.0	\$0. 0
Sea otters and harl from the oil spill, ba differences between oiled areas, both sp P4501A, almost cer to oil. This project if exposure and the la intent of understand these species and the The results also ser recovery of the spe work has consisted species, and a capt Proposed activities final year of harleque exposure and survit	ect Abstract equin ducks have not fully recovered used on population-level demographic in oiled and unoiled areas. Further, in pecies show elevated cytochrome rtainly reflecting continued exposure is exploring links between oil ack of population recovery, with the ding constraints to full recovery of the nearshore environment generally. rve to monitor the progress of cies and the system. To date, the of field components for both tive component for harlequin ducks. for FY 03 include (a) the third and uin duck field studies quantifying oil val of females during winter and (b) ect components and preparation of		made S Nearshore (Project acks have ental work with results is urally otter componer of harlequin determine if osure and	sea otte the revi compor the proj apparen meet pro extensi (Projec otters a include	evised propos er component iewers in rega nent have bee ject's FY 02 p nt that a third roject objectiv on of the Nea t 99025) work and harlequin s closeout ac writing) for bol	tee Council A al, which redu slightly. The rd to the harle an addressed to reliminary resu year of field st res. This proje- rshore Verteb to two still-in ducks. The F tivities (final dat the sea otte	ces the cos questions r quin duck through a re ultsit is no tudy is nece to is an imp rate Predat jured speci 7 03 funding ata analysis	aised by eview of we essary to oortant or project es, sea g request and fr

PAGE_ ATTACHMEN ACE $\widetilde{\infty}$ 30398827 0F ω N

Proj.No.	Project Title	Proposer	,	Lead Agency	New or Cont'd	Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030587	Understanding the Cellular Processes of Recovery and Its Utility in Oil-Spill Restoration Efforts	C. Downs/EnVirtue Biotechnologies, Inc.	1	NOAA	New 1st yr. 1 yr. projec	\$0.0	\$148.9	\$0.0	\$0.0

Project Abstract

This project will elucidate the cellular and genomic mechanisms that affect the rate of recovery in bivalve species impacted by the oil spill. The project will (a) determine the adverse affects of a long-term oil-spill exposure on specific processes of cellular physiology and genomic integrity that could potentially impede or slow the rates of recovery in populations of Protothaca staminea and (b) determine the link between cellular-physiological condition with PAH-body burden in area. In light of the preliminary data submitted in the placeholder). This project is designed to determine the these two species of bivalves by characterizing these parameters in populations from sites that exhibit different levels of oil contamination. Completion of this work may provide a foundation to address questions critical to the issue of variable rates of recovery in both invertebrate and vertebrate species in oil-impacted areas. It will provide new and powerful tools to improve monitoring methodologies, as well as potentially providing valuable information for restoration efforts.

This project will apply a battery of biomarkers to determine the sublethal impact of residual oil to

Chief Scientist's Recommendation

mollusk physiology. Some interesting data is presented in the proposal. However, there is no proof of principle for the effects postulated, the proposal lacks a strong justification from the existing biomarker literature, and it is not entirely clear how experienced the investigators are in this proposal, however, the investigators should be encouraged to address these weaknesses in a revised proposal. Defer pending submittal and review of a revised Detailed Project Description that addresses the peer reviewers' concerns.

Defer decision on funding this project until November pending submittal and review of (a) a revised Detailed Project Description that addresses the Chief Scientist's concerns (proof of principal, reference to existing biomarker literature, and principal investigators' experience) and (b) a revised budget that clarifies (and probably reduces) contractual and travel costs (the amount in the recommended column above is a sublethal impact of residual oil to mollusk physiology and how exposure to residual oil might be slowing recovery of mollusks.

Trustee Council Action



AC m

3039882

œ

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom	
GEM Cross-Ha	bitat Linkage: Synthesis			<u>,</u>	\$254.5	\$0.0	\$214.3	\$184.8	
G- 030600	Synthesis of the Ecological Finding from the EVOS Damage Assessme and Restoration Programs, 1989-20	ent al	t ADNR	Cont'd 2nd yr. 3 yr. proje	\$215.9	\$0.0	\$1'84.8	\$184.8	_
Pro	pject Abstract	Chief Scientist's Recommenda	<u>tion</u>		Trus	tee Council A	clion		
post-spill study in restoration progra and natural factor of Alaska ecosyst integrated synthes major sections: (a the ecosystem, (b responds in distur how our understa and what future p valuable marine e	hthesizing the results from 12 years of the EVOS damage assessment and arms in the context of anthropogenic is causing change in the northern Gulf em. The result of the work will be an sis book. The book will consist of three a) the basic structure and function of b) how it changes over time and how it bances, and (c) the effect of the spill: nding of the ecosystem has matured ath will help us better understand this ecosystem. The book will be a major OS restoration program and help set GEM.	Proposal will not be reviewed by Chief S Two independent reviews have been co					hat has been of science for ulfill at leas but the EVC oble volume etailed out and will be t. In addition closely with the multime a useful to results of t	ollowing t two DS legacy and (b) line for the supplied on, the the nedia ool for r	
G- 030607	Geographic Information Systems (0 Map of Water Quality Monitoring Si Across the Gulf of Alaska		NOAA	New 1st yr. 1 yr. proje	\$13.1	\$0.0	\$0.0 ,	\$0.0	
This project will sy comprehensive G map and database Alaska. This map be linked to CIIMM Management and and STORET, thr easily updated an as well as policy r public. This map as a lasting tool fo Gulf of Alaska's re monitoring efforts	<u>eiject Abstract</u> ynthesize existing data to create a eographic Information Systems (GIS) e of monitoring sites across the Gulf of will be published in hardcopy and will MS (Cook Inlet Information Monitoring System, Project 01391) ough which the map and data can be d made available to monitoring entities nakers, scientists, and the general and the accompanying data will serve or the restoration and protection of the esources by coordinating diverse and establishing a framework into about current and future monitoring entered	Fund contingent on clarification by the p the geographic area to be included (the should include the entire geographic are encompassed by the GEM program).	d map of Such a objectives proposer of database	Fund con geograp database encompa create a (includin paramet of Alaska CIIMMS Monitorin	<u>Trus</u> ntingent on c hic area to b e should incle assed by the GIS map of GIS map of g physical, c ers) by ident a and incorpo (the Cook In ng System cr	tee Council Ad larification by e covered by t ude the entire GEM program water quality r hemical, and t ifying existing prating this infi let Information eated under F eful for GEM	the propos the project geographic n). This pro- monitoring biological sites acros ormation in n Managen Project 013	(the c area bject will sites s the Gulf ito nent and	
		ACE 30398829							

August 6, 2002 (LAYOUT: TCActionAugust)

	ET B. INCOTEL COUNC			1100	THACE		L. <i>P</i> ,	
Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	EY 04 Recom.
G- 030625	Prince William Sound Isotope Ecolo Synthesis	ogy T. Kline/PWSSC	NOAA	New 1st yr. 1 yr. proj	\$25.5 ect	\$0.0	\$0.0	\$0.0
This project will pro present structure o William Sound thro with tentative title: ' structure of the pel Sound, Alaska". T will be useful becau	ect Abstract by de a 'big picture' synthesis of the of the pelagic ecosystem of Prince bugh preparation of a scientific paper "A stable isotope based trophic agic community of Prince William he documentation of a 'before picture' use the recently documented regional composition is likely to alter pelagic uring GEM.	Chief Scientist's Recomm The proposed synthesis could be product, and the principal investig the most knowledgeable individua synthesis. Fund revised proposal, the cost of the project to a more a	a worthwhile ator is certainly I to prepare this which reduces	Fund re scope a This pro pelagic stable is and ana previous Ecosyst	Trus vised proposi- ind budget as bject will prepa ecosystem of sotope ratio d alyzed by the p s EVOS proje- tem Assessm	tee Council A al, which redu directed by th are a synthesi Prince Williar ata from biota principal inves cts (Project 98 ent; Project 0 Structure and 0	ces the pro be Chief Sc s manuscri m Sound, u samples co tigator undo 3320/Sound 1393/Prince	ientist. pt on the sing ollected er I
G- 030631	Top-Down Process Synthesis	T. Kline/PWSSC	NOAA	New 1st yr. 2 yr. proj		\$0.0	\$29.5	\$0.0
This project will syr ontogenetic increas walleye pollock suc processes when >6 analysis of archiver multiple trophic leve larger pollock cann those that are age- that pollock of this cannibalism. Pollo being removed from discovery of a mos SEA project (Sound /320.) The propose will be useful to GE	ect Abstract hthesize information that suggests ses of the trophic position of the ch that they contribute to top-down 600mm in length, using stable isotope d samples and data. Pollock feed at els depending on their size, with hibalizing smaller pollock, especially 0. Preliminary analysis suggested size range have a high potential for ck of this size range are presently m Prince William Sound since the tly undisturbed population during the d Ecosystem Assessment, Project ed documentation of a 'before picture' EM, because fishing pressure may the larger size class pollock from the bened in the Bering Sea.	Chief Scientist's Recomm This proposal from qualified inves present a convincing case that con can be adequately controlled to re questions it poses. The potential of restoration objectives is thus likely not fund.	ligators does not nfounding factors solve the ontribution to	recomm analysis pollock express the proje	fund based or nendation. The to examine t under differer ed concern a ect and wheth	tee Council Ad The Chief Scienting the trophic pose the trophic pose the conditions. bout the expense the unambigue thods propose	st's ild use stal: ilion of wal The review rimental de bus results	le isotope leye ers sign of

ACE 30398830

SPREADSHEET)--FY 03 PHASE I WORK F N SPRE SHEET B: TRUSTEE COUNCIL ACTION (T

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom
GEM Cross-H			\$369.2	\$150.5	\$340.0	\$0.0		
G- 030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	P. Brown- Schwalenberg/CRRC	ADFG	Cont'd 9th yr.	\$30.1	\$150.5	\$192.6	

Project Abstract

Chief Scientist's Recommendation

In FY 03, this project will focus on four objectives: (a) establishing Core Action Plans for the Tribal Natural Resource Plans being developed in FY 02, (b) identifying priority regional and community-specific research and monitoring issues and concerns and fitting for completion in FY 02 from this project have been them to community-based research and monitoring activities, especially those related to GEM, (c) conducting a "Wisdomkeeper Series" for discussing and community commitment to implementation of the sharing research and monitoring issues with selected biologists, scientists, elders, and traditional knowledge experts, and (d) developing pilot community-based research and monitoring projects for potential implementation in FY 04. Communities involved in the project are Tatitlek, Chenega Bay, Port Graham, Nanwalek, Cordova/Eyak, Seward/Qutekcak, Seldovia, Valdez, Kodiak Island Region/Ouzinkie, and the Alaska Peninsula Region/Chignik Lake.

The Trustee Council has committed to community involvement in both the GEM and ongoing oil spill programs. This proposal cannot be fully evaluated until the Tribal Natural Resource Plans scheduled reviewed by the Trustee Council. These need to be reviewed for their content, relationship to GEM, and

Trustee Council Action

Fund interim amount--\$30,100 for Resource Program Planner first quarter salary (\$15,000), WisdomKeeper Workshop scheduled for November (\$7,000), tribal participation in GEM planning meetings (\$2,000), and related overhead (\$3,600) and general administration (\$2,500) costs; defer decision on balance of funding pending a review of FY 02 results (completion of Tribal Natural Resource Plans; tribal participation in technical plans. Defer funding pending receipt of these plans. workshops/training sessions; communication of EVOS results to villages). The Detailed Project Description and budget need to be revised to more directly build on the work performed in FY 02 and to avoid duplication with Project 03575, Designing a Community Involvement/Community Based Monitoring Plan for GEM. The overall goal of this project--community involvement and development of local stewardship capacity--is a priority of the Trustee Council and an essential component of GEM.

PAGE_ ATTACHMENT OF B ACE 30398831

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	FY 03 Deferred to 11/25/02		EY 04 Recom.
G-030210	Youth Area Watch	R. DeLorenzo/Chugach School District	ADFG	Cont'd 8th yr.	\$98.6	\$0.0	\$85.6	

Project Abstract

This project links students in the oil spill impacted area with research and monitoring projects funded by the Trustee Council. The project involves students in the restoration process and provides these individuals the skills to participate in restoration now and in the future. Youth conduct research identified and delegated by principal investigators who have indicated interest in working with students. Youth Area Watch fosters long-term commitment to the goals set out in the restoration plan and is a positive community investment in that process. Participating communities in FY 03 will be Tatitlek, Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Valdez, and Whittier.

Chief Scientist's Recommendation

This project is a success story for community involvement in EVOS research, through the participation of young people in the public school system. The proposers recognize EVOS projects will be changing with implementation of GEM and are willing to adapt. The proposers also have done an excellent job of obtaining supplemental funding and reducing reliance on EVOS funding. However, participate. the proposal provides insufficient information to judge progress. It could be strengthened with greater attention to the results of prior efforts, such as Youth Area Watch students choosing to pursue higher education in science. In addition, the annual reports are not a useful gauge of program accomplishments and progress, so accountability is lacking. By contrast, the Kodiak Youth Area Watch annual reports (Project /610) provide specific information on accomplishments, problems encountered and solutions. Fund contingent on receipt of a revised annual report (01210) that indicates that satisfactory progress is being made.

Trustee Council Action

Fund contingent on submittal and review of (a) a revised FY 01 annual report (01210) that addresses the Chief Scientist's concerns and (b) a satisfactory annual report for FY 02 (02210). Youth Area Watch involves local youth in restoration projects. In FY 03, youth in Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Tatitlek, Valdez, and Whittier will

PAGE_ ATTACHMENT 2 0F

AC

m

30398832

-	Proj.No. G- 030561	Project Title Evaluating the Feasibility of Develo	Proposer ping D. Roseneau/USFWS	Lead Agency DOI	New or Cont'd Cont'd	FY 03 Approved 8/6/02 \$17.0	FY 03 Deferred to 11/25/02 \$0.0	FY 04 Request \$0.0	FY 04 Recom. \$0.0
	This project will clos evaluating the feasil community-based fo The work in FY 03 v	a Community-Based Forage Fish Sampling Project for GEM <u>ect Abstract</u> se out Project 02561, which is bility of developing a brage fish sampling project for GEM. will consist of compiling and on collected during FY 02, and writing	Chief Scientist's Recomment The concept of this projectcommun sampling of predator fish to monitor the (forage fish)is scientifically sound and economically viable. It addresses GE of community involvement with poten contribute to several aspects of long- monitoring. This project will produce a for the Kachemak Bay-lower Cook Inter- Prince WilliaM Sound. Fund.	ity-based heir prey nd M's objective tial to term a useful plan	2nd yr. 2 yr. project <u>Trustee Council Action</u> Fund closeout of this project, which is visiting spin communities to explore involving local residents long-term forage fish monitoring studies. This eff builds on work successfully begun under APEX (Predator Ecosystem Experiment, Project 99163) contribute to understanding the feasibility of community-based sampling programs in general therefore is an important part of GEM transition. should be noted that the Council's interest in this is not in the particular data that might be gatherer relevant to forage fish, but in the techniques and strategies that might be developed in regard to designing a community involvement component to GEM. New \$109.6 \$0.0 \$0.0				ts in effort X (Alaska 63). It will ral, and n. It his project ered nd
_	G- 030575	Designing a Community Involvement/Community-Based Monitoring Plan for GEM	M. Sigman/Center for Alaskan Coastal Studies, et al	NOAA	GEM. New 1st yr. 1 yr. proje	\$109.6	\$0.0	\$0.0	\$0,0 -
TTACHMENT	This project will desi community involvem monitoring plan to a communities in the r by (a) a case history community-based m conceptual foundatio assessment to ident and indicators as ide Resource Commissi Planning Process ar processes. Recomm new approaches to r	v review of working models of nonitoring efforts relevant to the GEM on, (b) a regional capacity ify potential partnerships, (c) issues entified by Chugach Regional ion's Tribal Natural Resource and other community planning nendations will include identifying melding Western science and local ledge and pilot community-based	Chief Scientist's Recommend This project promises to produce a careview of other similar programs, und regional capacity assessment, identify indicators from Chugach Regional Recommission's Tribal Natural Resource identify new approaches to link wester local ecological knowledge. These de address a very important aspect of th program. Despite some problems (lac clarity in portions of the proposal), this proposal. Fund.	ase-study lertake a y issues and source e Plans, and rn science and liverables will e GEM ck of detail and	Fund, w (develop of possil satisfact monitori d planning Council's commur l t will bui under Pi Knowled emphasi monitori tribes' st Project will inclu	Trus ith authorization oment of fram ble pilot proje lory completion ng capacity a g; \$51,800). s interest in a hity involveme ild on some of roject /052 (C lge/Tribal Ste is-developme ewardship ca t /052 has be de non-tribal	tee Council Ad on of funds for ework docum cts; \$57,800) on of Phase I (ssessment, lift This project ad strong and m ent/community f the efforts fu ommunity Inv wardship) but ent of a region posed to deve pacity and (b) en limited to tr community gr st of participat	r Phase II ent and de contingent community erature rev ldresses th eaningful re monitoring inded in ea olvement/T with (a) a c wide comm elopment of a broader ibes only; th oups and a	on iew, and e Trustee ole for i in GEM. rlier years raditional lifferent nunity specific focus his project dd Homer
	<u> </u>	ACE 30398833		···		·····			

August 6, 2002 (LAYOUT: TCActionAugust)

SPRE

SHEET B: TRUSTEE COUNCIL ACTION (T.) SPREADSHEET)--FY 03 PHASE I WORK F AN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY-04 Recom.	
G- 030610	Kodiak Archipelago Youth Area Watch	T. Schneider/Kodiak Island Borough School District	ADFG	Cont'd 4th yr.	\$63.0	\$0.0	\$61.8		•

Project Abstract

Chief Scientist's Recommendation

This project will engage students in projects with goals aligned with the general restoration efforts of the Trustee success, including influencing the curriculum of the Council. Students and site coordinators will conduct interviews with local experts and document traditional ecological knowledge, publishing it in a Kodiak School District oral history magazine. Participation of Youth Area Watch adults and students in the annual Academy of Elders/Science Camp will be strongly encouraged. Such participation will serve as another avenue for more tribal members to learn about restoration efforts, scientific monitoring techniques, and occupations related to such work. The value and implications of traditional ecological knowledge will be strongly emphasized throughout the implementation of the project.

This ongoing project has shown solid evidence of Kodiak School District, and has attracted additional funding from other sources. This popular and successful program is achieving its objectives. Fund.

Trustee Council Action

Fund. This project, which involves local youth in restoration projects, addresses the Trustee Council's commitment to community involvement in GEM. In FY 03, students in Akhiok, Old Harbor, Port Lions, Ouzinki, Chiniak, and Kodiak City will participate.

PAGE. ATTACHMENT

AC m

SPRE

SHEET B: TRUSTEE COUNCIL ACTION (T. I SPREADSHEET)--FY 03 PHASE I WORK FLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G-030636	Management Applications: Commercial	K. Adams, R. Mullins/Cordova	NOAA	Cont'd	\$50.9	\$0.0	\$0.0	\$0.0
	Fishing			2nd yr. 2 yr. proje	ct			. ·

Project Abstract

This project is intended to build a bridge between the scientific community, which is describing and attempting and users, related to EVOS, is quite clear. If the to predict variation in biological production, and the commercial fishing community, which is attempting to find management applications for this new information. In addition, the project seeks to provide community presence to participate in development of GEM.



Trustee Council Action

Fund FY 03 only; the proposers have obtained the participation of a panel of scientific advisors, as recommended by the Chief Scientist. In FY 02 this project formed a Prince William Sound Fisheries Research Applications and Planning Group to provide a forum for developing fisheries management applications for all interested parties (Cordova District Fishermen United, Alaska Department of Fish and Game, Prince William Sound Aquaculture Corporation, Valdez well-documented outcomes and setting up an office Fisheries Development Association, commercial fishers, and others). The objectives of this group in FY 03 are to those who depend on resources damaged by the oil (a) identify a fisheries relevant subset of EVOS projects. (b) develop criteria and guidelines for making management and shore-based communities, and (c) develop a plan showing the cycle of movement from basic science to management application. At the end of FY 03, the success of the project will be evaluated and a decision made on whether to continue the project into future years. As recommended by the Chief Scientist, one measure of success will be the project's ability to formulate credible and scientifically well supported proposals to the Alaska Board of Fisheries. The EVOS program can benefit from the commercial fishing community's perspective on restoration results and interaction with fishers on how to incorporate the results into fisheries management practices. In addition, the project could form a foundation for working with Prince William Sound fishers as GEM develops.

