

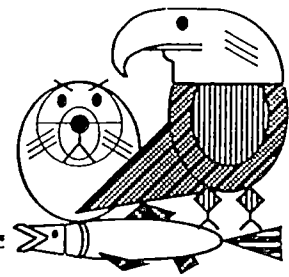
8.1.5

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 11, 1995 @ 9:00 a.m.

Continuation Meeting From November 20, 1995

RECEIVED
MAY
DRAFT

By Molly McCammon
Executive Director

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

Trustee Council Members Present:

Jim Wolfe, USFS

*•Deborah Williams, USDOJ

Steve Pennoyer, NMFS

Frank Rue, ADF&G

•Ernie Piper, ADEC

•Craig Tillery, ADOL

* Chair

• Alternates:

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

Ernie Piper served as an alternate for Gene Burden for the entire meeting.

Jim Wolfe served as an alternate for Phil Janik 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 November 20, 1995 Trustee Council meeting notes. (Attachment B)

2. Executive Session

APPROVED MOTION: Adjourn into Executive Session for the purpose of discussions on the small parcel habitat protection program, the Shuyak acquisition, other habitat negotiations, and the Executive Director's Evaluation.

4. Small Parcel Habitat Protection

APPROVED MOTION: Approved the recommendation to offer to purchase, at appraised value, KAP 220, KAP 226, PWS 17A, PWS 17B, PWS 17C, and PWS 17D, totaling 88.9 acres, at a total

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

appraised value of \$704,500. Motion by Rue, second by Pennoyer.

3. Policy on Habitat Acquisition

APPROVED MOTION: Approved Executive Director's recommendations on Habitat Acquisition Costs, Logistics, and Processes (Attachment C).

4. Shuyak Resolution & Purchase Agreement

APPROVED MOTION: Approved resolution to offer \$42 million, payable over seven years, to purchase approximately 26,665.62 acres on Shuyak Island from the Kodiak Island Borough (Attachment D).

5. Deferred FY96 Work Plan Projects

APPROVED MOTION: Approved Executive Director's Recommendations on funding Deferred FY96 Work Plan Projects (Attachment E) for a total of \$5,502,000 with \$3,222,224 to the United States of America and \$1,968,898 to the State of Alaska.

Meeting recessed.

raw

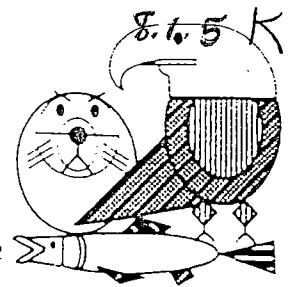
DRAFT

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 20, 1995 @ 10 A.M.

By Molly McCammon
Executive Director

Trustee Council Members Present:

Phil Janik, USFS
• Deborah Williams, USDO
Steve Pennoyer, NMFS

Frank Rue, ADF&G
* Ernie Piper, ADEC
• Craig Tillery, ADOL

* Chair

• Alternates:

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

Ernie Piper served as an alternate for Gene Burden 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 25, 1995 Trustee Council meeting notes (Attachment B)

2. Executive Session

APPROVED MOTION: Adjourn into Executive Session for the purpose of discussions on the small parcel habitat protection program and the Shuyak acquisition. Motion by Pennoyer, second by Tillery.

Off Record at 12:18 P.M.

On Record at 4:20 P.M.

3. Small Parcel Proposed Acquisition

APPROVED MOTION: Adopt revised resolution (Attachment C) for the Council to make offers of appraised value to the willing sellers listed. Motion by Rue, second by Piper.

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

4. Kodiak Island Borough-Shuyak Island Proposed Acquisition

APPROVED MOTION: The Council authorizes the negotiators to offer the Kodiak Island Borough \$42 million for the purchase of fee simple title for the Kodiak Island Borough's interest in Shuyak Island (Attachment D). Motion by Tillery, second by Pennoyer.

Meeting recessed.

aw

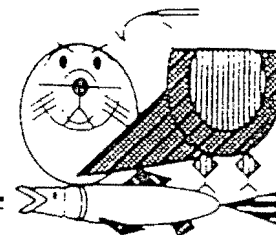
DRAFT

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

TENTATIVE

EXXON VALDEZ OIL SPILL SETTLEMENT

TRUSTEE COUNCIL MEETING

NOVEMBER 20, 1995 @ 10 A.M.

