8.1.4

8.1.4m

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

TRUSTEE COUNCIL MEETING ACTIONS

December 2, 1994 @ 8:30 a.m.

DRAFT

By James R. Ayers
Executive Director

Trustee Council Members Present:

Phil Janik, USFS
George T. Frampton, Jr., USDOI
Steve Pennoyer*, NMFS
Carl Rosier, ADF&G
John Sandor, ADEC
Craig Tillery•, ADOL

* Chair
• Alternates:
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

APPROVED MOTION: Approved November 2 & 3, 1994 Trustee Council meeting notes. (Attachment B)

2. 1995 Work Plan

APPROVED MOTION: Project 95080 - Fleming Spit Recreation Area Enhancement -- Deferred.

Project 95126 - Habitat Protection and Acquisition Support -- Funded at $1,440.5 million, which includes $626.2 approved on 8/23, a carry forward of $328.7 in FY94 funds and an additional $485.6 of FY95 funds. This provides for agency support for acquisition activities and includes funding for the Habitat Work Group through January 31, 1995, and provide for two months of as-needed assistance from the agencies. Motion by Sandor, second by Janik.

Project 95058 - Private Landowner Assistance. Adopted funding of $115.8 with the understanding that a report will be presented to the Trustee Council following the outreach efforts. Motion by Frampton, second by Sandor.

Project 95141 - Afognak Island State Park -- Deferred for further review by staff and the Chief Scientist.

Project 94424 - Restoration reserve -- Adopted motion to place $24 million of Trustee Council funds in a Restoration Reserve Account and invest in strip Treasury securities with laddered maturities. Motion by Sandor, Frampton second.

Small Parcel Nomination Process -- Adopted process for nominating and evaluating additional small parcels for possible acquisition. (Attachment C) Motion by Frampton, second by Rosier.

APPROVED MOTION: Adjourn into Executive Session for the purpose of discussing personnel issues and habitat negotiation strategy. Motion by Tillery, second by Janik.

Off Record 10:10 a.m.
On Record 2:55 p.m.

DRAFT

3. Personnel Issues

APPROVED MOTION: Accepted resignation of Executive Director Jim Ayers. The position of Executive Director was offered to Molly McCammon. Motion by Pennoyer, second by Rosier.

4. Habitat Acquisition

APPROVED MOTION: Koniag -- Adopted a Resolution to offer Koniag $51.75 million for 115,700 acres in fee. Motion by Frampton, second by Sandor. Commissioner Rosier abstained, Michael Dean represented Fish and Game.

Kenai Fjords -- Adopted a Resolution to continue negotiations with English Bay Corp. for the acquisition of parcels in Kenai Fjords National Park and possible lands elsewhere on the Kenai Peninsula. Also to initiate negotiations with Port Graham Corp. for parcels they own within the Park. Motion by Frampton, second by Rosier.

Chenega -- Adopted a Resolution to offer Chenega Corp. fair market value plus 20 percent, not to exceed $48 million for CHE01 (Eshamy) and CHE02 (Jackpot Bay). Motion by Janik, second by Sandor and Rosier.

APPROVED MOTION: Adjourn into Executive Session for the purpose of discussing negotiation strategy, second by Tillery.

Off Record 3:55 p.m.
On Record 4:10 p.m.

APPROVED MOTION: Tatitlek -- Adopted a Resolution to offer Tatitlek Corp. fair market value as determined by an appraisal plus 20 percent for approximately 61,000 acres. Motion by Tillery, second by Frampton.

Shuyak -- Adopted a Resolution to offer the purchase price plus 20 percent with a cap of $42 million for 25,665 acres in fee simple. Motion by Tillery, second by Frampton.

Afognak Joint Venture (AJV) -- Adopted a Resolution to offer AJV an amount not to exceed $70 million for a total of 48,728 acres. Motion by Tillery, second by Frampton. Commissioner Rosier abstained, Michael Dean represented Fish and Game.

Eyak -- Adopted a Resolution to offer Eyak Corp. fair market value plus 20 percent of the final, approved, appraisal for the core lands with a cap of $21 million as well as an offer for the Orca Revised Lands for a total cost not to exceed $50 million. Motion by Janik, second by Sandor.

Meeting adjourned.

DRAFT

raw

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

TRUSTEE COUNCIL MEETING ACTIONS

November 2-3, 1994 @ 10:00 AM

By James R. Ayers
Executive Director

Trustee Council Members Present:

Phil Janik, USFS
•Deborah Williams, USDOI
*Steve Pennoyer, NMFS
Mark Rosier, ADF&G
John Sandor, ADEC
•Craig Tillery, ADOL

* Chair
• Alternates:
Deborah Williams served as an alternate for George T. Frampton, Jr. on November 3, at 8:30 AM.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.
Mark Brodersen served as alternate for John Sandor on November 3, following the lunch break.

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1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

APPROVED MOTION: Approved October 5, 1994 Trustee Council meeting notes. (Attachment B)

2. Go into Executive Session

APPROVED MOTION: Go into executive session for purposes of discussing negotiations and strategy relating to potential habitat acquisition. Motion by Tillery, second by Janik.

3. Restoration Plan

APPROVED MOTION: Resolution adopting Restoration Plan. Motion by Rosier, second unknown. (Attachment C)

4. Investment Strategy

APPROVED MOTION: Invest the restoration reserve fund in strip treasury securities with laddered maturities, as discussed by Mr. Bob Storer, and as included in the prepared packet. Invest the joint trust fund balance in equal amounts into the weekly liquidity option portfolio and the quarterly liquidity option portfolio and revisit the investment decisions in six months. Motion by Frampton, second by Rosier.

5. Habitat Acquisition

APPROVED MOTION: Approve Old Harbor Resolution as distributed. Motion by Frampton, second by Rosier. (Attachment D)

APPROVED MOTION: Approve resolution relative to acquisition of Akhiok-Kaguyak lands on Kodiak Island. Motion by Frampton, second by Janik. (Attachment E)

APPROVED MOTION: That the council authorize the lead agency and the negotiating team to make an offer to Koniag along the lines of the attached two-page document, which was agreed to by both sides of the negotiating team, and to move forward to consummate a purchase agreement. Motion by Frampton, second unknown. (Attachment F)

APPROVED MOTION: Approve general resolution on habitat acquisition and protection. Motion by Sandor, second by Frampton. (Attachment G)

6. Institute of Marine Science

APPROVED MOTION: Approve IMS infrastructure improvements resolution. Motion by Rosier, second by Frampton. (Attachment H)

Adjourn until 8:30 AM on November 3, 1994

7. Habitat Acquisition

APPROVED MOTION: Approve payment resolution for Seal Bay purchase. There will be one resolution for payments in order to accommodate the withdrawals. Motion by Williams, second by Sandor. (Attachment I)

8. FY 95 Work Plan

APPROVED MOTION: Adopt the recommendations of the Executive Director as reflected in the Executive Director's memo and in attachment A, with the conditions and recommendations of the specific projects as described by Dr. Spies in his series of memos in attachment D. Motion by Tillery, second by Sandor. (Attachment J)

Deferred action on the following proposed projects:

95058 Private Landowner Assistance
95126 Habitat Protection Support
95424 Restoration Reserve
95080 Fleming Spit
95141 Afognak Island State Park

APPROVED MOTION: These projects are approved contingent on a review of each project's equipment needs and submission of an *Exxon Valdez* Oil Spill list consistent with a uniform system of managing Trustee Council inventory. Motion by Williams, second by Sandor.

Meeting recessed until December 2, 1994 in Juneau.

cw

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

TRUSTEE COUNCIL MEETING ACTIONS

October 5, 1994 @ 9:00 a.m.

DRAFT

By James R. Ayers
Executive Director

Trustee Council Members Present:

Phil Janik, USFS
●Deborah Williams, USDOI
Steve Pennoyer, NMFS
Carl Rosier, ADF&G
* John Sandor, ADEC
●Craig Tillery, ADOL

* Chair
● Alternates:
Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

APPROVED MOTION: Approved August 23, 1994 Trustee Council meeting notes. (Attachment B)

2. Institute of Marine Science Briefing

Briefing on the Institute of Marine Science Infrastructure.

3. Executive Session on Habitat Protection Strategy & Chief Scientist Contract

Public session reconvened at 5:00 p.m.

APPROVED MOTION: Authorized Executive Director to negotiate a contract with Applied Marine Sciences to provide scientific support services, based on the cost of $382,296.00, scope of work and information provided by Dr. Spies. Also to develop an associate position for a Science Coordinator in the State of Alaska in the Administrative Budget. Motion by Rosier, second by Pennoyer.

APPROVED MOTION: Authorized and directed the Executive Director to work with the U.S. Forest Service to conduct a review and develop a report on the Appraisal Process including all associated expenditures and timelines before November 2, 1994. No objections.

Meeting adjourned.

nsw

DRAFT

Exxon Valdez Oil Spill Trustee Council

Restoration Office
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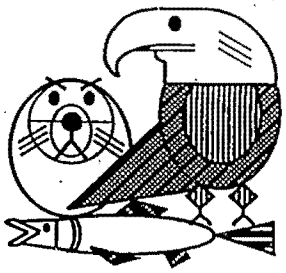

TRUSTEE COUNCIL MEETING ACTIONS

August 23, 1994 @ 10:30 a.m.

By James R. Ayers
Executive Director

Trustee Council Members Present:

Phil Janik, USFS	Carl Rosier, ADF&G
•Deborah Williams, USDOI	*John Sandor, ADEC
Steve Pennoyer, NMFS	•Craig Tillery, ADOL

* Chair
• Alternates:

Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A) Added review of 1994 salmon returns by Carl Rosier to agenda.

APPROVED MOTION: Approved July 11, 1994 and July 18, 1994 Trustee Council meeting notes. (Attachment B)

2. Restoration Plan Update

APPROVED MOTION: Adopted motion on EIS and Restoration Plan as recommended by Executive Director (Attachment C). Carl Rosier moved, second by Phil Janik.

3. Less Than Fee and Public Access Policies

APPROVED MOTION: Adopted Public Advisory Group recommendation with minor changes from staff (Attachment D). Phil Janik moved, second by Steve Pennoyer.

4. Proposed Interim Budget

APPROVED MOTION: Adopted administrative and project interim budgets as recommended by Executive Director (Attachment E) with changes as identified. Carl Rosier moved, second by Steve Pennoyer.

5. Hiring of Director of Administration

APPROVED MOTION: Subject to Trustee Council approval, authorized hiring of a replacement for June Sinclair who has resigned to take a position in New York. Steve Pennoyer moved, second by Carl Rosier.

Meeting recessed.

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

TRUSTEE COUNCIL MEETING ACTIONS

July 18, 1994 @ 3:00 p.m.
Reconvened from July 11, 1994 Meeting

DRAFT

By James R. Ayers
Executive Director

Trustee Council Members Present:

- Jim Wolfe, USFS
- Deborah Williams, USDOI
- Don Collinsworth, NMFS
- Carl Rosier, ADF&G
- *John Sandor, ADEC
- Craig Tillery, ADOL

* Chair
• Alternates:

Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.
Don Collinsworth served as an alternate for Steve Pennoyer for the entire meeting.
Jim Wolfe served as an alternate for Phil Janik for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

2. Habitat Acquisition Update

APPROVED MOTION: Trustee Council authorized an additional $1,500,000 to accommodate the U.S. Forest Service's proposed Appraisal Schedule & Cost Estimates. This is to include a timber cruise for Tatitlek @ $200,000 and an expedited Eyak timber cruise and report (mid-September) @ $600,000. Akhiok, Old Harbor and Koniag report due date to change from mid-September to late August. Also, requested was a written explanation from the contractor for the cost difference regarding the report due dates. Motion by Deborah Williams, seconded by Jim

Wolfe.

3. Upcoming Meeting Dates

APPROVED MOTION: The next Trustee Council meeting will be in Anchorage on August 23, 1994 @ 10:30 a.m.

Meeting adjourned

raw

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
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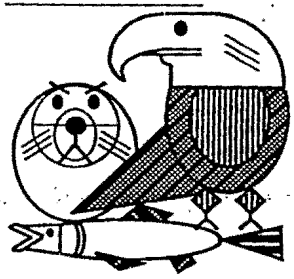

AGENDA
EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL
CONTINUATION OF JULY 11, 1994 MEETING
TELECONFERENCE
JULY 18, 1994 @ 3:00 P.M.

Trustee Council Members:

PHIL JANIK/JIM WOLFE
Regional Forester/Trustee
Alaska Region/Representative
U.S. Department of Agriculture-Forest Service

BRUCE BOTELHO/CRAIG TILLERY
Attorney General/Trustee
State of Alaska/Representative

GEORGE T. FRAMPTON, JR./DEBORAH WILLIAMS
Assistant Secretary/Trustee Representative
U.S. Department of the Interior

STEVE PENNOYER
Director, Alaska Region
National Marine Fisheries Service

CARL L. ROSIER
Commissioner
Alaska Department of Fish & Game

JOHN A. SANDOR
Commissioner
Alaska Department of Environmental Conservation

John Sandor, Chair
Juneau - Forest Service Conference Room 541A
Anchorage - 645 G Street Fourth Floor

1. Call to Order 3:00 p.m.
   - Approval of Agenda
   - Order of the Day

2. Habitat Acquisition Update (Dave Gibbons)
   - Appraisal Schedule & Cost Estimate

3. Future Meeting Schedule
   - August 23, 1994 @ 7:30 or 8:00 a.m. (Simpson Building)
   Tentative Topics to be Discussed
   - Final Restoration Plan
   - EIS Preferred Alternative
   - FY95 Interim Budget
   - Habitat Update

DRAFT

July 18, 1994

FOREST SERVICE STATUS REPORT REGARDING APPRAISAL SERVICES AND APPRAISAL SCHEDULE

At its July 11, 1994, meeting, the Trustee Council requested both a status report regarding the Forest Service contract to conduct appraisals in support of the restoration acquisition program and a current appraisal schedule.

I. Background

The status of the appraisal contract and current appraisal schedule cannot be fully appreciated without a consideration of the historical context in which the Trustee Council's appraisal process has evolved.

A. Standardized Appraisal Process and Appraisal Services Contract.

On November 30, 1993, the HPWG issued its comprehensive habitat protection evaluation and ranking of large parcels, which were evaluated, scored and ranked as high, moderate, or low to represent the degree to which protection of a parcel would benefit the recovery of linked resources and services that occur on the parcel.

At its January 31, 1994, meeting, the Trustee Council approved a resolution proposed by Commissioner Sandor to proceed with a habitat protection program. Among other things, the resolution directed the Executive Director to work with the lead negotiators to develop a standardized appraisal process, including standardized appraisal instructions, to be used to appraise the parcels under consideration for protection. This Council direction launched several initiatives.

