



Chugach Regional Resources Commission

Chenega
Eyak
Nanwalek
Port Graham
Qutekcak
Native Tribe
Tatitlek
Valdez Native
Tribe

January 14, 2022

Dear Trustees:

Please accept this proposal to the Exxon Valdez Oil Spill Trustees for consideration as budgets are finalized and additional funding potentially becomes available, whether it be from the civil settlement funds or leftover criminal settlement money available in the Trustee agencies budgets. Chugach Regional Resources Commission's (CRRC) Alutiiq Pride Marine Institute (AMPI), a facility built with EVOS criminal settlement money, has been presented with a unique opportunity which we explain below.

Brief History:

CRRC was organized in 1984 and incorporated as a non-profit Alaska Corporation in 1990, a few short months after the wreck of the Exxon Valdez on Bligh Reef. Membership in CRRC includes the seven Villages of the Chugach region Nanwalek, Port Graham, Chenega, Tatitlek, Eyak (Cordova), Valdez Native Tribe, and Qutekcak Native Tribe, and the members of each Tribe. CRRC operates the APMI located in Seward, Alaska. CRRC and APMI's driving purpose is several fold:

- To ensure the participation of Chugach Natives in the decision-making processes that effect the land and the sea and the lives of Chugach residents;
- To provide formal advocacy to assure that private, state and federal land and resource management agencies will manage natural resources in ways consistent with the cultural traditions of the Chugach Native people;
- To enhance educational opportunities for Chugach Natives and natural resource management issues in the Chugach region;
- To promote environmentally sound economic development that will improve the lives of Chugach Native people; and
- To pursue exclusively charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

No Village within the Chugach region escaped from the tragic impact of the Exxon Valdez Oil Spill. The disaster closed the fisheries, wiped out subsistence opportunities, and resulted in an overpowering fear that Prince William Sound and Lower Cook Inlet would never recover.

CRRC, founded in the crucible of the Exxon disaster, responded in every way it could with an extremely limited budget. As this Council is well aware, CRRC has engaged with the Trustees Council following the Federal State Exxon settlement.

PO BOX 111686, Anchorage, Alaska 99511-1686 • (907) 224-5181

www.crrcalaska.org

A Tribal Organization Focusing on Natural Resource Issues Affecting the Chugach Region of Alaska

In the dark days that followed the Exxon disaster, CRRC began organizing responses to the loss of natural resources within its region. A few short years following the disaster, CRRC assisted Chenega and Tatitlek in developing nascent mariculture programs, obtaining spat from outside sources to develop oyster farming in the Sound.

Between 1992 and 1997, the State of Alaska's Department of Fish & Game constructed the Mariculture Technical Center (MTC) with EVOS criminal settlement money. The siting of the facility in Seward was a direct result of CRRC and its communities wishing to continue working on clam restoration in response to food security and food safety issues. At the time of the spill, CRRC had already invested into developing hatchery technology for hard-shell clam production in a pilot facility at the Institute of Marine Science now known as the Seward Marine Center. The success of developing the techniques led to EVOS TC funding a clam restoration project from 1998 through 2001. This is most likely the only EVOS TC funded project that led to providing valuable traditional foods for native people in the region. Unfortunately, CRRC's request to duplicate this work was rejected in November by the Science Committee.

In 1997, Qutekcak Native Tribe, in mutual agreements with the Alaska Department of Fish & Game and the City of Seward, undertook the operation of the Mariculture Production Center (MPC) and agreed to cover maintenance costs of the MTC and MPC, located on City of Seward land and initially leased to the University of Alaska, Fairbanks. The purpose was to produce high quality spat and aquatic plant seed for the Alaska mariculture industry. CRRC was heavily involved in this partnership and oversight of operations at the MTC.

Shortly after the 1997 agreement, the parties recognized the growing abilities of CRRC to provide a strong scientific staff. The City agreed that Qutekcak could assign its rights under the MPC and MTC contract to CRRC. In 2004, the City, CRRC, and the University of Alaska formalized the Agreement. CRRC has successfully operated the facilities for the past 25 years. APMI has substantially outgrown the current facility and are actively applying for grant funding to the Economic Development Administration to expand the facility under the American Rescue Plan Act.