ATTACHMENT

AC

m

30398835

PACE

50

2

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	EY 04 Recom.
GEM: Waters	hed Habitat				\$115.1	\$0.0	\$26.6	\$26.6
G-030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	J. Cooper/Cook Inlet Keeper	ADFG	New 1st yr. 1 yr. proje	S22.6	\$0.0	\$0.0	\$0.0

Project Abstract

Since August 1998, Cook Inlet Keeper and the Homer Soil and Water Conservation District have been collecting discharge and water quality data from four important salmon streams on the lower Kenai Peninsula: runoff in the Ninilchik River--that is expected to be Ninilchik River, Anchor River, Deep Creek, and Stariski Creek. With the loss of funding, the U.S. Geological Survey (USGS) no longer can maintain the Ninilchik River gauge. Keeper, Homer Soil and Water Conservation District, Ninilchik Traditional Council and others depend on this gauge for the flow data needed to achieve a complete picture of water quality in these watersheds. This project will provide funds for Keeper to contract with USGS to maintain the gauge for one year, during which time long-term funding will be secured.

Chief Scientist's Recommendation

This is a very cost-effective proposal for "bridge funding." Funding in FY 03 will prevent loss of a year in a time-series of physical data--freshwater useful in understanding differences in natural forcing, Fund, lower priority,

Trustee Council Action

Fund revised proposal, which clarifies the matching funds available for the gauge's FY 03 (October 2002-September 2003) operation. The revised proposal also includes a small amount of funding to cover the costs of retrieving and processing gauge data for the period May-September 2002 and clarifies that the cost of operating the gauge during this period will be covered by the U.S. Geological Survey. This project will provide interim funding (FY 03 only) for maintenance of the Ninilchik River stream-flow gauge while a permanent, long-term funding source is sought. Crock Inlet Keeper relies on this gauge in monitoring the water quality of the Ninilchik River, which the Alaska Department of Environmental Conservation has rated as at high risk from nonpoint source pollution and as having a high need for data collection. Water quality is a key element in understanding the watershed and nearshore environments of the spill-impacted region and the overall health and productivity of such resources as salmon, herring, and sea otters which were seriously impacted by the oil spill.

PAGE ATTACHMENT ۰ Ç

AC m

5 K I 00 DIIA

SPRESH	EET B: TRUSTEE COUNC	IL ACTION (T _ T SPF	EADSHEET)	FY 03	FY 03	FY 03	AN	
Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY 04 Recom
G- 030649	Reconstructing Sockeye Population the Gulf of Alaska over the Last Se Thousand Years		ADFG	Cont'd 2nd yr. 3 yr. pro	\$92.5 ject	\$0.0	\$26.6	\$26.0
Pr	roject Abstract	Chief Scientist's Recor	nmendation		Trus	tee Council A	ction	
salmon abundan ¹⁵ N record left by spawning lakes i Fjords, the Kena Island. The rese variability in sock Alaska and how Gulf of Alaska re valuable backgro	constructing changes in sockeye ace over the last 5,000 years using the salmon carcasses in the sediments of in Prince William Sound, the Kenai i River watershed, and on Kodiak earch question is: What is the normal keye salmon populations in the Gulf of does it relate to climatic changes in the gion? The results will provide a bund for future monitoring studies within heries managers working to preserve ral salmon runs.	This outstanding project is revere record of sockeye salmon abund northern Gulf of Alaska. Previou investigators has established the salmon abundance with PDO (Roscillation) variations on the dealer importance of this work is that i longer record of PDO variation historical record compiled durin The project is being executed wascientific standards. Fund, incluaddition of three other Kenai Peroversion of the salmon of the salmon of the salmon abundance with PDO (Roscillation) variations on the dealer in the project is being executed wascientific standards. Fund, inclusion of three other Kenai Peroversion of the salmon abundance with PDO (Roscillation) variations on the dealer in the project is being executed wascientific standards. Fund, inclusion addition of three other Kenai Perovection of the salmon abundance with PDO (Roscillation) variations of the salmon abundance with PDO (Roscillation) variations on the dealer in the project is being executed wascientific standards. Fund, inclusion addition of the salmon abundance with PDO (Roscillation) variation of the salmon abundance with PDO (Roscillation) variations on the dealer in the project is being executed wascientific standards. Fund, inclusion addition of the salmon abundance with PDO (Roscillation) variation wascientific standards. Fund, inclusion addition of the salmon abundance with PDO (Roscillation) variation wascientific standards. Fund, inclusion wascientific st	dances in the us work with other e correlation of Pacific decadal cadal scale. The describes a much han the European g the 20th century. ith the highest ding the proposed	from Hi the Ker retrosp lakes ir about h	idden Lake, S nai Peninsula. ective study c n the spill regi	objectives rel kilak Lake, ar This project f sockeye abu on and develo n the atmospl tions.	nd a control is conductir indance in o pring hypoth	lake on ng a certain neses
GEM: Intertida	al/Subtidal Habitat	· · · · · · · · · · · · · · · · · · ·			\$93.0	\$0.0	\$0.0	\$0.
G- 030584	Evaluation of Airborne Remote Ser Tools for GEM Monitoring	sing E. Brown/UAF, J. Churns	ide/NOAA ADFG	Cont'd 2nd yr. 2 yr. pro	\$39.3 ject	\$0.0	\$0.0	\$0.
Pr	oject Abstract	Chief Scientist's Recon	mendation		Trus	tee Council A	ction	
FY 02. The main remote sensing to of the data collect of (a) a pulsed lice maximum of 50 r Sea Surface Ten digital video syste birds, mammals, structure, and (d) and mammals at	wo completion of a project initiated in n objective is an evaluation of airborne cools for GEM ecological interpretation cted. The instrument package consists dar to map subsurface features to a m, (b) an infrared radiometer to map inperature (SST) day, (c) two three-chip ems to map ocean color (chlorophyll), surface fish schools, and ocean frontal) an infrared digital video to map birds inight. Shipboard and buoy data will be on and interpretation of remotely sensed	Monitoring forage fish abundan the GEM program. This is a hig project to do such monitoring, a risky than others. However, it d through the proposed developm pay-off of success would be gre	nly innovative nd is therefore mor eserves support ent phase, as the	remole e GEM. challen efficien	sensing instru- This highly inr ging question tly monitor for rogram. If the	project, whic umentation as novative proje , which is how age fish abun project is suc	a monitorii ct is workin to effective dance unde	ng tool fo g on a ely and er the
ACE 30398	.837							

August 6, 2002 (LAYOUT: TCActionAugust)

Proj.No.	Project Title	Proposer	Lead Agency	<u> </u>	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY-04 Recom
G- 030656	Retrospective Analysis of Nearshore	G. Irvine/USGS, J. Schaaf/NPS, D.	DOI	Cont'd	\$53.7	\$0.0	\$0.0	\$0,0
	Marine Communities Based on Analysis of Archaeological Material and Isotopes			2nd yr. 2 yr. projec	:t			

Project Abstract

This project will investigate long-term (6,300 year) patterns of productivity and relative species abundances in nearshore, intertidal communities via retrospective analyses. These analyses will focus on excavated midden remains of very rich, well-dated archaeological sites along the Katmai National Park and Preserve coast. Changes in nearshore marine communities will be assessed through examination of relative species abundances, size-frequency analysis, and other indicators of habitat changes. Isotopic analysis of shells needed expertise to the project team. Fund. will provide an assessment of long-term productivity patterns in the nearshore marine environment as related to major periods of climate change.

Chief Scientist's Recommendation

This pilot project has the potential to produce innovative data of great interest and relevance to understanding natural variation in ocean systems and the human use of resources over long time frames. The originality of this work is very high, although there is a risk that the coarse temporal resolution of the method will prevent precise conclusions. The addition of funds for a paleoceanographer is justified in order to add

Trustee Council Action

Fund closeout of this project contingent on submittal of overdue report (99459). A portion of the increase (\$15,900) in funding over the expected amount is due to a delay in the stable isotope analyses scheduled for FY 02; an equivalent amount of funds will be lapsed back to the Trustee Council at the end of FY 02. This project is designed to improve understanding of long-term change in nearshore marine communities and investigate the relationship between productivity and climate.

						- <u></u>		
GEM: Alaska	Coastal Current Habitat				\$51.6	\$0.0	\$32.1	\$32.1
G- 030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	T. Weingartner/ UAF	ADFG	Cont'd 6th yr.	\$51.6	\$0.0	\$32.1	\$32.1

Project Abstract

2

'n

Interannual variations in temperature and salinity on the northern Gulf of Alaska shelf reflect environmental changes that affect this marine ecosystem. Quantifying > and understanding this variability require long time series such as the 32-year record at hydrographic station GAK1 near Seward. This project continues this time series, quantifies the synoptic, seasonal, and interannual variability, and seeks to understand the reasons for this variability. It will also begin to examine interannual variations in near-surface stratification and the timing of the spring bloom on the inner Gulf of XAlaska shelf. The data will be used to predict the baroclinic component of the mass and freshwater transport variability in the Alaska Coastal Current in the northern gulf.

Chief Scientist's Recommendation

This excellent project provides new insights into physical forcing/control of primary production and mass transport. The synthesis efforts are allowing new insights into proxy measures that might be applied to the 35-year historical record to understand long-term ecosystem variability. This is an excellent investment in a long-term data set that will pay future dividends in fish and wildlife management. Fund.

Trustee Council Action

Fund, including proposed upgrade of mooring (addition of another temperature/conductivity recorder with fluorometer and transmissometer) contingent on (a) receipt of a description of the deployment procedure intended to insure against loss of data and (b) submittal of the manuscript promised in FY 02 analyzing the relationship between atmospheric pressure, precipitation, and density structure of the Alaska Coastal Current. This project provides for continued Trustee Council support of hydrographic station GAK1 and the accompanying retrospective analyses of the station's data record. GAK1 provides a long-term data set that allows characterization of the Alaska Coastal Current, which is essential to understanding climatological forcing of productivity and will be important for GEM.

ACE 30398838

August 6, 2002 (LAYOUT: TCActionAugust)

					FY 03	FY 03	*	
Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY 04 Recom
GEM: Offshore	e Habitat				\$18.1	\$0.0	\$0.0	\$0.0
G-030614	Monitoring Program for Near-Surfa Temperature, Salinity, and Fluores in the Northern Pacific Ocean		ADFG	Cont'd 2nd yr. 2 yr. proje	\$18.1 ecl	\$0.0	\$0.0	\$0.0
	<u>pject Abstract</u> ise a thermosalinograph and	Chief Scientist's Recomm This is a continuation of an innova		Fund clo		tee Council A project (data		ıd
acquire continuou near-surface temp	e installed on a crude oil tanker, to us, long-term measurements of the perature, salinity, and fluorescence anker route between Valdez, Alaska California.	effective project that provides data long-term recovery of resources im spill against the background of clin variability. The potential for the pro data from a key area of Prince Will the adjacent ocean relevant to long and interpretation of population tre and mammals is excellent. Fund.	npacted by the o nate-driven posal to provide liam Sound and g-term evaluation	prepara il project i on a cru Beach. cost-effe n the data	tion of final re nstalled a the de oil tanker Vessels of o ective method collected by	port/manuscr ermosalinogra traveling betw oportunity suc I that may be this project or	ipt). In FY (ph and fluo veen Valdez h as this ar useful to G n ocean cor	02, this rometer 2 and Long e a EM, and nditions in
Data Managem	ent & Information Transfer	······································	<u> </u>		\$308.0	\$0.0		:"
G- 030455	GEM Data System	Trustee Council Office	ALL	Cont'd 2nd yr.	\$212.9	\$0.0		
Pro	piect Abstract	Chief Scientist's Recomm	endation		Trus	tee Council A	ction	
information transf quality control and delivery, and pres GEM. Project fun	orts the data management and fer system for GEM. Data collection, d documentation, archiving, transfer, sentation are critical components of nding will allow the GEM Data Systems de the leadership and expertise	Data management will be a critical GEM.	component of	Systems collectio transfer,	s Manager an n, quality con	rovides fundin Id related data Itrol and docu I presentation	a system co mentation,	ists. Data archiving,
necessary for this and hire support s program operation	essential part of the GEM program, staff to make initial aspects of the nal.							
CHMENT	⊳							
	A C E		·					
\mathcal{Q}	6 5 8 8 6 5 0 5							
L Contraction of the second								

August 6, 2002

1

11.*

3

G-030550 Alaska Resources Library and Information Services (ARLIS) Allaska Resources Library and Information Services (ARLIS) Allaska Resources Library and Information Services (ARLIS) S0.0 This project represents the Trustee Council Services (ARLIS) Allaska Resources Library and Information Services (ARLIS). ARLIS serves as a contribution to the Alaska Resources Library and Information Services (ARLIS) Fund Continuation of one librarian at the Alaska Resources Library and Information Services (ARLIS) Project Abstract The oil spill collection at ARLIS (Maska Resources) Fund continuation of one librarian at the Alaska Resources Library and Information Services (ARLIS) program. In addition, ARLIS serves as a central access point for information percess and the GEM inform and related to the cleans at hort, define incended to the cleans at the CGM is completed. Trustee Council Action Trustee Council Action Project Management resources professionals, and the general project implement EVOS projects on that administer and/or implement EVOS projects on the administer advision administration provide accouncil to the work plan process. Suite Station to the work plan	Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	EY 04 Recom
This project represents the Trustee Council's contribution to the Alaska Resources Library and Information Services (ARLIS) ARLIS serves as a central access point for information generated through the Trustee Council contributions in FY 04 and beyond the oil spill collection at ARLIS (Alaska Resources Library and Information Services (ARLIS) and the Cell serves as the public repository for reports and other materials generated form and related to the cleanup, damage assessment and restoration office, principal investigators, natural resources professionals, and the general public. The funds council Agencies ALL Contid Council Agencies that administer and/or implement EVOS projects on behalf of the Trustee Council. Tasks performed by project managers include coordinating activities between principal investigators, and tracking project reports.	G-030550		All Trustee Council Agencies	ALL	Cont'd	\$95.1	\$0.0		
contribution to the Alaska Resources Library and Information Services (ARLIS). ARLIS serves as a central access point for information generated through the Trustee Council restoration process and the GEM program. In addition, ARLIS acts as the public repository for reports and other materials generated from and related to the cleanup, damage assessment and restoration efforts following the oil spill. ARLIS supports the research efforts and information needs of the Restoration Office, principal investigators, natural resources professionals, and the general public. Library and Information Services (ARLIS) Support GEM needs to be better addressed. GEM's apport GEM needs to be better addressed. GEM's apport GEM needs to be better addressed. GEM's and restoration office, principal investigators, natural resources professionals, and the general public. Library and Information Services (ARLIS) support GEM needs to the better addressed. GEM's and restoration office, principal investigators, natural resources professionals, and the general public. Library and Information Services (ARLIS) support Sthere research efforts and information needs of OSD might be more effectively spent in the future on a service or services more tailored to the specific research and data needs of GEM. Fund for FY 03 only. State 0 Sto 0 G- 030250 Project Management Project Management and administer and/or implement EVOS projects on behalf of the Trustee Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project reports. All Trustee Council Agencies ALL Conl'd Sta7.6 Sto.0 Funder Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project All Trustee	P	roject Abstract	Chief Scientist's Recommenda	ition		Trus	tee Council A	ction	
Science Management 3416.0 \$0.0 G-030250 Project Management All Trustee Council Agencies ALL Cont'd \$137.6 \$0.0 Project Abstract Chief Scientist's Recommendation Trustee Council Action Project management supports those Trustee agencies that administer and/or implement EVOS projects on behalf of the Trustee Council. Tasks performed by project managers include coordinating activities between principal investigators and the Trustee Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project reports. Project Abstract Fund. Project management helps provide accountal for the work plan process.	contribution to the Information Service Council central access program. In address program. In address program, in address program, and related and restoration of supports the restoration of the Restoration.	he Alaska Resources Library and vices (ARLIS). ARLIS serves as a point for information generated through uncil restoration process and the GEM dition, ARLIS acts as the public ports and other materials generated I to the cleanup, damage assessment efforts following the oil spill. ARLIS rearch efforts and information needs of Office, principal investigators, natural	Library and Information Services) is a less spill and an important means of providin with oil spill information. Defining how A support GEM needs to be better address library needs will likely be oriented more electronic formats and processes and a paper documents, with an emphasis on services. The funds currently going tow 03550 might be more effectively spent is on a service or services more tailored to research and data needs of GEM. Fun	egacy of the ng the publi ARLIS might ssed. GEM toward way from web-based ward Project in the future of the specif	 Resource Trustee be redu ARLIS p other m assessr original 01 only; FY 04 a 	ces Library ar Council cont ced as the tra provides an ir aterials produ- nent and rest funding comr how ARLIS r	nd Information ributions in F ansition to GE nportant servi uced through f oration proce nitment to AR night relate to	A Services (A Y 04 and be M is comple ce for docu the damage sses. The f LIS was thr b the GEM p	ARLIS) eyond ma eted, ments a Council's rough FN
Project Abstract Chief Scientist's Recommendation Trustee Council Action Project management supports those Trustee agencies that administer and/or implement EVOS projects on behalf of the Trustee Council. Tasks performed by project managers include coordinating activities between principal investigators and the Trustee Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project reports. Project Management supports the expenditure activity assisting in the development of project proposals, and tracking project reports. Fund. Project management helps provide accountation for the work plan process.	Science Mana	igement				\$416.0	\$0.0		
Project management supports those Trustee agencies that administer and/or implement EVOS projects on behalf of the Trustee Council. Tasks performed by project managers include coordinating activities between principal investigators and the Trustee Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project reports.	G-030250	Project Management	All Trustee Council Agencies	ALL	Cont'd	\$137.6	\$0.0		
that administer and/or implement EVOS projects on for the work plan process. behalf of the Trustee Council. Tasks performed by project managers include coordinating activities between principal investigators and the Trustee Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project reports.	<u> </u>	roject Abstract	Chief Scientist's Recommenda	tion		Trus	lee Council A	ction	
ACE 30398840	that administer a behalf of the Tru project manager principal investig reviewing project development of reports.	and/or implement EVOS projects on istee Council. Tasks performed by 's include coordinating activities between gators and the Trustee Council Office, it expenditure activity, assisting in the						provide acc	countabi
	ACE 3039					-			
	0488(0488(:						
				•					

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G-030630	Scientific Management under GEM	Trustee Council Office	ALL	Cont'd	\$278.4	\$0.0		· · · · · · · · · · · · · · · · · · ·
Pr	oject Abstract	Chief Scientist's Recomme	ndation		Trus	tee Council A	ction	
implementation of scientific oversig resources. In FY and Technical Ad aspects of the sci develop the FY 0 provide peer revi support for the F developing a "Sta input to a status of being developed Science Organiza	brovide scientific oversight of of the GEM program, as well as ht of lingering effects of oil on injured ('03, the project will support the Science dvisory Committee (STAC) and other cientific review and advisory process, 04 Invitation to Submit Proposals, iew recommendations and scientific Y 03 and FY 04 work plans, continue ate of the Gulf Report", provide regional report on North Pacific resources now by PICES (North Pacific Marine ation), and support the Lingering Oil nittee and review process.	Proposal will not be reviewed by Ch	ief Scientist.	be nece activities Commit are not ensure high deg of an ad STAC), subcom manage also sup project p dissemin at which	essary later in s and for som tee (STAC) a yet scheduled that the GEM gree of scient lvisory comm whose work mittees comp or continue port continue port continue or oposals and nation of rese i Council-fund	of \$278,400; FY 03 for add the Scientific and and subcommin d. This project program is in iffic integrity the ittee of indepen- will be support posed of scient nunity member and independend d reports, as we earch results a ded scientists s and the public	litional GEI nd Technic ttee meetir is designe nplementec rough esta endent expe ted by tists, resou rs. The pro- it peer revi- rell as the t an annua will presen	M planning al Advisory ogs that d to I with a blishment erts (the ince oject will ew of
Public Informa	ation/Administration	9 ¹ .			\$1,114.3	\$0.0		
030100	Public Information and Administration	n All Trustee Council Agencies	ALL	Cont'd	\$1,114.3	\$0.0		
Pr	oject Abstract	Chief Scientist's Recomme	ndation		Trus	tee Council A	ction	
This project prov involvement and program, includir Trustee Council s Executive Director the active particip (PAC), and mana		Proposal not reviewed.		adminis	his project pr	ovides overall plementation	support fo	
ACE 30398841							· ·	
Augus	(LAYOUT: TCActionAugust)			Atta	achment B to	Resolution 02	2-07, Page	e B - 23

MEMORANDUM

Department of Natural Resources

TO: Molly McCammon Executive Director Exxon Valdez Oil Spill Trustee Council

Natural Resource Manager

State of Alaska Office of the Commissioner

DATE: July 12, 2002

TELEPHONENO: 269-8431

SUBJECT: EVOS Habitat Protection Funding FY 02

Your memo of May 20 requested a detailed memo specifying which parcels and which activities DNR is working on in order to address a request for additional funding for habitat protection efforts. The following summary information should provide sufficient detail for a review of the activities in which DNR has been engaged. Please note that all activities are conducted in close coordination with and at the request of the Department of Law.