First, the Alaska Department of Natural Resources, the U.S. Department of the Interior, and the U.S. Department of Agriculture entered into a Memorandum of Understanding (MOU) regarding the appraisal process to be used to appraise interests in land under consideration for acquisition and habitat protection as part of the Trustee Council restoration process. The parties entered into the MOU to ensure that all appraisals are conducted and reviewed in an efficient and uniform manner. The MOU provides that standard appraisal instructions will be developed and applied to each appraisal of interests in land proposed for acquisition, and that all appraisals will comply with State of Alaska appraisal standards and the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA), 1992. In addition, the parties agreed that an existing

U.S. Forest Service contract for the procurement of appraisal services would be used to appraise all interests in land proposed to be acquired for purposes of restoration. The responsibility for the overall administration of the appraisal services contract remains with the Forest Service. The parties executed the MOU on March 21, 1994.

Second, in March, 1994, the Executive Director began a process to develop standardized appraisal instructions. The appraisal instructions utilized in the existing Forest Service contract were the basis for development of the standardized instructions. The Executive Director solicited comments on these instructions from landowners interested in participating in the restoration acquisition program and incorporated appropriate comments in the final version. The Department of Justice Chief Appraiser also reviewed the standardized instructions and concurred that the standards met the requirements of UASFLA. The standardized appraisal instructions were finalized on April 21, 1994.

Third, the Executive Director also requested that the appropriate staff develop a framework for the appraisal process that could be shared with landowners and the public. Throughout April, 1994, agency negotiators, appraisers, and attorneys formulated a twelve step process for conducting appraisals, reviewing appraisals, and approving appraisals. The draft twelve step process was also submitted to interested landowners for comment and was endorsed by the Council on May 31, 1994. The final twelve step process was issued June 3, 1994.

B. Initiation of Appraisals and Current Schedule.

At the same time the above initiatives detailing the standards and process to be used in conducting appraisals was taking place, negotiations with landowners were occurring. Receipt of permission from the landowners to proceed with an appraisal has varied with each parcel and remains dependent upon the progress of on-going negotiations. The progress of negotiations and thereby the number of parcels to be appraised within the assumed deadline of mid-September has made the confirmation of the completion of any given appraisal difficult. In fact, the Executive Director informed the Council at its April 11, 1994, meeting that the schedule for completion of appraisals was not definitive and that the appraisers were expecting appraisals to be prepared by July, August, or maybe even early September. Transcript at p. 16.

In addition, two issues have been problematic with respect to the scheduling of appraisals, although it does not appear either issue has caused significant delays in the current appraisal schedule. First, the May 6, 1994, purchase agreement with the Eyak Corporation and Sherstone, Inc. for the purchase of approximately

two thousand acres of commercial timber rights required that an appraisal be conducted as soon as possible to meet the 90 day closing requirement stated in the purchase agreement. This required a shift in focus from the Shuyak and Chenega parcels to the Eyak/Sherstone parcel with respect to the performance of the timber appraisal. Second, locating a subcontractor to perform timber appraisals was troublesome. No timber appraisal firm with experience in Alaska was acceptable to the State and/or the private landowners. This results from a potential appearance of a conflict for the Alaska firms because no qualified firm was identified that was not already associated with either the private parties or with Exxon Corporation in the remaining oil spill litigation. Not until mid-May was the Forest Service contract appraiser, Black-Smith and Richards of Anchorage, able to subcontract with Pacific Forest Consultants of Portland, Oregon to perform timber appraisal services under the Forest Service contract.

An appraisal schedule prepared for the Council for its May 31, 1994 meeting indicates that of the five appraisals authorized to be conducted as of that date, the draft appraisal completion date for two was mid-July, one in August, and two in mid-September. The chart attached details, among other things, the expected completion date of the draft appraisal reports for these five parcels, which effectively remain on schedule as reported to the Council in May.

Since the May Council meeting, however, three additional requests have been made by the Executive Director to prepare appraisals, with a presumed target for completion of the draft appraisal report of September 15, along with the other parcels already being appraised. Completion of these draft reports by this target date significantly raises the cost of conducting the appraisals and also may raise the perception that the Council's appraisal process is not reliable.

With respect to costs, several factors affect the estimated cost of conducting an appraisal, including the deadline established for completion of the appraisal. Large parcels containing timber may increase appraisal costs substantially. This results, in part, from deficient or non-existent timber inventory data, which then requires a significant amount of field work to inventory the timber. A significant number of additional timber cruisers may be required to complete the groundwork during this field season in order to meet a September 15 timeframe. There may be substantial risks involved in performing timber appraisals for an estimated 200,000 acres during the remaining 1994 field season. First, the margin for error increases in the timber inventory and grade, which calls into question the validity of the appraisal. This factor therefore requires that the accountability level increase substantially. Timber check cruisers must be available from the lead negotiating agency to ensure the validity of the timber

inventory. In addition, physical risks for the individuals performing the timber inventory work increases as the end of the field season nears.

If the draft completion date for each appraisal requested is to be by mid-September, an increase in contract personnel and cost will certainly occur. Based on discussions with Pacific Forest Consultants, the Forest Service estimate for completing the timber cruises for the Afognak and Eyak large parcels by September 15 is approximately $800,000. This is based on an increase in personnel to approximately 100 people to cruise the estimated 163,000 acres to be appraised, and considers current costs for labor, transportation, overhead, and expenses. It is estimated that if the September 15 draft completion date is not required, and the deadline to complete the timber cruise is late October, the estimate for Eyak is $250,000, assuming that good timber inventory data is available for Afognak. In addition, it must be noted that Pacific Forest Consultants indicates there is only a 50-50 chance that it could meet the September 15 deadline.

The incurred costs associated with the conduct of appraisals currently exceeds the amount authorized by the Council at its May 31st meeting to conduct appraisals. The Council allocated $515,000 to conduct appraisals. The cost of performing the five appraisals authorized at the time of the May 31st meeting, Akhiok-Kaguyak, Chenega, Eyak-Orca Narrows Sub-parcel, Shuyak, and Old Harbor, is $992,617. This does not include the $53,043 that the Federal trustees authorized to be expended from federal restitution funds to conduct an appraisal of the Chenega parcel. The worst case analysis regarding completion of Afognak, Eyak large parcel and Koniag by September 15th brings the estimated total to conduct all appraisals to $1,827,617. This total cost exceeds the $515,000 allocated by the Council by $1,312,617. This estimate does NOT include any appraisal of Tatitlek lands that may be requested for draft completion by September 15.

Finally, it must be emphasized that the attached appraisal schedule provides for an expected date of completion of the draft appraisal report and the cost estimates are based on the September 15 completion date. For acquisitions involving partial interests, significant issues continue to remain undefined, which affect the appraiser's ability to meet this draft completion date. Where less than fee acquisitions are proposed, negotiators must resolve issues such as public access, subsistence rights, ANILCA 22(g), and defining development rights retained by the landowner before a defined partial interest to be acquired is presented to the appraiser for a determination of value of the less than fee interest.

DRAFT

July 18, 1994

APPRAISAL SCHEDULE & COST ESTIMATES

PARCEL OWNERSHIP	REQUEST FROM E.D.	ACRES TO BE APPRAISED	INTEREST APPRAISED	DRAFT REPORT DATE	ESTIMATED COST
EYAK	5/5/94	2,025	TIMBER	LATE-JULY	$60,320
CHENEGA	9/93*	76,000	FEE/PAR/TIM	LATE-JULY	$450,000
SHUYAK	4/29/94	27,900	FEE/TIMBER	MID-AUGUST	$391,603
AKHIOK	5/6/94	119,885	FEE	MID-SEPT	$63,401
OLD HARBOR	5/6/94	34,134	FEE/PARTIAL	MID-SEPT	$27,291
KONIAG	7/11/94	100,000	FEE	MID-SEPT	$35,000**
AJV	6/23/94	112,658	FEE/TIMBER	MID-SEPT	$200,000**
EYAK	6/17/94	50,000**	FEE/PAR/TIM	MID-SEPT	$600,000**
				LATE-OCT	$250,000**
TATITLEK	not ordered				
CHUGACH	not ordered				
PORT GRAHAM	4/29/94	CANCELLED 5/17 AFTER PRELIMINARY WORK WAS INITIATED			
ENGLISH BAY	not ordered				

ESTIMATED TOTAL	$1,827,617
APPRAISAL FUNDS AUTHORIZED BY TRUSTEE COUNCIL ON 1/31/94	$515,000
ADDITIONAL FUNDS NEEDED	$1,312,617

*Landowner permission given thru 9/93 agreement with Forest Service

**Estimate

DRAFT

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
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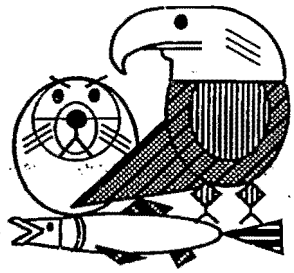

TRUSTEE COUNCIL MEETING ACTIONS

July 11, 1994 @ 1:00 p.m.
Reconvened from May 31, 1994 Meeting

By James R. Ayers
Executive Director

Trustee Council Members Present:

Phil Janik, USFS	Carl Rosier, ADF&G
•Deborah Williams, USDOI	*John Sandor, ADEC
•Don Collinsworth, NMFS	•Craig Tillery, ADOL

* Chair
• Alternates:

Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.
Don Collinsworth served as an alternate for Steve Pennoyer for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

APPROVED MOTION: Approved May 31, 1994 Meeting Notes. (Attachment B)

2. Publication Policy

APPROVED MOTION: Adopted Publication Policy as recommended. (Attachment C) Motion by Deborah Williams, seconded by Phil Janik. Deborah Williams clarified that in lieu of the disclaimer language, in some cases it would be possible to seek Trustee Council and/or Chief Scientist endorsement of an article for publication. No action on other issue.

3. Peterson Resolution

APPROVED MOTION: Adopted resolution honoring Dr. Charles Peterson. Motion by Carl Rosier, seconded by Deborah Williams. (Attachment D)

4. Outline of Draft FY95 Work Plan

APPROVED MOTION: Adopted, with changes, a general outline for structure of the Draft FY95 Work Plan. Motion by Deborah Williams, seconded by Carl Rosier. (Attachment E)

Meeting recessed until July 18, 1994 @ 3:00 p.m.

raw

ATTACHMENT A

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

AGENDA
EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL
CONTINUATION OF MAY 31, 1994 MEETING
ANCHORAGE
JULY 11, 1994 @ 1:00 P.M.

Trustee Council Members:

PHIL JANIK
Regional Forester, Alaska Region
U.S. Department of Agriculture-Forest Service

BRUCE BOTELHO/CRAIG TILLERY
Attorney General/Trustee
State of Alaska/Representative

GEORGE T. FRAMPTON, JR./DEBORAH WILLIAMS
Assistant Secretary/Trustee Representative
U.S. Department of the Interior

STEVE PENNOYER/DON
Director/COLLINSWORTH
Alaska Region/Trustee Representative
National Marine Fisheries Service

CARL L. ROSIER
Commissioner
Alaska Department of Fish & Game

JOHN A. SANDOR
Commissioner
Alaska Department of Environmental Conservation

Steven Pennoyer, Chair
Juneau - LIO 130 Seward Street -- Anchorage - 645 G Street First Floor

1. Call to Order 1:00 p.m.
   - Approval of Agenda
   - Order of the Day
   - Approval of May 31, 1994 Trustee Council Meeting Notes

2. Public Comment - 1:15 - 2:00 p.m.

3. Public Advisory Group Report (Brad Phillips) 2:00 p.m.

4. Executive Director's Report (Jim Ayers) 2:30 p.m.
   - Restoration Plan Update
     - Implementation - Management Structure
     - Organizational Structure
   - EIS Proposed Action

- Science Review Board Policy Review
- Chief Scientist Contract
- Institute of Marine Science Improvements Update
- Habitat Protection & Acquisition Update
- Financial Report

5. Action Items
   - Publications Policy
   - Peterson Resolution
   - Outline of Draft FY95 Work Plan

6. Future Meeting Schedule

5:00 p.m. Adjourn

Exxon Valdez Oil Spill Trustee Council
Restoration Office
645 G Street, Suite 401, Anchorage, AK 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

TRUSTEE COUNCIL MEETING ACTIONS

May 31, 1994 @ 1:00 p.m. Juneau, Alaska
Reconvened from May 3, 1994 meeting

By James R. Ayers
Executive Director

Trustee Council Members Present:

* Steve Pennoyer, NMFS
John Sandor, ADEC
• Craig Tillery, DOL
Carl Rosier, ADF&G
• Jim Wolfe, USFS
• Deborah Williams, USDOI

* Chair
• Note:
— Craig Tillery served as an alternate for Attorney General Bruce Botelho for the entire meeting.
— Jim Wolfe served as a representative for the USFS for the entire meeting.
— Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.

Teleconference sites included the Anchorage Restoration Office and the Fairbanks LIO.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

2. Resolution Honoring Michael Barton

APPROVED MOTION: Approved a resolution honoring the work of Michael Barton as a Trustee Council member (Attachment B).

3. Analysis of Options Available to Maximize Earnings on Settlement Funds

APPROVED MOTION: Directed the Executive Director to prepare an analysis of options available to the Trustee Council to maximize the interest earned on EVOS civil settlement funds.

4. Tatitlek and Chugach Habitat Evaluation and Ranking

APPROVED MOTION: Authorized the Executive Director, subject to a formal determination of a willing seller, to

proceed with the habitat evaluation and ranking of large parcels that have not been evaluated and ranked in the past.

5. Transfer of Funds from Herring Project to Harlequin Duck Project

APPROVED MOTION: Approved the transfer of $20.0 thousand from Project #94165/Herring Genetic Stock Identification to Project #94427/Harlequin Duck Boat Survey to provide funds to conduct additional harlequin brood surveys.

6. Trustee Council Policy on Less Than Fee Simple Habitat Acquisitions

APPROVED MOTION: Directed the Executive Director to, first, develop a draft process and policy statement on less than fee simple habitat acquisition which will examine public access and canopy protection, among other issues and, second, bring the policy statement and process to the Trustee Council by resolution at the next Trustee Council meeting.

The meeting was recessed. The next meeting of the Trustee Council was tentatively scheduled for some time in late June.

Attachment A Agenda
Attachment B Resolution Honoring Michael Barton

Exxon Valdez Oil Spill Trustee Council

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AGENDA
EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL
CONTINUATION OF APRIL 28, 1994 MEETING
TELECONFERENCE
MAY 31, 1994 @ 1:00 P.M.

5/27/94
11:12 am
DRAFT

Trustee Council Members:

JAMES A. WOLFE/Trustee Representative
Director, Engineering & Aviation Management
U.S. Department of Agriculture-Forest Service

BRUCE M. BOTELHO/CRAIG TILLERY
Attorney General/Trustee
State of Alaska/Representative

GEORGE T. FRAMPTON, JR./DEBORAH WILLIAMS
Assistant Secretary/Trustee Representative
U.S. Department of the Interior

STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

CARL L. ROSIER
Commissioner
Alaska Department of Fish & Game

JOHN A. SANDOR
Commissioner
Alaska Department of Environmental Conservation

Steven Pennoyer, Chair
Juneau location - U.S. Forest Service Conference Room 541A
Anchorage location - 645 G Street Fourth Floor

1. Approval of Agenda
   - Order of the Day
   - Approval of Meeting Notes from April 11 & 28, May 2 & 3

2. Executive Director's Report (Jim Ayers)
   - Financial Report (June Sinclair)
   - Project Status (Eric Myers)
   - Restoration Plan EIS (Rod Kuhn)
   - Institute of Marine Science (Kim Sundberg)
   - Public Information and Communication (Molly McCammon)
   - FY95 Work Plan Process (Molly McCammon)
   - Habitat Protection and Acquisition Status (Dave Gibbons)

3. New Business

* Authorization for Ranking and Negotiations:
  1) Tatitlek
  2) Chugach
  3) Other

* Transfer of $20,000 from Project 94165 (Prince William Sound Herring Genetic Stock Identification) to Project 94427 (Harlequin Duck Boat Surveys & Methodology Testing)[1].