Present Operation:

APMI is considered the only shellfish hatchery in the State of Alaska and one of two Tribally managed hatcheries including a salmon hatchery in Metlakatla. The facility functions as both a shellfish hatchery, nursery and research operation used to develop techniques for species important to the Alaskan mariculture industry. APMI produces oysters, littleneck, butter and softshell clams, geoducks, cockles, razor clams, abalone, kelp, blue and red king crab, and sea cucumbers for commercial, subsistence, and personal use fishery industries. The APMI is staffed by a Mariculture Director, Science Director, Mariculture and Production Manager, Ocean Acidification Research Laboratory Manager, Mariculture Technician, Harmful Algal Bloom Laboratory Technician, Facilities Maintenance, and various part time, support technicians.

Pursuant to the lease agreement with the City of Seward, CRRC is responsible for maintenance of the facilities. The initial lease between the City of Seward and the University of Alaska began in 1970. A 1991 amendment extended the contract to 2069. CRRC's acceptance of the assignment in 2004 created additional responsibilities for CRRC, including maintenance, repair, and its continuing commitment to research and development. CRRC has invested heavily into the facility

maintaining the physical plant and continually upgrading and improving the hatchery systems keeping it as a state-of-the-art facility. As a contracting entity with the Bureau of Indian Affairs, CRRC receives Section 105(l) Lease Agreement (~\$400,000 annually) with the Bureau of Indian Affairs which provides annual funding for basic operational costs including insurance, utilities, maintenance, and financial support for repairs to the building itself (roof, windows, walls). CRRC also received P.L. 638 contract with the Bureau of Indian Affairs (~\$520,000 annually) which provides an annual operational and administrative funds for the organization. In summary, CRRC does not require funding for basic operations and are uniquely, fully funded (operationally) as a federally recognized Tribal Consortia.

With an ambitious mission, the APMI is now reaching out to the Exxon Valdez Oil Spill Trustees Council for assistance to address the next 25 years. The MPC/MTC lease is, without question, fundamental to CRRC's effort to assist the Chugach community in the recovery from the oil spill. Recognizing that many of the services may never be recovered, CRRC continues to innovate and address the development of replacement species in a changing environment.

The Problem we Face:

The MTC shares a seawater system with whereby each facility can work independent or can share sea water with the University of Alaska Fairbanks' Seward Marine Center if necessary. For 30 years, this arrangement has been mutually beneficial. Recently, APMI was presented with UAF's plans to expand their Seward Marine Center to support their vessel, the *R/V Sikuliaq*. Those plans include removal of APMI's existing seawater intake, tentative plans for intake during their construction phase which could last up to 3 years, and preliminary plans for a new intake beyond a massive breakwater. APMI needs to ensure that its seawater delivery is uninterrupted and secure by constructing a new, 4 inch intake system solely for APMI.

An Opportunity Has Arose:

CRRC has been presented with a unique opportunity in the last few months. The City of Seward has proposed to CRRC that the organization purchase the waterfront property and building. Very rarely do municipalities divest of real property but the City recognizes that it is the best interest of both parties to transition ownership. From the City's perspective, non-revenue generating assets are a liability and from CRRC's perspective, ownership of the land and building make the organization better qualified for funding opportunities such as the Bureau of Indian Affairs' Fish Hatchery Maintenance Program which supports facilities owned by a Federally recognized Tribal consortia engaged in the "spawning, hatching, rearing, holding, caring for, or stocking of fish and/or shellfish to support work that is required to prolong the life of a structure, building, or other facility component including: delay of physical deterioration; enhancement of original function; application of new technological advances; or replacement or acquisition of associated capitalized equipment". With ownership, APMI will be uniquely positioned to increase its standing power house in the mariculture field.

CRRC's request to the Exxon Valdez Oil Spill Trustees Council:

Below is a list of needs that we believe without question fall within the purview of the Trustees Council's mission and authority.

1. Water Intake - \$200,000 | the current cost estimate for an intake designed and cost estimated by the University of Alaska Fairbanks' estimator
2. Land and Asset Purchase - \$496,300.00 | the current Kenai Peninsula Borough's appraisal of the property (Parcel ID: 14920016).

As Trustee Brune noted in a recent interview with the Alaska Journal of Commerce (Wed, 10/27/2021), the Trustees are "trying to put as much money into restoration and science-based efforts, as well as those **legacy** facilities." APMI is the Trustees longest standing legacy facility with plans to stay that way for years to come with the Trustees support of the above efforts. Without question, the MTC has contributed enormously to creating economic opportunities, developing best practices in mariculture, and supplying the nascent mariculture industries with product and technical assistance.

Thank you for the consideration.



Willow Hetrick-Price
Executive Director
Chugach Regional Resources Commission