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**UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA**

STATE OF ALASKA,)	
)	
Plaintiff,)	No. 3:91-CV-0083 (HRH)
)	
v.)	
)	SEVENTY-FIFTH
)	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 (“Notice”) of their expenditure of \$4,975,296 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

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FROM THE INVESTMENT FUND

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establishment of a fund to purchase small parcels of land that may become available in the future.¹

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.²

The Governments provide Notice of this seventy-fifth expenditure in the amount of \$4,975,296 from the Habitat Sub-Account, consisting of \$824,296 in funding for the Funny River and Morgan’s Landing Riverbank Restoration Project (Project No. 19190121)³ and \$4,151,000 for purchase of the PWS 4009 Port Valdez-Meals Hill parcel.⁴

¹ The Koniag Sub-Account has been terminated. The funds previously held in that sub-account were transferred to the Habitat Sub-Account on March 14, 2014. *See Fifty-Fifth Joint Notice of Expenditures from the Investment Fund*. Dkt. No. 349.

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, pages 1-3.

³ The Trustee Council unanimously authorized this expenditure at its October 17, 2018 meeting in Resolution 18-03. *Seventy-First Joint Notice of Expenditures from the Investment Fund*, Attachment A. Dkt. No. 392.

⁴ The Trustee Council unanimously authorized this expenditure at its November 14, 2017 meeting in Resolution 17-03. *Sixty-Eighth Joint Notice of Expenditures from the Investment Fund*, Attachment A. Dkt. No. 388. A description of the PWS 4009 Port Valdez-Meals Hill parcel is included at Attachment A, pp. 4-8.

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Of the \$4,975,296 total expenditure, \$3,994,296 will be provided to the State of Alaska and \$981,000 will be provided to the United States.

The Trustee Council has not met since the Governments' filing on July 10, 2019 of their Seventy-Fourth Joint Notice of Expenditures. The Governments will submit the meeting notes for the Trustee Council's last meeting on October 17, 2018, once they have been approved by the Trustee Council.

RESPECTFULLY SUBMITTED this 25th day of September 2019.

FOR THE STATE OF ALASKA

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ATTORNEY GENERAL

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FOR THE UNITED STATES

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s/ ERIKA M. WELLS (consent)
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 25th day of September 2019, a copy of the foregoing, SEVENTY-FIFTH JOINT NOTICE OF EXPENDITURES FROM THE INVESTMENT FUND, was served by the Court's CM/ECF system upon all persons registered to receive filings in this matter.

s/ Emma K. Pokon

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U.S. Department of Justice

Environment and Natural Resources Division

*Environmental Enforcement Section
7600 Sand Point Way NE
Seattle, Washington 98115*

*Erika M. Wells
Direct (206) 526-6608
erika.wells@usdoj.gov*

September 24, 2019

Mr. Bob Mitchell
State Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: *Exxon Valdez* Oil Spill Investment Fund

Dear Mr. Mitchell:

The *Exxon Valdez* Trustee Council has unanimously determined to expend \$4,975,296 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). Of this expenditure, the entire amount is from the Habitat Sub-Account.

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:

United States

Amount: \$981,000 from the Habitat Sub-Account

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

September 24, 2019

Beneficiary Bank

Account: 021030004
Name: Treasury, NYC

OBI Text

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

Beneficiary Reference

A91-082Civil

State of Alaska

Amount: \$3,994,296 from the Habitat Sub-Account

Beneficiary: State of Alaska
Account: ADF&G IRIS Fund 3291
Name: Exxon Valdez Settlement Account

This transfer should take place when most financially advantageous, preferably on or before September 25, 2019. If you have any questions, please email Elise Hsieh at elise.hsieh@alaska.gov.

Sincerely,



Emma Pokon
Senior Assistant Attorney General
Environmental Section
State of Alaska
Department of Law



Erika M. Wells
Trial Attorney
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
United States of America

cc: Rae Mosier, Alaska Department of Fish and Game, *via email*
Jesyca Ellenbecker, Alaska Department of Fish and Game, *via email*
Samantha Gatton, Alaska Department of Fish and Game, *via email*
Bronze Ickes, Alaska Department of Revenue, *via email*
Zachary Hanna, Alaska Department of Revenue, *via email*
Jesse Blackwell, Alaska Department of Revenue, *via email*
Bruce Nessler, Department of the Interior, *via email*
Elizabeth Gobeski, U.S. Department of the Interior, Solicitor's Office, *via email*