4. 2:30 p.m. Executive Session on Habitat Protection and Acquisition Strategies
   Trustee Council and Appropriate Staff Only.

Tentative Meeting Schedule:
1) Between August 24 & 31 (May require 2 days)
2) Last week of September
3) October 31

Adjourn

* Action Items

[1] The $20K in Project 94165 is available because poor herring returns this spring did not allow for a full-scale testing of the hypothesis of several spawning stocks in Prince William Sound. A full-scale project will be considered again for FY95.

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Resolution of Appreciation for Michael A. Barton
Recognizing His Outstanding Leadership and Dedication
as
Trustee Council Member for the
U.S. Department of Agriculture on the
Exxon Valdez Oil Spill Trustee Council

The *Exxon Valdez* Oil Spill Trustee Council expresses its profound appreciation to **Michael A. Barton** for his extraordinary leadership and stewardship as the Trustee Council Member for the U.S. Department of Agriculture on the *Exxon Valdez* Oil Spill Trustee Council. From the time of the spill, during response and damage assessment, as well as subsequent planning and implementation of restoration activities, **Michael Barton** always brought exceptional judgment and insight to the process of formulating policy for the restoration of the injured natural resources and the services they provide. **Michael Barton's** dedication to service and his composure under pressure contributed significantly to the Trustee Council's design of a balanced approach to restoration of the spill affected area. The Trustee Council unanimously commends **Michael Barton** for his professionalism and friendship and wish **Michael Barton** well in future endeavors.

James Wolfe
Regional Forester
USDA Forest Service

Bruce Botelho
Attorney General
State of Alaska

George T. Frampton, Jr.
Assistant Secretary
U.S. Department of Interior

John A.Sandor
Commissioner
Department of Environmental Conservation

Steve Pennoyer
Director
National Marine Fisheries Service

Carl L. Rosier
Commissioner
Department of Fish and Game

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MEMORANDUM

TO: Trustee Council

FROM: James R. Ayers, Executive Director

DATE: July 9, 1994

SUBJ: Policies Regarding Publications and Reference to Trustee Council Funded Research

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The purpose of this memorandum is to recommend that the Trustee Council adopt a policy that addresses the need for a "disclaimer" when Trustee Council funded research is published in articles or other submissions for publication.

Additionally, as discussed below, a separate question has emerged regarding whether the Trustee Council should reserve the opportunity to participate in the peer review process of materials submitted for publication (in books, journals, etc.) that are supported with civil settlement funds.

Reference to Trustee Council Funded Research in Articles or Other Literature

Researchers who have worked on various damage assessment or restoration projects funded by the Trustee Council sometimes seek to have their work published as articles in scientific journals or other professional literature. While this is appropriate and even to be encouraged, it is also important to ensure that the views and positions of the Trustee Council are not inadvertently misconstrued as a result of these publication efforts. The conclusions of individual investigators using data or information from Trustee Council funded projects should be clearly identified as their own unless and until the Trustee Council takes specific action to endorse a particular interpretation or conclusion. It is my understanding from the Chief Scientist, that the Environmental Protection Agency (EPA) maintains a policy along these lines as indicated by the attached excerpt from an article

published in the *Marine Ecology Progress Series* by Dr. Spies, et. al. (see attachment, last page).

Recommendation: Investigators working on projects sponsored by the Trustee Council that are the subject of a journal article or other submission for publication should be directed to include a statement with all such submissions stating:

> "The research described in this paper was supported by the *Exxon Valdez* Oil Spill Trustee Council. However, the findings and conclusions presented by the author(s) are their own and do not necessarily reflect the views or position of the Trustee Council."

Peer Review of Materials Included in Trustee Council Supported Publications

A related policy issue has also emerged regarding what opportunity, if any, the Trustee Council should have to participate in the peer review of materials published as a result of direct funding support from the civil settlement (e.g., a book of papers or journal articles for which civil settlement funds are used to pay page charges). This question was brought to light by the difference of scientific interpretation that has arisen regarding a paper to be included in the marine mammal book that will be published with funding support from the Trustee Council (*Effects of the* Exxon Valdez *on Marine Mammals*).

One possible means of addressing this issue would be for the Trustee Council to adopt a policy providing that if civil settlement funds are used to support the cost of printing a book or other publication, the Trustee Council would expressly reserve the opportunity to participate in the peer review process for the materials to be published as a result of that Trustee Council funding support.

At this point, there is a spectrum of opinion on the need for a policy that addresses this issue. Some agency liaisons are supportive of the concept while others object. There is no consensus of opinion and this is an issue that warrants further discussion. I do not have a recommendation at this time. I did, however, want to bring the issue to your attention.

attachment

Vol. 54: 157–170, 1989 | MARINE ECOLOGY PROGRESS SERIES Mar. Ecol. Prog. Ser. | Published June 8

Stable isotope ratios and contaminant concentrations in a sewage-distorted food web

Robert B. Spies[1], Harold Kruger[2], Robert Ireland[1], David W. Rice, Jr[1]

[1] Environmental Sciences Division, Lawrence Livermore National Laboratory, University of California, Box 5507, Livermore, California 94550, USA

[2] Kruger Laboratories, 24 Blackstone Street, Cambridge, Massachusetts 02139, USA

ABSTRACT: Concentrations of selected neutral organic contaminants and stable isotope ratios of carbon, nitrogen and deuterium/hydrogen in invertebrates and fish were compared from near a large, 60 m deep municipal waste outfall near Los Angeles, California, where waste has a measurable influence on the structure of the marine food web, and from a reference area off Santa Barbara, California. Objectives were to investigate (1) the degree of utilization of sewage organic matter in the food web, especially by 3 species of fish, (2) differences in contaminant accumulation between these benthophagous fish and (3) the behavior of organic contaminants relative to each other and to organic matter through several trophic levels. Isotopically lighter carbon and nitrogen and higher concentrations of most chlorinated hydrocarbons were found in tissues of organisms from near the outfall. On the basis of the $\delta^{13}C$ and $\delta^{15}N$ of the fishes, the estimated contribution of nitrogen and carbon from sewage was about 15 to 20% of their requirements for these elements. The $\delta^{13}C$ and $\delta^{15}N$ values increased in the fishes in the order of *Microstomus pacificus*, *Citharichthys sordidus* and *Zaniolepis latipinnis*. The Cs/K ratio of the latter species was also significantly higher than the former 2 species, also indicating its higher trophic position. *C. sordidus* had the highest wet-weight concentrations of chlorinated hydrocarbons and phthalic acid esters; intermediate concentrations of these compounds were found in *Z. latipinnis* and the lowest concentrations were found in *M. pacificus*. Concentrations of chlorinated hydrocarbons on a lipid-weight basis changed this order so that it more closely resembled the trophic structure revealed by the stable isotope ratio and Cs/K ratio data. Increases of both ΣDDT and Aroclor 1254, from deposit-feeding invertebrates through fish, were evident in foodwebs of the outfall and reference areas as positive correlations with $\delta^{13}C$. A large degree of correlation was evident between contaminants in *Z. latipinnis* but not in the other 2 fish species. These correlations were apparently not a function of liver lipid concentration, but the strengths of the correlations were dependent on the similarities of log K_{ow} values of the correlated compounds.

INTRODUCTION

Over 2×10^5 metric tons of sewage particulate matter are discharged into the Southern California Bight each year (Schafer 1984). Associated with these particles are a variety of xenobiotic contaminants, such as chlorinated hydrocarbons, aromatic hydrocarbons, phthalic acid esters, heterocycles and chlorophenols (Young & Gossett 1980, Eganhouse & Kaplan 1982, Gossett et al. 1982, Schafer 1984). The sewage particles are about 60% organic matter, compared to ca 2% in endogenous marine particulate matter (Sweeney & Kaplan 1980).

As a result of particulate matter settling, sediments have accumulated at the rate of 0.6 to 1.7 g cm^{-2} yr^{-1} (dry) during the 1970's near the Los Angeles County Joint Water Pollution Control Plant (JWPCP) outfall (Stull et al. 1986a). This deposition of particles with a high organic content has had a marked effect on the food web, changing microbial and invertebrate populations in accordance with effects expected from organic enrichment (Pearson & Rosenberg 1978, Stanley et al. 1978, Stull et al. 1986b). The general effect evident in the invertebrate populations was a stimulation of selected species of deposit-feeding infauna, especially polychaetes, while crustaceans, particularly amphipods, became less numerous (Smith & Green 1976, Word & Striplin 1980).

Changes in populations of benthophagous fish were also noted near the JWPCP outfall during the 1970's (Cross et al. 1985; see Spies 1984 for review). One species in particular, the Dover sole (American appella-

0171-8630/89/0054/0157/$ 03.00

ascribe size-related differences in $\delta^{15}N$ in *M. pacificus* mainly to changing diet with size rather than an isotope effect due to metabolism, the specimens analysed from Santa Barbara were much smaller (ca 8 g each) than those from the JWPCP outfall area (from 42 to 110 g each). Therefore, if there were really a relationship between size and $\delta^{15}N$ due to an isotope effect, the use of larger fish from the control area would have resulted in an even greater difference in $\delta^{15}N$ than observed.

The local movement of *Citharichthys sordidus* in and out of the outfall area is a behavior pattern consistent with the ecological data that indicate there is not a strong attraction of this species for the outfall area (Cross et al. 1985). This behavior pattern would be expected to result in both a greater accumulation of those contaminants that were elevated near the outfall and in isotope ratio shifts that were different in the outfall area in some individuals. Therefore, it might be expected that contaminant concentrations and shifts in stable isotope ratios might be correlated. Indeed, Aroclor 1254 and ΣDDT are elevated in these species relative to the SB reference site (Table 7) and their concentrations correlate with $\delta^{15}N$ (Fig. 4). An alternative explanation is that the switch from partly benthic to wholly pelagic prey in larger specimens (Allen 1982) would result in greater contaminant concentrations along with isotopic shifts toward lighter carbon and nitrogen. However, size did not correlate with either of these measures in this species.

It has now been well established that $\delta^{13}C$ increases slightly with each trophic transfer (DeNiro & Epstein 1978, Teeri & Schoeller 1979, Stephenson et al. 1986). This phenomenon has been utilized to interpret the structure of complex food webs where it is not entirely clear that the trophic level assignments should be for animals that feed on organisms from various trophic levels (Haines & Montague 1979, McConnaughey & McRoy 1979a, b, Rau et al. 1983). Data presented here indicate that a combination of $\delta^{13}C$ and $\delta^{15}N$ predicts trophic level better than Cs/K. However, we used about 20 of each species for the isotope ratio analyses and only 5 of each species for the Cs and K analyses. Perhaps with more Cs/K values clearer separations between species, such as those observed from the isotope ratio data, would be evident.

The data support the following conclusions: (1) the 3 species of fish collected in the outfall area obtained about 15 to 20% of their carbon and nitrogen from sewage and this varied little between species; (2) carbon and nitrogen became isotopically heavier and Cs/K increased in the 3 species in the order of: *Microstomus pacificus*, *Citharichthys sordidus* and *Zaniolepis latipinnis*, which suggests strongly that trophic levels increase in this order; (3) *M. pacificus*, a species that apparently occupies a lower trophic level than the other 2 species, accumulated the lowest concentrations of ΣDDT and PCBs; (4) Aroclor 1254 and ΣDDT bioaccumulate through the food web, from invertebrate detritus feeders to predatory fish, although for ΣDDT in fish this may related to lipid content; (5) contaminants tend to correlate positively between individuals of a fish species with increasing trophic level, and the reason for this remains unclear.

Acknowledgements. We are grateful to I. Haydock of the Los Angeles County Sanitation District for making the 'Sea-S-Dee' available for sampling and for the sample of sewage particulate matter. Willard Bascom, director of the Southern California Coastal Water Research Project (SCCWRP) at the time of this study, graciously made laboratory space available for processing field samples. Jeff Cross of SCCWRP was particularly helpful in our field work. Don Baumgartner, Bruce Boese and Henry Lee of EPA's Marine Laboratory, Newport, Oregon have given us support and many helpful suggestions. We thank D. Young, from the same laboratory, for invaluable discussions of the Cs and K data. This work was performed under the auspices of the U.S. Department of Energy by the Lawrence Livermore National Laboratory (LLNL) under Contract No. W-7405-ENG-48. Although the research described in this paper was funded by the U.S. Environmental Protection Agency through Interagency Agreement AD-89-E2A267 to LLNL, it has not been subjected to the Agency's required peer and policy review and therefore does not necessarily reflect the views of the Agency.

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Exxon Valdez Oil Spill Trustee Council

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RESOLUTION

WHEREAS, Dr. Charles H. Peterson has served as one of the Trustee Council's most highly regarded scientific peer reviewers; and

WHEREAS, Dr. Peterson has been extremely diligent in his efforts to provide the Trustee Council and the public with sound information and advice; and

WHEREAS, Dr. Peterson has made an important contribution to the Trustee Council's efforts to develop an ecosystem approach to the restoration of resources and services injured by the *Exxon Valdez* oil spill; and

WHEREAS, the Pew Scholars Program in Conservation and the Environment recently recognized Dr. Peterson's exceptional professional contribution to the conservation of biological diversity and related environmental issues,

THEREFORE BE IT RESOLVED, that the *Exxon Valdez* Oil Spill Trustee Council commends Dr. Peterson for the receipt of this prestigious award from the Pew Charitable Trusts.

Craig O Tillery Dated 7/11/94
for BRUCE M. BOTELHO
Attorney General
State of Alaska

Deborah Williams Dated 7/11/94
for GEORGE T. FRAMPTON, JR.
Assistant Secretary for Fish,
Wildlife & Parks
U.S. Department of the Interior

Dated 7/11/94
PHIL JANIK
Regional Forester
Alaska Region
USDA Forest Service

Dated 7.11.94
for STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

Dated 7/11/94
CARL L. ROSIER
Commissioner
Alaska Department of Fish & Game

Dated 7/11/94
JOHN A. SANDOR
Commissioner
Alaska Department of Environmental Conservation

ATTACHMENT E

Outline of Draft FY 95 Work Plan

Note: The following outline represents a proposal by staff to organize information about the Draft FY 95 Work Plan in order to provide an opportunity for meaningful public review and comment. The proposal to identify various project categories in no way reflects an action or decision on the part of the Trustee Council regarding any specific project or proposal to be funded in FY 95. Budgets for continuing administrative costs and closeout/report writing for FY 94 projects will require action by the Trustee Council in late August. It is intended that a Draft FY 95 Work Plan will be published for public review and comment in late August/early September. Based on comment received as a result of the PAG and public review, the Executive Director will present a formal recommendation for consideration and action by the Trustee Council at a meeting in late October.

