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**UNITED STATES DISTRICT COURT
 DISTRICT OF ALASKA**

STATE OF ALASKA,)	
)	
Plaintiff,)	No. 3:91-CV-0083 (HRH)
)	
v.)	FIFTY-SIXTH
)	JOINT NOTICE OF
EXXON CORPORATION, and EXXON)	EXPENDITURES FROM
SHIPPING COMPANY,)	THE INVESTMENT
)	FUND
Defendants.)	
_____)	

The United States and the State of Alaska (“the Governments”) jointly provide this notice of their expenditure of \$1,100,000 in monies lapsed from projects previously approved for funding from the Exxon Valdez Oil Spill Investment Fund (“Investment Fund”). The Governments’ natural resource trustee agencies will use these funds for purposes consistent with the Memorandum of Agreement and Consent Decree entered by

this Court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991 (“MOA”).

On September 25, 1991, the United States and the State of Alaska 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 (“EVOS”). All funds resulting from these settlements were subsequently ordered by this Court to be placed in an interest-bearing account in the Court Registry Investment System (“CRIS”) administered through the United States District Court for the Southern District of Texas.

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

Account, and the Koniag Investment Sub-Account. These sub-accounts were established to carry out the Trustee Council's decision in its Resolution of March 1, 1999 to manage separately the remaining assets of the Joint Trust Funds for the specific purposes of funding a long term research and monitoring program, the acquisition of lands along the Karluk River, and the establishment of a fund to purchase small parcels of land that may become available in the future.

Paragraph 27 of the Third Amended Order provides that "funds in an Investment Fund shall remain on deposit in that Fund until such time as the 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. 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 fifty-sixth expenditure of \$1,100,000 to purchase Small Parcel KEN 3010 (Poore).¹ This expenditure is available to the Governments from monies previously disbursed from the Investment Fund that lapsed from earlier approved projects. Accordingly, the Governments will not request a

¹ The Trustee Council unanimously authorized these funds at its September 15, 2011 meeting in Resolution 11-13. Resolution 11-13 is appended to this Notice as Attachment A, pp. 1-7.

disbursement of monies from the Investment Fund to fund this purchase. The entire amount that is the subject of this Notice will be provided to the State of Alaska.

The Trustee Council has met once since the Governments' filing on January 31, 2014 of their Fifty-Fifth Joint Notice of Expenditures. The Governments will submit the meeting notes for the April 8, 2014 meeting once they have been approved by the Trustee Council. The meeting notes for the Trustee Council's January 27, 2014 meeting are appended to this Notice at Attachment B.

RESPECTFULLY SUBMITTED this 24th day of July, 2014 at Anchorage, Alaska.

FOR THE STATE OF ALASKA

MICHAEL C. GERAGHTY
ATTORNEY GENERAL

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FOR THE UNITED STATES

/s/ ERIKA M. ZIMMERMAN (consent)
Trial Attorney

Environmental Enforcement Section
Environment & Natural Resources Division
United States Department of Justice
c/o NOAA/Damage Assessment
7600 Sand Point Way, NE
Seattle, Washington 98115
Telephone: (206) 526-6608
Facsimile: (907) 526-6665
Email: Erika.Zimmerman@usdoj.gov

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 24th day of July, 2014, a copy of the foregoing FIFTY-SIXTH JOINT NOTICE OF EXPENDITURES FROM THE INVESTMENT FUND, together with Attachments A and B thereto, was served by U.S. Mail, first class, postage paid, on the following:

James F. Neal Neal & Harwell 2000 One Nashville Place 150 Fourth Avenue North Nashville, TN 37219	Douglas J. Serdahely Patton Boggs LLP 601 W. 5th Avenue, Suite 700 Anchorage, AK 99501	Patrick Lynch O'Melveny & Meyers 400 South Hope Street Los Angeles, CA 90071
Christine O'Sullivan AK Dept. of Fish & Game PO Box 115526 Juneau, AK 99811-5526	John F. Clough III Clough & Associates PO Box 211187 Auke Bay, AK 99821- 1187	Cherri Womac AK Dept. of Fish & Game Exxon Valdez Oil Spill Trustee Council Office 4210 University Drive Anchorage, AK 99508- 4650
Erika M. Zimmerman U.S. Department of Justice c/o NOAA/Damage Assessment 7600 Sand Point Way NE Seattle, WA 98115		

/s/Jennifer L. Schorr, AAG

**RESOLUTION 11-13 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING SMALL PARCEL KEN 3010 (POORE)**

We, the undersigned, duly authorized members of *Exxon Valdez* Oil Spill Trustee Council ("Council"), in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of *United States of America v. State of Alaska* No. A91-081 Civil, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of *State of Alaska v. Exxon Corporation, et al.*, No 91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resources damage assessment and restoration activities as follows:

1. The owner of small parcel KEN 3010 (Poore), comprised of lots 6 and 7 of the Government subdivision at Eagle Rock, as described in Attachment A, ("Seller") has indicated an interest in selling this small parcel.

2. KEN 3010 is within the oil spill area as defined by the Council in the Final Restoration Plan approved November 2, 1994.