FOREST SERVICE CONFERENCE ROOM, JUNEAU

11/15/95

1:24 pm

DRAFT

Trustee Council Members:

BRUCE BOTELHO/CRAIG TILLERY

Attorney General/Trustee

Representative

State of Alaska/Representative

GENE BURDEN/MICHELE BROWN

Commissioner/Trustee

Alaska Department of Environmental
Conservation

GEORGE T. FRAMPTON, JR./DEBORAH WILLIAMS

Assistant Secretary/Trustee Representative

for Fish & Wildlife & Parks

U.S. Department of the Interior

PHIL JANIK

Regional Forester - Alaska Region

U.S. Department of Agriculture

Forest Service

STEVE PENNOYER

Director, Alaska Region

National Marine Fisheries Service

FRANK RUE

Commissioner

Alaska Department of Fish & Game

FEDERAL BUILDING - ROOM 541A

State or Federal Chair.

1. Call to Order 10 a.m.
 - Approval of Agenda
 - Approval of August 25, 1995 meeting notes.
2. Executive Director's Report - Molly McCammon
 - Financial Report
 - Quarterly Project Status Report
 - Status of Audit and Investments
 - Alaska SeaLife Center Status Report
3. Habitat Protection Status Report and Discussion of Appraisal and Acquisition Process
4. Public Comment Period - 11 a.m.
5. Executive Session on Habitat Protection

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

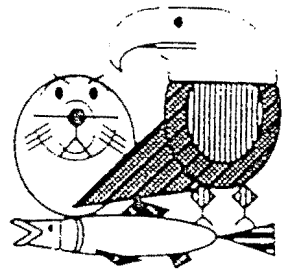
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

August 25, 1995 @ 8:30 a.m.
Continuation Meeting From August 15, 1995

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

- Jim Wolfe, USFS
- Deborah Williams, USDO
- Bill Hines, NMFS

- Frank Rue, ADF&G
- Ernie Piper, ADEC
- * • Craig Tillery, ADOL

* Chair

• Alternates:

Jim Wolfe served as an alternate for Phil Janik for the entire meeting.
Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Bill Hines served as an alternate for Steve Pennoyer for the entire meeting.
Ernie Piper served as an alternate for Gene Burden 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 June 1, June 16 and August 15, 1995 Trustee Council meeting notes (with noted changes to August 15 meeting notes). Motion by unidentified, second by Wolfe (Attachment B)

2. Public Advisory Group (PAG) Report

APPROVED MOTION: Requested Executive Director and staff to develop criteria to differentiate between oil spill-related projects and normal operation functions of EVOS Trustee agencies. Criteria to be reviewed by the PAG, then presented to the Trustee Council. Motion by Williams, no opposition.

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

APPROVED MOTION: Approved funding for administration, public information and science management, project 96100, at \$3,439,600. Motion by Williams, second by Rue.

APPROVED MOTION: Approved funding for the third payment of \$12 million into the Exxon Valdez Restoration Reserve fund, project 96-24. Motion by Williams, second by Wolfe.

APPROVED MOTION: Approved investment strategy similar to that for original \$24 million reserve deposit.

APPROVED MOTION: Approved, subject to further review in late September or early October, \$1,193,000 for project 96126, Habitat Protection and Acquisition Support. These funds will continue work for the large and small parcel acquisition and protection process which includes work for negotiations appraisals, title searches, and hazardous materials surveys. Motion by Wolfe, second by all Trustee Council members.

7. Additional Follow-up Requested

Directed the Executive Director to establish a small group to review the costs and logistics for habitat acquisition, and report back to the Trustee Council with any recommended changes.

Directed the Executive Director to report back to the Trustee Council at a future date on the Oil Spill Public Information Center.

Requested the Executive Director to ensure that the *Exxon Valdez* Oil Spill audit include an examination of the transfer and handling of money between funds in order to improve efficiency and maximize interest earnings.

Requested that the Executive Director clarify the explanation of the "Adjustments category contained within the "Past and Estimated Future Uses of the Civil Settlement Fund" table.