Summary: Draft FY 95 Work Plan

This document would consist of:

— an introduction and several tables that identify Category 1 projects[1] (number, title, sponsor, lead agency, cost) organized according to category (General Restoration, Monitoring, Research, Habitat Protection and Administration) together with a narrative that puts the set of Category 1 projects into the context of the overall restoration goals, objectives and strategies drawing on the guidance provided in the *Invitation to Submit Restoration Projects for FY 95* and the *Draft Restoration Plan*

— a listing of Category 2[2] projects; Category 3[3] projects; Category 4[4] projects as well as identify "closeout" and "carry-forward" projects[5]

Note: this document would receive wide circulation to the Trustee Council mailing list.

Draft FY 95 Work Plan — Supplement Volume I

This document would consist of Brief Project Descriptions for Category 1 and Category 2 projects and information on how to obtain BPDs for other projects

Note: this document would receive limited mail circulation, but be widely noticed as available upon request.

Draft FY 95 Work Plan — Supplement Volume II

This document would consist of Brief Project Descriptions for all other projects.

Note: this document would be prepared as a three ring binder and widely noticed as available for review in Legislative Information Offices and Public Libraries. Individual BPDs would be available upon request.

Draft FY 95 Work Plan — Supplement Volume III

This document would consist of detailed budget forms for Category 1 and Category 2 projects.

Note: this document would be prepared as a three ring binder and widely noticed as available for review in Legislative Information Offices and Public Libraries. Individual budgets and additional information about budgets would be available upon request.

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(1) This set of projects will reflect a comprehensive, balanced set of priority FY 95 projects identified by the Executive Director in consultation with the Chief Scientist, Trustee Council agency liaisons, the PAG representatives and the Coordinating Committee on the basis of information available at this time. This set of projects will include General Restoration, Monitoring, Research, Habitat Protection and Administration/Public Information projects of a high priority that are responsive to the guidance (objectives and strategies) provided by the *Invitation to Submit Restoration Projects for FY 95.*

(2) This set of projects will include General Restoration, Monitoring, Research, Habitat Protection and Administration/Public Information projects identified as permissible under the terms of the civil settlement, but of a lower priority in FY 95, together with a statement of the rationale for their designation as Category 2 projects.

(3) This set of projects will include General Restoration, Monitoring, Research, Habitat Protection and Administration/Public Information projects that have been proposed to the Trustee Council that are identified as being incomplete, lacking a clear relationship to restoration or otherwise of low priority, together with a statement of the rationale for their designation as Category 3 projects.

(4) This set of projects will include General Restoration, Monitoring, Research, Habitat Protection and Administration/Public Information projects raising significant legal or policy issues. A specific rationale for why a particular project is proposed for this category will be provided for each project (e.g., not legally permissible under the civil settlement, the proposal would fund a normal agency responsibility).

(5) Closeout projects are those projects from a prior year that will be concluded in FY 95. Carry-forward projects are those projects that were not completed in FY 94, that are to be continued but need reauthorization.

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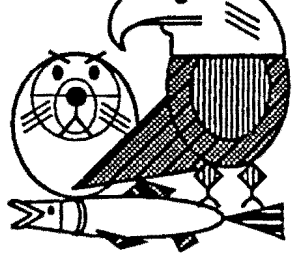

TRUSTEE COUNCIL MEETING ACTIONS

May 31, 1994 @ 1:00 p.m. Juneau, Alaska
Reconvened from May 3, 1994 meeting

By James R. Ayers
Executive Director

Trustee Council Members Present:

* Steve Pennoyer, NMFS	Carl Rosier, ADF&G
John Sandor, ADEC	• Jim Wolfe, USFS
• Craig Tillery, DOL	• Deborah Williams, USDOI

* Chair
• Note:
— Craig Tillery served as an alternate for Attorney General Bruce Botelho for the entire meeting.
— Jim Wolfe served as a representative for the USFS for the entire meeting.
— Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.

Teleconference sites included the Anchorage Restoration Office and the Fairbanks LIO.

1. Approval of the Agenda

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APPROVED MOTION: Approved a resolution honoring the work of Michael Barton as a Trustee Council member (Attachment B).

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APPROVED MOTION: Authorized the Executive Director, subject to a formal determination of a willing seller, to

proceed with the habitat evaluation and ranking of large parcels that have not been evaluated and ranked in the past.

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APPROVED MOTION: Approved the transfer of $20.0 thousand from Project #94165/Herring Genetic Stock Identification to Project #94427/Harlequin Duck Boat Survey to provide funds to conduct additional harlequin brood surveys.

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APPROVED MOTION: Directed the Executive Director to, first, develop a draft process and policy statement on less than fee simple habitat acquisition which will examine public access and canopy protection, among other issues and, second, bring the policy statement and process to the Trustee Council by resolution at the next Trustee Council meeting.

The meeting was recessed. The next meeting of the Trustee Council was tentatively scheduled for some time in late June.

Attachment A Agenda
Attachment B Resolution Honoring Michael Barton

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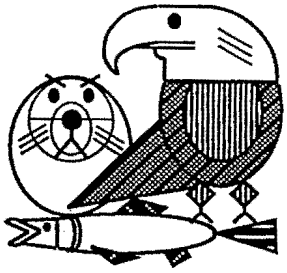

TRUSTEE COUNCIL MEETING ACTIONS

May 3, 1994 @ 11:00 a.m. Juneau, Alaska
Reconvened from May 2, 1994 Meeting

By James R. Ayers
Executive Director

Council Members Present:

•Jim Wolfe, USFS	Carl Rosier, ADF&G
•George T. Frampton, Jr., USDOI	John Sandor, ADEC
*Steve Pennoyer, NMFS	•Craig Tillery, ADOL

* Chair

• Alternates:

Jim Wolfe served as representative for USFS for the entire meeting.
Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

2. Habitat Protection, Eyak Lands

APPROVED MOTION: Adopted amended Resolution regarding Eyak and Sherstone's lands. (Attachment B)

Meeting recessed until a later date.

nw

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TRUSTEE COUNCIL MEETING ACTIONS

May 2, 1994 @ 2:30 p.m. Juneau, Alaska
Reconvened from April 28, 1994 Meeting

By James R. Ayers
Executive Director

Trustee Council Members Present:

•Jim Wolfe, USFS	Carl Rosier, ADF&G
•George T. Frampton, Jr., USDOI	John Sandor, ADEC
*Steve Pennoyer, NMFS	•Craig Tillery, ADOL

* Chair

• Alternates:

Jim Wolfe served as representative for USFS for the entire meeting.
Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda (Attachment A)

2. Executive Session - Habitat Protection, Eyak Lands

APPROVED MOTION: Recess into Executive Session to discuss Eyak and Sherstone's response to the Trustee Council's April 28, 1994 letter.

Returned at approximately 5:00 p.m.

3. Action on Habitat Protection, Eyak Lands

APPROVED ACTION: The Executive Director shall work with representatives of the U.S. Forest Service, the Alaska Departments of Environmental Conservation and Law to develop a resolution to incorporate the various ideas expressed by the Trustee Council during the Executive Session. Jim Wolfe moved, Carl Rosier second.

Meeting recessed until a later date.

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 401, Anchorage, Alaska 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

TRUSTEE COUNCIL MEETING ACTIONS

APRIL 28, 1994 @ 10:00 a.m. Juneau, Alaska

By James R. Ayers
Executive Director

Trustee Council Members Present:

- ●Mike Barton, USFS
- ●George T. Frampton, Jr., USDOI
- *Steve Pennoyer, NMFS
- Carl Rosier, ADF&G
- ●John Sandor, ADEC
- ●Craig Tillery, ADOL

* Chair

● Alternates:

Jim Wolfe served as an alternate for Mike Barton for the last portion of the meeting.
Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Mark Brodersen served as an alternate for John Sandor for the last portion of the meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda (Attachment A)

2. Pacific Herring - Prince William Sound

APPROVED MOTION: Accept the recommendation of the Executive Director regarding revision of the FY 94 scope of work concerning herring in Prince William Sound. Mike Barton moved, John Sandor second. (Attachment B)

3. Executive Session

APPROVED MOTION: Recess for executive session for the purpose of discussing habitat protection acquisition strategies, at approximately 10:30 a.m.

Returned at approximately 12:30 p.m.

APPROVED MOTION: The Executive Director shall work with representatives of the U.S. Forest Service, the Alaska Departments of Law and Environmental Conservation to draft a letter to Eyak Corporation and Sherstone Corporation expressing the Trustee Council's interest in protecting critical habitat areas owned by the corporations, particularly any imminently threatened areas including Orca Narrows. Jim Wolfe moved, Carl Rosier second.

APPROVED MOTION: The Executive Director shall prepare a current status report on habitat acquisition efforts. Jim Wolfe moved, Carl Rosier second.

Meeting recessed until a later date.

mw

Exxon Valdez Oil Spill Trustee Council
Restoration Office
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TRUSTEE COUNCIL MEETING ACTIONS

April 11, 1994 — Juneau, Alaska — 1:00 pm

by James R. Ayers
Executive Director

Members Present:

Trustee Council

Jim Wolfe* (USFS)[1]
George Frampton (USDOI)[2]
Steve Pennoyer (NMFS)
John Sandor (ADEC)[3]
Craig Tillery (Alaska Department of Law)[4]
Chuck Meacham (ADF&G)[5]

* Chair
1 Jim Wolfe served as an alternate for Mike Barton
2 Deborah Williams served as an alternate for George Frampton for a portion of the meeting
3 Mark Brodersen served as an alternate for John Sandor for a portion of the meeting
4 Craig Tillery served as an alternate for Bruce Botelho
5 Chuck Meacham served as an alternate for Carl Rosier

Teleconference sites included the Anchorage Restoration Office, the Cordova LIO, the Kodiak LIO and the Seward LIO.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

2. Project #94320/PWS System Investigation

APPROVED MOTION: Approved the remaining project components and budgets for Project #94320/PWS System Investigation consistent with the conditions identified in the memorandum dated April 7, 1994 from the Executive Director to the Trustee

DRAFT

Council (Attachment B). In addition to endorsing the recommendations contained in that memorandum, the Trustee Council specifically

- expressed the view that the indirect rates reflected in the project budgets for the University of Alaska and the Prince William Sound Science Center were for FY 94 only and not to be considered a precedent;
- affirmed that ownership of equipment purchased with Trustee Council funds would remain with Trustee Council agencies;
- recognized Dr. Ted Cooney as the overall project leader for Project #94320 for FY 94;
- indicated that the principles of adaptive management should be integrated into Project #94320 such that the project can respond to the biological opportunities available and change the scale of the work effort accordingly;
- indicated that the use of deterministic modeling be further reviewed before being incorporated into future research efforts; and
- indicated that the results of the 1994 field season should be reviewed in mid-September, prior to the Trustee Council taking action on the FY 95 Work Plan, and that a more detailed review be undertaken, together with review of other projects, at an annual workshop in mid-January in order to modify or revise the scope of work for FY 95.

3. Project #94191/Oil Related Egg and Alevin Mortality

APPROVED MOTION: Approved an increment of $97.7 thousand in supplemental funding for Project #94191/Oil Related Egg and Alevin Mortality to replicate the results of studies that found inheritable (genetic) damage in pink salmon.

4. Project #94199/IMS Improvements at Seward

APPROVED MOTION: Approved an increment of $83.0 thousand in supplemental funding for the continued work effort on meeting NEPA compliance requirements, reviewing economic and other assumptions of the proposed project, developing an integrated funding approach and formulating a recommendation for the Trustee Council consistent with the terms of the civil Settlement.

5. Project #94428/Subsistence Restoration Planning and Implementation

APPROVED MOTION: Approved $99.2 thousand to design and implement a one-time subsistence restoration planning process coordinated among state and federal agencies and affected subsistence communities for use in identification of FY 95 subsistence restoration projects. The Trustee Council specifically directed that staff utilize the results of recent federal subsistence impact research and to carefully consult with state and federal attorneys regarding the permissible uses of the civil Settlement for subsistence restoration.

6. Project #94427/Experimental Harlequin Duck Breeding Survey

APPROVED MOTION: Approved $20.4 thousand for limited intensive boat surveys of harlequin ducks in selected shoreline segments of western Prince William Sound in order to test several methodologies of classifying age and sex composition to design a sampling regime for future work.

The meeting was adjourned with next meeting of the Trustee Council tentatively scheduled for some time in June.

Attachment A Agenda

Attachment B James R. Ayers to Trustee Council, memo re: Project #94320/PWS System Investigation dated April 7, 1994

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ATTACHMENT B

Exxon Valdez Oil Spill Trustee Council

Restoration Office
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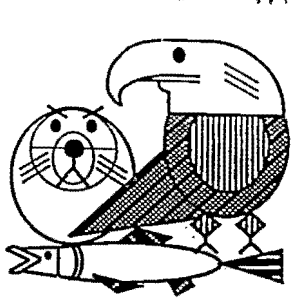

MEMORANDUM

TO: *Exxon Valdez* Oil Spill Trustee Council

FROM: James R. Ayers, Executive Director

DATE: April 7, 1994

SUBJ: Project #94320/PWS System Investigation — Recommendation

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The purpose of this memorandum is to provide the Trustee Council with my recommendation regarding the funding and implementation of Project #94320/Prince William Sound System Investigation.

In summary, it is my recommendation that Project #94320 (which is, in fact, a collection of sixteen interrelated sub-projects) be approved by the Trustee Council to proceed consistent with the recommendations and conditions described below. Included with this memorandum are copies of the Detailed Project Descriptions (DPDs) for each of the sixteen projects as listed in Table 1. Budget information for each "sub-project" is summarized in Table 2. (Copies of the detailed budgets have been provided to each of the Trustee Council agency liasons.)

Prior Trustee Council Action on Project #94320

On January 31, 1994, the Trustee Council conditionally approved Project #94320/PWS System Investigation with a total budget of $6.25 million subject to integration and coordination of the various project parts and a favorable scientific peer review of the various Detailed Project Descriptions (DPDs) under the direction of the Chief Scientist. The Trustee Council specifically reserved to itself the final decision on the overall approval of the project, while simultaneously directing the Executive Director to identify time-sensitive elements of the proposed work effort that required immediate funding in order to allow the project to proceed in a timely manner.

In response to the Trustee Council direction to identify time-sensitive elements of the project, the Executive Director, in consultation with the Chief Scientist and agency staff, developed a recommendation that was transmitted to the Trustee Council on March 4. This recommendation, as accepted by the Trustee Council, authorized a total of $1,529.0 in time-sensitive expenditures (largely equipment purchases, vessel charter costs and some limited project administration funding for the Prince William Sound Science Center to offset the cost of developing DPDs) together with $1.75 million for the PWSAC hatchery release and manipulation portions of the project pending NEPA compliance which has since been secured (Attachment A).