Pursuant to Resolution 11-04, adopted February 11, 2011, the Council authorized funds for an appraisal of small parcel KEN 3010. The appraisal has been completed and reviewed by the state and federally-approved review appraiser. The fair market value for KEN 3010 is one million, one hundred thousand dollars (\$1,100,000).

3. KEN 3010 has attributes which, if they are acquired and protected, will restore, replace, enhance and rehabilitate injured 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 *Exxon Valdez* oil spill ("EVOS") has been documented.

4. 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 Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse affects caused by 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 regulation 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.

5. There has been widespread public support within Alaska, as well as on a national basis, for the acquisition of lands within the oil spill area.

The purchase of KEN 3010 is an appropriate means to restore a portion of the injured resources and services in the oil spill area.

6. Acquisition of the parcel is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds for the State of Alaska to purchase all of the Seller's rights and interests in small parcel KEN 3010 as recommended by the Executive Director of the Council ("Executive Director"), and pursuant to the following conditions:

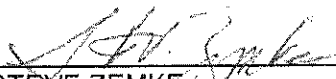
- a. the amount of funds (hereinafter referred to as the "Purchase Price") to be provided by the Council to the State of Alaska for the purchase of small parcel KEN 3010 shall be one million, one hundred thousand dollars (\$1,100,000);
- b. authorization for funding for any acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed by September 30, 2012;
- c. filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of the proposed expenditure with the United States District Court for the District of Alaska and with the Investment Fund established by the Council within the Alaska Department of Revenue, Division of Treasury ("Investment Fund"), and transfer of the necessary monies from the Investment Fund to the State of Alaska Department of Natural Resources;
- d. a title search satisfactory to the State of Alaska and the United States is completed, and the Seller is willing and able to convey fee simple title by warranty deed;
- e. no timber harvesting, road development or any alteration of the land will be initiated on KEN 3010 without the express written agreement of the State of Alaska and the United States prior to purchase of this parcel;
- f. a hazardous materials survey satisfactory to the State of Alaska and United States is completed;
- g. compliance with the National Environmental Policy Act; and
- h. a conservation easement on parcel KEN 3010 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.

It is the intent of the 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 pre-spill 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 Restoration Plan as approved by the Council.

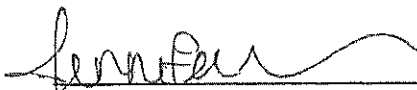
By unanimous consent, following execution of the purchase agreement between the Seller and the State of Alaska and written notice from the Executive Director that the terms and conditions set forth herein and in the purchases agreement have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice 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 Seller by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interests are herein authorized to be paid to the Seller from such joint funds.

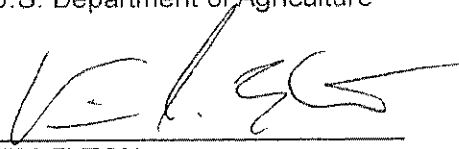
Approved by the Council at its meeting of September 15, 2011, held in Anchorage, Alaska, as affirmed by our signatures affixed below.



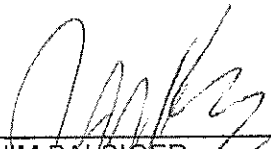
STEVE ZEMKE
Trustee Alternate
Chugach National Forest
U.S. Department of Agriculture




JOHN J. BURNS
Attorney General
State of Alaska



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



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



CORA CAMPBELL
Commissioner
Alaska Department of Fish and Game



LARRY HARTIG
Commissioner
Alaska Department of Environmental
Conservation

Attachment A – Restoration Benefits Report and Map

KEN 3010: Poore – Kenai River

Owner:	Virginia Poore
Physical Location:	This parcel is located at mile 11 of the Kenai River
Acreage:	52 acres
Brief Description:	T 5 N, R 10 W, SM, Sec. 6, Lots 6 and 7
Agency Sponsor:	Alaska Department of Natural Resources, Division of Parks and Outdoor Recreation
Appraised Value:	\$1,100,000

Parcel Description

The Poore parcel is located along the Kenai River near Eagle Rock and has approximately 1,250 linear feet of river frontage. It is located across the river from the Eagle Rock unit of the state parks on an outside bend of the Kenai River where the shoreline is actively eroding. The parcel has a boat launch facility, including a parking area and restrooms but most of the parcel is undisturbed with numerous areas of lowland wetlands. *Wetland Mapping and Classification of the Kenai Lowland, Alaska* (Gracz et al.) characterizes most of this parcel as lakebed ecosystem wetland with riparian wetlands along waterbodies. A small stream, cataloged in the Alaska Department of Fish and Game Anadromous Waters Catalog, meanders through the parcel east to west before entering the Kenai River in the adjacent parcel. The parcel provides valuable lowland wetland and riparian habitat as well as recreational opportunities for shore based anglers. The boat launch and parking area is especially busy during the end of July when nearby facilities are at capacity.