Meeting adjourned.

RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council"), after extensive review and after consideration of the views of the public, find as follows:

1. Owners of the small parcels identified in the small parcel acquisition process as KEN 10, KEN 12, KEN 19, KEN 29, KEN 34, KEN 54, KEN 55, KEN 148, KEN 1001, KEN 1002, KEN 1003, KEN 1004, KEN 1005, KEN 1006, KEN 1009, KEN 1014, KEN 1015, PWS 17 and PWS 52 have indicated an interest in selling those parcels:

2. The Trustee Council authorized appraisals of the above identified small parcels. Appraisals have now been completed for these small parcels or portions of these small parcels which are more specifically identified at page 5 of Attachment A to this Resolution (hereinafter referred to as the "Small Parcels") and approved by the government review appraisers:

3. As set forth at pages 23-25, 32-41, 44-47, 50-57, and 60-69 of Attachment A the Small Parcels have attributes which if they are acquired and protected will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented;

4. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammals Protection Act, are intended, under normal circumstances, to protect resources from serious adverse affects from logging and other

development activities. However, restoration, replacement and enhancement of resources injured by the *Exxon Valdez* oil spill present a unique situation. Without passing on the adequacy or inadequacy of existing law and regulation to protect natural resources and services, biologists, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill affected area to levels above and beyond that provided by existing law and regulation will have a beneficial affect on recovery of injured resources and lost or diminished services provided by these resources:

5. There has been widespread public support for the protection of these Small Parcels;
and

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

THEREFORE, we resolve to provide funds for the State of Alaska or the United States of America, as applicable, to offer to purchase and, if the offers are accepted, to purchase all the Sellers' rights and interests in the Small Parcels KEN 10, KEN 12, KEN 19, KEN 29, KEN 34, KEN 54, KEN 55, KEN 148, KEN 1001, KEN 1002, KEN 1003, KEN 1004, KEN 1005, KEN 1006, KEN 1009, KEN 1014, KEN 1015, PWS 52, Lots 5 through 11, and Lot 30, Block 10 of Plat 82-13 of PWS 17 as identified in Attachment A and to provide funds necessary for closing costs recommended by the Executive Director of the Trustee Council ("Executive Director") and approved by the Trustee Council and pursuant to the following conditions:

(a) the amount of funds hereinafter referred to as the "Purchase Price" to be provided by the Trustee Council for the purchase of the Small Parcels shall be the final approved appraised fair market value of the Small Parcels as follows:

KEN 10	\$320,000
KEN 12	\$450,000
KEN 19	\$260,000
KEN 29	\$1,200,000
KEN 34	\$600,000
KEN 54	\$2,320,000
KEN 55	\$244,000
KEN 148	\$1,650,000
KEN 1001	\$672,000
KEN 1005	\$50,000
KEN 1006	\$1,835,000
KEN 1009	\$48,000
KEN 1014	\$211,000
KEN 1015	\$531,000
PWS 17	\$310,000
PWS 52	\$150,000

Authorization for funding for any acquisition described above shall terminate if a purchase agreement is not executed by December 15, 1996.

(b) four million dollars (\$4,000,000) is provided towards the purchase of the Kenai Natives Association lands substantially as described in Attachment B including KEN 1002, KEN 1003, and KEN 1004. These three small parcels must be acquired at the time any portion of the funds authorized by this subparagraph are expended. Authorization for funding for these acquisitions shall terminate if a purchase agreement is not executed by December 15, 1998.

(c) disbursement of these funds by the District Court:

(d) a satisfactory title search is completed by the acquiring government and the Seller is willing and able to convey fee simple title by warranty deed except that with respect to parcel KEN

29 the Sellers may reserve certain oil and gas rights that will not effect the restoration value of the property and provided that in no event may the surface of the property be used or altered in any way for purposes of oil and gas exploration or production:

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the acquiring government prior to purchase;

(f) a satisfactory hazardous materials survey is completed;

(g) compliance with the National Environmental Policy Act;

Title to the Land conveyed to the State or the United States of America shall be subject to the conditions that unless otherwise agreed to by the Trustee Council there shall be no commercial timber harvest on the Small Parcels nor any other commercial use of the Small Parcels excepting such limited commercial use as may be consistent with state and federal law and the goals of restoration to its prespill condition of any natural resource injured, lost, or destroyed as a result of the EVOS and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 ("MOA") and the Restoration Plan as approved by the Trustee Council ("Restoration Plan"). Covenants to implement these conditions shall be subject to the approval of United States Department of Justice and the Alaska Department of Law.