DNR has been working on the following habitat protection activities during fiscal year 2002.

AJV final closing of last remaining acreage transferred from BLM to AJV. Contractual title services Land Field Services: \$4,937 – unexpected expense. Review of title work, closing documents by DNR title staff.

AJV Subsurface

FROM: Carol Fries

Contractual title services Land Field Services \$7,918 - \$1,918 in excess of title estimate. Review of title work, closing documents by DNR title staff still needs to be completed.

English Bay Phase II Closing Completed. This took longer than expected due to unanticipated encumbrances.

Old Harbor Hydro Release from Conservation Easement Completed. Very time consuming.

AKI Site Exclusions, Final Closing Completed. This took much longer than expected due to unanticipated encumbrances.

Tatitlek Exchange Completed 7/23/02

ACE 30398842

ATTACHMENT B PAGE 43 OF

USEWS Small Parcels

Have been reviewed and processed as requested.

Eyak final closing - Power Creek

This closing started with a flurry of activity then stalled and is still hanging. DNR contracted for title work for this closing, an unanticipated expense, and DNR will still need to pay for closing.

Koniag Easement along the Karluk

Review of title, legal descriptions, closing documents by DNR title staff.

This has come before DNR six times since early in the year for 30-day extensions. The legals are still insufficient. Title defense has concerns about navigability issues that are currently unresolved to their satisfaction. This has required an inordinate amount of staff time.

Old Harbor/Sitkalidik Exchange

Travel associated with public hearings held in Kodiak. Staff compiled reviewed and summarized public comment submitted in writing and at the hearing. Preparation and review of documents associated with the exchange took place as expected. However, modification of the appraisal and review to address previously unidentified problems and equalization of value was an unexpected complication and expense.

Old Harbor Native Allotments in Kiliuda Bay

These parcels were being pursued by The Conservation Fund under the grant agreement. DNR has begun the hazmat assessment on priority parcels in Kiliuda Bay in order to address the Chokwak acquisition. Chokwak, Ericksen, Inga have been identified as parcels on which grantees have consulted with the Trustee Council. The initial hazmat request was for Chokwak, however, additional parcels were done in order to maximize resources both in terms of staff time and dollars. Travel to this area is difficult, limited due to weather, and it makes no sense to go back multiple times. We do not have staff resources to make multiple trips.

\$5,000 encumbered, best estimate of cost for travel, research and staff time.

Note: DNR and Law have taken care of Chokwak due to changes within The Conservation Fund. There were no anticipated expenditures detailed for these parcels. They were to have been part of the grant and not the subject of the financial discussions in July of 2001. Unexpected expense – Kiliuda Bay Hazmat \$5,000

Swartz

This parcel was previously identified as a parcel to be pursued by the Council. The Conservation Fund secured the Icicle Seafoods parcels previously, but was unable to secure Swartz. This parcel recently came on the market and the Conservation Fund agreed to pursue it if DNR could contract for the preliminary commitment for title insurance. There was a desire to move quickly

ACE 30398843

2.

7/23/02

on this parcel and as you know. The Conservation Fund has more flexibility to purchase options or acquire in a timely manner.

Unexpected expense - Preliminary commitment for title insurance - \$250

Staff time will be required to review these documents, conduct a hazmat survey and review the appraisal. No estimate of expenses was included for this parcel in the FY02 estimate.

Nuka Island

DNR has requested that TNC pursue two Nuka Island parcels currently available from the University of Alaska. The University is interested in selling. Title work, hazmat and appraisal review will need to be completed.

Northern Afognak

Department of Law has been working with groups pursuing additional acquisitions on Northern Afognak which would complete protection of the northern tier of the island. An RSA has been executed for support services to be provided by Sheal Anderson to the Department of Law negotiators at their request.

Unexpected expense - RSA to Law \$5,500

Note: Should the timber and land appraisals be completed in August as expected, additional expenses should be expected for appraisal review, DNR staff time etc. These expenses are not detailed here due to an uncertain completion date and no clear cost estimate at this point.

Total Expended or Obligated to Date: \$75,500 Balance remaining: \$1,000

Unanticipated contractual expenses: \$17,605

AJV closing	\$4,937
AJV Subsurface title	\$1,918
Kiliuda Bay Hazmat	\$5,000
Northern Afognak consulting services	\$5,500
Swartze preliminary commitment for title insurance	\$250

Unanticipated work by DNR staff:

English Bay Old Harbor Hydro AKI Final Closing Konaig Easement Chokwak Parcel Old Harbor Appraisal adjustment

ACE 30398844

In conclusion, additional funds in the amount of \$17,605, an amount equivalent to the majority of the unanticipated contractual expenses, should provide sufficient funds to continue work that is

3 Attachment <u>B</u> Page <u>45</u> of <u>59</u>

7/23/02

anticipated between now and September 30. DNR will need to purchase title insurance for Elliot. Icicle Seafoods, and the Valdez Duck Flats, and hopefully close these parcels by the end of the fiscal year. We also anticipate completing the Old Harbor Exchange and the AJV subsurface in the very near future. The Koniag Conservation Easement will continue to be an issue. The Eyak final closing is expected to resurface in the near future. Please note that there is always the possibility that unanticipated expenses may arise particularly in relation to the additional AJV lands. We are being very conservative in our request for additional funds in order to avoid creating an unnecessary lapse of funds.

I did not make this request prior to this point in time in an effort to avoid creating a situation where funds might possibly lapse. However, at this point it is clear that there are insufficient funds remaining to continue the work associated with ongoing habitat protection efforts.

Should you have any additional questions or concerns, please do not hesitate to contact me at your earliest convenience. It would be beneficial if this matter could be addressed at the August 6 Trustee Council meeting. Thank you.

Marty Rutherford Alex Swiderski Craig Tillery

cc:

ACE 30398845

ATTACHMENT PAGE

7/23/02

RESOLUTION 02-08 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING A GRANT FOR HABITAT PROTECTION

Pursuant to paragraph 15 of Resolution 01-07, the Trustee Council hereby approves (a) an extension of the termination date of the U.S. Fish and Wildlife Service grants to The Conservation Fund (FWS Grant Number 701811G113) and The Nature Conservancy (FWS Grant Number 701811G112) from September 30, 2002 to September 30, 2003, (b) an extension of the due date from December 31, 2002 to December 31, 2003 for the grant recipients' report to the Council describing their activities and accomplishments under the grant, and (c) a corresponding revision to the schedule for funding recipients' indirect costs from "disbursed quarterly over the life of the grant agreement" to "upon receipt of a request for reimbursement submitted no more frequently than every 30 days, when allowable and allocable indirect costs have been incurred by the grant recipient".

Approved by the Council at its meeting of August 6, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

1

DAVE GIBBONS

Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

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

FRANK RUE Commissioner Alaska Department of Fish and Game

CRAIG TU

Assistant Attorney General State of Alaska

On the

JAMES ØALSIGER Administrator, Alaska Region National Marine Fisheries Service

ACE 30398846

MICHELE BROWN ATTACHMENT BCommissioner P_{AGE} 47 59Alaska Department of Environmental Conservation

ATTACHMENT B



Exxon Valdez Oil Spill Trustee Council

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

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska July 9, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

•Dave Gibbons, USFS *Drue Pearce, DOI James Balsiger, NMFS Frank Rue, ADF&G Michele Brown, ADEC Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. <u>Approval of the Agenda</u>

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

ACE 30398847

Motion by Tillery, second by Brown.

ATTACHMENT PAGE

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Concentra Public comment period began at 10:53 a.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. GEM Program Document

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. <u>Revised Operating and Report Procedures</u>

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. <u>Trustee Council Data Policy</u>

APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

Motion by Tillery, second by Rue.

6. <u>Executive Session</u>

APPROVED MOTION:

Approved a motion to move to an Executive Session.

BREAK

Off Record at (11:39 a.m.) On Record at (11:45 p.m.)

EXECUTIVE SESSION

Off record at (11:45 a.m.) On record at (1:53 p.m.)

7. Injured Resource Update

ACE 30398848

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

ATTACHMENT

8. <u>Habitat Protection</u>

APPROVED MOTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

ADOPTED RESOLUTION:

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ACE 30398849

ATTACHMENT PAGE



....

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

AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL MEETING July 9, 2002 10:30 a.m. 441 West 5th Ave., Suite 500, ANCHORAGE

Trustee Council Members:

CRAIG TILLERY Assistant 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 MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

MARIA LISOWSKI for DAVE GIBBONS Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

FRANK RUE Commissioner, Alaska Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500 Federal Chair

Call to Order - 10:30 a.m.
 Approval of Agenda*

- Approval of Meeting Notes*

June 14, 2002

- 2. Executive Director's report
- 3. Public comment 10:45 a.m.
- 4. Approval of the GEM Program Document*

ACE 30398850

ATTACHMENT PAGE

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture National Oceanic and Atmospheric Administration State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation Alaska Department of Law



DRAFT

- 5. Approval of the Revised Operating & Report Procedures*
- 6. Executive Session 12:00 p.m. 1:30 p.m.
- 7. Approval of the New Trustee Council Data Policy*
- 8. Update on Status of Injured Resources and Services*
- 9. Habitat Protection

Report from Grantee Randy Hagenstein, The Nature Conservancy Glenn Elison, The Conservation Fund Small parcel KEN 310/Swartzes* Small parcel KAP 1087/Chokwak*

Adjourn - 3:00 p.m.

* Indicates tentative action items.

ACE 30398851

ATTACHMENT 57 _OF_ PAGE_

Exxon Valdez Oil Spill Trustee Council

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

TRUSTEE COUNCIL MEETING NOTES

.

Anchorage, Alaska June 14, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

Dave Gibbons, USFS Drue Pearce, DOI James Balsiger, NMFS Frank Rue, ADF&GMichele Brown, ADEC*Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons Pearce, Balsiger, Klein and Tillery By teleconference: Rue

Alternates

Ron Klein served as alternate for Michele Brown for the entire meeting. Jim Balsiger joined the meeting at 10:12 a.m.

Meeting convened at 10:05 a.m., June 14, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the June 14, 2002 agenda (Attachment A)

Motion by Pearce, second by Klein.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved April 18, 2002 meeting notes (Attachment B).

ACE 30398852

Motion by Pearce, second by Klein.

ATTACHMENT ____ PAGE 53

 Federal Trustees
 Star

 U.S. Department of the Interior
 Alas

 U.S. Department of Agriculture
 Alas

 National Oceanic and Atmospheric Administration
 Alas

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



Public comment period began at 10:16 a.m.

Public comments received from six individuals, five in Anchorage, one on-line from Homer (at 1:45 p.m. to 1:47 p.m.). Five of these comments were on the Draft Update on Injured Resources.

Public comment period closed at 11:15 a.m.

3. Old Harbor Land Exchange

APPROVED MOTION:

Approved a motion to delete the requirement that the Old Harbor Native Corporation convey a conservation easement on Sitkalidak Island to the United States Fish and Wildlife Service, imposed as a condition upon the funding provided for the Sitkalidak land exchange.

Motion by Pearce, second by Rue.

4. PAC Charter Revisions

APPROVED MOTION:

Approved a motion to add revisions to the following sections of the PAC Charter: Membership, Selection and Service; Expenses; Authority (Attachment C), and replace the references to "Program Advisory Committee" with "Public Advisory Committee" and adopt the June 4, 2002 draft PAC Charter.

Motion by Pearce, second by Rue.

BREAK

Off the record at (11:58 a.m.) On the record at (12:06 p.m.)

5. <u>GEM</u>

DISCUSSION:

Discussion concerning revisions to the GEM Program Document. The GEM Program Document is to be presented to the Trustee Council for approval at the July 9, 2002 Trustee Council meeting.

Mike Roman, chair of the National Research Council's review committee, briefed the Trustee Council on the committee's final report on GEM (Attachment D).

6. NRC Report

BRIEFING:

BREAK

Off the record at (12:50 p.m.) On the record at (1:05 p.m.)

7. Procedures and Policies

ATTACHMENT

ACE 30398853

DISCUSSION:

Discussion on the proposed changes to the Trustee Council's Procedures (Attachment E). The proposed revisions are to be presented to the Trustee Council for action at the July 9, 2002 meeting.

.

8. FY 03 Draft Phase II Invitation

BRIEFING:

The Trustee Council was briefed on the draft FY 03 Phase II invitation. Phase I recommendations (approximately \$4 million) are currently out for public review. The Trustee Council will act on them on August 6, 2002. The Phase II invitation is scheduled to be issued on July 15, 2002 with proposals due on September 4, 2002.

Meeting adjourned 2:01 p.m.

Motion by Balsiger, second by Pearce.

ATTACHMENT PAGE

ACE 30398854

RESOLUTION 02-06 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING SMALL PARCEL KAP 1087/CHOKWAK

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. 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 (the grant to The Conservation Fund is hereinafter referred to as the "Grant");

2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;

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

4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398855

Resolution 02-06 **ATTACHMENT** 56 PAGE
5. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

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

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

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30, 2003;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

2

Resolution 02-06

ATTACHMENT \underline{B} PAGE 5 OF 3

....

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

....

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

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

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

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

(vi) statement of compliance with the National Environmental Policy Act.

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

ACE 30398857

Resolution 02-06 ATTACHMENT ______ PAGE 58 05

By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

.

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

Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

4

DAVE GIBBONS Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

Drug Ris

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

FRANK RUE Commissioner Alaska Department of Fish and Game

Attachment A - Restoration Benefits Report

Craig Cillery

Assistant Attorney General State of Alaska

JAMÉS BALSIGER Administrator, Alaska Region National Marine Fisheries Service

MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

ATTACHMEN

ACE 30398858

Resolution 02-06

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

August 23, 2002

TONY KNOWLES, GOVERNOR

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

RECEI

AUG 2 6 2002

EXXON VALDEZ OIL SPILL

TRUSTEE COUNCIL

Lee Livermore 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. Livermore:

The Exxon Valdez Trustee Council has unanimously determined to expend \$21,732,734 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in United States v. State of Alaska, No. A91-081 CIV (D. Alaska) on August 28, 1991. 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: Account: \$14,472,734 State of Alaska Exxon Valdez Settlement Account GeFONSI 33070 Account 65040

Lee Livermore

end

Exxon Valdez Oil Spill Investment Fund

Page 2 August 23, 2002

United States

Amount:

\$7,260,000

Beneficiary

Account: name:

name:

14X5198 Natural Resource Damage Assessment and Restoration Fund (NRDAR)

Beneficiary

Account: 14010001

Department of the Interior Financial Management Services National Business Center

Beneficiary Bank

Account: 021030004 name: Treasury, NYC

<u>OBI Text</u>

Natural Resource Damage Assessment Restoration Fund 14X5198 EVOS Exxon Valdez, Civil Settlement, FY03 Joint Funds

Beneficiary Reference A91-082Civil

The transfer should take place on Tuesday, September 3, 2002 or as soon thereafter 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

40... Regina R

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



OFFICE OF THE ATTORNEY GENERAL SUITE 200 DEPARTMENT OF LAW ANCHORAGE, ALASKA 9950 PHONE: (907) 269-5100 ANCHORAGE BRANCH FOURTH AVENUE, 1031 W.

23

24

25

26

21 jointly provide notice of the expenditure of \$21,732,734 from the EXXON 22 VALDEZ Oil Spill Investment Fund ("Investment Fund") and \$1,055,700 from lapsed funds and accrued interest on monies previously disbursed from the settlement account that are within the Natural Resource Damage Assessment and Restoration Fund managed by the United States Department of the Interior. 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.

Page 2

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND

DEPARTMENT OF LAW OFFICE OF THE ATTORNEY GENERAL ANCHORAGE BRANCH 1031 W. FOURTH AVENUE, SUITE 200 ANCHORAGE, ALASKA 99501 PHONE: (907) 269-5100

26

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

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 EVOS Trustees 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 expenditure from the Investment Fund and lapsed funds and accrued interest to fund: (1) the sixth (final) installment payment associated with the acquisition of lands from the Eyak Corporation in accordance with the resolutions of the Trustee Council dated July 2, 1997 and August 13, September 4, and November 30, 1998;² (2) the eighth (final) installment payment associated with the acquisition of lands from the Kodiak Island Borough in accordance with the resolution of the Trustee Council dated December 11, 1995;³ (3) necessary natural resource damage

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

² These resolutions appeared as part of Attachment A of our Joint Application for Thirty-Seventh Disbursement From Settlement Account. This \$7,000,000 payment is due on October 1, 2002.

³ This resolution was appended to the Joint Application For Twentieth Disbursement From Settlement Account as Attachment A. This \$11,805,734 payment is due October 1, 2002.

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND Page 3 ACE 30398861

OFFICE OF THE ATTORNEY GENERAL 031 W. FOURTH AVENUE, SUITE 200 ANCHORAGE, ALASKA 99501 DEPARTMENT OF LAW ANCHORAGE BRANCH PHONE: (907) 269-5100

25

26

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

assessment and restoration activities during federal fiscal year 2003;⁴ (4) acquisition of small parcel KAP 1087;⁵ (5) unanticipated and increased support costs for projects 02126 and 030126 (habitat protection);⁶ and (6) monies needed to equalize the value of land on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation in exchange for land in Kiliuda Bay to be conveyed to the State by Old Harbor Native Corporation.⁷

Of the \$22,788,434 that is the subject of this notice, \$8,315,700 will be provided to the United States and \$14,472,734 will be provided to the State of Alaska.

⁴ The resolution of the Trustee Council documenting its unanimous agreement to expend \$3,725,200 for implementation of the FY 2003 Work Plan and describing the purpose of those expenditures is appended to this notice at Attachment B, pp. 15-42. Of this amount \$2,669,500 will come from the Investment Fund. The remainder, \$1,055,700, will come from lapsed funds and accrued interest on monies previously disbursed from Settlement Account that are within the Natural Resource Damage Assessment and Restoration Fund managed by the United States Department of the Interior.

⁵ The resolution of the Trustee Council documenting its unanimous agreement to expend \$160,000 for this purpose and the certification of the Executive Director of the Trustee Council evidencing satisfaction of the conditions appearing in that resolution are appended to this notice as Attachment A, pp. 3-7.

⁶ The certifications of the Executive Director evidencing the unanimous agreement of the Trustee Council to expend \$56,500 for this purpose are appended to this Notice as Attachment A, pp. 8-9.

⁷ The certification of the Executive Director evidencing the unanimous agreement of the Trustee Council to expend \$41,000 for this purpose is appended to this Notice as Attachment A, p. 10.

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND

ACE 30398862

ANCHORAGE BRANCH 1031 W. FOURTH AVENUE, SUITE 200 OFFICE OF THE ATTORNEY GENERAL DEPARTMENT OF LAW ANCHORAGE, ALASKA 99501 PHONE: (907) 269-5100

- 24

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

25

A complete summary of the Council's activities since approval of the settlement was appended to our Second Application, filed January 19, 1993, as Attachment B, and interim updates of activities appeared as Attachments to each of the Governments' Third through Sixth, Eighth through Twelfth, Fifteenth, Nineteenth, Twenty-First, Twenty-Second, Twenty-Fourth through Twenty-Ninth, Thirty-First, and Thirty-Third through Forty-Fifth applications for disbursement, the Fifth through Seventh and Tenth through Thirteenth Joint Notices of Expenditure From Settlement Account Monies Previously Disbursed, and the First Joint Notice of Expenditures From Investment Fund. Since the last summary provided to the Court, the Trustee Council has met on two occasions. Appended to this application as Attachment B are the meeting notes for these two meetings.

RESPECTFULLY SUBMITTED this 23rd day of August, 2002 at Anchorage, Alaska.