In addition to the identification of these time-sensitive elements of the project, the Chief Scientist has overseen a comprehensive scientific peer review of the overall project and its various constituent parts and prepared a formal recommendation. In some cases, this review process included direct consultation and discussion between the peer review scientists and the principal investigators and resulted in revisions to the proposed work and scope of services. The Chief Scientist's recommendation is attached to this memorandum (Attachment B). Additionally, a Project #94320 Summary has been prepared by Dr. Ted Cooney in his capacity as the lead scientist for the project.

Executive Director's Recommendation

As a collaborative, interdisciplinary effort developed to address critical questions about the ecological health and recovery of spill damaged resources in PWS, the interrelated sub-projects being pursued through Project #94320 constitute an extraordinarily ambitious attempt to address a number of important research questions that the Trustee Council can use to: 1) guide further restoration activities; 2) improve management of common property fishery resources as a means of effecting restoration; and 3) identify important marine resources and processes for long-term recovery monitoring.

I concur with the findings and recommendations of the Chief Scientist that the project represents a "valid, defensible, sophisticated ecosystem approach" to understanding the factors controlling pink salmon production in Prince William Sound as well as the biological oceanography of PWS and, in this way, can make an important contribution to the overall restoration mission of the Trustee Council. While the primary focus of the project revolves around pink salmon, the project also includes important components that start to address herring, marine mammals, and certain sea birds. As indicated by the Chief Scientist, "understanding the ecological factors [that are limiting the recovery of these resources] is an integral part of the ecosystem approach" to restoration that the Trustee Council has endorsed.

It is imperative to underscore the ambitious nature of this collective research effort and to stress that a critical evaluation of the success of the first year of work will be essential to determining the appropriate scope and level of future efforts. A number of the project components that are central to the success of Project #94320 (e.g., the hydroacoustics work) involve highly innovative research methodologies that remain to be proven and workable in the field. Not only are there technical issues (e.g., the ability to successfully interpret hydroacoustics data to identify salmon predators), there are formidable logistical challenges to implement the program "on the water" in a manner that will yield useful results. Additionally, the ability to productively accumulate, analyze and interpret what will be enormous quantities of raw data remains to be determined.

Consistent with the peer review findings and recommendations of the Chief Scientist, my own recommendations concerning implementation of Project #94320 are as follows:

1. Project Leadership

   During development and review of the DPDs for the project, it became critically apparent that successful project implementation will require strong project leadership and management. As noted by the Chief Scientist, the consensus-based process that led to the formulation of the PWS research proposals reflected in Project #94320, must now give way to a strong leader-based process needed for the day-to-day execution of the work effort. In recognition of this need, Dr. Ted Cooney of the University of Alaska has assumed the role of "lead scientist" for implementation of Project #94320 for this year.

   To ensure needed overall project accountability, it is both appropriate and important that the Trustee Council formally recognize Dr. Cooney's initial leadership role for Project #94320 and clearly communicate that the Trustee Council will expect Dr. Cooney to exercise both the leadership and authority necessary to successfully implement the various interrelated sub-projects as they get under way in this first critical year. Leadership responsibility and accountability should be emphasized as essential to continued Trustee Council support for the project. The future leadership and direction of Project #94320 warrants further evaluation by the Chief Scientist, the Executive Director and the Trustee Council.

2. Adaptive Management and Project Implementation

   Closely related to recommendation #1 above, is the need to ensure that the various sub-projects are implemented in a manner that is responsive to the exceptional logistical and deployment challenges being confronted this first year. A large portion of the overall project effort depends upon

the timely acquisition and use of hydroaucoustic equipment to track cohorts of hatchery released salmon and to study blooms of zooplankton. The peer review process has resulted in substantial questions about whether the project, as originally envisioned, can be fully implemented this first year given delays in procurement, the need to calibrate equipment, field test logistics, etc. The ability to respond to real-time circumstances in the field is critical. The Chief Scientist is planning to spend time in PWS this summer in order to obtain a first-hand understanding of project implementation and will provide periodic briefings to the Executive Director and the Trustee Council regarding project implementation progress.

The Trustee Council should communicate the clear expectation that, as noted by the Chief Scientist, research "objectives and plans have to be tailored to the biological realities... ." If logistical or biological circumstances preclude the ability to implement a certain portion of the work effort this year, the researchers must anticipate the need to curtail their activity and expenditures accordingly. Implementation of this first field season will necessitate flexibility and a willingness on the part of the investigators to scale the work effort to the biological opportunities that are available. In some cases, this may mean deferring significant portions of the proposed work effort to a future field season (e.g., if the plankton bloom occurs earlier than needed research equipment can be deployed).

3. Data Management and Modeling

The PWS System Investigation research effort will generate enormous quantities of raw data. The ability to successfully manage, synthesize and interpret this raw data will be a major factor in determining the overall success of the project (see project #94320-J/Information Systems-Modeling). While the data management and analysis effort is clearly needed as an integral part of the overall Project #94320 work effort, the Chief Scientist's peer review process identified substantial questions about the utility of a deterministic modeling effort to address fisheries management issues.

I strongly concur with the questions and concerns regarding the highly technical nature of deterministic modeling. I recommend that this aspect of the work effort be closely scrutinized by the Chief Scientist and peer reviewers as part of the FY 95 work plan development effort.

4. Project #94320 — Program Review and Evaluation

A frank and critical review of the Project #94320's successes (and, inevitably, some failures) is essential. To that end, the Chief Scientist has been working with the various project Principle Investigators to identify,

on a project-by-project basis, specific deliverables, work products and "milestones" that can be used to assess the success of the project's first year of implementation. These "mid-September 1994 milestones" are needed in order to formulate a recommendation to the Trustee Council regarding a continued work effort in FY 95.

I strongly commend the Chief Scientist's proposal for a critical review of the overall project in mid-September and urge that the Trustee Council communicate an expectation that future funding and support for the PWS System Investigation effort will be substantially determined by the success in meeting these "milestones." In addition, the results of the 1994 field season should be given a more in-depth review in mid-January 1995 (at the same time that initial results of other FY 94 projects are available). This will provide an additional opportunity for modification or revision of the scope of work planned for FY 95.

5. NEPA Compliance

ADF&G successfully addressed NEPA compliance requirements pertaining to the hatchery release (94320-K) and manipulation (94320-L) components of the project through the preparation of an Environmental Assessment (EA). This EA was approved by NOAA with a Finding of No Significant Environmental Impact (FONSI) on March 28, 1994.

A copy of the FONSI for the hatchery related portions of the project is on file. It is my understanding that all other parts of Project #94320 are eligible for a Categorical Exclusion under NEPA. In any case, no project element will be allowed to proceed prior to a determination of full NEPA compliance.

6. Budget Issues

At the January 31, 1994 Trustee Council meeting, Project #94320 was conceptually approved, subject to integration and coordination of the various project parts and a favorable scientific peer review, with a budget not to exceed $6.25 million. As a result of a budget review involving the various affected agencies, the University of Alaska, PWSAC, the PWS Science Center, and the Trustee Council staff, budget allocations for each of the proposed projects have been developed as reflected in Table 2.

Review of the detailed project budgets has been exceptionally difficult and accomplished within a very short timeframe — detailed budget information pertaining to the PWS Science Center projects was only received on April 4. For the most part, the budgets proposed for the various components appear appropriate for the work proposed. However, as noted previously and also reflected in the comments of the Chief

Scientist, the PWS System Investigation represents an extremely ambitious work effort and it is possible, if not likely, that certain portions of the work effort will not be ready to proceed at full capacity this field season. In the event this occurs, the Trustee Council should make clear that it fully expects that expenditures from the budgets of affected sub-projects will be correspondingly reduced.

Some points of note include a highly competitive vessel charter market, that has resulted in some cost savings to this part of the budget. Additionally, in order to ensure flexibility regarding the possibility of needing to terminate charters due to changing biological or logistical circumstances, ADF&G included a provision in its vessel charter contracts allowing for termination of charters on short notice. The budget review also resulted in a reduction of some personnel costs in order to not exceed the 5.5 months remaining in the fiscal year.

Three particularly significant issues emerged during the budget review:

• University of Alaska/PWSSC Indirect Rate — For FY 93, the Trustee Council and the University of Alaska agreed to an indirect rate of 20% of project costs. This is a significant reduction from the University's standard 41% indirect rate, but significantly more than the rates typically approved for Trustee Council projects (15% for personnel and 2 - 7% for contractual). There appears to be a fundamental disagreement regarding what constitutes the definition of total direct costs. The University's definition is 20% of total project costs — that is, both direct and indirect costs — which is, in effect, a 25% rate on direct project costs. As a University of Alaska sub-contractor, the PWS Science Center adopted the same methodology for calculating indirect rates. (The extra cost for the University of Alaska is mitigated somewhat by the fact that they did not charge the full 20% rate on the "pass through" funding for the PWS Science Center contract. In fact, the University charged only approximately $11.2 to administer the PWS Science Center contract. Unfortunately, this is an issue that only surfaced six days prior to the Trustee Council's scheduled meeting.)

In view of the need to move forward quickly and get work in the field, I recommend that the University of Alaska and PWS Science Center budgets be accepted as proposed with the express understanding that the indirect rate used is an exception and will apply to this start up year only. Further, it should be made clear that, to the extent that any work is to be undertaken by the University of Alaska or the PWS Science Center on behalf of the Trustee Council in FY 95 or beyond, indirect rates will be calculated as 20% of direct project costs as is the case with other Trustee Council funded projects. It is worth noting that this issue could be avoided in the future by putting projects such as these through a formal,

competitive Request for Proposal (RFP) process and that this option for project implementation is currently under review.

• Equipment Ownership — Questions regarding equipment ownership emerged during the budget review. (The PWS Science Center had offered to waive its indirect charges on equipment purchased for sub-projects they are implementing if they were granted ownership of the equipment.) Trustee Council staff have clarified to both the University of Alaska and the PWS Science Center that one of the Trustee Council agencies, acting on behalf of the Trustees must retain ownership of the equipment. At this point, the University of Alaska and PWS Science Center budgets reflect funding for the purchasing, insurance, storage, maintenance and repair of equipment purchased with Trustee Council funds.

I recommend that the RSA between ADF&G and the University of Alaska (which includes the PWS Science Center) be amended to reflect that these services (purchasing, insurance, storage, maintenance and repair) are being paid for in this budget year and that these services will not be charged for in the future to the extent that these projects continue. In the future, it may be possible to avoid this problem by having one of the Trustee Council agencies purchase, store and maintain equipment.

• Otolith Thermal Mass Marking — As a result of further review and evaluation of project #94320-C/Otolith Mass Marking it became apparent that the original budget was substantially below what it would take to implement the project because 1) it was mistakenly assumed that boilers and other equipment would be installed inside existing buildings which is not possible due to fire code and lack of space; and 2) larger boilers would be needed to ensure that sufficient water can be heated to produce the number of banding "rings" for the thermal banding codes.

At this point, ADF&G has withdrawn the thermal mass marking portion of the project in order to fully reevaluate project costs and will review the proposal as part of the FY 95 work plan process. (A small portion of the project involving chemical marking of otoliths using oxytetracycline is still proposed for funding. It is the expectation of ADF&G that this portion of the project will qualify for a Categorical Exclusion under NEPA.)

7. Long-Term Implications

Finally, it is important to put Project #94320 into the larger context of the overall Trustee Council restoration effort. In essence, the sixteen FY 94 sub-projects that collectively comprise the Project #94320/PWS System Investigation constitute an elaborate and ambitious pilot project to implement an ecosystem approach to restoration. The project investigators are to be commended for their exceptional effort and commitment in designing an important and pioneering restoration

research and monitoring program. At the same time, the PWS System Investigation effort should be clearly viewed as part of the overall ecosystem approach to restoration being pursued by the Trustee Council. This overall approach must also provide for the restoration of a wide range of resources and services beyond those addressed by Project #94320.

To the extent that portions of the PWS System Investigation effort are found to be workable and successful in the field and are determined to make a worthwhile contribution to the overall restoration mission of the Trustee Council within the terms of the civil Settlement, long-term funding (perhaps 5 to 10 years for certain project components) will be needed and should be provided. Again, the appropriate level of funding is yet to be determined and will be substantially influenced by the success of the various sub-projects in meeting their first year "milestones."

* * * * *

Table 1	Project #94320 — PWS System Investigation (index)
Table 2	Project #94320 — Budget Summary
Attachment A	Project #94320 — Time-Sensitive Elements
Attachment B	R. Spies, Chief Scientist to J. Ayers, Executive Director Scientific Review and Recommendations for Project 94320 Memorandum dated April 4, 1994

Table 1

Project #94320 — PWS System Investigation

94320-A/Salmon Growth and Mortality	ADF&G/Willette	Tab A
94320-B/CWT Recovery-PWS Pinks (94184)	ADF&G/Sharr	Tab B
94320-C/Otolith Mass Marking (94187)	ADF&G/Sharr	Tab C
94320-D/Pink Salmon Genetics (94189)	ADF&G/Seeb	Tab D
94320-E/Salmon Predation	ADF&G/Willette	Tab E
94320-F/Harbor Seals-Trophic Interactions	ADF&G/Frost	Tab F
94320-G/Phytoplankton and Nutrients	UAF/McRoy	Tab G
94320-H/Zooplankton in Ecosystem	UAF/Cooney	Tab H
94320-I/Trophic-Stable Isotopes	UAF/Schell	Tab I
94320-J/Information Systems-Modeling	PWSSC/Patrick	Tab J
94320-K/PWSAC-Experimental Release	PWSAC/Olsen	Tab K
94320-L/PWSAC-Experimental Manipulation	PWSAC/Olsen	Tab L
94320-M/Physical Oceanography	PWSSC/Salmon	Tab M
94320-N/Nearshore Fish	PWSSC/Thomas	Tab N
94320-P/Program Management	PWSSC/Scheel	Tab P
94320-Q/Avian Predation on Herring Spawn	USFS/Bishop	Tab Q

(DRAFT 4/11/94)

Table 2

Project #94320/PWS System Investigation

Budget Summary

BUDGETS FOR 94320 SUBPROJECTS

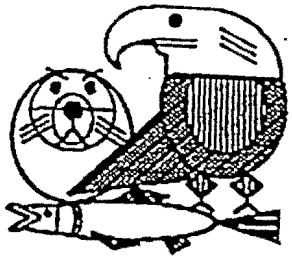
SUBPROJECT NUMBER	INTERIM BUDGET	REMAINING BUDGET	TOTAL BUDGET
94320A	$0.0	$263.4	$263.4
94320B	47.8	196.6	244.4
94320C	0.0	53.9	53.9
94320D	0.0	171.2	171.2
94320E	0.0	907.1	907.1
94320F	0.0	26.0	26.0
94320G	0.0	141.5	141.5
94320H	0.0	300.1	300.1
94320I	0.0	60.5	60.5
94320J	0.0	756.5	756.5
94320K	0.0	46.6	46.6
94320L	0.0	1,750.0	1,750.0
94320M	0.0	773.1	773.1
94320N	0.0	666.9	666.9
94320P	100.0	51.8	151.8
94320Q	0.0	84.8	84.8
TOTAL	$147.8	$6,250.0	$6,397.8

Attachment A

Project #94320/PWS System Investigation
Time-Sensitive Project Elements

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 "G" Street, Anchorage, AK 99501
Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO: Jerome Montague, ADF&G
Dave Gibbons, USFS

FROM: James R. Ayers
Executive Director

DATE: March 11, 1994

RE: Project 94320

The six Trustees have reviewed and accepted my March 4, 1994 recommendation concerning the time-sensitive elements of Project 94320. You are authorized to proceed only with the expenditures as outlined in the memo to myself and the Trustees from Dr. Spies dated March 2, 1994. These are:

Hydroacoustic equipment	$270.0
Physical oceanography, zooplankton and phytoplankton equipment	310.0
Fish food and coded wire tags for PWSAC	45.0
Juvenile salmon predation/growth/survival	
Vessel charters	793.5
Equipment (seines)	44.0
PWSSC project administration	25.0
Avian predation study startup costs	41.5
TOTAL	$1,529.0

Expenditures for the hatchery research and manipulation portion of the project are not authorized at this time. Those hatchery research related funds will be authorized only when NEPA compliance has been clarified and successfully completed and when the Detailed Project Description is revised.