It is the intent of the Trustee Council that any facilities or other development on the Small Parcels by the acquiring government will be of limited impact and in keeping with the existing character of the land and restoration objectives of the Restoration Plan and the MOA.

By unanimous consent and upon execution of the purchase agreements and written notice from the State of Alaska and the Executive Director for Small Parcels KEN 10, KEN 12, KEN 19, KEN 29, KEN 34, KEN 55, KEN 148, KEN 1001, KEN 1005, KEN 1006, KEN 1009, KEN 1015, PWS 17, and PWS 52, the Department of the Interior and the Executive Director for Small Parcels KEN 54, KEN 1002, KEN 1003, and KEN 1004, and the United States Department of Agriculture and the Executive Director for Small Parcel KEN 1014, respectively, that the terms and conditions set forth herein and in the purchase agreements have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the U.S. Department of Justice to petition the District Court for withdrawal of the Purchase Price and any such additional costs related to closing as are recommended by the Executive Director and approved by the Trustee Council for each of the Small Parcels from the District Court Registry account established as a result of the Governments' settlement to be paid at the time of closing. As purchase agreements are completed for particular parcels we request that the Department of Law and the Department of Justice petition the District Court for disbursement of such funds necessary for closing the acquisitions. These amounts represent the only amounts due under this resolution to the Sellers by the State of Alaska or the United States of America from the joint funds in the District Court Registry and no additional amounts or interest are herein authorized to be paid to the Sellers from such joint funds.

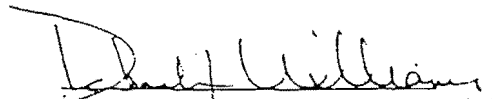
Dated this 20th day of November, 1995 at Anchorage, Alaska.



PHIL JANIK
Regional Forester
Alaska Region
USDA Forest Service



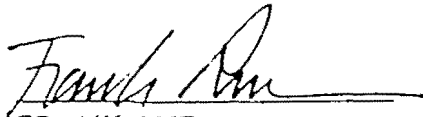
BRUCE M. BOTELHO CRAIG TILLERY
Attorney General Trustee Representative
State of Alaska



for GEORGE T. FRAMPTON, JR.
Assistant Secretary for Fish,
Wildlife and Parks
U.S. Department of the Interior

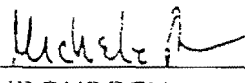


STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service



FRANK RUE
Commissioner
Alaska Department of
Fish and Game

for



GENE BURDEN
Commissioner
Alaska Department of
Environmental Conservation

RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Move to authorize the negotiators to offer the KIB \$42 million for purchase of fee simple title for the KIB interests in its land on Shuyak Island (comprising approximately 25,665 acres) to be paid over 7 years at a schedule to be agreed upon by the parties. The negotiators are to work with the KIB to, as quickly as possible, arrive at a purchase agreement and come back to the Council with a resolution and purchase agreement for its approval.

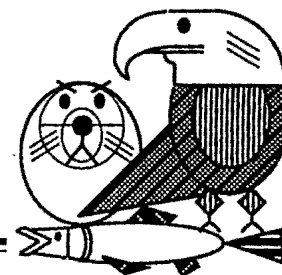
Adopted November 20, 1995

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

August 25, 1995 @ 8:30 a.m.
Continuation Meeting From August 15, 1995

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

- Jim Wolfe, USFS
- Deborah Williams, USDOJ
- Bill Hines, NMFS

- Frank Rue, ADF&G
- Ernie Piper, ADEC
- * ● Craig Tillery, ADOL

* Chair

● Alternates:

Jim Wolfe served as an alternate for Phil Janik for the entire meeting.
Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.
Bill Hines served as an alternate for Steve Pennoyer for the entire meeting.
Ernie Piper served as an alternate for Gene Burden 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 June 1, June 16 and August 15, 1995 Trustee Council meeting notes (with noted changes to August 15 meeting notes). Motion by unidentified, second by Wolfe. (Attachment B)

2. Public Advisory Group (PAG) Report

APPROVED MOTION: Requested Executive Director and staff to develop criteria to differentiate between oil spill-related projects and normal operation functions of EVOS Trustee agencies. Criteria to be reviewed by the PAG, then presented to the Trustee Council. Motion by Williams, no opposition.