FOR THE STATE OF ALASKA BRUCE M. BOTELHO ATTORNEY GENERAL

By:

CRAIG J. TILLERY Assistant Attorney General State of Alaska Department of Law 1031 West Fourth Avenue, Suite 200 Anchorage, Alaska 99501-1994 Telephone: (907) 269-5274 Facsimile: (907) 278-7022

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND

ACE 30398863

ES Page 5

DEPARTMENT OF LAW OFFICE OF THE ATTORNEY GENERAI ANCHORAGE BRANCH 1031 W. FOURTH AVENUE, SUITE 200 ANCHORAGE, ALASKA 99501 ANCHORAGE, ALASKA 99501 PHONE: (907) 269-5100

24 25

26

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

FOR THE UNITED STATES OF AMERICA THOMAS L. SANSONETTI Assistant Attorney General Environment & Natural Resources Division

ROBERT E. MAHER, Jr., Asst. Chief Environmental Enforcement Section Environment & Natural Resources Division

U.S. Department of Justice Washington, D.C. 20530

Herewithour N REGINA R. BELT

Environmental Enforcement Section Environment & Natural Resources Division U.S. Department of Justice 801 B Street, Suite 504 Anchorage, Alaska 99501-3657 (907) 271-3456

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 23rd day of August, 2002, a copy of the foregoing document, attachments, and proposed order were served by U.S. mail, first class, postage prepaid, to the following:

By:

Regina R. Belt James F. Neal Douglas J. Serdahely Patrick Lynch John F. Clough III

Juni la,

Sheila Zuni Law Office Assistant

8/23/02

OFFICE OF THE ATTORNEY GENERA FOURTH AVENUE, SUITE DEPARTMENT OF LAW ANCHORAGE, ALASKA 99501 ANCHORAGE BRANCH PHONE: (907) 269-5100 1031 W.

24 25

26

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND Page 6

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

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

August 23, 2002

Lee Livermore 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. Livermore:

The Exxon Valdez Trustee Council has unanimously determined to expend \$21,732,734 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in United States v. State of Alaska, No. A91-081 CIV (D. Alaska) on August 28, 1991. 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: Account: \$14,472,734 State of Alaska Exxon Valdez Settlement Account GeFONSI 33070 Account 65040

ACE 30398865

ATTACHMENT OF PAGE

Lee Livermore

Page 2 August 23, 2002

Exxon Valdez Oil Spill Investment Fund

United States

Amount:

\$7,260,000

Beneficiary

Account: 14X5198 Natural Resource Damage Assessment and Restoration Fund name: (NRDAR)

Beneficiary

Account: 14010001

name:

Department of the Interior Financial Management Services National Business Center

Beneficiary Bank

021030004 Account: Treasury, NYC name:

OBI Text

Natural Resource Damage Assessment Restoration Fund 14X5198 EVOS Exxon Valdez, Civil Settlement, FY03 Joint Funds

Beneficiary Reference A91-082Civil

The transfer should take place on Tuesday, September 3, 2002 or as soon thereafter 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

ATTACHMENT ____ PAGE 2 OF 10

RESOLUTION 02-06 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING SMALL PARCEL KAP 1087/CHOKWAK

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. 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 (the grant to The Conservation Fund is hereinafter referred to as the "Grant");

2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;

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

4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398867

Resolution 02-06 ATTACHMENT 3 PAGE OF

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

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

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

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall
 terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30,
 2003;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

ω
9
ω
ω
5
ŝ
0
3
L.
- C

4

Resolution 02-06 ATTACHMENT PAGE

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

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

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

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

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

ACE 30398869

Resolution 02-06 ATTACHMENT 10 OF PAGE

By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

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

Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

M DAVE GIBBONS

Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

Rue parce DRUE PEARCE

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

FRANK RUE Commissioner Alaska Department of Fish and Game

Attachment A - Restoration Benefits Report

Assistant Attorney General⁴ State of Alaska

JAMÉS BAESIGER Administrator, Alaska Region National Marine Fisheries Service

MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

ACE 30398870



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



August 14, 2002

I certify that the State of Alaska has complied with the terms and conditions of the Exxon Valdez Oil Spill Trustee Council's resolution of July 9, 2002, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursements from the EVOS Investment Fund:

KAP 1087

Parcel Number Landowner James F. Chokwak, Sr. Purchase Price \$160.000

Sandra Schubert for

Molly McCammon **Executive Director**

ACE 30398871

ATTACHMEN PAGE

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



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

August 7, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive \$37,700 for Project 030126 habitat protection support costs for the protection of coastal habitat in Perenosa Bay.

Clam.

Molly McCammon Executive Director

ACE. 30398872

ATTACHMENT PAGE

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



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

August 13, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive an additional \$18,800 under Project 02126 for unanticipated, habitat protection support costs.

undra Schubert for Molly McCammon

Executive Director

ACE 30398873

ATTACHMENT OF PAGE_

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

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



August 13, 2002

I certify that on July 9, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion to provide \$41,000 to the State of Alaska Department of Natural Resources to cover the difference in the value of land on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for land in Kiliuda Bay to be conveyed to the State by Old Harbor Native Corporation.

Sandra Schubert for Molly McCammon

Executive Director

ACE 30398874

ATTACHMENT PAGE 10 OF

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

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

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska August 6, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

Dave Gibbons, USFS●Drue Pearce, DOIJames Balsiger, NMFS

Frank Rue, ADF&G Michele Brown, ADEC *Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons, Tillery, and Brown

By teleconference: Balsiger (DC), Rue (Juneau), Toohey (Anchorage)

Alternates

Cam Toohey served as alternate for Drue Pearce or the entire meeting.

Meeting convened at 2:06 p.m., August 6, 2002, in Anchorage.

1. <u>Approval of the Agenda</u>

APPROVED MOTION:

Approved the August 6, 2002 agenda. (Attachment A)

Motion by Brown, second by Gibbons.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the July 9, 2002 meeting notes. (Attachment B)

Motion by Gibbons, second by Brown.

1

ACE 30398875

ATTACHMENT PAGE_

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture National Oceanic and Atmospheric Administration State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation Alaska Department of Law



DRAFT

Public comment period began at 2:10 p.m.

No public comment received.

Public comment period closed at 2:12 p.m.

3. Investment Fund Fees

APPROVED MOTION:

Approved a motion to adjust the investment fund fees as outlined in the memo to the Trustee Council dated August 6, 2002 regarding the Investment Fund Fees (Attachment C), with a correction on page 4 changing 1/12 to 12.

Motion by Brown, second by Gibbons.

Public comment period re-opened at 2:26 p.m.

No public comment received.

Public comment period closed at 2:27 p.m.

4. FY 03 Work Plan Phase I

ADOPTED RESOLUTION:

Adopted resolution 02-07 approving funding of \$3,725,200 for FY 03 Phase I projects as outlined in resolution 02-07(Attachment D).

Motion by Brown, second by Gibbons.

5. FY 02 Amendment to Project 02126

APPROVED MOTION:

Approved a motion to provide \$18,800 for the Alaska Department of Natural Resources under Project 02126 for the unanticipated contractual expenses outlined on page 3 of the memo dated July 12, 2002 from Carol Fries to Molly McCammon, including a general administrative fee of 7% (Attachment E).

Motion by Brown, second by Gibbons.

2

ATTACHMENT PAGE 2 OF

6. Afognak Island Acquisition Support

APPROVED MOTION:

Approved a motion to provide \$37,700 in funds for the Alaska Department of Natural Resources to provide the following services in regard to the proposed protection of coastal habitat in Perenosa Bay and other coastal habitat on northern Afognak Island: review land and timber appraisals, review title, and conduct a hazardous materials survey and site inspection.

Motion by Brown, second by Gibbons.

7. Habitat Grant Extension

ADOPTED RESOLUTION:

Adopted resolution 02-08 approving an extension of the termination date of the United States Fish and Wildlife Service grants to The Conservation Fund and The Nature Conservancy from September 30, 2002 to September 30, 2003, an extension of due date for the grant recipients' activity report to the Council from December 31, 2002 to December 31, 2003, and a revision to the schedule for funding recipients' indirect costs from quarterly disbursement to upon request for reimbursement occurring no more frequently than every 30 days (Attachment F)

Motion by Gibbons, second by Brown.

8. Injured Resources Update

APPROVED MOTION:

Approved a motion to adopt the Status of Injured Resources and Services dated July 29, 2002 with a motion to amend by Gibbons, seconded by Balsiger, approving the following changes: move Subtidal Communities from "Recovered" to "Recovery Unknown" and include corresponding language changes in the recovery description of subtidal communities.

Motion by Brown, second by Gibbons.

ACE 30398877

ATTACHMENT -B3 OF 59 PAGE

Public comment period re-opened at 4:23 p.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 4:27 p.m.

Meeting adjourned 4:28 p.m.

Motion by Gibbons, second by Brown.

ACE 30398878

ATTACHME PAGE_ OF

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

AGENDA *EXXON VALDEZ* OIL SPILL TRUSTEE COUNCIL TELECONFERENCE MEETING **August 6, 2002 2:00 p.m.** 441 West 5th Ave., Suite 500, ANCHORAGE

Trustee Council Members:

CRAIG TILLERY Assistant Attorney General State of Alaska

MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

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 MARIA LISOWSKI for DAVE GIBBONS Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

FRANK RUE Commissioner, Alaska Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500 State Chair

- 1. Call to Order 2:00 p.m.
 - Approval of Agenda*
 - Approval of Meeting Notes* July 9, 2002
- 2. Public Advisory Group meeting summary June 20, 2002
- 3. Public comment 2:15 p.m.
- 4. Executive Director's report
 - ■Quarterly Project Report
 - Investment fee amendment*

ACE 30398879

ATTACHMEN PAGE

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture National Oceanic and Atmospheric Administration State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation Alaska Department of Law



DRAFT

- 5. FY 03 Work Plan Phase I*
- 6. FY 02 Work Plan Amendment (02126)*
- 7. Support for northern Afognak acquisition efforts*
- 8. Extension of Habitat Grant*
- 9. Update on Status of Injured Resources and Services*

Adjourn - 4:00 p.m.

* Indicates tentative action items.

ACE 30398880

ATTACHME PAGE_ 6

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

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska July 9, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

Dave Gibbons, USFS
 *Drue Pearce, DOI
 James Balsiger, NMFS

Frank Rue, ADF&G Michele Brown, ADEC Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. <u>Approval of the Agenda</u>

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. <u>Approval of Meeting Notes</u>

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

Motion by Tillery, second by Brown.

ACE 30398881

ATTACHMENT PAGE

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



Public comment period began at 10:53 a.m."

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. GEM Program Document

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. <u>Revised Operating and Report Procedures</u>

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. <u>Trustee Council Data Policy</u>

APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

6. <u>Executive Session</u>

APPROVED MOTION:

Approved a motion to move to an Executive Session.

Motion by Tillery, second by Rue.

BREAK

Off Record at (11:39 a.m.) On Record at (11:45 p.m.)

EXECUTIVE SESSION

Off record at (11:45 a.m.) On record at (1:53 p.m.)

7. Injured Resource Update

ACE 30398882

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

ATTACHMEN

8. <u>Habitat Protection</u>

APPROVED MOTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

ADOPTED RESOLUTION:

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ATTACHMENT PAGE



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

MEMORANDUM

- TO: Trustee Council
- FROM: Molly McCanimon Executive Director

RE: Investment Fund Fees - REVISED

DATE: August 6, 2002

Background

At the July 5, 2000 meeting, the Trustee Council approved the "Resolution of the *Exxon Valdez* Oil Spill Trustee Council Pertaining to the Transfer of the Joint Trust Funds and Fees on the Investment Fund". In this resolution fixed flat fees and specific fee rates (basis points) per service or type of asset class were detailed. However, we have since learned that these fees fluctuate. For example, two of the variable rates depend upon the total amount the Alaska Division of Treasury has invested in each asset class. As a result, we are out of compliance with the July 5th resolution and would like to correct it by having the Trustee Council approve a motion that supersedes this resolution.

<u>lssue</u>

Alaska Division of Treasury negotiates the management fee contracts for the Alaska State Pension Investment Board (ASPIB). The Council's Investment Fund "piggybacks" on these fee contracts, especially for the International and Domestic Equity pools of the Investment Fund. The fee rates do not remain constant. This is because the fee schedule is incremental. Each additional increment of invested dollars is invested at a lower rate than the previous.

1. International Pool

For example, the fee schedule for the International pool of the Investment Fund is detailed below:

ACE 30398884

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

Amou	nt Invested	Cumulative Assets	Basis Point Fee
1 st	\$200 m	\$200,000,000	50
Next	\$100 m	\$300,000,000	45
Next	\$100 m	\$400,000,000	40
Next	\$100 m	\$500,000,000	35
Next	\$100 m	\$600,000,000	30
Next	\$100 m	\$700,000,000	25
Next	\$300 m	\$1,000,000,000	20
Remai	nder	Over \$1 billion	15

Non-retirement funds are charged at the lowest incremental rate. In the case above this means that, so long as the retirement assets remain at a market value of over \$1 billion, the non-retirement assets pay the final and lowest incremental rate of 15 basis points. In the event that the retirement assets market value decreases to a market value (MV) between \$700 million and \$1 billion, the non-retirement assets rate actually increases to the incremental rate of 20 basis points.

Non-retirement funds choose this option, along with the associated risk of an increase in basis point fees, because they would be hard pressed to go out and obtain active international management fees at even the retirement systems highest incremental rate of 50 basis points.

2. Domestic Equity Pool - REVISED

The fee schedule for domestic equity assets follows:

Amount Invested		Cumulative Assets	Basis Point Fee	
1 st	\$250 million	\$250,000,000	1.4	
Next	\$375 million	\$625,000,000	1.0	
Next	\$1,075 million	\$1,700,000,000	0.8	
Remainder		Over \$1,700 million	0.6	

EVOS participates along with <u>several other non-retirement funds</u> in the above domestic equity pool. At June 30, EVOS' assets represented 17% of the total \$426 million in the fund. Each fund pays its prorated share of the fees for this pool. For example, for EVOS, the calculation would be:

EVOS average month end MV for the quarter Total average month end MV, all funds

X guarterly fee = EVOS share

Note that if the international fees were allocated using this same formula (Domestic Equity), EVOS' fee for FY02 would have been over 30 basis points.

ATTACHMENT __

Recommendation

Recommend that the Trustee Council approve a motion that would approve Investment Fund fees based upon a basis point range instead of a flat rate. The motion should also recognize that the Division of Treasury's personal services costs will most likely increase each year and that Treasury charges funds it manages based upon a percentage of its personal services costs. Therefore, the Investment Management Fee should not be dollar specific but stated only as 0.5% of the Division of Treasury's budgeted personal services amount. Note that the 0.5% is charged per account that is established at Treasury's custodial bank, State Street Company. Treasury may cap the total Investment Management Fee to 1.0% of personal services for funds who require more than 2 accounts at the custodial bank.

The table below shows the fee approved by the Trustee Council in its July 5, 2000 resolution, the actual fees incurred for the past quarter, and the recommended fee range.

Description of Fee	Fee Approved by Trustee Council	Actual Fees for SFY 02	Fee Ranges Likely to Cover Actual Fees as Recommended by Division of Treasury	Notes
Custody Safekeeping Fee	\$5,000	Fee waived	Fee waived	Treasury has waived this fee for funds over a certain size as the 1 basis point variable fee is sufficient to cover larger funds share of the costs.
Custody Transaction Fee	1 basis point	1 basis point	No Change	
Investment Management Fee (Treasury personal services for fixed income management and accounting)	\$11,222 (0.5% of budgeted amount for Division of Treasury's personal services)	1/4 of \$11,900 (0.5% of budgeted amount for Division of Treasury's personal services)	(0.5% of budgeted amount for Division of Treasury's personal services)	This fee fluctuates as Division of Treasury's personal services fluctuate. In SFY 03 our fee will be \$13,100 for the year. This increase is because Treasury received an increment in their 2003 budget to cover increased investment officer salaries.
Domestic Equity Fee	1.3 basis point	2.0 basis point	0.8 to 1.4 basis points	The fee would only go as high as 1.4 basis points if all other participants were to exit and EVOS was the only fund left (at approximately their existing \$70 million investment).
International Equity Management Fee	15 basis point	20 basis point	15.00 to 25.00 basis points	The retirement assets would have to be reduced by \$300 million before EVOS' fees increased to the next increment, which would be 25 basis points. This is unlikely to happen from market conditions alone. However the ASPIB board could move a portion of these assets to another manager.

ATTACHMENT PAGE 12 OF

Motion:

The Trustee Council approves the EVOS Investment Fund fees for one account as follows:

- Custody fees shall be charged monthly at 1 basis point of the month end market value divided by 1/12.

- Investment Management fees shall be charged monthly at 0.5% of the budgeted amount of the Division of Treasury's personal services divided by 1/12.

- Domestic Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 1.4 basis points divided by 4.

- International Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 25 basis points.

If in one fiscal year the EVOS Investment Fund (assumes EVOS adds no new money in the fund, i.e., contributions and not earnings) fees for one investment account exceed \$150,000, approval of these fees is required by the Trustee Council.

ACE 30398887

ATTACHMENT 13 PAGE

Attachment A

The fees Treasury shall charge EVOS for providing domestic and international equity management are based upon Treasury's existing contracts, which expire June 2003. The fee schedules are shown below:

Domestic Equity Management - Provided by State Street Global Advisors (SSGA) - Russell 3000 Common Trust Fund

Am	ount Invested	Cumulative Assets	Basis Point Fee
1 st	\$250 million	\$250,000,000	1.4
Next	\$375 million	\$625,000,000	1.0
Next	\$1,075 million	\$1,700,000,000	0.8
Remainder		Over \$1,700 million	0.6

EVOS shall be charged a prorated share of the quarterly billing from SSGA based upon EVOS' total assets in this investment as a percent of the total of all assets in this investment. EVOS' total fee cannot exceed 1.4 basis points in this investment.

International Equity Management - Provided by Lazard Frere Asset Management

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$200 m	\$200,000,000	50
Next	\$100 m	\$300,000,000	45
Next	\$100 m	\$400,000,000	40
Next	\$100 m	\$500,000,000	35
Next	\$100 m	\$600,000,000	30
Next	\$100 m	\$700,000,000	25
Next	\$300 m	\$1,000,000,000	. 20
Remai	nder	Over \$1 billion	15

EVOS shall be charged the lowest incremental rate applicable during the billing period after taking into account the total assets held by Treasury in this investment. For example, if the total assets equal \$950,000,000 then EVOS' fee would be 25 basis points.

The incremental rate over the last 24 months has ranged from 15 to 20 basis points. Total assets in this investment are approximately in the \$900-1,000 million range. If the Pension Board were to significantly reduce their investments in this account, the incremental rate would move progressively up (in 5 basis point adjustments). These fees for international are contingent upon the Pension Board's continued relationship with Lazard and their concurrence with Treasury's method of allocating costs of this contract.

Should either fee schedule change, Treasury will notify EVOS of the expected impact on fees to EVOS.

ATTACHMENT 14 PAGE

RESOLUTION 02-07 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING THE FY 03 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 <u>United States of America v.</u> <u>State of Alaska</u>, 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 <u>State of Alaska v. Exxon Corporation. et al.</u>, No. A91-083 CIV, and <u>United States of America v. Exxon Corporation, et al.</u>, No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment and restoration activities. The Fiscal Year 2003 Work Plan Phase I is funded at \$3,725,200 as described in Attachment A. The monies are to be distributed according to the following schedule:

Alaska Department of Fish & Game Alaska Department of Natural Resources	2,240,000 329,500
SUBTOTAL TO STATE OF ALASKA	\$2,569,500
U.S. Department of the Interior National Oceanic & Atmospheric Administration	687,300 468,400
SUBTOTAL TO UNITED STATES OF AMERICA	\$1,155,700
TOTAL APPROVED	\$3,725,200

ACE 30398889

Funds must be spent in accordance with Attachments A and B, with the following conditions: (1) If a Principal Investigator (PI) has an overdue report or manuscript from

1 ATTACHMENT

Resolution 02-07
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 for withdrawal of the Fiscal Year 2003 Work Plan Phase I amount (\$3,725,200) from the appropriate account designated by the Executive Director.

ACE 30398890

ATTACHMENT PAGE_ /6 OF

Resolution 02-07

2

Approved by the Council at its meeting of August 6, 2002 held in Anchorage, Alaska as affirmed by our signatures affixed below.