Mr. Bob Mitchell
Treasury Division, Department of Revenue

September 24, 2019

Peter Hagen, U.S. Department of Commerce – NOAA, *via email*
Jo Hinck, U.S. Department of the Interior-USGS, *via email*
Veronica Varela, U.S. Department of the Interior, Fish & Wildlife Service, *via email*
Cherri Womac, *Exxon Valdez* Oil Spill Trustee Council Restoration Office, *via email*
Linda Kilbourne, *Exxon Valdez* Oil Spill Trustee Council Restoration Office, *via email*

Meals Hill Protection Project
Prepared by Great Land Trust
Nov. 14, 2017
PWS 4009

Property Name:	Meals Hill, Port Valdez
Owner:	Port Valdez Company
Agency Sponsor:	Alaska Department of Natural Resources or the City of Valdez
Appraised Value:	To be determined upon completion of appraisal – Appraisal expected to be finalized fall 2017
Funding Request	\$4,151,000, including due diligence, initial enhancements for public use, and closing costs
Acreage	184
Legal Description	Those portions of Tracts C & E, PORT VALDEZ SUBDIVISION, according to the official plat thereof, filed under Plat Number 77-1, Records of the Valdez Recording District, Third Judicial District, State of Alaska.

Overview:

This project encompasses the permanent protection of approximately 184 acres in the Port Valdez area adjacent to the Valdez Ferry Terminal in Prince William Sound. The Meals Hill property consists of two parcels that contain habitat ranked in the highest priority category in the 2014 Great Land Trust EVOS Habitat Land Prioritization. The parcels are also in close proximity to prior EVOSTC habitat protection projects and thus build on past EVOSTC efforts.

The parcels will be transferred to the State of Alaska, Department of Natural Resources or the City of Valdez. A conservation easement will be held by the U.S. Bureau of Land Management.

Injured services and species recovery and habitat protection is the EVOSTC’s focus in the spill area. Acquisition of this property would contribute to EVOSTC area-wide goals including recreation uses and habitat protection for injured species. Injured species are dependent on the coastal, wetland, and upland habitats provided by these parcels. Protection of the parcels would conserve habitat for fish, shore birds, seabirds, migratory birds, and mammal species. The protection of Meals Hill will provide recreational opportunities by securing public access to a unique, locally accessible coastal property with existing trails for non-motorized recreation along the coast and within walking distance to the Ferry Terminal, Valdez Small Boat Harbor and downtown Valdez. Protection of the property will create public access for multiple recreational activities including hiking, biking, kayaking, bird and wildlife viewing, and berry picking.

Added Benefit to Past EVOS Trustee Council Actions:

In 1999, the EVOS Trustee Council approved funding to acquire surface title to approximately 142 acres (PWS1056 Blondeau parcel and City of Valdez parcel) at the mouth of Mineral Creek in Valdez approximately 0.3 miles from the Meal Hill parcels under consideration. The EVOS Trustee Council also previously approved funding to acquire 25 acres (in 1995) and 9.5 acres (in 2000) northeast of the Valdez Small Boat Harbor (Valdez Duck Flats PWS06, Hayward parcel PWS52) approximately 0.5 miles

from the Meals Hill parcels. In addition, oil spill restitution funds were used to construct the Shoup Bay trail which begins approximately 0.5 miles from the Meals Hill parcels (see map on page 5).

Property Description and Habitat:

Meals Hill is a prominent landscape feature in Port Valdez providing scenic open space, habitat and recreational opportunities near downtown Valdez. The parcel is adjacent to the Valdez Ferry Terminal, 0.3 miles from the Valdez Small Boat Harbor, and 2.5 miles north, directly across Port Valdez from the Valdez Marine Terminal at the end of the Trans Alaskan Pipeline System.

The property is a unique coastal bedrock feature that stands above the city. The property contains undisturbed coastal rain forest, one mile of rocky coastline, and wetlands in the low-lying areas between the parallel ridges of the hill. The property is bordered on the north by residential and industrial development along Egan Avenue, to the east by Hazelet Avenue and the Civic Center, to the South by Port Valdez/ Prince William Sound, and to the west by primarily undeveloped land owned by the University of Alaska, adjacent to Mineral Creek.

The Meals Hill property contains two parcels totaling 184 acres. There is an existing gravel road leading to the overlook at the summit of the hill. There is a private inholding with a residence with a bed and breakfast business located within the exterior boundaries of the Meals Hill parcels that is not part of the sale.

Protection Benefits:

The Meals Hill parcels provide one mile of forested coastline adjacent to subtidal communities, which are an EVOS-affected resource, with continuous kelp beds along the entire one mile stretch. This habitat contributes shelter and food for EVOS-affected species including nearshore fishes, birds, and marine mammals. The marine waters bordering the parcels also provide habitat for five species of pacific salmon including the EVOS-affected resources of pink and sockeye salmon, which spawn in the adjacent Mineral Creek drainage. The property also contains unaltered coastal rainforest, wetlands, and bird nesting habitat unique to the area of Port Valdez proximal to downtown Valdez. The USFWS National Wetlands Inventory maps the Meals Hill parcels as containing 9.45 acres of freshwater emergent wetlands and approximately one mile of coastline adjacent to the estuarine and deepwater wetlands of Port Valdez. These nationally declining wetlands include the continuous kelp beds which provide important habitat to EVOS injured species.