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

DRAFT

3. Resolution Honoring Walter Meganack, Sr.

APPROVED MOTION: Resolution honoring Walter Meganack, Sr., presented to members of his family. Motion by Williams, second by all Trustee Council members.

4. Additions to the Injured Species List

APPROVED MOTION: Added Common Loons and Kittlitz's Murrelets to the injured species list and re-examine the data on cormorants and scoters and present findings to the Trustee Council to determine if they should also be added to the Injured Species List. Motion by Williams, second by Unknown.

5. FY95 Technical Budget Amendment

APPROVED MOTION: Approved the transfer of \$52,000 from the Alaska Department of Environmental Conservation and \$50,000 from the National Oceanic and Atmospheric Administration to the Alaska Department of Fish and Game for the purpose of contracting for an external audit in FY95. Motion by Williams, second by Rue.

6. FY96 Work Plan

APPROVED MOTION: The Trustee Council adopt the recommendations for FY96 projects as outlined in the spreadsheets of August 15, including the conditions outlined in a memo of August 15, making the changes reflected on page 12 of today's handout and with the following additional conditions. If the principal investigator has an overdue report from a previous year, no funds may be expended on a project involving that principal investigator until the report is submitted or a schedule for submission is approved by the Executive Director. The Council approves \$589,100 for FY97 report writing costs associated with FY96 field work for the following SEA program projects, 96320 - I, J, M, and N. These costs will be considered as part of the FY97 Work Plan. Also, \$50,000 is added to project 96027. Amended language for the sockeye projects 96255 and 96258A to clarify that authorized funding is for FY95 closeout with deferral of discussion on future work. Motion by Rue, second by Williams.

DRAFT

APPROVED MOTION: Approved funding for administration, public information and science management, project 96100, at \$3,439,600. Motion by Williams, second by Rue.

APPROVED MOTION: Approved funding for the third payment of \$12 million into the *Exxon Valdez* Restoration Reserve fund, project 96424. Motion by Williams, second by Wolfe.

APPROVED MOTION: Approved investment strategy similar to that for original \$24 million reserve deposit.

APPROVED MOTION: Approved, subject to further review in late September or early October, \$1,193,000 for project 96126, Habitat Protection and Acquisition Support. These funds will continue work for the large and small parcel acquisition and protection process which includes work for negotiations appraisals, title searches, and hazardous materials surveys. Motion by Wolfe, second by all Trustee Council members.

7. Additional Follow-up Requested

Directed the Executive Director to establish a small group to review the costs and logistics for habitat acquisition, and report back to the Trustee Council with any recommended changes.

Directed the Executive Director to report back to the Trustee Council at a future date on the Oil Spill Public Information Center.

Requested the Executive Director to ensure that the *Exxon Valdez* Oil Spill audit include an examination of the transfer and handling of money between funds in order to improve efficiency and maximize interest earnings.

Requested that the Executive Director clarify the explanation of the "Adjustments" category contained within the "Past and Estimated Future Uses of the Civil Settlement Fund" table.

Meeting adjourned.

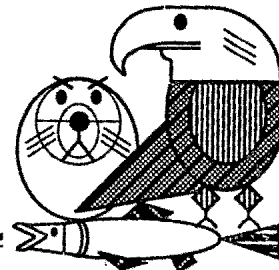
raw

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

August 15, 1995 @ 3:30 p.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

- Jim Wolfe, USFS
- Dan Sakura, USDOJ
- Steve Pennoyer, NMFS

- * Frank Rue, ADF&G
- Michele Brown, ADEC
- Alex Swiderski, ADOL

* Chair

● Alternates:

Jim Wolfe served as an alternate for Phil Janik for the entire meeting.