JRA/mir

cc: Restoration Work Force
Trustee Council Members
Molly McCammon, Director of Operations

Exxon Valdez Oil Spill Trustee Council

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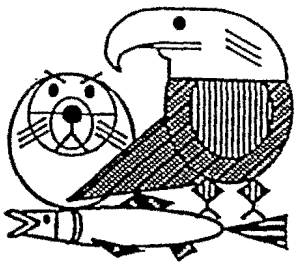

MEMORANDUM

To: Mike Barton
U.S. Forest Service

From: Jim Ayers
Executive Director

Date: March 4 , 1994

Subj: Authorization for Project # 94320

As directed by the Trustee Council at your January 31, 1994 meeting, I have been in consultation with Dr. Spies and the Prince William Sound System Investigation study group concerning the time-sensitive elements of Project # 94320. I concur with the recommendations of Dr. Spies as reflected in the attached documents.

I. Equipment and Vessel Charters

Attached you will find several supporting documents including: 1) a memo from Dr. Spies describing his recommendation for the time-sensitive elements of Project # 94320; 2) a more detailed memo from Dr. Spies and an agency work group describing further why some equipment is recommended for purchase at this time and why certain other equipment purchases can be deferred; 3) a letter from Dr. Ted Cooney describing how elements of the overall project would be delayed and/or compromised depending on the timing of equipment purchases and final approval of the Detailed Project Descriptions (DPDs).

I recommend that I move forward with Dr. Spies' recommendations for equipment purchase, vessel charters, and start-up personnel costs. As described by Dr. Spies, this funding is an appropriate initial investment in the research capability the Trustee Council will need for continuing investigations of the PWS ecosystem. The recommended expenditures will provide the essential research infrastructure; enable the research to proceed immediately on a pilot phase and permit an expanded effort as methodologies and techniques are determined to be successful. Ownership of the equipment will remain with the Trustee Council for future Trustee projects.

II. Detailed Project Descriptions

Because Detailed Project Descriptions are still being completed and reviewed, I am unable to give you a final recommendation on the full scope of work that should be authorized for Project # 94320. I anticipate that the DPD review will be completed by mid to late March.

I recommend that the full scope of Project # 94320 be reviewed by the Trustee Council at a teleconferenced meeting in late March.

III. Funding for Prince William Sound Aquaculture Corporation (PWSAC)

Included in Project # 94320 is $1.75 million to compensate PWSAC for the costs of manipulating fry releases as an integral part of the research effort. It is my understanding that an additional $250 thousand, above the original estimate of $1.5 million, is needed for this component of the project.

There has been some question about whether the hatchery funding should be subject to an Environmental Assessment. However, because this project consists fundamentally of mariculture activities that have been on-going in PWS since the mid-70s and have gone through a comprehensive permitting and public participation process, I believe there is a strong argument for considering this project a "no action alternative" under NEPA and accordingly subject to a categorical exclusion under NOAA's NEPA guidelines. Additionally, this project should fall under NOAA's general permit for mariculture facilities, which include hatcheries. Finally, it should be noted that the project will have no impact on endangered or threatened species.

Although a final determination has yet to be made on the NEPA question, there is a serious time element involved with this project. I strongly recommend each Trustee work with staff so we can resolve this question as quickly as possible.

<u>Time Sensitive elements of Project #94320</u>

In accordance with your instructions I am providing you with the time sensitive elements of Project #94320. I am prepared to implement those elements immediately, subject to NEPA compliance. Please advise me in writing by Monday, March 7, 5 p.m., whether or not you require a teleconference to further consider these time sensitive elements prior to their implementation. Other components of Project # 94320 will be peer reviewed and brought back to you for consideration before any further expenditure of funds.

Please contact Molly McCammon at 278-8012 immediately if you would like a detailed briefing on the above recommendation by Dr. Spies and Dr. Cooney.

Exxon Valdez Oil Spill Trustee Council

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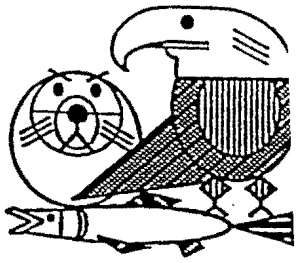

MEMORANDUM

To: Trustee Council

From: Dr. Robert Spies
Assisted by Byron Morris & Alex Wertheimer (NMFS), Jerome Montague (ADF&G), George Rose, Bill Pearcy and Andy Gunther

Thru: James R. Ayers
Executive Director

Date: March 2, 1994

Subj: Recommendation for Time-critical Expenditures for Project # 94320

On January 31, 1994, the Trustee Council conditionally approved $6.25 million for Project 94320 (Prince William Sound System Investigation) subject to the successful integration of this project with project #s 94163, 94184, 94185, 94187, 94189, 94192, 94259 and those portions of projects # 94421 that involve research. The Trustees directed the Executive Director to determine which elements of this project were time-critical and to report back to the Council for further action.

Subsequently, we have been directed by the Executive Director to meet with the principals of the Sound Ecosystem Assessment (SEA) group and to develop a recommended course of action concerning this project with respect to time-critical expenditures. The following is that recommendation.

RECOMMENDED ACTIONS

A. Time-critical equipment and personnel expenditures.

We recommend that the Trustee Council immediately approve the following equipment and personnel expenditures for Project # 94320:

1.	Hydroacoustic equipment	$ 270.0
2.	Physical oceanography, zooplankton and phytoplankton equipment	310.0
3.	Fish food and coded wire tags for PWSAC	45.0

4.	Juvenile salmon predation/growth/survival	
	Vessel charters	793.5
	Equipment (seines)	44.0
5.	PWSSC project administration	25.0
6.	Avian predation study startup costs	41.5
	SUBTOTAL	$1,529.0
7.	PWSAC Experimental Manipulation	1,750.0*
	TOTAL	$3,279.0

* Authorized subject to NEPA compliance. It is anticipated that an additional $250.0 will be needed by PWSAC to complete this portion of the project.

B. Procurement conditions

We recommend that the Trustee Council approve the following procedures for moving forward with the time-critical elements of this project:

1. Procurement of all equipment identified for UAF and the Prince William Sound Science Center (PWSSC) via a Reimbursable Services Agreement (RSA) between ADF&G and UAF.

2. Vessel charters competitively procured by ADF&G for the full charter period, but based on a daily charter rate, with provision for ending the contract at any time without penalty.

3. Procurement of $1.795 million to PWSAC pending NEPA compliance, approval of sole source justification by the Alaska Department of Administration and approval of the Detailed Project Description for that portion of Project # 94320.

DISCUSSION

The scientific questions being asked by the Prince William Sound System Investigation are laudable and appropriate in order to answer basic questions about the health of the Prince William Sound fisheries. The investigators are scientifically qualified, clear about their goals, and enthusiastic. Significant portions of the investigations proposed

Subtotal and Total figures were corrected for accuracy on 3/11/94.

as parts of project # 94320 are very ambitious, in particular, those pertaining to juvenile salmon predation. These include the purchase, delivery and implementation of highly sophisticated equipment, the coordination of several vessels and crew, as well as extremely complex field logistics in order to obtain sampling data.

Although the peer review of Detailed Project Descriptions (DPDs) for all of the component parts of project # 94320 has not yet been completed, we nevertheless feel that the recommended expenditures are justified at this time and represent a sound investment in the research capability that will be needed over the next several years.

At the same time, we emphasize that expenditure commitments (especially the salmon predation studies that require extensive vessel support) should be structured and conditioned to accommodate an initial pilot phase that demonstrates the feasibility of the proposed methods. The pilot study should be designed so that it is possible to roll in the rest of the program to full field operation upon a determination that the pilot phase is successful.

Finally, it should be emphasized that the long lead time associated with procurement and deployment of the equipment necessitates an immediate decision if large portions of the study effort are to be undertaken in the coming field season in concert with the spring plankton bloom.

Final Council action is needed as quickly as possible. Any delays will result in a reduced program.

(Note: The recommended purchases and authorizations addressed above is not a complete list of equipment needs for project # 94320 and reflects only equipment and other procurement needs with long lead times that are critical to have "in the water" by April 15.)

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A more detailed memorandum, including a discussion of equipment requests that are not recommended for funding at this time, is provided as an attachment.

Attachment B

Robert Spies, Chief Scientist
to James Ayers, Executive Director

Scientific Review and Recommendations for Project 94320

Memorandum dated April 4, 1994

April 4, 1994

TO: James Ayers, Executive Director

FROM: Robert Spies, Chief Scientist

RE: Scientific Review and Recommendations for Project 94320

At the last Trustee Council meeting on January 31, 1994, the Council approved Project 94320 as part of the 1994 Workplan.This action was contingent on favorable peer review of the Detailed Project Descriptions (DPDs) written by the principal investigators for the various components of this project. A comprehensive review includes both technical and fiscal aspects of this project. Over the last two months, I have received the DPDs for Project 94320 and obtained expert review of their technical merit. Although a few of these reviews are still outstanding, I now have enough information to provide you with my analysis and recommendation for Project 94320 based on its technical merit. I have also provided an attachment that provides some background information on the development of this project.

I am also recommending that a detailed review of the budget, which I have not done, be carried out before you formulate your final recommendations to the Trustee Council. In addition you may wish to give further consideration to the specific manner in which the four general recommendations listed below can be implemented.

Recommended Actions

I recommend that the Trustee Council approve Project 94320 with the following provisions:

1. The SEA program needs to rethink how the leadership of the project can be strengthened. The current consensus-based process, which has been appropriate for formulating goals, should give way to a leader-based process needed for the day-to-day execution of the mandate set out by the Trustee Council, in partnership with the public, and for flexible management of the scientific process.

2. The principles of adaptive management need to be applied so that maximum flexibility in the scientific program is maintained while at the same time scientific objectives are pursued in a cost effective manner. For instance, if the major releases of juvenile salmon occur before all of the acoustic equipment is operable on the charter vessels, then objectives and plans have to be tailored to the biological realities, the most useful biological data should be gathered, and the vessel charters terminated after that data is gathered.

3. There should be a scientific review in mid-September of 1994 that evaluates the success of the program and what aspects of the program should be modified in the coming year. This review would involve the principal investigators, program manager, the chief scientist, selected peer reviewers and others designated by the executive director. The Chief Scientist would prepare a memo to the executive director that evaluates the

progress of the program and makes recommendations regarding relevant portions of the 1995 workplan.

4. I support the information and modeling efforts this year as they are mainly supportive of data interaction and visualization that is so important to the integration of this project. There are, however, serious questions about how effective a deterministic model of the system could be for fisheries management and we will subjecting this aspect of the project to further review with the idea of developing a substantial recommendation for whether this should be funded in 1995.

Background

A lack of understanding of the processes controlling the population fluctuations of injured populations limits the Trustees' ability to restore damaged resources in oil spill area. In order to (1) effectively guide the restoration of Prince William Sound after the *Exxon Valdez* Oil Spill, (2) improve the management of common property fishery resources damaged by the spill in order to effect restoration, and (3) identify key marine resources and processes for long-term monitoring, the Council has committed to improving our understanding of the functioning of the Prince William Sound ecosystem. This commitment was expressed by the Trustees at their September meeting through support of an ecosystem approach to studying the Sound and the greater oil spill area.

To begin the process of developing this ecosystem approach, the Trustee Council sponsored a workshop in Cordova during December of 1993. A Steering Committee was established to organize and conduct the workshop, and report its findings to the Council. The major objectives of this workshop were to obtain the advice of national experts and experienced local scientists in designing a multi-disciplinary study of the Prince William Sound marine ecosystem, and to review and critique an ecological study plan (the SEA plan) prepared by the Prince William Sound Fisheries Ecosystem Planning Research Group.

The Steering Committee reported their findings and recommendations in a January 14, 1994, memorandum to the Executive Director. The Committee's two key findings, strongly supported by the peer reviewers at the workshop, were that (1) the SEA plan contains an innovative, reasonable, and scientifically-testable hypothesis to explain how certain ecological processes may control fluctuations of key fisheries resources in PWS, and (2) the ecological approach described in the SEA could form the basis of a program that would make an important scientific contribution to the Trustee's mission of restoring a healthy, productive, and biologically diverse ecosystem within spill area.

The relevance of the SEA Plan to the Trustee's mission led to the development by SEA scientists of project proposals for 1994 workplan. After review by the Executive Director, myself, and others, these proposals were modified and incorporated in Project 94320. After the Council's action of contingent approval on January 31, the principal investigators prepared DPDs for review by the Chief Scientist and peer reviewers.

Peer Review Process for Project 94320

The peer review of Project 94320 has been conducted in three phases. First, a preliminary review by myself and several key peer reviewers who attended the Cordova Workshop determined that the overall scientific questions being asked by Project 94320 are laudable and appropriate to answer basic questions about the health of Prince William Sound fisheries. The principal investigators are scientifically qualified, clear about their goals, and enthusiastic. Consequently, we recommended to the Executive Director that certain portions of Project 94320 be given a "fast-track" approval. If 94320 was to go forward in the field in April of 1994, those portions of the

project recommended for "fast track" approval needed immediate funding rather than waiting until review of the DPDs was complete. The vast majority of the fast track approval was required for ordering scientific equipment and arranging vessel charters.

The second phase of the peer review process involved the specific review of individual DPDs by scientific experts. The Council currently has over 60 North American scientists, with expertise ranging from cytogenetics to oceanography, who have provided expert review during the NRDA and restoration process. Given the very short time-frame available for review of the DPDs for 94320, I was very pleased with our success at obtaining reviews from top scientists around the country. The purpose of these reviews has been to obtain independent scientific assessments of (1) the validity of the scientific methods proposed in each project, and (2) whether the project as proposed will meet its stated objectives. In addition, two scientists besides myself reviewed all of the DPDs that were available by March 15 to obtain an "overall" assessment of the integration of various project elements.

The third phase of the peer review was to obtain an assessment of the overall integration of the seventeen components of project 94320. Two senior peer reviewers agreed to perform this task, although not all the DPDs were available in time to be included in this review. The table below indicates that of the 12 DPDs being reviewed, nine were available for this overall review (please note that some of the delays were administrative and not the responsibility of the principal investigators). In addition, I have reviewed all of the DPDs, as has my associate Dr. Andrew Gunther.