Protection of these parcels would provide new opportunities for tourism and recreation in Valdez, both of which are also EVOS-affected services. The protection of the Meals Hill parcels will provide access to tourism and recreational opportunities by making public an easily-accessible coastal property with existing trails for non-motorized recreation along the coast adjacent to and within walking distance from the Valdez Ferry Terminal, Civic Center Overlook Trail, and coastal walkway to the Valdez Small Boat Harbor. Trails on the parcel would also be able to link with the Mineral Creek Trail, Shoup Bay Trail, and Dock Point Trail. Recreational uses would include hiking, skiing, mountain biking, kayaking, bird and wildlife viewing, and berry picking.

Potential Threats:

Conservation of these parcels would eliminate the threat of future habitat fragmentation, degradation, or development of this prime coastal habitat. Adding to the benefits of the Trustee Council's previously protected adjacent parcels, conserving these parcels of land would reduce habitat fragmentation and thus remove barriers to species mobility. Species' ability to freely move across areas ensures a greater rate of reproductive success, greater access to food, and more opportunity to establish territory in higher-quality habitat. Conserving contiguous tracts of lands also protects pathways between resources. Ample access to resources reduces species stress and makes them less susceptible to disease and starvation.

The Valdez City Council has been briefed on this potential EVOS habitat acquisition project and discussed the many merits of conserving Meals Hill for habitat, recreation, tourism, and community benefit.

Proposed Management:

Alaska Department of Natural Resources or the City of Valdez.

Funding Request:

\$4,151,000, including due diligence expenses, initial enhancements for public use, and closing costs.

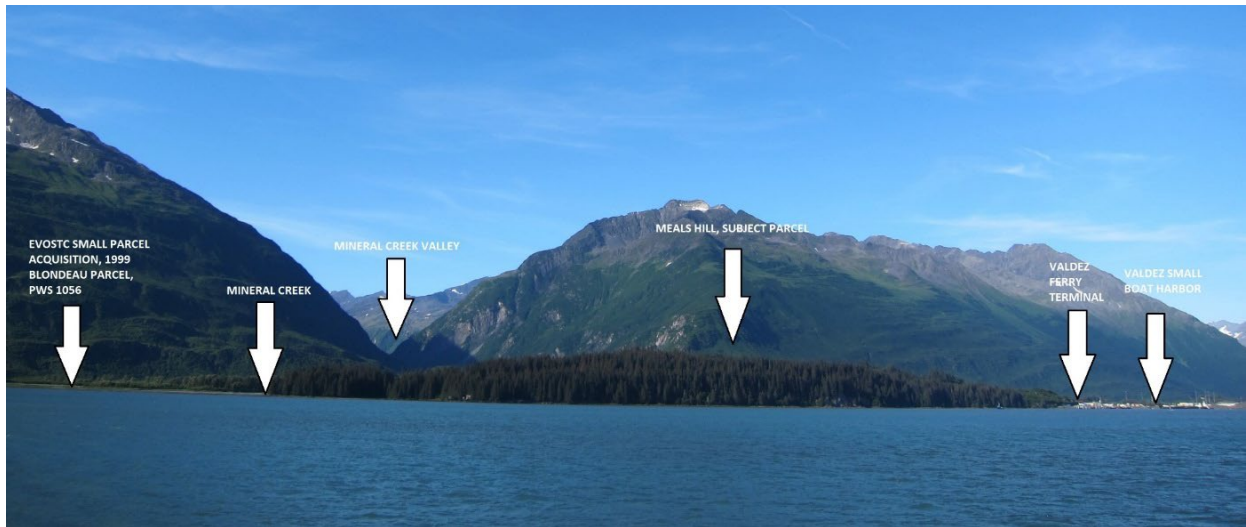


Photo: Meals Hill and surrounding land as viewed from the Alaska Marine Highway ferry, Aurora, approaching the Ferry Terminal in Port Valdez.



Photo: Meals Hill property contains one mile of coastline adjacent to continuous kelp beds.