Alex Swiderski served as an alternate for Bruce Botelho for the entire meeting.

Michele Brown served as an alternate for Gene Burden for the entire meeting.

Dan Sakura served as an alternate for George T. Frampton, Jr. for the entire meeting.

1. Executive Session

APPROVED MOTION: Adjourn into Executive Session for the purpose of discussions on habitat protection negotiations. Motion by Pennoyer, second by Wolfe.

Off Record at 3:40 p.m.

On Record at 4:25 p.m.

Meeting recessed.

TAW

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

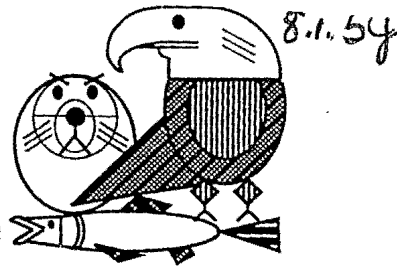
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

RECEIVED
AUG 25 1995

June 16, 1995 @ 11:00 a.m.

By Molly McCammon
Executive Director

DRAFT

EXXON VALDEZ OIL SPILL Trustee Council Members Present:

TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

• Deborah Williams, USDO
Steve Pennoyer, NMFS

Frank Rue, ADF&G
• Michele Brown, ADEC
• *Craig Tillery, ADOL

* Chair

• Alternates:

Michele Brown served as an alternate for Gene Burden for the entire meeting.

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

Ron McCoy served as an alternate for Deborah Williams from 11:24 a.m.

Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. University of Alaska Direct Rate

APPROVED MOTION: Approve the policy of a 25 percent indirect rate for the University of Alaska projects, as described in the draft agreement presented to the Council, and authorize the Executive Director to formalize this policy with the university in the appropriate manner. It is the belief of the Council that this policy is in accord with the financial operating procedures. To the extent that it is not, the financial operating procedures are amended to conform with this policy. Motion by Williams second by Brown.

2. Executive Session

APPROVED MOTION: To adjourn into Executive Session to discuss land acquisition and particularly the Eyak negotiations. Motion by Pennoyer, second by Janik.

Off record at 11:24 a.m.

On record at 11:50 a.m.

Meeting adjourned.

raw

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

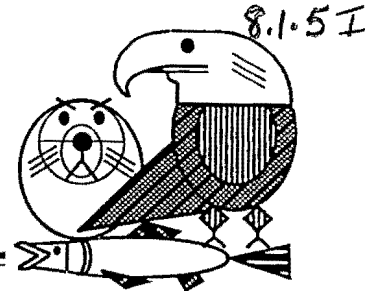
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

RECEIVED
AUG 25 1995

June 1, 1995 @ 1:00 p.m.
Cordova, Alaska

By Molly McCammon
Executive Director

DRAFT

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

Trustee Council Members Present:

• Jim Wolfe, USFS
*• Deborah Williams, USDO
Steve Pennoyer, NMFS

Frank Rue, ADF&G
• Michele Brown, ADEC
• Craig Tillery, ADOL

* Chair

• Alternates:

Jim Wolfe served as an alternate for Phil Janik for the entire meeting.

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

Michele Brown served as an alternate for Gene Burden 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) Motion by Pennoyer, second by ? (unidentified voice).

APPROVED MOTION: Approved March 31, 1995 Trustee Council meeting notes. (Attachment B) Motion by Rue, second by Pennoyer.

2. Small Parcel

APPROVED MOTION: Proceed with the preliminary work and negotiations on the six additional parcels that rated 18, as "Parcels Meriting Special Consideration." The staff should reexamine the threshold criteria for moderate and low categories for future evaluations. Motion by Wolfe, second by Pennoyer.

APPROVED MOTION: To elevate Horseshoe Bay into the category of "Parcel Meriting Special Consideration." Motion by Tillery, second by Brown.

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. Fleming Spit, Project 95080

DRAFT

APPROVED MOTION: Move forward with the recreational fisheries improvements component of Project 95080, Fleming Spit, (Attachment C) which includes the ponds and net pens. This funding is contingent upon final review and approval by the U.S. Department of Justice. The State of Alaska, using criminal settlement funds, will proceed with the boardwalk component, assuming the land is acquired. The proposed land purchase will be considered through the Small Parcel Program as a "Parcel Meriting Special Consideration." Motion by Pennoyer, second by Brown.