The following table lists the status of the review of 94320 DPDs.

Included in "Overall" Review	Project Title	DPD Received by Chief Scientist	Review Status
√	Avian Predation on Herring Spawn	March 2	specific reviews complete
√	Salmon Growth & Mortality	March 2	specific reviews complete
√	Salmon Predation	March 2	specific review complete
√	Observational Physical Oceanography in PWS. & the Gulf of Alaska	March 3	specific review complete
	Experimental Fry Release	March 7	no review proposed
√	Sound Ecosystem Assessment (SEA) & Related Studies: Summary	March 7	included in overall review
√	The Role of Zooplankton in the PWS Ecosystem	March 7	specific review complete
	Trophic interactions of Harbor Seals	March 7	no review proposed
	Experimental Manipulation	March 7	no review proposed
√	An Ecosystem Research plan for Nearshore Fish	March 7	specific reviews complete
√	Confirming Food Web Dependencies in the PWS Ecosystem using Stable Isotope Tracers	March 14	included in overall review, specific review not complete
√	Information Systems and Model Development	March 15	included in overall review, specific review not complete
	Coded Wire Tag Recoveries from Pink Salmon in Prince William Sound	March 18	no review proposed
	Otolith Marking-In season Stock Separation	March 18	specific review complete
	Genetic Structure of Pink Salmon Stocks	March 18	specific review not complete
	Program Management		no review proposed
	Plankton Dynamics: Phytoplankton and Nutrients	March 22	specific review not complete

In keeping with past practices, projects of a routine nature, or those with methods that have been reviewed in previous years, have not received a review ("no review proposed").

Overall Analysis

This project represents a valid, defensible, sophisticated ecosystem approach to understanding the factors controlling pink salmon production in Prince William Sound to help guide the Trustee Council's restoration activities. It can also provide valuable information about the biological oceanography of the northern Gulf of Alaska, and in this way will contribute to resource management throughout the oil spill area. Although the project in the first year does not begin to comprehensively address herring, a small project on bird predation on herring spawn is included. In a more comprehensive sense herring has been part of the planning process, and the project can include a more inclusive approach to herring production in the future. Also, of great concern in Prince William Sound and the northern Gulf of Alaska are the mammals (e.g., harbor seals and Stellar sea lions) and sea birds (e.g., marbled murrelets and pigeon guillemots). These species were injured by the spill and are in general decline in the area. Understanding the ecological factors limiting their recovery is a integral part of the ecosystem approach that the Trustees will wish to develop. These species can be included by way of coordination of other programs with the existing efforts within project 94320. The integrative links have already begun to be forged between this study and the forage fish study (94163), among others.

I would like to re-emphasize that for this program to be truly effective it may be necessary to provide from five to ten years of funding, although the level of funding is yet to be determined. This was a strong message from the peer reviewers attending the Cordova workshop. The reason for this recommendation is that the climatic conditions that are such an important source of variation need to be studied over a period of years to understand the relationships between climate, oceanography, and fisheries returns. Each year is in a sense a new natural experiment; the experiment must be repeated under different conditions to draw the appropriate conclusions. Hopefully, we will have a series of years in the near future that will provide the properly variable conditions.

It is critical to note that a comprehensive assessment of the first year's accomplishments towards understanding the complex factors controlling pink salmon production will not be available until early 1995. Since this will be after the Trustee Council approves the 1995 workplan, two years of funding will be committed before the Council has a good sense of what the program is producing. Given this situation, I believe it is imperative to measure the extent to which project 94320 is achieving its first-year objectives. I have therefore requested project-specific milestones from each of the principal investigators for September 1994, and for March 1995. Examples for the milestones for September 1994 include:

1. Preliminary assessment of oceanic transport in and out of PWS during spring and summer of 1994. This will verify our ability to determine if the Sound is acting like a "lake" or a "river".

2. Geotime coded acoustical measurements of juvenile salmon target strength and the fish assemblage associated with the juvenile salmon. This will provide the first measurement of the distribution of juvenile salmon and their predators during a single season.

3. Make a preliminary assessment of the major zooplankton taxa associated with swarms and layers of acoustically and optically censused macrozooplankton. This will verify our ability to measure relative zooplankton distributions using hydroacoustic technology.

4. Demonstration of a functional data management interface for accessing and visualizing empirical data sets and model output. This interface will be critical for providing interactive data management and analysis tools to principal investigators.

Assessment of progress against these milestones should occur in a meeting in Cordova to acquaint selected reviewers and myself of the state of the program after its first field season. I would be prepared to provide the Trustee Council with a formal assessment and recommendation prior to your vote on the 1995 workplan.

I would like to emphasize that the short time for review has made things difficult for all involved. The scientists proposing these studies are very committed, and have moved ahead with planning and preparation at their own risk to make the 1994 field season a meaningful first year. I strongly support the Executive Director's efforts to accelerate the 1995 planning process to move DPD production and review to the late fall. This change would also be welcomed virtually unanimously by the peer reviewers, based upon the comments I received during the review process.

As of today I have been told that the principal investigators still do not have access to the funding for this project that was "fast-tracked" earlier this year. While there are probably good reasons for these administrative delays, I am extremely concerned about the ability to mobilize the equipment and personnel required to be present in the field in mid-April. When last I inquired, the hatcheries were expecting to release the salmon around April 20, which corresponds to the expected peak of the zooplankton populations in Prince William Sound. **The objectives Project 94320 will be able to achieve for the 1994 season will be significantly reduced if the principal investigators are not in the field by mid-April. If start up is delayed until early to mid-May only the final stages of the macrozooplankton populations can be censused, and only the later (and smaller) releases of juvenile salmon will be available for predation studies.** I will monitor the progress of the mobilization of equipment and personnel if the Council approves Project 94320, and will advise the Executive Director as the situation develops.

Specific Analyses of Each Component

94320-A: Salmon Growth & Mortality

The purpose of this project is to: (1) estimate the growth of juvenile pink salmon in 1994 and compare the rates to past years, (2) describe their migration through PWS, (3) estimate their diet and compare it to past years, (4) determine the role of food abundance in limiting growth, (5) evaluate past relationships between juvenile growth rates and fry-to-adult survival, and (6) develop techniques to estimate mortality of juveniles in PWS and the Gulf of Alaska. There may be a predictable relationship between food availability to juvenile, juvenile growth rates and survival from juvenile to adult. This project will continue to explore these relationships and in the context of the other studies, particularly those on salmon predation and zooplankton abundance, help improve our understanding of the main factors that determine adult returns.

The reviewers thought that the investigators proposed for this part of the program had proven that they can do this kind of work successfully. The principal investigators also must devise a strategy to determine if faster growing juvenile salmon move to deeper water sooner, as this would make the school that is followed a more and more biased sample over time.

94320-B: Coded Wire Tag Recoveries from Pink Salmon in Prince William Sound

The purpose of this study is to recover coded wire tags (CWTs) from pink salmon caught by commercial fishermen, researchers, and others. The recovery of the tags and subsequent analyses will provide, among other objectives, data regarding (1) the contribution of tagged hatchery stocks to the commercial harvest, and (2) the growth and marine survival rates of tagged hatchery stocks. These data are quite valuable to fisheries managers, and used for both planning and in-season regulation. The data on salmon growth and survival will also be used in conjunction with data from salmon predation, oceanographic, and zooplankton studies to test the basic hypothesis regarding factors controlling pink salmon production in Prince William Sound.

This study utilizes methods that have been reviewed in past years. It does not contain experimental or non routine elements, and so was not sent out for peer review. A pilot study has been proposed this year to test thermal and chemical marking of otoliths as an alternative to CWTs. Until the results of this study are available CWTs will remain the only feasible method for developing the data described above regarding growth and survival of hatchery salmon.

94320-C: Otolith Marking: In–Season Stock Separation

This is a proven technology in other species of fish for putting marks or checks on the otoliths (ear bones) of juveniles. This has not been tried on a wide scale with juvenile pink salmon previously and this project proposes to try to mark large numbers of hatchery fish by this method in 1994. This methodology, if successful, will replace the more costly coded wire tag method currently used on a portion of hatchery-released fish. This new tag can nearly universally mark hatchery fish and perhaps settle some long-standing potential objections to CWTs (e.g., potential alteration of the olfactory sense). This project alone has a great chance to greatly improve salmon management practice.

94320-D: Genetic Structure of Pink Salmon Stock

The objective of this project is to define the genetic structure of pink salmon stocks in PWS. Potential sources of variation include stream-to-stream differences, even and odd-year stocks, upstream and intertidal spawners, early and late-season spawners. The program proposes to evaluate a series of analyses of allozyme frequencies in fish from a wide geographic range and from two hatcheries and apply a series of statistical measures to determine if different allele frequencies exist, the extent of the difference, and, if there are systematic differences, to construct measures of genetic distances between substocks. In addition a pilot study using DNA techniques will be carried out using mitochondrial DNA.

94320-E: Salmon Predation

The purpose of this project is to: (1) determine the role that variable predation plays in overall survival of pink salmon, and (2) identify and describe the predators and mechanisms of predation under various conditions. This is an ambitious program that will track cohorts of juvenile pink salmon after they are released into PWS, attempt to identify their predators, and examine the mode of interaction of predators with the juvenile fish. This involves a highly coordinated group of vessels using state-of-the-art hydroacoustic equipment to track the juvenile fish and their predators as the fish progress from the Esther Island hatchery towards the southeast passages from PWS to the Gulf of Alaska. At the same time there will be real-time sampling of oceanographic conditions, plankton abundance, predators and the juveniles themselves.

This sort of effort has never been attempted before, and this has caused some nervousness among the reviewers particularly with regard to coordination of vessels, calibration of the acoustic equipment and a myriad of details that have to "go right" for this effort to be successful. However, it appears to be possible and is definitely worth the effort, as much can be learned. As mentioned previously, if there are irresolvable technical problems that arise early in the program, the major costs associated with this project, the vessel charters, can be terminated without penalty.

94320-F: Trophic Interactions of Harbor Seals

This is a small but potentially important part of the overall project. The objective of this portion of the project is to determine if links between various food sources and the harbor seal population in PWS can be established either by use of lipid-specific analysis or analysis of stable isotope ratios. The technique being proposed is a relatively new application. The key scientist in the country to act as a peer reviewer has already reviewed the proposal, so I did not think that it needed to go out for review. I do plan to recommend that a general review be performed on the use of lipid markers to indicate food sources in marine food webs.

94320-G: Plankton Dynamics: Phytoplankton and Nutrients

The objective of this part of the program will be to: (1) describe the spatial and temporal extent of the spring-summer phytoplankton bloom in PWS, (2) measure phytoplankton primary productivity, (3) identify the major species comprising the bloom, and (4) describe the distribution and abundance of the dissolved inorganic nutrients important to phytoplankton growth. Besides the obvious importance of this program for describing the primary production that eventually supports larval fish growth and production, this program will be making a major contribution in itself to our basic understanding of the PWS system. There has simply been very little work done in this area and this study will be a pioneering one in phytoplankton dynamics of PWS.

This DPD was delayed by the University of Alaska due to questions about potential conflict of interest because the principal investigator attended the Cordova workshop. The Department of Law determined that this was not a problem, and the DPD was then released by the University, although too late to obtain a review prior to preparation of this memo.

94320-H: The Role of Zooplankton in the Prince William Sound Ecosystem

The purpose of this project is to: (1) determine the timing, duration and magnitude of the bloom of mixed layer zooplankton stocks in western and northern PWS in the spring and summer, (2) determine how changes in vertical distribution of zooplankton affect their predators, (3) provide estimates of zooplankton abundance to calibrate the acoustic instrumentation used to locate and track swarms and patches of zooplankton in PWS, (4) determine the coupling of the phytoplankton and zooplankton blooms, and (5) provide taxonomic assistance with identification of zooplankton. The main goal of the project is to test the "River-lake" hypothesis that postulates that in years when PWS is swept continuously by buoyancy driven coastal currents during the spring plankton bloom food for juvenile fish is poor, and in years when PWS is not so swept, a "lake" year, there are better feeding conditions for juvenile pink salmon. A second and related hypothesis, "prey switching", is that certain fish that feed on zooplankton in "lake" years, when they are abundant, become predators of juvenile pink salmon instead in "river" years when zooplankton are less abundant.

94320-I: Confirming Food Web Dependencies in the Prince William Sound Ecosystem using Stable Isotope Tracers

The objective of this project is to use the predictable shifts in stable isotope ratios of carbon and nitrogen that occur with increasing trophic level to determine if the river-lake and prey switching hypothesis described above can be confirmed. As both of these elements are cycled further up the food chain the heavier natural isotopes (^{13}C and ^{15}N) become relatively less abundant. Such shifts are easily measured and shifts of these isotopes in predatory fish during various types of years "river' or "lake" provide a novel way to test these hypotheses. This represents a novel application of stable isotope ratios in that such measurements, seasonal changes in food stable isotope ratios, reflected in a small measurable change of total isotope ratios against the background of carbon accumulated under different conditions.

94320-J: Information Systems and Model Development

This study component is the data and information management element for all the major portions of 94320. The major objectives of this component are (1) to process the data developed by all parts of the project (including available satellite imagery), (2) integrate these data using geographic coordinates and date of collection, (3) adapt an existing computer interface for use by principal investigators for data analysis and interpretation, and (4) plan for the development of a numerical model of the Prince William Sound ecosystem in future years. This program component also includes purchase and modification of the aquashuttle sampling device for biological oceanography, and establishment of a high-speed Internet connection to Cordova for data transmission and analysis.

I have seen an example of the oceanographic computer interface to be adapted for this program (ECMOP), which will provide all investigators with the capacity to examine their data visually in time and space in a form analogous to a Geographic Information System (GIS). Data sets can be overlaid, allowing analysis of the basic hypotheses regarding the relation between oceanographic conditions and zooplankton distributions. Data sets from sequential sampling days can be "animated", developing a visual representation of changing conditions with time in the study area. The Internet connection will allow data to be quickly transferred between Fairbanks (where satellite images are downloaded), the University of Maryland, and Cordova, and will allow principal investigators in different locations to work with data stored in Cordova. I believe the data collection equipment and data analysis tools to be developed under this component will allow the principal investigators to test and refine their basic ecological hypotheses regarding factors controlling the production of Prince William Sound fisheries. I will be receiving a specific review of this component soon, and I will also been keenly focused upon the interim products to be produced under this study component. These products will be vital for developing useful information from the entire 94320 project.

While I and all of the peer reviewers at the Cordova workshop supported the testing of these "conceptual" or "descriptive" models, there are some very critical questions that must be examined before a major commitment is made to developing a complex numerical model. Such a model, if valid, would be an extremely valuable predictive tool for fisheries management. These models have been developed at many institutions around the country for oceanographic features, and a few of these models include plankton elements. However, developing a model that can use oceanographic and plankton data to predict salmon and herring returns is fraught with such unknowns and complications that there is much skepticism regarding the eventual success of such an effort. For example, these models rely upon assumptions regarding "boundary" conditions that may create enough uncertainty to limit the predictive use of the model on time scales of interest. In the current year, these efforts are limited, and the Trustees should not make a significant

commitment in this regard without careful consideration of the likelihood of developing a useful product.