DAVE GIBBONS

Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

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

FRANK RUE Commissioner Alaska Department of Fish and Game

CRA

Assistant Attorney General State of Alaska

JAMES W. BALSIGER Administrator, Alaska Region National Marine Fisheries Service

MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

Attachments:

- A Funding Distribution
- B Executive Director's Recommendation

ACE 30398891

ATTACHMENT PAGE

Resolution 02-07

Attachment A to Res On 03-04 EXXON VALDEZ OIL SPILL TOJSTEE COUNCIL FFY 03 Project Budgets October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	G E M	Project Number	Project Title	Investment Court Notice #2: <u>Aug. 2002</u>	Investment Court Notice #3. Y _Dec. 2002	
ADF&G	· · · · · · · · · · · · · · · · · · ·		030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	30.1	139.5	
	DOI-USGS, DOI-O/S		030100	Public Information and Administration	950.2	<u>)</u>	100
			030190	Construction of a Linkage Map for the Pink Salmon Genome	54.5		
		G	030210	Youth Area Watch	98.6		
	ADNR, DOI-USGS, NOAA	G G	030250	Project Management	50.0	·	
		G	030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	51.6	· · · · ·	
		G	030455	Gulf Ecosystem Monitoring and Research Program Data System	212.9	>	1
			030462	Effect of Disease on Pacific Herring Population Recovery in Prince William Sound		87.0	
		G	030550	Alaska Resources Library and Information Services	95.1	77 .	
		G	030556	High Resolution Mapping of the Intertidal and Shallow Subtidal Shores in Kachemak Bay	~	32.3	
· ·			030558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health (including Bench Fees)	286.7		
	NOAA	G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	39.3	-7.9	
		G	030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	22.6		
		G	030610	Kodiak Archipelago Youth Area Watch	63.0		
•		G	030614	Monitoring Program for Near-Surface Temperature, Salinity, and Fluorescence in the Northern Pacific Ocean	18.1	10.9	SN
	ADNR, DOI-USGS	G	030630	Scientific Management under GEM & Lingering Oil Programs	174.8	260.1	
		Ĝ	030642	Database on the Marine Invertebrate Macrofauna of Prince William Sound: An Addition to the University of Alaska Museum's ARCTOS		19.2	
		G	030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	92.5		
		G	030666	Alaska Natural Geography in Shore Areas: An Initial Field Project for the Census of Marine Life		266.3	•
		G	030684	Sustainable Management in the Kenai River Watershed		59.9	
		G	030685	Visible Remote Sensing of the Gulf of Alaska		77.1	
		· ·	······	ADF&G Total	2,240.0	944.4	
DNR	ADFG, DOI-USGS, NOAA	G	030250	Project Management	10.0	2	
		G	030600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	215.9		
	ADFG	G	030630	Scientific Management under GEM & Lingering Oil Programs	(103.6	Sin	
· <u>·</u> · ·				ADNR Total	329.5	0.0	
OI-NPS	DOI-USGS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	4.7		
		-1-1-		DOI-NPS Subtotal	4.7	0.0	

ACE 30399372

ATTACHMENT BPAGE $5/_{OF}$ 97

court1102

Dollar Amounts are shown in thousands of dollars

Revised 12/5/2002

1

Attachment A to Res on 03-04 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL FFY 03 Project Budgets October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	G E M	Project Number	Project Title	Investment Court Notice #2: Aug. 2002	Investment Court Notice #3 ¥ Dec. 2002	
DOI-FWS	DOI-USGS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	11.5	· <u> </u>	
		G	030561	Community-Based Forage Fish Sampling	17.0		
	· · · · · · · · · · · ·	-		DOI-FWS Subtotal	28.5	0.0	
กกุ่มเรดร	ADFG, DOI-O/S		030100	Public Information and Administration	139.9	<u></u>	100
01-0000	ADFG, ADNR, NOAA	Ĝ	030250	Project Management	7 27.9	<u></u>	250
	DOI-FWS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	205.1	/	20
	NOAA		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	15.7	· · · · · · · · · · · · · · · ·	
	NOAA		030620	Lingering Oil & Predators: Pathways of Exposure & Population Status	192.3	75.9	. Alton
	ADFG, ADNR	ľ	030630	Scientific Management under GEM & Lingering Oil Programs	· ····································	(14.0)-5
	DOI-NPS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	49.0		
	· · · · · · · · · · · · · · · · · · ·	G	030687	Monitoring in the Nearshore: A Process for Making Reasoned Decisions		90.0	
	· · · · · · · · · · · · · · · · · · ·			DOI-USGS Subtotal	629.9	179.9	
00I-0/S	ADFG, DOI-USGS	· ·	030100	Public Information and Administration	24.2	2	100
	· · · · · · · · · · · · · · · · · · ·			DOI-O/S Subtotal	24.2	0.0	
				DOI Total	687.3	179.9	
							4.
AAOI			030012	Photographic and Acoustic Monitoring of Killer Whales in Prince William Sound and Kenai Fjords	18.1		
	ADFG, ADNR, DOI-USGS	Ĝ	030250	Project Management	(49.7		250
] - [030290	Hydrocarbon Database and Interpretation Service	22.5		н 1
			030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	37.1		
			030574	Assessment of Bivalve Recovery on Treated Mixed-soft Beaches in Prince William Sound	36.0		
		G	030575	Designing a Community Involvement/Community-based Monitoring Plan for GEM	109.6		
	ADFG	G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring		7.9	
	USGS		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	105.9		
		G	030607	Geographic Information Systems (GISs) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	13.1		-
	USGS		030620	Lingering Oil & Predators: Pathways of Exposure & Population Status		167.6	
		G	030623	PWSRCAC-EVOS Long-Term Environmental Monitoring Program		70.9	
		G	030624	A CPR-Based Survey to Monitor the Gulf of Alaska and Detect Ecosystem Change		, 197.2	
		G	030625	Prince William Sound Isotope Ecology Synthesis	25.5		
	· · ·	G	030636	Management Applications: Commercial Fishing	50.9		

Dollar Amounts are shown in thousands of dollars Revised 12/5/2002

AC E

30399373

PAGE

9

OF -

0 J

ATTACHMENT

Ц

2

Attachment A to Resc n 03-04 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL FFY 03 Project Budgets October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	G E M	Project Number	Project Title	Investment Court Notice #2: Aug. 2002	Investment Court Notice #5: 4 Dec. 2002
··· "		G	030641	ShoreZone Mapping for GEM		34.4
		G	030647	Investigating the Relative Roles of Natural and Shoreline Harvest in	······································	87.9
			· · · · · · · · · · · · · · · · · · ·	Altering the Kenai Peninsula's Rocky Intertidal		
		G	· 030654	Surface Nutrients over the Shelf and Basin in Summer: Bottom-up Control		37.5
		1		of Ecosystem Diversity		
			· · · · · · · · · · · · · · · · · · ·	NOAA Total	468.4	603.4
			·	Total	3,725.2	1,727.7

ATTACHMENT _____ ACE 30399374 OF 5 2

Resolution 02-07 Attachment / EXXON VALDEZ OI. ILL TRUSTEE COUNCIL PhaseI. 2003 Federal Fiscal Year Project Budgets October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification	
ADF&G			030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	30.1	
	DOI-USGS, DOI-O/S		030100	Public Information and Administration	(950.2	100
			030190	Construction of a Linkage Map for the Pink Salmon Genome	54.5	and the second se
		G	030210	Youth Area Watch	98.6	l _
	ADNR, DOI-USGS, NOAA	G	030250	Project Management	50.0	BW
		G	030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	51.6	
		G	030455	Gulf Ecosystem Monitoring and Research Program Data System	212.9	
		G	030550	Alaska Resources Library and Information Services	95.1	mers
			030558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health (including Bench Fees)	286.7	-
		G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	39.3	
	1	G	030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	22.6	
		G	030610	Kodiak Archipelago Youth Area Watch	63.0	
		G	030614	Monitoring Program for Near-Surface Temperature, Salinity, and Fluorescence in the Northern Pacific Ocean	18.1	
	ADNR	G	030630	Scientific Management under GEM	174.8	-)5u
		G	030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	92.5	
	·	-		ADF&G Total	2,240.0	
ADNR	ADFG, DOI-USGS, NOAA	G	030250	Project Management	10.0	PM
	· · · · · · · · · · · · · · · · · · ·	G	030600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	215:9	
	ADFG	G	030630	Scientific Management under GEM	- 103.6	SM
				ADNR Total	329.5	
)0I-NPS	DOI-USGS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	4.7	
				DOI-NPS Subtotal	4.7	
DOI-FWS	DOI-USGS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	11.5	
		G	030561	Community-Based Forage Fish Sampling	17.0	
	······································	· · · · · · · · · · · · · · · · · · ·		DOI-FWS Subtotal	28.5	
DOI-USGS	ADFG, DOI-0/S		030100	Public Information and Administration	139.9	100
	ADFG, ADNR, NOAA	G	030250	Project Management	<27.9	PRA

ť

1

PAGE_ Attachment 8 1 07 \mathcal{D}

ITD

Dollar Amounts are shown in thousands of dollars Revised 8/19/2002

These

Attachment Resolution 02-07 EXXON VALDEZ OL ILL TRUSTEE COUNCIL 2003 Federal Fiscal Year Project Budgets October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification
	DOI-FWS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	205.1
	NOAA		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	15.7
	NOAA		030620	Lingering Oil & Predators: Pathways of Exposure & Population Status	192.3
	DOI-NPS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	49.0
				DOI-USGS Subtotal	629.9
DOI-0/S	ADFG, DOI-USGS		030100 -	Public Information and Administration	24.2
			· · · · · · · · · · · · · · · · · · ·	DOI-O/S Subtotal	24.2
	······································	· · · · ·		DOI Total	687.3
NOAA	-		030012	Photographic and Acoustic Monitoring of Killer Whales in Prince William Sound and Kenai Fjords	18.1
	ADFG, ADNR, DOI-USGS	G	030250	Project Management	49.7
			030290	Hydrocarbon Database and Interpretation Service	22.5
			030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	37.1
			030574	Assessment of Bivalve Recovery on Treated Mixed soft Beaches in Prince William Sound	36.0
	-	G	030575	Designing a Community Involvement/Community-based Monitoring Plan for GEM	109.6
	USGS		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	105.9
		G	030607	Geographic Information Systems (GISs) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	13.1
	-	G	030625	Prince William Sound Isotope Ecology Synthesis	25.5
		G	030636	Management Applications: Commercial Fishing	50.9
			·	NOAA Total	468.4
				Total	3,725.2

ATTACHMENT B

30398893

ACE

ITD

2

SODENDQUEET) EV 03 DUNGE I MIODK DI VIET D. TOUCTER COUNCIL ACTION /TE ODDEA

	Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
ſ	Oil Spill: Lin	gering Injury	, , , , , , , , , , , , , , , , , , ,		<u> </u>	\$428.0	\$151.3	\$52.7	\$52.7
6	030190	Construction of a Linkage Map for t Pink Salmon Genome	he F. Allendorf/Univ. Montana	ADFG	Cont'd 8th yr. 8 yr. proje	\$54.5 ect	\$0.0	\$0.0	\$0.0
· · · · · · · · · · · · · · · · · · ·	experiments c that use a link effects of region important to the and survival), adults were con- cohort produce Likes Creek. the returning a differences in (e.g., body, size	Project Abstract al year of a project based upon conducted at the Alaska SeaLife Center age map that was constructed to test for ons of the genome on traits that are he recovery of pink salmon (e.g., growth In summer 2001, 259 sexually mature collected in Resurrection Bay from the 1999 ed from wild pink salmon collected from In FY 03, the analysis of the genotypes in adults will be completed to test for genetic marine survival and other life history traits ze, egg number, and egg size) and a final cript will be prepared.	Chief Scientist's Recommend This is the final year of a long-term pro- done a good job overcoming unexpect challenges. The genome map will be variety of future studies of pink salmon useful for future pink salmon manage Southcentral Alaska. Based on the pri appears that the data analysis is in the completion, and it seems appropriate principal investigator with funding to c identified data analysis and prepare m Fund.	oject that has ted technical a benefit to a n, and will be ment in roposal, it e process of to provide the omplete the	remainir prepara the gene survival. project v to fisher interacti the gene to their e into stre	vised proposing data analytion. This pro etic traits of protectic traits of protectic traits of protection, In addition, will contributed ies manager ons. For examples pool in a water transformet for the protection of the protec	tee Council A al, which redu- vis and manu- ject is importa- nink salmon the the work bein to answering nent about ha ample, are hal any that makes Are enough t productivity to particular	ices the cost iscript/final ant for under at affect group g done und g questions tchery/wild ichery fish of wild fish m hatchery fish?	report erstanding owth and er this important fish changing aladapted sh getting
-	030290	Hydrocarbon Database and Interpretation Service	J. Short, B. Nelson/NOAA	NOAA	Cont'd 12th yr.	\$22.5	• \$0.0	\$22.7	\$22.7
ATTACHMENT	services for al analysis in sur data represen 1989 to the pr laboratory Nat restoration da interpretive se releases of the and storage a sample archiv	Project Abstract project provides data and sample archiving I samples collected for hydrocarbon oport of Trustee Council projects. These t samples collected since the oil spill in esent and include environmental and tional Resource Damage Assessment and ta. Additionally, this project provides envices for hydrocarbon analysis, public e hydrocarbon and pristane databases, nd maintenance of the hydrocarbon res.	Chief Scientist's Recommend This is a small project, but critical to the remaining oil and its fate. Studies that whether the remaining intertidal subsu Prince William Sound is contaminatin require the support of this service pro- amount of oil from the spill subsides, the hydrocarbon sources is a question assumes greater importance. This pro- source identification determinations b chemical analyses that are stored in to The technical approach is sound, as he demonstrated by more than ten years The approach and products from this appeared in many peer reviewed pub Fund.	racking at will focus or urface oil in g the food we ject. As the the identity of n that oject makes ased on the he database. nas been of successe study have	n (00195, project p eb of hydro studies.	ntingent on s 01195, 0159 provides the	tee Council A submittal of ov 9) and manus ongoing analy for other Trus	verdue repo script (0059 vsis and inte	8). This erpretation

7

SPREA

PAGE.

QF

ATTACHMENT

t

AC m w

0398895

HEET B: TRUSTEE COUNCIL ACTION (TE) 3PREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer		Lead Agency	New or · Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	R. Heintz/NOAA	4	NOAA	Cont'd 5th yr. 5 yr. proj	\$37.1 ect	\$0.0	\$0.0	\$0.0

Chief Scientist's Recommendation

Project Abstract

Populations are maintained through successful reproduction; this study is designed to determine if exposure to oil impairs pink salmon reproduction. This experiment began in the fall of 1998 when pink salmon eggs were incubated in oil contaminated water. Fish that survived exposure were marked and released in the spring of 1999. They reached maturity at sea and returned to spawn in the fall of 2000. Return rates confirmed previous observations of reduced marine survival among exposed fish, but evaluations of offspring (F1) survival rates did not indicate any reproductive impact. The F1 were incubated in clean water until spring 2001 when they were marked and released. They will mature and return to the hatchery in the fall of 2002 and their reproductive ability will be evaluated by generating an F2 generation. A diminished ability to produce the F2 generation represents a genetic effect of oil transmitted to unexposed generations. Such an effect was demonstrated for similarly treated pink salmon in 1997, but corroborating data do not exist. This project is designed to retest that experiment; if diminished reproductive ability is corroborated, it would demonstrate a significant and unanticipated effect of oil pollution.

This is an important project because it rigorously tests the hypothesis that pink salmon have. herritable damage expressed as reduced survival. The Trustee Council should complete this project. as it has been fundamental for understanding the damage to pink salmon from the oil spill. The FY 03 work will complete a two-generation experiment started in 1998 with exposure of salmon eggs to oil. Fund.

Trustee Council Action

Fund closeout of this project contingent on submittal of overdue reports (99347, 01476). This project is validating the effects of oil contamination on pink salmon, thus contributing to our understanding of the injury and recovery status of this injured species.

HEET B: TRUSTEE COUNCIL ACTION (TE) SPREA

SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 * Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.	
030585	Lingering Oil: Bioavailability and Effects to Prey and Predators	J. Rice, J. Short/NOAA; J. Bodkin, B. Ballachey/USGS; D. Esler/Simon Fraser Univ.	NOAA & DOI	Cont'd 2nd yr. 2 yr. proje	\$121.6 ct	\$0.0	\$0.0	\$0.0	

Chief Scientist's Recommendation

Project Abstract

About 20 acres of contaminated beach were found in 2001 surveys of western Prince William Sound conducted under Project 01543. In these areas, sea otters and harlequin ducks have not recovered, raising concerns that continued oil exposure may be affecting their survival. Biochemical assays and mortality patterns apparently still exposed to lingering oil. This is a are consistent with continuing oil exposures, but prior to this study, linkages between oil persistence and impacts at higher trophic levels had not been attempted. In this study, shoreline contamination, exposure and effects were examined simultaneously by choosing a common set of sites at which to assess oil persistence and biological impacts on sea otters and harlequin ducks. Fieldwork was conducted in FY 02, and closeout activities, including data analyses and writing of reports and publications, will be done in FY 03. The National Oceanic and Atmospheric Administration's Auke Bay Lab has been leading the studies of oil bioavailability and impacts to prey species; Department of Interior-U.S. Geological Survey has been directing the studies on sea otters and harlequin ducks.

This is a very good to excellent proposal that addresses the potential effects of remaining intertidal oil deposits (mainly subsurface) on the food web, including clams and intertidal fish, sea ducks (harlequin ducks) and sea otters, which are closeout of the two-year project to document oil

remaining in the intertidal and how it may be available to higher trophic levels. The request for funds to analyze oil-exposed bivalves is warranted, as this may establish an exposure pathway to higher trophic levels. The project is related to Project 03620, but the latter project focuses more closely on relating foraging area to exposure. Fund, including funds for additional chemical analyses and sediments. analysis of interstitial water samples.

Trustee Council Action

Fund closeout of this project, including funds for additional chemical analyses and analysis of interstitial water samples, contingent on (a) approval of the revised Detailed Project Description, which reflects this additional work and (b) submittal of overdue reports (00195, 00454, 01195, 01599) and manuscript (00598). This project, which integrates studies of sea otters and harlequin ducks with continued assessment of oil persistence, is the product of a workshop convened in 2001 to review results from Project 01543/Evaluation of Oil Remaining in the Intertidal and to identify information gaps. The project's objective is to determine if the signs of continued oil exposure in sea otters and harlequin. ducks are linked to the oil remaining in intertidal

PAGE_ ATTACHMENT AC m 96886605

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL. EV 03

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030594	Development of an Alaska Standard Species for Marine Toxicity Testing		ADFG	New	\$0.0	\$0.0	\$0.0	\$0.0
	The Alaska Green Urchin	• ·	,	1st yr. 1 yr. proj	ect			
Pro	pject Abstract	Chief Scientist's Recomm	endation					
testing procedure species. None of or recommended Agency and other cold-water test an species to make of	environmental regulators use imals. Use of typical warm-water decisions about Alaska conditions and	The core tasks in this proposal hav done and extensively published by colleagues at the University of Wa the 1980s. The project also has lin restoration. Do not fund.	Dinnel and his shington during		fund based of nendation.	n Chief Scient	ist's	
and this practice a of the results. De crude oil compone dispersants and b developing the Ala	factory from a scientific standpoint, also interferes with public acceptance cisions requiring toxicity testing include ents and cleanup chemicals, such as beach cleaners. This project proposes aska green urchin as a test species. rtilization and embryo development are rs of toxicity.							

PAGE_ ATTACHMENT てる 30398897 QF \mathcal{P}

ACE

August 6, 2002 (LAYOUT: TCActionAugust)

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL ... 4

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030620	Lingering Oil and Predators: Pathways of Exposure and Population Status	S. Rice, J. Short, M. Lindeberg/NOAA; J. Bodkin, B. Ballachey/USGS-DOI	NOAA & DOI	New 1st yr. 2 yr. proje	\$192.3 ect	\$151.3	\$30.0	\$30.0

Chief Scientist's Recommendation

Project Abstract

Lingering oil and continued effects to sea otters and sea ducks are the most surprising and best documented long term impacts of the oil spill. Strong evidence is accumulating which implicates lingering oil as a factor constraining recovery of the nearshore ecosystem in western Prince William Sound. Acute and chronic contamination of sediments and prey species were well documented during the years following the spill. Twelve years later, elevated biomarker levels in sea otters and sea ducks have indicated continued exposures to hydrocarbons. Evidence implicating a route of exposure to date has been largely circumstantial. However, in 2001 and 2002, extensive sampling was undertaken to document the distribution, abundance, and bioavailability of lingering oil along those shorelines most heavily impacted by the spill. This has paved the way for identifying specific areas where sea otters and sea ducks could be currently foraging and exposed to lingering oil. This project is an outgrowth of the earlier studies and will focus on the direct pathways of lingering oil to sea otter and sea duck populations in two heavily impacted bays in the western sound.