4. Technical Amendments to FY95 Budgets

APPROVED MOTION: Approve the technical amendments to the fiscal year 1995 budget as contained in the information package. (Attachment D)

5. Executive Session

APPROVED MOTION: Adjourn into Executive Session for discussions on the Eyak Negotiations. Motion by Pennoyer, second by Tillery.

Off record at 5:10 p.m.

On Record at 5:30 p.m.

APPROVED MOTION: The Trustee Council accepts Eyak and Sherstone's offer to engage in mediation for the severability clause in the proposed timber exchange. Motion by Wolfe, second by Pennoyer.

Meeting adjourned.

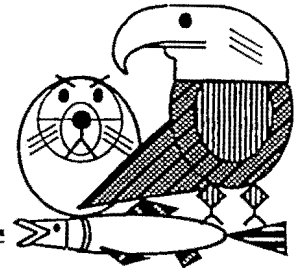
raw

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



AGENDA

EXXON VALDEZ OIL SPILL SETTLEMENT

TRUSTEE COUNCIL

JUNE 1, 1995 @ 1:00 P.M. -- CORDOVA

Mt. Eccles Auditorium

5/25/95

10:20 am

DRAFT

DRAFT

Trustee Council Members:

BRUCE BOTELHO/CRAIG TILLERY

Attorney General/Trustee

State of Alaska/Representative

GENE BURDEN/MICHELE BROWN

Commissioner/Trustee Representative

Alaska Department of Environmental
Conservation

GEORGE T. FRAMPTON, JR./DEBORAH WILLIAMS

Assistant Secretary/Trustee Representative

for Fish & Wildlife & Parks

U.S. Department of the Interior

PHIL JANIK

Regional Forester, Alaska Region

U.S. Department of Agriculture
Forest Service

STEVE PENNOYER

Director, Alaska Region

National Marine Fisheries Service

FRANK RUE

Commissioner

Alaska Department of Fish & Game

1. Call to Order 1:00 p.m.
 - Approval of Agenda
 - Approval of March 31, 1995 meeting notes.
2. Executive Director's Report - Molly McCammon
 - Financial Report
 - Status of Audit and Investments
 - FY96 Work Plan and Long Range Restoration Program
 - Habitat Protection Status Report
 - Large Parcels
 - Small Parcels
 - Alaska SeaLife Center Status Report
3. Public Advisory Group Report - Vern McCorkle, Chair
4. Public Hearing 2:00 p.m.
5. Fleming Spit, Project 95080
6. Technical Amendments to FY95 Budgets

Adjourn

DRAFT

raw

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

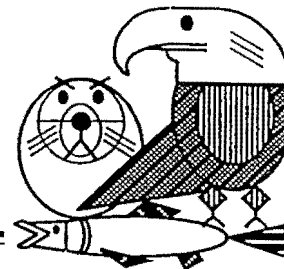
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

March 31, 1995 @ 2:00 p.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Phil Janik, USFS

• Deborah Williams, USDOJ

• Bill Hines, NMFS

• Ellen Fritts, ADF&G

* • Michele Brown, ADEC

• Alex Swiderski, ADOL

* Chair

• Alternates:

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

Bill Hines served as an alternate for Steve Pennoyer for the entire meeting.

Ellen Fritts served as an alternate for Frank Rue for the entire meeting.

Michele Brown served as an alternate for Gene Burden for the entire meeting.

Alex Swiderski served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. Motion by Williams, second by ? (Attachment A)

APPROVED MOTION: Approved February 13, 1995, February 22, February 24, February 28, and March 1, 1995 Trustee Council meeting notes. Motion by Williams, second by Janik. (Attachment B)

2. Nearshore Vertebrate Predator Package (NVP)

APPROVED MOTION: Trustee Council to fund the Nearshore Vertebrate Predator Package project for the duration of the project, for the amount of \$606,100 for FFY95 with the following provisos:

1) that there be no collections unless and until Dr. Spies approves a methodology and the Council reviews the methodology and,