94320-K: Experimental Fry Release
94320-L: Experimental manipulation

These are fairly routine aspects of the project in that the standard approaches to aquaculture used previously will again be employed to raise fry from eggs. The juveniles will be released from the hatchery after attaining specified sizes, at certain times in relation to plankton abundance and at certain places. By releasing tagged lots and having a juvenile sampling and tag recovery component in other parts of this program it will be possible to do "natural experiments" whose outcome will point to conditions that are optimal for survival of juveniles. Since this projects was somewhat routine in nature it was not peer reviewed and no opinion is offered in relation to its value for restoration.

94320-M: Observational Physical Oceanography in PWS & the Gulf of Alaska

The purpose of this project is to: (1) determine the structure and variability of the climatic patterns and oceanographic features in PWS and the Gulf of Alaska, (2) determine the relationship between the atmospheric forcing and the wind and buoyancy driven ocean currents, (3) determine how currents act to disperse or retain food resources, (4) and determine the relationship between climatic and oceanographic cycles, physical features and changes in abundance of important species. The basic oceanographic process that will influence the abundance of fish food resources will be studied through charting currents and physical structure of the water in relation to biological phenomenon. In essence this provides the physical evidence for testing the "River-Lake" hypothesis. The basic measurements will be conducted with conductivity/temperature/depth measurements (CTDs), acoustic doppler current profilers (ADCPs) and chemical analyses of water samples. In addition towed vehicles with attached instruments will provide the "sections" needed to further characterize water structure. In the future the use of permanent buoys will be considered to supplement these other data gathering modes. The investigator has requested and received assurances that continuing advice from other oceanographers regarding fruitful approaches to measuring physical processes on a scale appropriate to biological resources will be made available.

94320-N: An Ecosystem Research plan for PWS Nearshore Fish

The purpose of this project is to: (1) evaluate the distribution of macrozooplankton in PWS in real time in order to describe the prey field for juvenile pink salmon, and (2) describe the distribution of predators of juvenile fish in real time. This will be an integral part of the complex field studies centered around fry releases in northwestern PWS and provides an important part of the biological picture for the purposes of coordinating net sampling of predators and zooplankton. The investigator faces the challenge of ground truthing the measurements of zooplankton by hydroacoustical methods against the more conventional methods. There is considerable controversy on the ability of single-frequency hydroacoustic equipment to quantitatively measure zooplankton and this is, therefore, a challenging area on the cutting edge of biological oceanography for the investigators. Data interpretation will need to rely whenever possible on the simultaneous net and hydroacoustic data for zooplankton abundance to be convincing.

94320-P: Program Management

Although the SEA program originally requested sizable resources for program management it appeared to some of us that what was being requested was a whole different management structure outside the Trustee Council management process. This was viewed as duplicative. There is however, as there are with other Trustee Council sponsored projects, a need for program direction and leadership.

I believe that the management of the overall program requires strengthening by changing the way that program direction is formulated. The program was developed by consensus among a diverse group of scientists and the public, but it cannot be managed by committee. Some hard real-time decisions will undoubtedly be made during the next field season. These decisions cannot be made by consensus--that will undoubtedly paralyze the program. The open public process that lead up to the workshop is a good one and needs to continue to provide general guidance to the process, but the day to day execution of the mandate requires a single strong leader. The leadership should absolutely committed to the success of the program and we need a leader that will work untiringly towards this end.

94320-Q: Avian Predation on Herring Spawn

The purpose of this study is to assess the impact of avian predation on herring spawn, with the goal of integrating this information into a model to predicts herring embryo survival. Better information regarding factors influencing the mortality of herring eggs should improve our ability to predict the spawning biomass of herring in Prince William Sound. The investigators will use avian census techniques to compare bird densities at sites of low and high density of egg deposition in different habitat types. Predator exclusion techniques will attempt to quantify predation from different sources. In this first year, the project will be limited to herring spawning sites along the northeastern shore of Montague Island.

Review of this DPD has greatly strengthened the experimental design. Proposals to collect lipid samples in an effort to determine the energetic importance of herring spawn has been eliminated, and the principal investigator is pursuing suggestions to provide samples to the stable isotope component (see below) if feasible. The proposal to collect seabirds for dietary analysis has been removed in favor of netting the birds and using regurgitation techniques to examine diet. In practice, it may be difficult to quantify bird predation as separate from predation by small fishes or invertebrates using exclosures. If the Trustee Council does not expand Project 94320 in future years to include pacific herring, the full value of the avian predation study will not be realized. This project is well integrated with the Herring Spawn Deposition and Egg Loss Survey (Project 94166).

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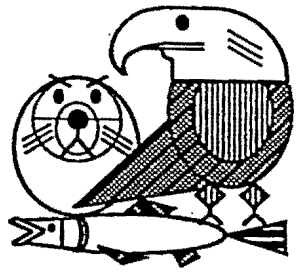

MEMORANDUM

TO: Restoration Work Force:
[ ] Byron Morris/NOAA
[ ] Jerome Montague/ADF&G
[ ] Dave Gibbons/USFS
[ ] Sandy Rabinowitch/DOI
[ ] Mark Brodersen/ADEC
[ ] Veronica Gilbert/ADNR

FROM: Molly McCammon, Director of Operations

DATE: April 25, 1994

SUBJ: Trustee Council Meeting Actions

Please find enclosed a copy of the Trustee Council Action minutes from the April 11, 1994 meeting together with attachments.

enclosure

Exxon Valdez Oil Spill Trustee Council

Restoration Office
645 G Street, Suite 402, Anchorage, Alaska 99501
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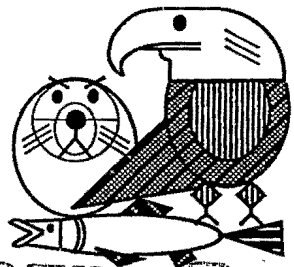

Date: April 11, 1994
Subject: Trustee Council Meeting Actions on 4/11/94
Contact: L.J. Evans or Molly McCammon at 278-8012

Interdisciplinary Ecosystem Research and Restoration Effort Moves Forward

Anchorage – The Trustee Council today gave their final go ahead on one element of an ambitious approach to implementing ecosystem-based restoration in the oil spill-affected region.

With their approval of the Project 94320: Prince William Sound System Investigation, which consists of 16 integrated and interrelated sub-projects, the Trustees will address a number of important research questions. The findings will be used to:

- Guide further restoration activities
- Improve management of common property fishery resources as a means of effecting restoration
- Identify important marine resources and processes for long-term recovery monitoring.

"Taking an ecosystem approach means that we examine several key indicator species and use that information to tell us more about the whole ecosystem which was injured by the spill," said Jim Ayers, Executive Director for the Trustee Council. "In this case, we're looking at a number of species, with the focus particularly tuned in to try to understand what has caused the serious problems with pink salmon populations in Prince William Sound."

The Trustee Council decided last year upon an ecosystem approach to restoration of resources injured by the 1989 *Exxon Valdez* oil spill after extensive scientific review and public comment. The Prince William Sound System

More...

Investigation program is one of the steps the Trustees are taking in that direction, Ayers said.

"This project represents a valid, defensible, sophisticated ecosystem approach to understanding the factors controlling pink salmon production in Prince William Sound to help guide the Trustee Council's Restoration activities," said Chief Scientist Dr. Robert Spies. "It can also provide valuable information about the biological oceanography of the northern Gulf of Alaska, and in this way will contribute to resource management throughout the oil spill area."

At their January 31 meeting the Trustee Council conditionally approved the System Investigation, with a budget of $6.25 million, subject to integration and coordination of the sub-projects and a favorable scientific review of the Detailed Project Descriptions. After thorough scientific and budget review, the sub-projects as conceived in January were further refined and came to the Trustee Council today as a complete package.

Ayers said that the Chief Scientist has worked with the lead researchers for each of the projects to identify the specific work products and "milestones" that can be used to asses the success of the project's first year of implementation. A scientific review of these milestones is planned in mid-September 1994 and in January 1995 to evaluate the success of the program and to determine which aspects should be modified in the coming year.

The Trustees affirmed Dr. Ted Cooney to serve as the lead scientist for implementation of the Prince William Sound System Investigation for this year. Dr. Cooney is Associate Professor of Marine Sciences at the University of Alaska Institute of Marine Science. His area of specialty is salmon oceanography and zooplankton ecology.

In other actions taken, the Trustees today:

- Approved funding of $97.7 thousand for Project 94191/Oil Related Egg & Alevin Mortality, to replicate the results of studies in 1993 which found heritable genetic damage in pink salmon.
- Approved funding of $83.0 thousand for completion of an Environmental Impact Statement for Project 94199/Institute of Marine Science Improvements at Seward.
- Approved funding of $99.2 thousand for Project 94428/Subsistence Restoration Planning to design and implement a one-time planning

More...

process to identify subsistence restoration project proposals and to ensure the participation of subsistence users in planning efforts.

- Approved funding of $20.4 thousand for Project 94427/Harlequin Duck Boat Surveys & Methodology Testing to devise and test field methodologies for determining impacts of the oil spill on harlequin ducks.

The next meeting of the Trustee Council is expected to take place in June . The *Exxon Valdez* Oil Spill Trustee Council consists of six representatives, three from the State of Alaska and three from the U.S. Government. The Trustees manage funds obtained in the 1991 civil settlement with Exxon Corporation.

For more information, contact the Oil Spill Public Information Center at 645 G St., Suite 100, Anchorage, Alaska 99501, or call 278-8008, toll-free within Alaska at 1-800-478-7745.

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Exxon Valdez Oil Spill Trustee Council

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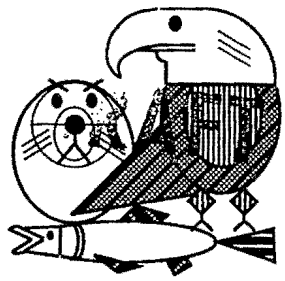

TRUSTEE COUNCIL MEETING NOTES

January 31, 1994

By James R. Ayers
Executive Director

Members Present:

Trustee Council

John Sandor (ADEC)■
Mike Barton (USFS)♦■
Craig Tillery (ADOL)
Carl Rosier (ADF&G)■
Steve Pennoyer (NMFS)■
Paul Gates (USDOI)●

♦ Chair
● Alternates:
George Frampton served as alternate for Paul Gates until 5:00 p.m.
■ Teleconferenced from Juneau

1. Public Advisory Group Meeting Report

APPROVED MOTION: Approved PAG recommendation to explore more cost-effective ways of implementing projects and to report back to the PAG on this.

2. Science Update

APPROVED MOTION: Approved that a public presentation be held before May on the results of recent studies and the status of injured species. The Executive Director will work with the Alaska Department of Law to ensure such a presentation doesn't create undue problems for ongoing litigation.

Trustee Agencies
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

3. 1994 Work Plan

DRAFT

APPROVED MOTION: Approved adoption of 1994 Work Plan as recommended by Executive Director with these amendments:

1) Project 94007 - Directed Executive Director to explore the possibility of RFP prior to the release of funds and to involve local communities and private organizations in the effort.

2) Projects 94110 and 94126 - Adopted with additions included in a resolution by John Sandor (Attachment A).

3) Project 94199 - Approved financial support with additions included in a resolution proposed by John Sandor (Attachment B). Approved up to $50,000 to complete work on those tasks.

4) Project 94258 - Deleted contingency of Executive Director review of project and consideration of normal agency responsibility and technology.

5) Project 94320 - Approved with direction to Executive Director to determine what elements of the projects are time sensitive and inform the Trustees of these; and for the remainder come back with a detailed work plan and review of these in 30-60 days for a teleconferenced briefing. Also directed Executive Director to work with federal and state attorneys to provide legal advice on hatchery funding.

6) Project 94422 - Adopted Option A for development of alternatives to be used in the Draft Environmental Analysis.

7) Approved $20,000 in funding to NOAA to defray publishing costs of a book on the Impacts of EVOS on Marine Mammals and ensure a broader distribution of the book.

8) Authorized the Executive Director to proceed with those projects identified as still requiring NEPA

compliance only after successful completion of all NEPA requirements.

ADDITIONAL ACTION:

APPROVED MOTION: Approved resolution in appreciation of former Trustee Charlie Cole.

APPROVED MOTION: Approved resolution in appreciation of Interim Administrative Director Dave Gibbons.

APPROVED MOTION: Directed Executive Director to obtain legal opinions about EVOS funding of hatcheries and make them part of the public record.

APPROVED MOTION: Directed Executive Director to meet with Koncor Forest Products Company President John Sturgeon concerning his recommendation for working with private landowners on potential cooperative projects.

DRAFT

ATTACHMENT A

1. Habitat Protection needs to move forward as part of an overall restoration strategy.
2. The Executive Director shall work with lead negotiators to develop a standardized appraisal process, including standardized appraisal instructions, which shall be used to appraise the parcels under consideration.
3. The Executive Director shall start negotiations with the landowners of the parcels ranked high in the Comprehensive Large Parcel Evaluation and Ranking. The Executive Director may include additional large parcels as necessary to facilitate development of the list in step 6. These negotiations are to be conducted for the purpose of providing the Trustee Council with proposed terms and conditions for acquisition. Agreement to proposed terms and conditions are discretionary with the Trustee Council. No promises or representations to the landowners to the contrary shall be made.
4. The Executive Director shall review the Comprehensive Large Parcel Evaluation and Ranking based on public comment and Public Advisory Group comment. The document shall also be reviewed to take into account our understanding of where injury actually occurred and the benefits to accrue to the populations actually injured.
5. The Executive Director will develop a rationale for acquisition for each parcel under consideration.
6. Based upon all of the information developed above, the Executive Director will provide the Trustee Council with a recommended list of large parcels to be protected. The recommendation will include considerations such as: 1) the degree of benefit afforded injured resources and services, 2) the need to have a balanced program throughout the spill area, 3) the cost and terms available from the landowner for individual parcels, 4) the adequacy of protection measures available from the landowner, and 5) the adequacy of funds to carry out other restoration activities.
7. Small parcel negotiations will proceed once an evaluation and ranking of small parcels has been completed and approved by the Trustee Council.

Approved unanimously by the *Exxon Valdez* Trustee Council on January 31, 1994.

DRAFT

ATTACHMENT B

1. Take necessary steps to secure NEPA compliance.
2. Consult appropriate entities, including the University of Alaska, the City of Seward, the Seward Association for the Advancement of Marine Science and appropriate Trustee Agencies to review the assumptions relating to the proposed improvements and capital and operating budgets;
3. Develop an integrated funding approach which assures that the use of trust funds are appropriate and legally permissible under the terms of the Memorandum of Agreement and Consent Decree.
4. Prepare a recommendation of the appropriate level of funding for consideration by the Trustee Council that would be legally permissible under terms of the Memorandum of Agreement and Consent Decree.

Approved unanimously by the *Exxon Valdez* Trustee Council on January 31, 1994.