This is an important project for understanding the lingering effects of the oil spill in some of the most heavily oiled localities from 1989. It is a very good to excellent proposal that addresses the potential effects of remaining intertidal oil deposits (mainly subsurface) on the food web, including sea ducks (harlequins) and sea otters, which have not recovered from the effects of the spill and are apparently still exposed to lingering oil. There is some concern about the experimental design for the prey base study (the National Oceanic and Atmospheric Administration (NOAA) component), particularly being able to relate the location of foraging activities to the contamination of the forage base. The means of contamination--eating versus external contact -- is also a question. Fund USGS on funding NOAA component pending consultation with the peer review team.

Trustee Council Action

Fund USGS (U.S. Geological Survey) component on sea otters and harlequin ducks (\$192,300); defer decision on funding NOAA (National Oceanic and Atmospheric Administration) component on habitat and lingering oil (\$151,300) pending a workshop to be held Fall 2002 on the results to date from Project 03585/Lingering Oil: Bioavailability and Effects to Prev and Predators. If funded, funding for the NOAA component will be contingent on submittal of the principal investigators' overdue reports (00195, 00454, 01195, 01599) and manuscript (00598) from prior years. This project follows on Project 02585, which is integrating studies of sea otters and harlequin ducks with findings of the lingering oil survey conducted Summer 2001 (Project 01543). The project is designed to address additional objectives related to the potential (U.S. Geological Survey) component; defer decision effects of remaining intertidal oil deposits--specifically in regard to the food web--on sea otters and harlequin ducks, both of which have not recovered from the oil spill and are apparently still exposed to lingering oil.

PAGE_ ATTACHMENT Q;

ACE

86886505

SPREATHEET B: TRUSTEE COUNCIL ACTION (TEX SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
Oil Spill: Recov	very Monitoring				\$340.8	\$25.0	\$18.2	\$0.0
030012	Photographic Monitoring of Residen Killer Whales	t C. Matkin/North Gulf Oceanic Society	NOAA	Cont'd 11th yr.	\$18.1	\$0.0	\$18.2	
This project will suppod of killer whale cooperative progra various foundation yearly basis since	1984; this long-term data set was ng the oil spill effects on killer whales.	Chief Scientist's Recommen This project will monitor an important pod. Killer whales are a top trophic-le species that is dependent on the inter marine ecosystem. Killer whales are increasingly important species for tou industry that is worth many millions of year. The killer whale population in t Alaska has been increasing and over population appears to be healthy. Ho pod declined precipitously at the time and, for a time after the spill, appear danger of complete disintegration. T grown since about 1994 and pod disi seems less likely. The continuation of monitoring project will provide contin the status of the AB pod. Fund, lowe	killer whale evel, sentinel grity of the also an irism, an f dollars per he Gulf of all the owever, the Al of the spill ed to be in he AB pod ha ntegration nor f this uing data abo	manusc niche pa beyond reducec sources for cont William B	Y 03 only cor cripts funded artitioning). A has not yet b from earlier of funds ava inued monito	stee Council A tingent on cor in prior years. A decision on for een made. F years to reflect ailable to the p ring of killer w Kenai Fjords.	npletion of (mating sys unding in F unding in F ct the additi rincipal inve	Y 04 and Y 03 is onal estigator

ACE 30398899 Attachment B

PAGE

5

9

August 6, 2002 (LAYOUT: TCActionAugust)

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE. SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency		Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom	•
030462	Effect of Disease on Pacific Herring Population Recovery in Prince William Sound	G. Marty/Univ. of California, Davis	ADFG	Cont'd 5th yr. 5 yr. projec	\$0.0 t	\$25.0	\$0.0	\$0.C)
	Project Abstract	Chief Scientist's Recommendatio	n		Trus	tee Council A	ction		

Herring remain one of the key non-recovered

importance, in addition to being a key component of

much to our understanding of disease expression in

herring. In the opinion of the reviewers, most of the

value of this project has been obtained through the

contributions already made to the literature and to

the management of the herring fishery by work on

the VHS (viral hemorrhagic septicemia) virus. The

substantial investment of further research money in

sample processing for determining the presence of

However, a modest contribution of matching funds

to a larger effort would be in order. Fund at level of

reviewers feel there is insufficient justification for

a second pathogen (Ichthyophonus hoferi).

\$25,000 if matching funds are obtained.

ACE 30398900

the pelagic ecosystem. This study has contributed

species and are of substantial commercial

In spring 2001, prevalence of Ichthyophonus hoferi (38 percent) in the Pacific herring population of Prince William Sound was more than 50 percent greater than in any year studied (1989-2000). I. hoferi causes severe, disseminated, chronic disease in Pacific herring that is best diagnosed using histopathology. Before 2001, I. hoferi was not associated with unexpected declines in population biomass, but during the last century increases in I. hoferi prevalence in Atlantic herring have been associated with several disease outbreaks. To understand the significance of the 2001 I. hoferi outbreak, this project will analyze samples already collected in fall 2001 and spring 2002 as part of Project 02462

030558

5

Harbor Seal Recovery: Application of New Technologies for Monitoring Health S. Atkinson/UAF

Defer decision on funding this project until November. pending contribution of funds from non-EVOS sources to carry out the project as proposed. This project, which has made an important contribution to management of the herring fishery, will complete its work on viral hemorrhagic septicemia in FY 02 (Project 02462). The proposer has requested funds to conduct new work on Icthyophonus hoferi in FY 03. The reviewers consider the organ-by-organ pathobiological study proposed to be of lower priority at this stage of the restoration program, but a modest contribution of \$25,000 to the project may be worthwhile. Deferring the project until November will provide the proposer an opportunity to secure funds from other sources. The project objective is to determine whether disease continues to limit recovery of the Prince William Sound herring population.

ADFG	Cont'd	\$286.7	\$0.0	\$0.0	\$0.0
	3rd yr. 3 yr. proje				

Trustee Council Action

Fund; previous concerns about the pace of assay development have been addressed and budget guestions have been resolved. FY 03 was to be this project's closeout year (data analysis and final report writing only) but additional sample collection -- and the corresponding bench fees for housing the research animals at the Alaska SeaLife Center--has also been proposed and is recommended for funding along with closeout activities. This project is employing new technologies at the Alaska SeaLife Center to assess and monitor the health of harbor seals. [Note: The funding amount includes \$167,600 for Alaska SeaLife Center bench fees.]

Project Abstract

ATTACHMENT This study is a continuation of the study to assess the potential for new technologies to monitor the endocrine and immune systems for the health of harbor seals. During year one, baseline samples were collected from both permanently captive and rehabilitation seals at the Alaska SeaLife Center. Analysis of thyroxine (T4), Otriiodothyronine (T3), and cortisol (metabolic and gluconeogenic hormones), and measurement of immunoglobulins (IgG, IgM, and IgA) and organochlorine contaminants are currently being assessed. Cell lines to quantify immunoglobulins have been initiated, and baseline hormones have been established. FY 03 will compare the profiles of free-ranging seals and those failing to thrive in their environment in an effort to restore this species.

Chief Scientist's Recommendation

This is an excellent proposal investigating contaminant effects on reproductive biology of harbor seals. Previous concerns about the pace of assay development have been addressed and the project is on track to complete its objectives. Fund.

August 6, 2002 (LAYOUT: TCActionAugust)

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE

SPREADSHEET)--FY 03 PHASE I WORK PL

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	PY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030574	Assessment of Bivalve Recovery on Treated Mixed-Soft Beaches in Prince William Sound	D. Lees/Littoral Eco.& Environ. Services	NOAA	Cont'd 2nd yr.	\$36.0	\$0.0	\$0.0	\$0.0
	Project Abstract		•	2 yr. projec	:t	•		

Project Abstract

vertebrate predators such as sea otters and harlequin

Studies from 1989 through 1997 suggest that bivalve assemblages on beaches in Prince William Sound with high-pressure hot-water washing remain severely damaged in terms of species composition and function. This project will assess the generality of this apparent injury to these assemblages. A finding that our conclusions are accurate will indicate that a considerable proportion of mixed-soft beaches in treated areas of the sound remains extremely disturbed and that these beaches are functionally impaired in terms of their ability to support foraging by damaged nearshore

Chief Scientist's Recommendation

This is the second and final year of funding for this intertidal project. The need for this work has long been recognized in the Restoration Plan, but not until last year did an affordable project appear. Fund,

Trustee Council Action

Fund closeout of this project, which will extend sampling initiated under the National Oceanic and Atmospheric Administration's HAZMAT program to document continuing effects of shoreline cleanup on populations of important bivalves, thus allowing the results to be generalized over a larger geographic range.

ducks.

PAGE_

OF

S

ATTACHMENT

SPREATHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
Oil Spill: Eco	system Recovery & Function		······		\$216.6	\$148.9	\$0.0	\$0.0
030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	J. Bodkin, B. Ballachey/USGS-BRD, D. Esler/Simon Fraser Univ.	DOI	Cont'd 5th yr 5 yr. proj	\$216.6 ect	\$0.0	\$0.0	\$0.0
Р	roject Abstract	Chief Scientist's Recommenda	ition		Trus	tee Council A	ction	

Project Abstract

Sea otters and harlequin ducks have not fully recovered This is a high quality project that has made. from the oil spill, based on population-level demographic outstanding contributions to the EVOS Nearshore differences between oiled and unoiled areas. Further, in oiled areas, both species show elevated cytochrome P4501A, almost certainly reflecting continued exposure to oil. This project is exploring links between oil exposure and the lack of population recovery, with the intent of understanding constraints to full recovery of these species and the nearshore environment generally. The results also serve to monitor the progress of recovery of the species and the system. To date, the work has consisted of field components for both species, and a captive component for harlequin ducks. Proposed activities for FY 03 include (a) the third and final year of harlequin duck field studies quantifying oil exposure and survival of females during winter and (b) closeout of all project components and preparation of the final report.

Vertebrate Predator (NVP) program (Project 99025). Sea otters and harlequin ducks have shown ongoing injury. The experimental work with harlequins to derive dose-response results is especially valuable (although procedurally challenging). Fund closeout of sea otter component as proposed; fund an additional year of harlequin field work/data collection in order to determine if there is a link between P4501A exposure and survival of individual female harlequin ducks.

I rustee Council Action

Fund revised proposal, which reduces the cost of the sea otter component slightly. The questions raised by the reviewers in regard to the harlequin duck component have been addressed through a review of the project's FY 02 preliminary results--it is now apparent that a third year of field study is necessary to meet project objectives. This project is an important extension of the Nearshore Vertebrate Predator project (Project 99025) work on two still-injured species, sea otters and harlequin ducks. The FY 03 funding request includes closeout activities (final data analysis and : report writing) for both the sea otter and harlequin duck components.

PACE ATTACHMENT ∞

August 6, 2002 (LAYOUT: TCActionAugust)

ACE

20686E0E

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	,	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030587	Understanding the Cellular Processes of Recovery and Its Utility in Oil-Spill Restoration Efforts	C. Downs/EnVirtue Biotechnologies, Inc.		NOAA	New 1st yr. 1 yr. proje	\$0.0	\$148.9	\$0.0	\$0.0

Chief Scientist's Recommendation

Project Abstract

This project will elucidate the cellular and genomic mechanisms that affect the rate of recovery in bivalve species impacted by the oil spill. The project will (a) determine the adverse affects of a long-term oil-spill exposure on specific processes of cellular physiology and genomic integrity that could potentially impede or slow the rates of recovery in populations of Protothaca staminea and (b) determine the link between cellular-physiological condition with PAH-body burden in these two species of bivalves by characterizing these parameters in populations from sites that exhibit different levels of oil contamination. Completion of this work may provide a foundation to address questions critical to the issue of variable rates of recovery in both invertebrate and vertebrate species in oil-impacted areas. It will provide new and powerful tools to improve monitoring methodologies, as well as potentially providing valuable information for restoration efforts.

This project will apply a battery of biomarkers to determine the sublethal impact of residual oil to mollusk physiology. Some interesting data is presented in the proposal. However, there is no proof of principle for the effects postulated, the proposal lacks a strong justification from the existing biomarker literature, and it is not entirely clear how experienced the investigators are in this area. In light of the preliminary data submitted in the proposal, however, the investigators should be encouraged to address these weaknesses in a revised proposal. Defer pending submittal and review of a revised Detailed Project Description that addresses the peer reviewers' concerns.

Trustee Council Action

Defer decision on funding this project until November pending submittal and review of (a) a revised Detailed Project Description that addresses the Chief Scientist's concerns (proof of principal, reference to existing biomarker literature, and principal investigators' experience) and (b) a revised budget that clarifies (and probably reduces) contractual and travel costs (the amount in the recommended column above is a placeholder). This project is designed to determine the sublethal impact of residual oil to mollusk physiology and how exposure to residual oil might be slowing recovery of mollusks.

PAGE. ATTACHMENT OF 30398903

ACE

SPREATHEET B: TRUSTEE COUNCIL ACTION (TEX SPREADSHEET)--FY 03 PHASE I WORK PL

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM Cross-Habitat L	inkage: Synthesis				\$254.5	\$0.0	\$214.3	\$184.8
from	nthesis of the Ecological Findings n the EVOS Damage Assessme I Restoration Programs, 1989-20	nt al	et ADNR	Cont'd 2nd yr. 3 yr. proje	\$215.9 ect	\$0.0	\$184.8	\$184.8
Project Ab	stract	Chief Scientist's Recommend	<u>ation</u>		Trus	tee Council A	<u>ction</u>	
post-spill study in the EV0 restoration programs in the and natural factors causing of Alaska ecosystem. The integrated synthesis book major sections: (a) the book the ecosystem, (b) how in responds in disturbances how our understanding of and what future path will valuable marine ecosystem	ng the results from 12 years of OS damage assessment and he context of anthropogenic ing change in the northern Gulf he result of the work will be an k. The book will consist of three asic structure and function of it changes over time and how it a, and (c) the effect of the spill: f the ecosystem has matured help us better understand this em. The book will be a major toration program and help set	Proposal will not be reviewed by Chief Two independent reviews have been		from mo the oil sy purpose in a scie provide synthesi to the Tr principal Trustee presenta Council	re than a dep oill. Such a s s: (a) inform ntifically rigo a foundation s will be com ustee Counci l investigator Council Offic ation to ensu	ill integrate wh cade's worth of synthesis will fit the public aborous yet reada for GEM. A displeted shortly cil for comment should work of ce in designing re that it will be nunicating the to the public a	of science for ulfill at leas but the EVC able volume etailed out and will be it. In addition closely with g the multime a useful to results of to	ollowing t two DS legacy and (b) ine for the supplied on, the the nedia ool for
Maj	ographic Information Systems (C p of Water Quality Monitoring Si oss the Gulf of Alaska		NOAA	New 1st yr. 1 yr. proje	\$13.1 ect	\$0.0	\$0.0	\$0.0
Project Ab	stract	Chief Scientist's Recommend	ation	· · · · · · · · · · · · · · · · · · ·		tee Council A	ction	
This project will synthesiz comprehensive Geograph map and database of mo Alaska. This map will be be linked to CIIMMS (Coo Management and Monito and STORET, through wi easily updated and made as well as policy makers, public. This map and the as a lasting tool for the re Gulf of Alaska's resource monitoring efforts and es	ze existing data to create a hic Information Systems (GIS) initoring sites across the Gulf of published in hardcopy and will ok Inlet Information ring System, Project 01391) hich the map and data can be a available to monitoring entities scientists, and the general e accompanying data will serve estoration and protection of the es by coordinating diverse tablishing a framework into current and future monitoring	This proposal will create a database a water quality sites in the Gulf of Alask database will be useful in meeting GE Fund contingent on clarification by the the geographic area to be included (th should include the entire geographic a encompassed by the GEM program).	nd map of a. Such a M objectives proposer of e database	geograp databas encomp create a (includir parame of Alask CIIMMS Monitori	ntingent on c hic area to b e should incl assed by the GIS map of g physical, c ters) by ident a and incorp (the Cook Ir ng System c	clarification by e covered by ude the entire GEM program water quality hemical, and ifying existing orating this inf let Information reated under f seful for GEM	the propos the project geographic n). This pro- monitoring biological sites acros formation in n Managen Project 013	(the c area oject will sites the Gulf ito nent and

August 6, 2002 (LAYOUT: TCActionAugust)

+

3

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom
G- 030625	Prince William Sound Isotope Ecolo Synthesis	ogy T. Kline/PWSSC	NOAA	New 1st yr. 1 yr. proj	\$25.5 ect	\$0.0	\$0.0	\$0.0
This project will present structure William Sound th with tentative title structure of the p Sound, Alaska". will be useful be	roject Abstract provide a 'big picture' synthesis of the e of the pelagic ecosystem of Prince nrough preparation of a scientific paper e: "A stable isotope based trophic belagic community of Prince William The documentation of a 'before picture' cause the recently documented regional	Chief Scientist's Recommendation The proposed synthesis could be product, and the principal investi- the most knowledgeable individu synthesis. Fund revised proposa the cost of the project to a more	a worthwhile gator is certainly al to prepare this , which reduces	Fund re scope a This pro pelagic stable is and ana previous	<u>Trus</u> evised propos and budget as oject will prep ecosystem o sotope ratio d alyzed by the s EVOS proje	tee Council A al, which redu directed by th are a synthes f Prince Willia ata from biota principal inves cts (Project 9	ces the pro ne Chief Sc is manuscri m Sound, u samples c stigator und 8320/Sound	ientist. pt on the ising ollected er d
change in specie trophic structure G- 030631	es composition is likely to alter pelagic during GEM. Top-Down Process Synthesis	T. Kline/PWSSC	NOAA		Food Webs: \$	ent; Project 0 Structure and \$0.0		e William \$0.0
This project will ontogenetic incre walleye pollock s processes when analysis of archi multiple trophic I larger pollock ca those that are ag that pollock of th cannibalism. Pol being removed f discovery of a m SEA project (So /320.) The prop will be useful to effectively removed	roject Abstract synthesize information that suggests eases of the trophic position of the such that they contribute to top-down >600mm in length, using stable isotope ved samples and data. Pollock feed at evels depending on their size, with annibalizing smaller pollock, especially ge-0. Preliminary analysis suggested his size range have a high potential for pollock of this size range are presently rom Prince William Sound since the nostly undisturbed population during the und Ecosystem Assessment, Project osed documentation of a 'before picture' GEM, because fishing pressure may we the larger size class pollock from the appened in the Bering Sea.	Chief Scientist's Recom This proposal from qualified inver- present a convincing case that c can be adequately controlled to r questions it poses. The potential restoration objectives is thus like not fund.	stigators does not onfounding factors esolve the contribution to	recomn analysis pollock express the proj	fund based.on nendation. The sto examine under differe sed concern a ect and whet	tee Council A n Chief Scient his project wo the trophic po nt conditions. about the expe ner unambigu lethods propo	ist's uld use stal sition of wa The review erimental de ous results	lleye vers esign of

ACE 30398905

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE

SPREADSHEET)--FY 03 PHASE I WORK PL

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM Cross-H	labitat Linkage: Community Involve	ment			\$369.2	\$150.5	\$340.0	\$0.0
G- 030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	P. Brown- Schwalenberg/CRRC	ADFG	Cont'd 9th yr.	\$30.1	\$150.5	\$192.6	

Project Abstract

Chief Scientist's Recommendation

In FY 03, this project will focus on four objectives: (a) establishing Core Action Plans for the Tribal Natural Resource Plans being developed in FY 02, (b) identifying priority regional and community-specific research and monitoring issues and concerns and fitting them to community-based research and monitoring activities, especially those related to GEM, (c) conducting a "Wisdomkeeper Series" for discussing and sharing research and monitoring issues with selected biologists, scientists, elders, and traditional knowledge experts, and (d) developing pilot community-based research and monitoring projects for potential implementation in FY 04. Communities involved in the project are Tatitlek, Chenega Bay, Port Graham, Nanwalek, Cordova/Eyak, Seward/Qutekcak, Seldovia, Valdez, Kodiak Island Region/Ouzinkie, and the Alaska Peninsula Region/Chignik Lake.

The Trustee Council has committed to community involvement in both the GEM and ongoing oil spill programs. This proposal cannot be fully evaluated until the Tribal Natural Resource Plans scheduled for completion in FY 02 from this project have been reviewed by the Trustee Council. These need to be reviewed for their content, relationship to GEM, and community commitment to implementation of the plans. Defer funding pending receipt of these plans.

