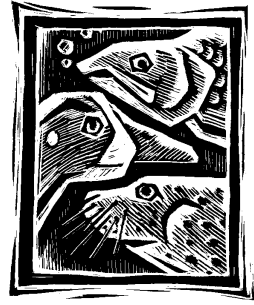


Exxon Valdez Oil Spill Trustee Council

4230 University Dr., Ste. 220 • Anchorage, AK 99508-4626 • 907 278 8012 • (f) 907 276 7178



2019 Annual Financial Report on the EVOSTC Fiscal Year 2018

Rev. 08.29.19

Since its inception in 1991, the *Exxon Valdez* Oil Spill Trustee Council (Council) has worked in three major areas: Restoration, Habitat, and Administration. The following is a general guide to the activities included under these headings.

Restoration, Research, and Monitoring

Restoration forms the core mission of the Council and includes restoration projects, and scientific research and monitoring. The Council's work in this area has produced scientific research projects, reports and data that address a broad variety of subject areas and that are used by the public, government entities, NGOs, media, researchers, students in the spill area, the state, and nationally and internationally. Surveys and other monitoring of fish and wildlife in the spill region provide information to determine population trends, productivity, and ecosystem health. Research increases knowledge of the biological needs of individual species and how each contributes to the Prince William Sound and Gulf of Alaska ecosystems. The Council's support has developed modeling, surveys, mapping of lingering oil and provided new information and better tools for effective management of fish and wildlife. General restoration also supports diverse physical and technical projects in the spill area, such as a vessel washdown in Seward, hazardous waste disposal facilities, the Alaska SeaLife Center and the Prince William Sound Science Center.

Public outreach is an integral part of Restoration and may include public meetings, exhibits, reports, films, lectures, scientific symposiums, publications and outreach by individual principal investigators and through Council office activities.

Restoration expenses include and overlap with Scientific Management, Public Information, and Administration for management of restoration efforts, including data management; scientific meetings, oversight and management; project planning and development; public outreach efforts and publications; and staff support.

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

Research, Monitoring, and General Restoration costs are expended through the Research Investment Sub-Account of the Investment Trust Fund.

Habitat Enhancement and Protection

The EVOSTC Habitat Program includes habitat enhancement and protection. Habitat Enhancement work protects and enhances spill area ecosystems that support EVOS-affected resources and services through active restoration activities. Together with strategic habitat protection, as described further below, these active restoration initiatives address habitat fragmentation and degradation. Examples of habitat enhancing activities include improving access to important fish spawning and rearing habitat and restoring migratory waterfowl habitats. Enhancing natural resources yields benefits to EVOS-affected services such as recreation, subsistence and commercial fishing. Current habitat enhancement projects include initiatives in which multiple state and federal agencies collaborate on multi-year projects with efficient leveraging of existing agency and third-party resources. These projects often add value to previous EVOSTC investments by improving habitats associated with parcels protected earlier for their habitat value. Council funding also stimulates additional funding from other sources. Habitat enhancement and restoration has been pursued in FY2018 through projects such as the Kenai Peninsula stream bank restoration, fish passage enhancement in coordination with ongoing road improvements and in the Copper River Delta and on Kodiak Island culvert and debris removal in watershed-scale projects to open up miles of previously-blocked stream habitat.

Funding the protection of priority ecosystems in the spill area has provided the Council with a lasting legacy which supports the species and ecosystems injured by the spill. Habitat protection is a restoration activity used in natural resource programs across the country. These lands are acquired for their habitat qualities as well as their importance for subsistence and recreational use. In the EVOS spill area, these efforts include protection of both small and large parcels to prevent additional injury to species due to loss or degradation of habitat and may also allow public access for subsistence and recreation activities. The Council accomplishes this by providing funds to government agencies to acquire title or conservation easements on land that has been determined to be high-value habitat and prioritized as important for the restoration of resources affected by the spill.

This program also funds due diligence costs, NEPA reviews, habitat purchase negotiation support, staff support, and data management.

Habitat Enhancement and Protection costs are expended through the Habitat Investment Sub-Account of the Investment Trust Fund.

Administration, Science Management, and Public Information

This component includes annual budget development, implementation and management of the Council’s habitat, and science programs. It also includes scientific oversight of research, monitoring and restoration projects, project planning and management, data management, scientific meetings and symposiums.

Administrative spending includes infrastructure costs, agency coordination, and other contractual and administrative costs, Council office staff, designated trust agency staff. It also includes the cost of public meetings, publications and other means of public outreach, and the support and administration of the Council’s Public Advisory Committee. Administrative funds have also supported the construction of the Cordova Center, which houses space for EVOS- and Council-related meetings and a library, museum exhibits and displays. It also supports the digitization, indexing and archiving of EVOSTC-related items and documents and creation of a website and database that can serve as an ongoing resource for the public and others as the Council progresses to its end-stage.

Administration, Science Management, and Public Information costs are expended through the Research Investment Sub-Account of the Investment Trust Fund.

2019 Annual Report: How the Settlement Has Been Used for EVOSTC FY18

The following accounts for settlement funds that have been released (in millions) for the EVOSTC Fiscal Year 2018 ending **January 31, 2019**:

| | |
|--|-----------------|
| Total Revenue | \$1141.8 |
| Exxon Payments..... | \$900.8 |
| Settlement Fund Interest/Earnings (Minus Fees & Losses / Plus Earnings) ¹ | \$241.0 |
| Reimbursements for Damage Assessments & Response | \$216.4 |
| Governments (includes Litigation & Clean-up) | \$176.5 |
| Exxon (Clean-up during 1991 and 1992) | \$39.9 |

¹ This value is the cumulative sum of interest (earnings and losses) and recoveries, minus fund management fees and adjustments, from the inception of the Investment Fund to January 31, 2019. Because sometimes investments incur losses, this value may be lower than the cumulative sum reported in the previous year.

| | |
|---|----------------|
| Restoration, Research, and Monitoring (FY92 – FY18) | \$239.3 |
| FY92 - FY17 Work Plans – Restoration Program Projects..... | \$234.3 |
| FY18 Work Plan – Restoration Program Projects..... | \$5.0 |
| Habitat Enhancement and Protection (FY92 – FY18) | \$465.0 |
| FY03 – FY14 Koniag Conservation Easement..... | \$6.1 |
| FY92 - FY17 Parcel Acquisitions..... | \$393.3 |
| FY18 Parcel Acquisitions..... | \$14.7 |
| FY12 - FY17 Habitat Enhancement Projects..... | \$18.1 |
| FY18 Habitat Enhancement Projects | \$4.5 |
| FY92 - FY17 Due Diligence & Trust Agency Habitat Support Activities..... | \$27.5 |
| FY18 Due Diligence & Trust Agency Habitat Support Activities..... | \$0.8 |
| Administration, Science Management, & Public Information (FY92 – FY18) | \$91.1 |
| FY92 - FY17 Annual Budget ² | \$89.4 |
| FY18 Annual Budget | \$1.7 |
| Investment Trust Fund Balance (as of January 31, 2019) | \$178.0 |
| Research Investment Sub-Account..... | \$97.2 |
| Habitat Investment Sub-Account..... | \$80.8 |

*Previously allocated, lapsed, unencumbered funds and any interest earnings on the joint trust funds are reallocated by the Council. This practice ensures the funds are spent efficiently, but also contributes somewhat to the ambiguity regarding spending totals, as it is difficult to track re-allocations by line item within state and federal agency budget records. In the over 30 years of Council work, to date the Council has reallocated approximately \$48M.

² In FY92-15, the Annual Budget was titled “Annual Program Development and Implementation (APDI)”