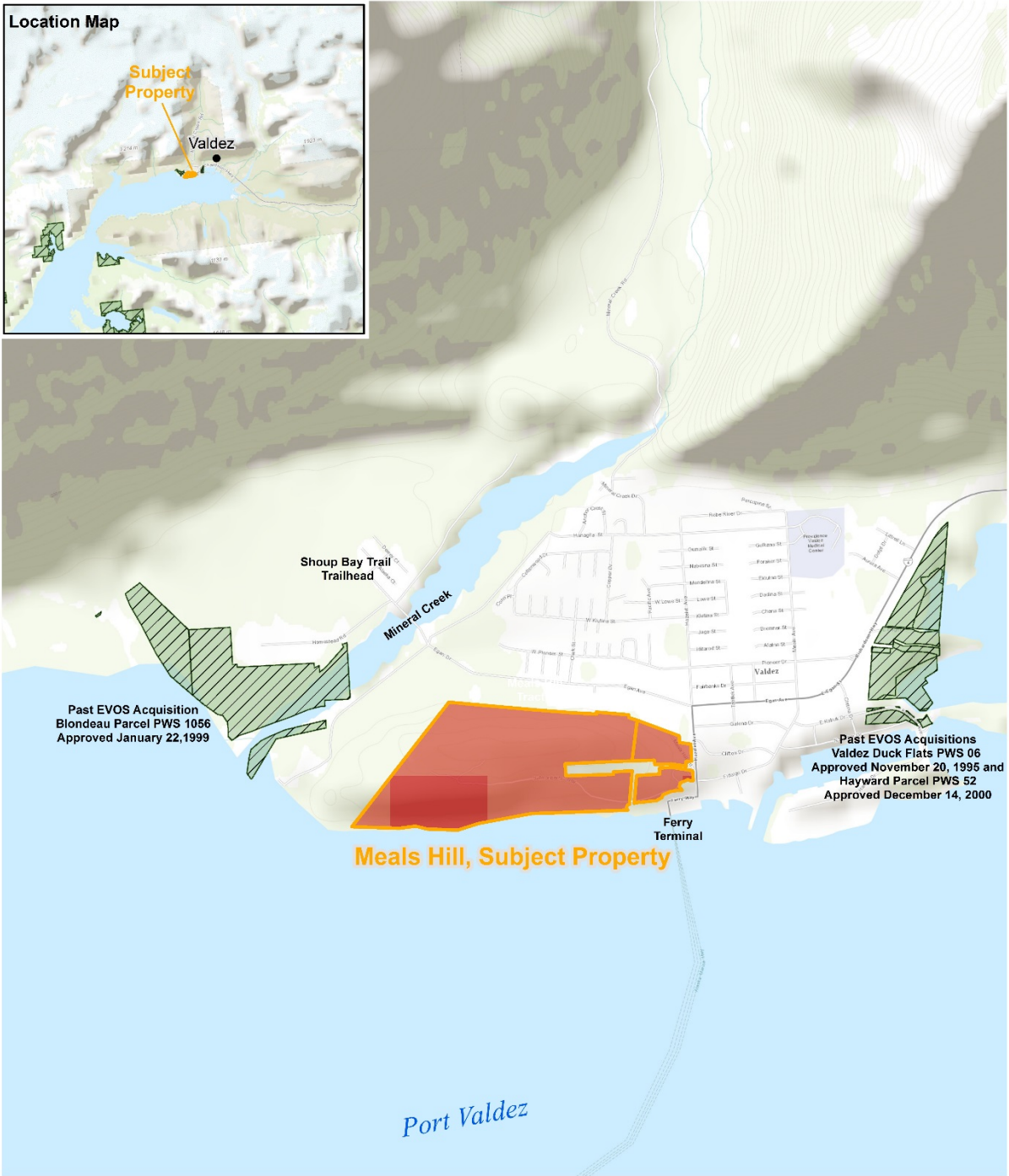
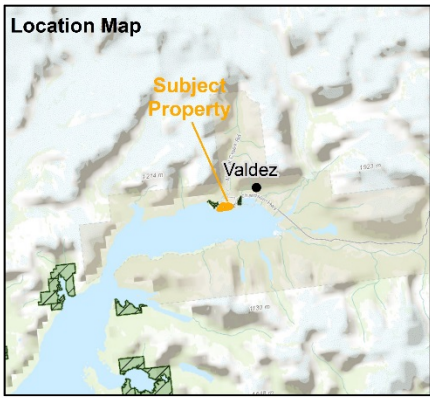
Photo: Meals Hill showing coastline, coastal forest, gravel road to viewpoint and proximity to Valdez.



Photo: Coastal rain forests on the subject property across Port Valdez from the Valdez Marine Terminal at the end of the Trans Alaskan Pipeline System.



Photo: View from top of Meals Hill across Port Valdez to the Valdez Marine Terminal at the end of the Trans Alaskan Pipeline System.



Meals Hill property, City of Valdez

Past EVOS Action

EVOS Habitat Scoring

Low High