Trustee Council Action

Fund interim amount--\$30,100 for Resource Program Planner first quarter salary (\$15,000); WisdomKeeper Workshop scheduled for November (\$7,000), tribal participation in GEM planning meetings (\$2,000), and related overhead (\$3,600) and general administration (\$2,500) costs; defer decision on balance of funding pending a review of FY 02 results (completion of Tribal Natural Resource Plans; tribal participation in technical workshops/training sessions; communication of EVOS results to villages). The Detailed Project Description and budget need to be revised to more directly build on the work performed in FY 02 and to avoid duplication with Project 03575, Designing a Community Involvement/Community Based Monitoring Plan for GEM. The overall goal of this project--community involvement and development of local stewardship capacity -- is a priority of the Trustee Council and an essential component of GEM.

ACE 30398906

PAGE_

<u>O</u>F

ATTACHMENT

SPREA

HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02		FY 04 Recom.
G-030210	Youth Area Watch	R. DeLorenzo/Chugach School District	ADFG	Cont'd 8th yr.	\$98.6	\$0.0	\$85.6	· .

Project Abstract

This project links students in the oil spill impacted area with research and monitoring projects funded by the Trustee Council. The project involves students in the restoration process and provides these individuals the skills to participate in restoration now and in the future. Youth conduct research identified and delegated by principal investigators who have indicated interest in working with students. Youth Area Watch fosters long-term commitment to the goals set out in the restoration plan and is a positive community investment in that process. Participating communities in FY 03 will be Tatitlek, Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Valdez, and Whittier.

Chief Scientist's Recommendation

This project is a success story for community involvement in EVOS research, through the participation of young people in the public school system. The proposers recognize EVOS projects will be changing with implementation of GEM and are willing to adapt. The proposers also have done an excellent job of obtaining supplemental funding and reducing reliance on EVOS funding. However, the proposal provides insufficient information to judge progress. It could be strengthened with greater attention to the results of prior efforts, such as Youth Area Watch students choosing to pursue higher education in science. In addition, the annual reports are not a useful gauge of program accomplishments and progress, so accountability is lacking. By contrast, the Kodiak Youth Area Watch annual reports (Project /610) provide specific information on accomplishments, problems encountered and solutions. Fund contingent on receipt of a revised annual report (01210) that indicates that satisfactory progress is being made.

Trustee Council Action

Fund contingent on submittal and review of (a) a revised FY 01 annual report (01210) that addresses the Chief Scientist's concerns and (b) a satisfactory annual report for FY 02 (02210). Youth Area Watch involves local youth in restoration projects. In FY 03, youth in Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Tatitlek, Valdez, and Whittjer will participate.

ACE 30398907

PAGE_

ç

ATTACHMENT 5 ω

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE. SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	. FY 04 Recom.
G-030561	Evaluating the Feasibility of Develop a Community-Based Forage Fish Sampling Project for GEM	bing D. Roseneau/USFWS	DOI	Cont'd 2nd yr. 2 yr. proj	\$17.0 ect	\$0.0	\$0.0	\$0.0
This project will clo evaluating the feas community-based The work in FY 03	ect Abstract ose out Project 02561, which is sibility of developing a forage fish sampling project for GEM. will consist of compiling and ion collected during FY 02, and writing	Chief Scientist's Recomment The concept of this projectcommun sampling of predator fish to monitor t (forage fish)is scientifically sound an economically viable. It addresses GE of community involvement with poten contribute to several aspects of long- monitoring. This project will produce for the Kachemak Bay-lower Cook In Prince WilliaM Sound. Fund.	ity-based heir prey nd M's objective tial to term a useful plan	commu long-ter builds o Predato contribu commu therefor should l is not in relevan strategi	oseout of this nities to explo m forage fish n work succe or Ecosystem ite to underst nity-based sa re is an impor be noted that the particula t to forage fish es that might	tee Council A project, which project, which re involving to monitoring st ssfully begun Experiment, F anding the fea mpling progra tant part of Gl the Council's r data that mig h, but in the te be developed ity involvement	h is visiting poal resider udies. This under APE Project 9916 asibility of ams in géne EM transitio interest in t ght be gath echniques a in regard t	its in s effort X (Alaska 53). It will eral, and on. It his project ered ind o
G- 030575	Designing a Community Involvement/Community-Based Monitoring Plan for GEM	M. Sigman/Center for Alaskan Coastal Studies, et al	NOAA	New 1st yr. 1 yr. proj	\$109.6	\$0.0	\$0.0	\$0.0
This project will de community involve monitoring plan to communities in the by (a) a case histo community-based conceptual founda assessment to ide and indicators as in Resource Commis Planning Process a processes. Recom- new approaches to	ry review of working models of monitoring efforts relevant to the GEM tion, (b) a regional capacity ntify potential partnerships, (c) issues dentified by Chugach Regional sion's Tribal Natural Resource and other community planning mendations will include identifying o melding Western science and local wledge and pilot community-based	Chief Scientist's Recommen This project promises to produce a c review of other similar programs, und regional capacity assessment, identifi indicators from Chugach Regional Re Commission's Tribal Natural Resource identify new approaches to link wester local ecological knowledge. These de address a very important aspect of th program. Despite some problems (la clarity in portions of the proposal), this proposal. Fund.	ase-study dertake a fy issues and esource ce Plans, and ern science an eliverables will ne GEM ick of detail an	Fund, w (develo of poss satisfac monitor d plannin Council commu d It will bu under P Knowle emphas monitor tribes' s Projec will incli	<u>Trus</u> vith authorizat pment of fran ible pilot proje- tory completi ing capacity a g; \$51,800). 's interest in a nity involvem uild on some Project /052 (C dge/Tribal Ste sisdevelopm ing plan as o stewardship c ot /052 has be ude non-tribal	tee Council A ion of funds for evork docum ects; \$57,800) on of Phase I fissessment, li This project a a strong and n ent/community of the efforts f Community Inve evardship) but ent of a regio oposed to dev apacity and (but en limited to the community g st of participa	or Phase II contingent (community terature rev ddresses the neaningful in y monitoring unded in ea volvement/ t with (a) a nwide comm relopment co) a broader ribes only; roups and a	on y view, and ne Trustee role for g in GEM. arlier years Traditional different munity of specific focus this project add Homer

August 6, 2002 (LAYOUT: TCActionAugust)

THEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLANA SPREA

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom
G- 030610	Kodiak Archipelago Youth Area Watch	T. Schneider/Kodiak Island Borough School District	ADFG	Cont'd 4th yr.	\$63.0	\$0.0	\$61.8	

Project Abstract

Chief Scientist's Recommendation

This project will engage students in projects with goals aligned with the general restoration efforts of the Trustee success, including influencing the curriculum of the Council. Students and site coordinators will conduct interviews with local experts and document traditional ecological knowledge, publishing it in a Kodiak School District oral history magazine. Participation of Youth Area Watch adults and students in the annual Academy of Elders/Science Camp will be strongly encouraged. Such participation will serve as another avenue for more tribal members to learn about restoration efforts, scientific monitoring techniques, and occupations related to such work. The value and implications of traditional ecological knowledge will be strongly emphasized throughout the implementation of the project.

This ongoing project has shown solid evidence of Kodiak School District, and has attracted additional funding from other sources. This popular and successful program is achieving its objectives. Fund.

Trustee Council Action

Fund. This project, which involves local youth in restoration projects, addresses the Trustee Council's commitment to community involvement in GEM. In FY 03, students in Akhiok, Old Harbor, Port Lions, Ouzinki, Chiniak, and Kodiak City will participate.

PAGE ATTACHMENT 0F

30398909

AC

m

SPREA

HEET B: TRUSTEE COUNCIL ACTION (TE) SPREADSHEET)--FY 03 PHASE I WORK PL

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G-030636	Management Applications: Commercial Fishing	K. Adams, R. Mullins/Cordova	NOAA	Cont'd 2nd yr.	\$50.9	\$0.0	\$0.0	\$0.0
				2 yr. proje	ect			

Chief Scientist's Recommendation

Project Abstract

This project is intended to build a bridge between the scientific community, which is describing and attempting to predict variation in biological production, and the commercial fishing community, which is attempting to find management applications for this new information. In addition, the project seeks to provide community presence to participate in development of GEM.

The need for a "bridge project" between science and users, related to EVOS, is guite clear. If the project can identify useful applications from EVOS-based science it will be money well spent. One important criterion of success will be the ability to formulate credible and scientifically well supported proposals to the Alaska Board of Fisheries. The project is off to a strong start in FY 02 with two successful meetings with well-documented outcomes and setting up an office in Cordova. Prospects for serving the needs of spill are very good. Prospects for success are improved with the proposed creation in FY 03 of an advisory science panel, for which commitments have already been obtained from four persons knowledgeable in the academic and professional side of natural resource management and/or oceanography. Fund.

Trustee Council Action

Fund FY 03 only; the proposers have obtained the participation of a panel of scientific advisors, as recommended by the Chief Scientist. In FY 02 this project formed a Prince William Sound Fisheries Research Applications and Planning Group to provide a forum for developing fisheries management applications for all interested parties (Cordova District Fishermen United, Alaska Department of Fish and Game, Prince William Sound Aquaculture Corporation, Valdez Fisheries Development Association, commercial fishers, and others). The objectives of this group in FY 03 are to those who depend on resources damaged by the oil (a) identify a fisheries relevant subset of EVOS projects, (b) develop criteria and guidelines for making information gathered by GEM relevant for fisheries management and shore-based communities, and (c) develop a plan showing the cycle of movement from basic science to management application. At the end of FY 03, the success of the project will be evaluated and a decision made on whether to continue the project into future years. As recommended by the Chief Scientist, one measure of success will be the project's ability to formulate credible and scientifically well supported proposals to the Alaska Board of Fisheries. The EVOS program can benefit from the commercial fishing community's perspective on restoration results and interaction with fishers on how to incorporate the results into fisheries management practices. In addition, the project could form a foundation for working with Prince William Sound fishers as GEM develops.

August 6, 2002 (LAYOUT: TCActionAugust)

ATTACHMENT

Z

AC

m

30398910

200

SPREADSHEET)--FY 03 PHASE I WORK PL SPREA HEET B: TRUSTEE COUNCIL ACTION (TE EY 03 **FY 03**

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	Approved 8/6/02	Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM: Waters	hed Habitat				\$115.1	\$0.0	\$26.6	\$26.6
G- 030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	J. Cooper/Cook Inlet Keeper	ADFG	New 1st yr. 1 yr. proje	\$22.6	\$0.0	\$0.0	S0.0

Project Abstract

Chief Scientist's Recommendation

Since August 1998, Cook Inlet Keeper and the Homer Soil and Water Conservation District have been collecting discharge and water quality data from four important salmon streams on the lower Kenai Peninsula: runoff in the Ninilchik River--that is expected to be Ninilchik River, Anchor River, Deep Creek, and Stariski Creek. With the loss of funding, the U.S. Geological Survey (USGS) no longer can maintain the Ninilchik River gauge. Keeper, Homer Soil and Water Conservation District, Ninilchik Traditional Council and others depend on this gauge for the flow data needed to achieve a complete picture of water quality in these watersheds. This project will provide funds for Keeper to contract with USGS to maintain the gauge for one year, during which time long-term funding will be secured.

This is a very cost-effective proposal for "bridge funding." Funding in FY 03 will prevent loss of a year in a time-series of physical data--freshwater useful in understanding differences in natural forcing. Fund, lower priority.

Trustee Council Action

Fund revised proposal, which clarifies the matching funds available for the gauge's FY 03 (October 2002-September 2003) operation. The revised proposal also includes a small amount of funding to cover the costs of retrieving and processing gauge data for the period May-September 2002 and clarifies that the cost of operating the gauge during this period will be covered by the U.S. Geological Survey. This project will provide interim funding (FY 03 only) for maintenance of the Ninilchik River stream-flow gauge while a permanent, long-term funding source is sought. Cook Inlet Keeper relies on this gauge in monitoring the water quality of the Ninilchik River, which the Alaska Department of Environmental Conservation has rated as at high risk from nonpoint source pollution and as having a high need for data collection. Water quality is a key element in understanding the watershed and nearshore environments of the spill-impacted region and the overall health and productivity of such resources as salmon, herring, and sea otters which were seriously impacted by the oil spill.



PAGE

0F

N 5 ATTACHMENT

AC m ω 650

1168

HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN SPRE/ FY 03 FY 03 Deferred to Approved New or FY 04 FY 04 Lead 8/6/02 . 11/25/02 Cont'd Agency Request Recom. **Project Title** Proposer Proi.No. ADFG Cont'd **Reconstructing Sockeye Populations in** B. Finney/UAF \$92.5 \$0.0 \$26.6 \$26.6 G-030649 the Gulf of Alaska over the Last Several 2nd vr. Thousand Years 3 yr. project **Project Abstract** Chief Scientist's Recommendation **Trustee Council Action** This project is reconstructing changes in sockeye This outstanding project is revealing a 3,500 year Fund, including new objectives related to core collection record of sockeve salmon abundances in the from Hidden Lake, Skilak Lake, and a control lake on salmon abundance over the last 5,000 years using the ¹⁵N record left by salmon carcasses in the sediments of northern Gulf of Alaska. Previous work with other the Kenai Peninsula. This project is conducting a spawning lakes in Prince William Sound, the Kenai retrospective study of sockeye abundance in certain investigators has established the correlation of Fiords, the Kenai River watershed, and on Kodiak salmon abundance with PDO (Pacific decadal lakes in the spill region and developing hypotheses Island. The research question is: What is the normal oscillation) variations on the decadal scale. The about how changes in the atmosphere/ ocean system

importance of this work is that it describes a much

longer record of PDO variation than the European historical record compiled during the 20th century.

The project is being executed with the highest

scientific standards. Fund, including the proposed GEM and for fisheries managers working to preserve and restore natural salmon runs. addition of three other Kenai Peninsula lakes. \$93.0 \$0.0 \$0.0 \$0.0 GEM: Intertidal/Subtidal Habitat E. Brown/UAF, J. Churnside/NOAA ADFG Cont'd G-030584 Evaluation of Airborne Remote Sensing \$39.3 \$0.0 \$0.0 \$0.0 Tools for GEM Monitoring 2nd yr. 2 yr. project

Project Abstract

variability in sockeye salmon populations in the Gulf of

Gulf of Alaska region? The results will provide a

Alaska and how does it relate to climatic changes in the

valuable background for future monitoring studies within

This is the year-two completion of a project initiated in FY 02. The main objective is an evaluation of airborne remote sensing tools for GEM ecological interpretation of the data collected. The instrument package consists of (a) a pulsed lidar to map subsurface features to a maximum of 50 m, (b) an infrared radiometer to map Sea Surface Temperature (SST) day, (c) two three-chip digital video systems to map ocean color (chlorophyll), birds, mammals, surface fish schools, and ocean frontal structure, and (d) an infrared digital video to map birds and mammals at night. Shipboard and buoy data will be used for validation and interpretation of remotely sensed Jo_{data.}

Chief Scientist's Recommendation

Monitoring forage fish abundance is a challenge for the GEM program. This is a highly innovative risky than others. However, it deserves support through the proposed development phase, as the pay-off of success would be great. Fund.

Trustee Council Action

affect salmon populations.

Fund closeout of this project, which is exploring airborne remote sensing instrumentation as a monitoring tool for project to do such monitoring, and is therefore more GEM. This highly innovative project is working on a challenging question, which is how to effectively and efficiently monitor forage fish abundance under the GEM program. If the project is successful, the pay-off will be great.

ACE 30398912

ATTACHMENT

August 6, 2002 (LAYOUT: TCActionAugust)

SPRER SHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G-030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material and Isotopes	G. Irvine/USGS, J. Schaaf/NPS, D. Mann/UAF, J. Southon/Univ. Calif.		Cont'd 2nd yr. 2 yr. projec	\$53.7	\$0.0	\$0.0	\$0.0

Project Abstract

This project will investigate long-term (6,300 year) patterns of productivity and relative species abundances in nearshore, intertidal communities via retrospective analyses. These analyses will focus on excavated midden remains of very rich, well-dated archaeological sites along the Katmai National Park and Preserve coast. Changes in nearshore marine communities will be assessed through examination of relative species abundances, size-frequency analysis, and other indicators of habitat changes. Isotopic analysis of shells will provide an assessment of long-term productivity patterns in the nearshore marine environment as related to major periods of climate change.

Chief Scientist's Recommendation This pilot project has the potential to produce

innovative data of great interest and relevance to understanding natural variation in ocean systems and the human use of resources over long time frames. The originality of this work is very high, although there is a risk that the coarse temporal resolution of the method will prevent precise conclusions. The addition of funds for a paleoceanographer is justified in order to add needed expertise to the project team. Fund.

Trustee Council Action

Fund closeout of this project contingent on submittal of overdue report (99459). A portion of the increase (\$15,900) in funding over the expected amount is due to a delay in the stable isotope analyses scheduled for FY 02; an equivalent amount of funds will be lapsed back to the Trustee Council at the end of FY 02. This project is designed to improve understanding of long-term change in nearshore marine communities and investigate the relationship between productivity and climate.

								<u> </u>
GEM: Alaska	Coastal Current Habitat				\$51.6	\$0.0	\$32.1	\$32.1
G- 030340	Toward Long-Term Oceanographic	T. Weingartner/ UAF	ADFG	Cont'd	\$51.6	\$0.0	\$32.1	\$32.1
	Monitoring of the Gulf of Alaska Ecosystem			6th yr.				

Project Abstract

3

Ŋ

Interannual variations in temperature and salinity on the northern Gulf of Alaska shelf reflect environmental changes that affect this marine ecosystem. Quantifying > and understanding this variability require long time series such as the 32-year record at hydrographic TTAC station GAK1 near Seward. This project continues this time series, quantifies the synoptic, seasonal, and interannual variability, and seeks to understand the reasons for this variability. It will also begin to examine interannual variations in near-surface stratification and the timing of the spring bloom on the inner Gulf of Alaska shelf. The data will be used to predict the baroclinic component of the mass and freshwater transport variability in the Alaska Coastal Current in the northern gulf.

Chief Scientist's Recommendation

This excellent project provides new insights into physical forcing/control of primary production and mass transport. The synthesis efforts are allowing new insights into proxy measures that might be applied to the 35-year historical record to understand long-term ecosystem variability. This is an excellent investment in a long-term data set that will pay future dividends in fish and wildlife management. Fund.

Trustee Council Action

Fund, including proposed upgrade of mooring (addition of another temperature/conductivity recorder with fluorometer and transmissometer) contingent on (a) receipt of a description of the deployment procedure intended to insure against loss of data and (b) submittal of the manuscript promised in FY 02 analyzing the relationship between atmospheric pressure, precipitation, and density structure of the Alaska Coastal Current. This project provides for continued Trustee Council support of hydrographic station GAK1 and the accompanying retrospective analyses of the station's data record. GAK1 provides a long-term data set that allows characterization of the Alaska Coastal Current, which is essential to understanding climatological forcing of productivity and will be important for GEM.