Linkage to Restoration:**Restoration Benefits**

Injured species that will benefit from this parcel acquisition include pink and sockeye salmon, bald eagles, and Barrow's goldeneyes. Although bald eagles, and pink and sockeye salmon are considered to be recovered, protecting important habitats is essential to maintaining recovery objectives. The parcel also supports coho and sockeye salmon rearing habitat. All of these salmon species contribute to the commercial fisheries of Cook Inlet.

This area also supports popular recreational fisheries for Chinook, sockeye, pink and coho salmon. Since 1981 approximately 45% of the total sport fishing effort expended on the Kenai River has occurred in the lower 20 miles of river. In particular, this area supports a popular shore fishery for pink and coho salmon during August and September.

Potential Threats

The current owner has indicated that she would like to sell the property. The development potential of the parcel is unknown but would appear to be high, as it is a large parcel with

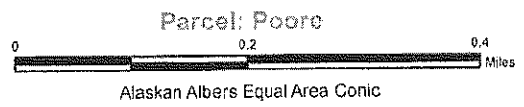
significant riverfront footage. This is an opportunity to acquire lowland and riparian habitat that may be unavailable in the future.

Proposed Management

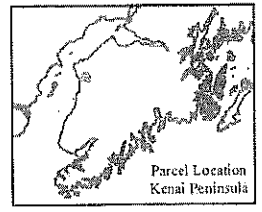
This parcel has been identified as a priority for the Division of Parks and Outdoor Recreation. This parcel will be managed by the Alaska Department of Natural Resources, Division of Parks and Outdoor Recreation, in consultation with the State Historic Preservation Officer for the purposes of protecting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

HABITAT PROTECTION SMALL PARCELS

Kenai Peninsula, Alaska



- LEGEND**
- | | |
|--|----------------------------------|
| <input type="checkbox"/> MUNICIPAL | <input type="checkbox"/> PRIVATE |
| <input type="checkbox"/> NATIVE ALLOT. | <input type="checkbox"/> STATE |
| <input type="checkbox"/> NATIVE | |



SOURCES:
Land status provided by ADNDR
<http://www.asgdc.state.ak.us/>
BLM SDMS
<http://sdms.ak.blm.gov/sdms4/ml.jsp?site=sdms>
Date: 1/27/2011

Kenai Spur Rd

Kenai River

STATE PARKS

Exxon Valdez Oil Spill Trustee Council

4210 University Drive • Anchorage, AK 99508-4626 • 907 278 8012 • fax 907 276 7178



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

January 27, 2014

Chaired by: Pat Pourchot
Trustee Council Member

Trustee Council Members Present:

Terri Marceron, USFS
• Pat Pourchot, USDOJ
Jim Balsiger, NMFS

Jennifer Schorr, ADOL ***
Tom Brookover, ADF&G **
Lynn Kent, ADEC *

- Chair
- * Lynn Kent alternate for Larry Hartig
- ** Tom Brookover alternate for Cora Campbell
- *** Jennifer Schorr alternate for Michael Geraghty

The meeting convened at 11:10 a.m., January 27, 2014 in Anchorage in Grace Hall Conference Room 222, 4230 University Drive.

1. Approval of the Agenda

APPROVED MOTION: Motion to approve the January 27, 2014 agenda.

Motion by Brookover, second by Marceron

2. Approval of October 28, 2013 meeting notes

APPROVED MOTION: Motion to approve the October 28, 2013 meeting notes.

Motion by Brookover, second by Balsiger

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

Public Comment: **One public comment was offered (Pam Bumsted).**

3. PAC Charter

APPROVED MOTION: Motion to approve the update of the estimated operating cost in Section 7 of the 2014-2016 Public Advisory Committee Charter to \$20,000.

Motion by Schorr, second by Marceron

4. Formalize Koniag's election to terminate Master Agreement

APPROVED MOTION: Motion that we find that the Master Agreement For Protection of Certain Lands and Resources between Koniag, Inc. and the State of Alaska, including the Conservation Easement and the Camp Island Limited Development Easement, terminated on December 22, 2013 and direct the Executive Director to take such steps as are necessary to make the appropriate pro-rata payment to Koniag for the 69-day period of Year 12 of the Easements, *i.e.*, from October 15, 2013 to December 22, 2013, for \$140,684.38 by February 20, 2014 from the Koniag Sub-Account of the Investment fund.

Motion by Marceron, second by Brookover

APPROVED MOTION: Motion that we request that the appropriate agencies of the United States and State of Alaska, if requested of the Council by Koniag, execute and record in the Kodiak Recording District appropriate documentation acknowledging the termination of the Master Agreement For Protection of Certain Lands and Resources between Koniag, Inc. and the State of Alaska, the Conservation Easement and the Camp Island Limited Development Easement and the release from their terms of the Koniag lands that were the subject of those agreements.

Motion by Marceron, second by Brookover

5. Disposition of Koniag sub-account funds

APPROVED MOTION: Motion that we direct the Executive Director to take such steps as are necessary to transfer all assets from and close the Koniag Sub-Account to the Habitat Sub-Account of the Investment Fund once final payment to Koniag has been made.



APPROVED MOTION:

Motion by Marceron, second by Brookover

Motion to adjourn.

Motion by Brookover, second by Balsiger

Off the record 11:50 a.m.