August 6, 2002 (LAYOUT: TCActionAugust)

ACE 30398913

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM: Offshor	e Habitat		······································		\$18.1	\$0.0	\$0.0	\$0.0
G- 030614	Monitoring Program for Near-Surfa Temperature, Salinity, and Fluores in the Northern Pacific Ocean		ADFG	Cont'd 2nd yr. 2 yr. proje	\$18.1 ect	\$0.0	\$0.0	\$0.0
This project will fluorometer, to b acquire continuo near-surface ter	roject Abstract use a thermosalinograph and be installed on a crude oil tanker, to bus, long-term measurements of the mperature, salinity, and fluorescence tanker route between Valdez, Alaska n, California.	Chief Scientist's Recomm This is a continuation of an innov effective project that provides dat long-term recovery of resources is spill against the background of cl variability. The potential for the pr data from a key area of Prince W the adjacent ocean relevant to lon and interpretation of population tr and mammals is excellent. Fund	ative and cost- a to assess the mpacted by the o imate-driven oposal to provide illiam Sound and ng-term evaluation ends for birds, fis	prepara il project i on a cru Beach. cost-effe n the data	oseout of this tion of final re nstalled a the de oil tanker Vessels of o ective methor collected by	stee Council A project (data eport/manusci ermosalinogra traveling betw pportunity suc d that may be vithis project o be extremely u	analysis ar ript). In FY (ph and fluc veen Valde: ch as this ar useful to G n ocean co	02, this prometer z and Long re a EM, and nditions in
Data Manager	ment & Information Transfer		<u></u>		\$308.0	\$0.0	· · · · · · · · · · · · · · · · · · ·	;
G- 030455	GEM Data System	Trustee Council Office	ALL	Cont'd 2nd yr.	\$212.9	\$0.0	i .	
This project sup information tran quality control a delivery, and pro GEM. Project fu Manager to prov necessary for th	Project Abstract oports the data management and sfer system for GEM. Data collection, nd documentation, archiving, transfer, esentation are critical components of unding will allow the GEM Data Systems vide the leadership and expertise his essential part of the GEM program, t staff to make initial aspects of the ional.	<u>Chief Scientist's Recomr</u> Data management will be a critic GEM.		System: collectic transfer	his project p s Manager an n, quality con	stee Council A provides fundir nd related dat ntrol and docu d presentatior l.	ng for the G a system co imentation,	osts. Data archiving,
CHMENT						•		
} ACE 30	398914		· · · · · · · · · · · · · · · · · · ·					
August 6, 200	2 (LAYOUT: TCActionAugust)			Att	achment B to	o Resolution (02-07, Page	e B - 21

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030550	Alaska Resources Library and Information Services (ARLIS)	All Trustee Council Agencies	ALL	Cont'd	\$95.1	\$0.0		
<u>Pi</u>	roject Abstract	Chief Scientist's Recommer	ndation		Truste	ee Council Ad	ction	
contribution to the Information Service entral access p the Trustee Courprogram. In add repository for rep from and related and restoration esupports the res the Restoration of	resents the Trustee Council's the Alaska Resources Library and vices (ARLIS). ARLIS serves as a roint for information generated through ncil restoration process and the GEM lition, ARLIS acts as the public ports and other materials generated to the cleanup, damage assessment efforts following the oil spill. ARLIS earch efforts and information needs of Office, principal investigators, natural ssionals, and the general public.	The oil spill collection at ARLIS (Alas Library and Information Services) is spill and an important means of prov with oil spill information. Defining how support GEM needs to be better add library needs will likely be oriented m electronic formats and processes an paper documents, with an emphasis services. The funds currently going 03550 might be more effectively spe on a service or services more tailore research and data needs of GEM. F only.	a legacy of the viding the public w ARLIS might lressed. GEM nore toward ad away from on web-based toward Project ent in the future ad to the specifi	Resourd Trustee be redu s ARLIS p other m assess original 01 only; FY 04 a	ontinuation of c ces Library and Council contri ced as the trar provides an im aterials produc nent and resto funding comm how ARLIS m nd beyond is r	d Information ibutions in FY nsition to GEI portant servic ced through to ration proces nitment to AR night relate to	Services (A 04 and be M is comple- ce for documa he damage ses. The (LIS was thr the GEM p	ARLIS). yond ma sted. ments ar Council's ough FY
Science Mana	gement			-	\$416.0	\$0.0		······································
G- 030250	Project Management	All Trustee Council Agencies	ALL	Cont'd	\$137.6	\$0.0		
Project Abstract		Chief Scientist's Recommer	ndation	Trustee Council Action				
that administer a behalf of the Tru project manager principal investig reviewing projec development of reports.	ment supports those Trustee agencies and/or implement EVOS projects on istee Council. Tasks performed by rs include coordinating activities betweer gators and the Trustee Council Office, it expenditure activity, assisting in the project proposals, and tracking project	Proposal not reviewed.	۹ ۱		Project manag work plan proc		provide acc	ountabil
ACE			'					
30398915								
August 6, 2002	2 (LAYOUT: TCActionAugust)	•		At	tachment B to	Resolution 0.	2-07, Page	B - 22

1

SPREA HEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL

Proj.No. Project Title G- 030630 Scientific Management under	Proposer GEM Trustee Council Office	Lead Agency ALL	New or Cont'd Cont'd	FY 03 Approved 8/6/02 \$278.4	FY 03 Deferred to 11/25/02 \$0.0	FY 04 Request	FY 04 Recom.
•			oomu			ation	
Project Abstract This project will provide scientific oversight of implementation of the GEM program, as well as scientific oversight of lingering effects of oil on injur resources. In FY 03, the project will support the So and Technical Advisory Committee (STAC) and ott aspects of the scientific review and advisory proces develop the FY 04 Invitation to Submit Proposals, provide peer review recommendations and scientific support for the FY 03 and FY 04 work plans, contin developing a "State of the Gulf Report", provide reg input to a status report on North Pacific resources being developed by PICES (North Pacific Marine Science Organization), and support the Lingering O Effects Subcommittee and review process.	rience her ss, c ue jional now		be nece activitie Commil are not ensure high de of an ac STAC), subcom manage also sup project dissemi at which	terim amount essary later in s and for som ttee (STAC) a yet scheduled that the GEM gree of scient dvisory comm whose work mittees comp ers, and comm pport continue proposals and ination of rese h Council-fund	tee Council A of \$278,400; FY 03 for ad e Scientific a and subcomm d. This projec program is in tific integrity th ittee of indep will be suppor posed of scien munity membe ed independe d reports, as earch results ad scientists s and the pub	additional f ditional GEI nd Technic ittee meetir t is designe nplementec nrough esta endent expe ted by ntists, resou ers. The pro nt peer revi well as the at an annua will presen	M planning al Advisory igs that d to I with a blishment erts (the irce oject will ew of I meeting
Public Information/Administration				\$1,114.3	\$0.0	- 	
030100 Public Information and Admir	istration All Trustee Council Agencies	ALL	Cont'd	\$1,114.3	\$0.0	· •	
Project Abstract	Chief Scientist's Recomme	ndation		Trus	tee Council A	ction	
This project provides overall support for public involvement and administration of the restoration program, including GEM. It includes funding for th Trustee Council staff working at the direction of the Executive Director, public involvement efforts inclu the active participation of the Public Advisory Com (PAC), and management of the EVOS Investment	Proposal not reviewed. e ding nittee Fund.		adminis	This project pr	rovides overal nplementatior	I support fo	
PLACHMENT D						• • •	
z z							

MEMORANDUM

Department of Natural Resources

Molly McCammon TO: **Executive Director** Exxon Valdez Oil Spill Trustee Council

State of Alaska Office of the Commissioner

DATE: July 12, 2002

TELEPHONE NO: 269-8431

SUBJECT: EVOS Habitat Protection Funding FY 02

Your memo of May 20 requested a detailed memo specifying which parcels and which activities DNR is working on in order to address a request for additional funding for habitat protection efforts. The following summary information should provide sufficient detail for a review of the activities in which DNR has been engaged. Please note that all activities are conducted in close coordination with and at the request of the Department of Law.

DNR has been working on the following habitat protection activities during fiscal year 2002.

AJV final closing of last remaining acreage transferred from BLM to AJV. Contractual title services Land Field Services: \$4,937 - unexpected expense. Review of title work, closing documents by DNR title staff.

AJV Subsurface

Contractual title services Land Field Services \$7,918 - \$1,918 in excess of title estimate. Review of title work, closing documents by DNR title staff still needs to be completed.

English Bay Phase II Closing Completed. This took longer than expected due to unanticipated encumbrances.

Old Harbor Hydro Release from Conservation Easement Completed. Very time consuming.

AKI Site Exclusions, Final Closing Completed. This took much longer than expected due to unanticipated encumbrances.

Tatitlek Exchange Completed 7/23/02

ACE 30398917

ATTACHMENT B

FROM: Carol Fries Natural Resource Manager

USFWS Small Parcels

Have been reviewed and processed as requested.

Eyak final closing – Power Creek

This closing started with a flurry of activity then stalled and is still hanging. DNR contracted for title work for this closing, an unanticipated expense, and DNR will still need to pay for closing.

Koniag Easement along the Karluk

Review of title. legal descriptions, closing documents by DNR title staff. This has come before DNR six times since early in the year for 30-day extensions. The legals are still insufficient. Title defense has concerns about navigability issues that are currently unresolved to their satisfaction. This has required an inordinate amount of staff time.

Old Harbor/Sitkalidik Exchange

Travel associated with public hearings held in Kodiak. Staff compiled reviewed and summarized public comment submitted in writing and at the hearing. Preparation and review of documents associated with the exchange took place as expected. However, modification of the appraisal and review to address previously unidentified problems and equalization of value was an unexpected complication and expense.

Old Harbor Native Allotments in Kiliuda Bay

These parcels were being pursued by The Conservation Fund under the grant agreement. DNR has begun the hazmat assessment on priority parcels in Kiliuda Bay in order to address the Chokwak acquisition. Chokwak, Ericksen, Inga have been identified as parcels on which grantees have consulted with the Trustee Council. The initial hazmat request was for Chokwak, however, additional parcels were done in order to maximize resources both in terms of staff time and dollars. Travel to this area is difficult, limited due to weather, and it makes no sense to go back multiple times. We do not have staff resources to make multiple trips. \$5,000 encumbered, best estimate of cost for travel, research and staff time.

Note: DNR and Law have taken care of Chokwak due to changes within The Conservation Fund. There were no anticipated expenditures detailed for these parcels. They were to have been part of the grant and not the subject of the financial discussions in July of 2001.

Unexpected expense - Kiliuda Bay Hazmat \$5,000

Swartz

This parcel was previously identified as a parcel to be pursued by the Council. The Conservation Fund secured the Icicle Seafoods parcels previously, but was unable to secure Swartz. This parcel recently came on the market and the Conservation Fund agreed to pursue it if DNR could contract for the preliminary commitment for title insurance. There was a desire to move quickly

ACE 30398918

ATTACHMENT -B PAGE 44 OF

7/23/02

on this parcel and as you know. The Conservation Fund has more flexibility to purchase options or acquire in a timely manner.

Unexpected expense - Preliminary commitment for title insurance - \$250

Staff time will be required to review these documents, conduct a hazmat survey and review the appraisal. No estimate of expenses was included for this parcel in the FY02 estimate.

Nuka Island

DNR has requested that TNC pursue two Nuka Island parcels currently available from the University of Alaska. The University is interested in selling. Title work, hazmat and appraisal review will need to be completed.

Northern Afognak

Department of Law has been working with groups pursuing additional acquisitions on Northern Afognak which would complete protection of the northern tier of the island. An RSA has been executed for support services to be provided by Sheal Anderson to the Department of Law negotiators at their request.

Unexpected expense - RSA to Law \$5,500

Note: Should the timber and land appraisals be completed in August as expected, additional expenses should be expected for appraisal review, DNR staff time etc. These expenses are not detailed here due to an uncertain completion date and no clear cost estimate at this point.

Total Expended or Obligated to Date: \$75,500 Balance remaining: \$1,000

Unanticipated contractual expenses: \$17,605	
AJV closing	\$4,937
AJV Subsurface title	\$1,918
Kiliuda Bay Hazmat	\$5,000
Northern Afognak consulting services	\$5,500
Swartze preliminary commitment for title insurance	\$250

Unanticipated work by DNR staff:

English Bay Old Harbor Hydro AKI Final Closing Konaig Easement Chokwak Parcel Old Harbor Appraisal adjustment

ACE 30398919

In conclusion, additional funds in the amount of \$17,605, an amount equivalent to the majority of the unanticipated contractual expenses, should provide sufficient funds to continue work that is

3 Attachment <u>B</u> Page <u>45</u> of <u>59</u>

7/23/02

anticipated between now and September 30. DNR will need to purchase title insurance for Elliot. Icicle Seafoods, and the Valdez Duck Flats, and hopefully close these parcels by the end of the fiscal year. We also anticipate completing the Old Harbor Exchange and the AJV subsurface in the very near future. The Koniag Conservation Easement will continue to be an issue. The Eyak final closing is expected to resurface in the near future. Please note that there is always the possibility that unanticipated expenses may arise particularly in relation to the additional AJV lands. We are being very conservative in our request for additional funds in order to avoid creating an unnecessary lapse of funds.

I did not make this request prior to this point in time in an effort to avoid creating a situation where funds might possibly lapse. However, at this point it is clear that there are insufficient funds remaining to continue the work associated with ongoing habitat protection efforts.

Should you have any additional questions or concerns, please do not hesitate to contact me at your earliest convenience. It would be beneficial if this matter could be addressed at the August 6 Trustee Council meeting. Thank you.

Marty Rutherford Alex Swiderski Craig Tillery

cc:

ACE 30398920

ATTACHMENT 46 PAGE_ OF

7/23/02

RESOLUTION 02-08 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING A GRANT FOR HABITAT PROTECTION

Pursuant to paragraph 15 of Resolution 01-07, the Trustee Council hereby approves (a) an extension of the termination date of the U.S. Fish and Wildlife Service grants to The Conservation Fund (FWS Grant Number 701811G113) and The Nature Conservancy (FWS Grant Number 701811G112) from September 30, 2002 to September 30, 2003, (b) an extension of the due date from December 31, 2002 to December 31, 2003 for the grant recipients' report to the Council describing their activities and accomplishments under the grant, and (c) a corresponding revision to the schedule for funding recipients' indirect costs from "disbursed quarterly over the life of the grant agreement" to "upon receipt of a request for reimbursement submitted no more frequently than every 30 days, when allowable and allocable indirect costs have been incurred by the grant recipient".

Approved by the Council at its meeting of August 6, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

DAVE GIBBONS

Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

DRUE PEARCE

Senior Adviser to the Secretary for Alaskan Affairs U.S. Department of the Interior

FRANK RUE Commissioner Alaska Department of Fish and Game

CRAIG TULLERY

Assistant Attorney General State of Alaska

JAMES BALSIGER Administrator, Alaska Region National Marine Fisheries Service

MICHELE BROWN ATTACHMENT Commissioner PAGE 47

Commissioner PAGE 7 Alaska Department of Environmental Conservation

ACE 30398921

ATTACHMENT B



Exxon Valdez Oil Spill Trustee Council

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

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska July 9, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

• Dave Gibbons, USFS *Drue Pearce, DOI James Balsiger, NMFS Frank Rue, ADF&G Michele Brown, ADEC Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

ACE 30398922

Motion by Tillery, second by Brown.

ATTACHMENT ____ 48 OF PAGE

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Control Public comment period began at 10:53 a.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. <u>GEM Program Document</u>

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. Revised Operating and Report Procedures

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. <u>Trustee Council Data Policy</u> APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

Motion by Tillery, second by Rue.

6. <u>Executive Session</u>

APPROVED MOTION:

Approved a motion to move to an Executive Session.

BREAK

Off Record at (11:39 a.m.) On Record at (11:45 p.m.)

EXECUTIVE SESSION Off record at (11:45 a.m.) On record at (1:53 p.m.)

7. Injured Resource Update

ACE 30398923

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

ATTACHMENT	B
Page 49	OF 59

8. <u>Habitat Protection</u>

APPROVED MOTION:

ADOPTED RESOLUTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ACE 30398924

ATTACHMENT P_{AGE} 50

3

Exxon Valdez Oil Spill Trustee Council

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

AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL MEETING July 9, 2002 10:30 a.m. 441 West 5th Ave., Suite 500, ANCHORAGE

Trustee Council Members:

CRAIG TILLERY Assistant 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 MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

MARIA LISOWSKI for DAVE GIBBONS Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

FRANK RUE Commissioner, Alaska Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500 Federal Chair

- 1. Call to Order 10:30 a.m.
 - Approval of Agenda*
 - Approval of Meeting Notes* June 14, 2002
- 2. Executive Director's report
- 3. Public comment 10:45 a.m.
- 4. Approval of the GEM Program Document*

ACE 30398925

ATTACHMENT

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture National Oceanic and Atmospheric Administration State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation Alaska Department of Law



DRAFT

- 5. Approval of the Revised Operating & Report Procedures*
- 6. Executive Session 12:00 p.m. 1:30 p.m.
- 7. Approval of the New Trustee Council Data Policy*

8. Update on Status of Injured Resources and Services.

9. Habitat Protection

Report from Grantee

Randy Hagenstein, The Nature Conservancy Glenn Elison, The Conservation Fund Small parcel KEN 310/Swartzes* Small parcel KAP 1087/Chokwak*

Adjourn - 3:00 p.m.

* Indicates tentative action items.

ACE 30398926

ATTACHMENT PAGE 52 OF



Exxon Valdez Oil Spill Trustee Council

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

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska June 14, 2002

By Molly McCammon Executive Director

Trustee Council Members Present:

Dave Gibbons, USFS Drue Pearce, DOI James Balsiger, NMFS Frank Rue, ADF&G • Michele Brown, ADEC * Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons Pearce, Balsiger, Klein and Tillery By teleconference: Rue

Alternates

Ron Klein served as alternate for Michele Brown for the entire meeting. Jim Balsiger joined the meeting at 10:12 a.m.

Meeting convened at 10:05 a.m., June 14, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the June 14, 2002 agenda (Attachment A)

Motion by Pearce, second by Klein.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved April 18, 2002 meeting notes (Attachment B).

Motion by Pearce, second by Klein.

ACE 30398927

ATTACHMENT

Federal Trustees U.S. Department of the Interior U.S. Department of Agriculture National Oceanic and Atmospheric Administration State Trustees Alaska Department of Fish and Game Alaska Department of Environmental Conservation Public comment period began at 10:16 a.m.

Public comments received from six individuals, five in Anchorage, one on-line from Homer (at 1:45 p.m. to 1:47 p.m.). Five of these comments were on the Draft Update on Injured Resources.

Public comment period closed at 11:15 a.m.

3. Old Harbor Land Exchange

APPROVED MOTION:

Approved a motion to delete the requirement that the Old Harbor Native Corporation convey a conservation easement on Sitkalidak Island to the United States Fish and Wildlife Service, imposed as a condition upon the funding provided for the Sitkalidak land exchange.

Motion by Pearce, second by Rue.

4. PAC Charter Revisions

APPROVED MOTION:

Approved a motion to add revisions to the following sections of the PAC Charter: Membership, Selection and Service; Expenses; Authority (Attachment C), and replace the references to "Program Advisory Committee" with "Public Advisory Committee" and adopt the June 4, 2002 draft PAC Charter.

Motion by Pearce, second by Rue.

BREAK

Off the record at (11:58 a.m.) On the record at (12:06 p.m.)

5. <u>GEM</u>

DISCUSSION:

Discussion concerning revisions to the GEM Program Document. The GEM Program Document is to be presented to the Trustee Council for approval at the July 9, 2002 Trustee Council meeting.

6. <u>NRC Report</u>

BRIEFING:

BREAK

Off the record at (12:50 p.m.) on the record at (1:05 p.m.)

7. <u>Procedures and Policies</u>

Mike Roman, chair of the National Research Council's review committee, briefed the Trustee Council on the committee's final report on GEM (Attachment D).

ATTACHMENT

ACE 30398928

DISCUSSION:

Discussion on the proposed changes to the Trustee Council's Procedures (Attachment E). The proposed revisions are to be presented to the Trustee Council for action at the July 9, 2002 meeting.

8. FY 03 Draft Phase II Invitation

BRIEFING:

The Trustee Council was briefed on the draft FY 03 Phase II invitation. Phase I recommendations (approximately \$4 million) are currently out for public review. The Trustee Council will act on them on August 6, 2002. The Phase II invitation is scheduled to be issued on July 15, 2002 with proposals due on September 4, 2002.

Meeting adjourned 2:01 p.m.

Motion by Balsiger, second by Pearce.

ATTACHMENT PAGE

ACE 30398929

RESOLUTION 02-06 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING SMALL PARCEL KAP 1087/CHOKWAK

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. 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 (the grant to The Conservation Fund is hereinafter referred to as the "Grant");

2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;

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

4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398930

Resolution 02-06 **ATTACHMENT** OF PAGE

1

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

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

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

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30, 2003;
ACE 30398931

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

	02-06

2

ATTACHMENT

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

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

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

(i) title search;

(ii) a determination that the seller is willing and able to convey title in

a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States;

(iii) an executed purchase or option agreement and conveyance documents that are ready for execution;

(iv) hazardous materials survey; andstatement of compliance with the National Environmental Policy Act.

(vi) statement of compliance with the National Environmental Policy Act.

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

ACE 30398932

Resolution 02-06

ATTACHMENT B PAGE 58 OF

3

By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

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

Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

4

DAVE GIBBONS Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

Ruè On rio

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

FRANK RUE Commissioner Alaska Department of Fish and Game

Attachment A - Restoration Benefits Report

VERY

Assistant Attorney General⁴ State of Alaska

JAMÉS BAESIGER Administrator, Alaska Region National Marine Fisheries Service

MICHELE BROWN Commissioner Alaska Department of Environmental Conservation

ATTACHMENT

ACE 30398933

Ъ

59

Resolution 02-06