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

Fleming Spit Recreation Area

Project Number: 95080

Restoration Category: General Restoration

Proposed By: The Cordova Sporting Club

Lead Agency: Alaska Department of Natural Resources

Cost FY 95: \$644,900

Cost FY 96: \$0

Total Cost: \$644,900

Duration: 2 years

Geographic Area: Prince William Sound

Injured Resource/Service: Recreation (sport fishing) and pink salmon

INTRODUCTION

Fleming Spit, located 1.5 miles north of Cordova's city center, is the site of a strong terminal coho sport fishery and a fledgling king salmon fishery. The Prince William Sound Aquaculture Corporation transports 200,000 king and coho salmon smolts from the Noerenberg Hatchery to Fleming Spit each year. The smolts are held in net pens in a pond behind the Spit for the purpose of imprinting the fish to return to the release site. The coho fishery was established before the *Exxon Valdez* oil spill; the king salmon fishery was established in 1989.

After the spill, residents of Cordova increasingly turned to the terminal fisheries at Fleming Spit to replace sport fishing opportunities lost or reduced because of the spill. This project will improve fish habitat and the terminal fisheries through the following actions:

1. **Land Acquisition (\$150,000).** Acquire a 5.39 acre parcel of land adjacent to the smolt release pond to accommodate existing and projected use of Fleming Spit for sport fishing and to maintain intertidal habitat for spawning and rearing of wild pink salmon.
2. **Fisheries Improvements (\$170,000).** Enlarge and deepen existing smolt release ponds so net pens float at all tide stages, thereby decreasing mortality among young salmon. Also construct permanent net pens to replace two mobile net pens.
3. **Fishing Boardwalk (\$300,000).** Construct a boardwalk to provide safe access to the fishing area for a diverse mix of people, including children, the elderly, and the disabled.

The City of Cordova supports these proposed improvements (Letter of 12/20/94 from Scott Janke, City Manager, City of Cordova).

Community Contributions. The City of Cordova and The Cordova Sporting Club have already constructed off-street parking at Fleming Spit and removed derelict barges from adjacent tidelands (joint project with the U.S. Coast Guard). If necessary, the City will also survey the parcel of land proposed for acquisition. These community contributions are valued at \$60,000.

State Restitution Funds. The State has agreed to participate in this project by constructing recreation facilities at Fleming Spit. Facilities for which State restitution funds are being considered include fish-cleaning stations, public restrooms, and additional improvements to the parking area (e.g., signs and curbs).

NEED FOR THE PROJECT

The proposed project will replace sport fishing opportunities lost or reduced because of the oil spill and protect intertidal habitat for wild pink salmon at Fleming Spit.

Land Acquisition. The primary purpose of acquiring USS 252 is to accommodate existing and projected use of Fleming Spit for sport fishing. It will also maintain intertidal habitat for spawning and rearing of wild pink salmon.

Although this parcel was not formally nominated through the Small Parcel Process, the Habitat Work Group evaluated the parcel at DNR's request. The parcel contains key habitats that are linked to the recovery or replacement of injured resources and services. The parcel is a high-use recreation area; pink salmon spawn in the upper intertidal zone adjacent to the parcel. These habitats are at risk from development and therefore will benefit from added protection. Furthermore, the parcel has potential for enhancement of its recreation values.

In addition to being linked to the recovery of injured resources and services, the parcel appears to meet other threshold criteria for acquisition. Specifically, the present owner, Sealaska Corporation, has had the parcel appraised and is willing to sell it at or below fair market value. The parcel, which is within city limits, will be managed by the City of Cordova.

Public recreation facilities, including fish-cleaning stations, public restrooms, and parking areas, will occupy approximately four acres of the parcel of land proposed for acquisition.

Fisheries Improvements. The primary purpose of the proposed fisheries improvements — enlarging and deepening the smolt release pond and constructing permanent net pens — is to decrease mortality among young salmon. Improved survival at an early life stage should increase the number of fish available for sport fishing at Fleming Spit. Without the proposed improvements, the terminal fisheries at Fleming Spit will deteriorate and their value in replacing lost or reduced sport fishing opportunities will diminish.

5-11-95

An added benefit of a healthy sport fishery at Fleming Spit is that it serves as an alternative to sport fishing on wild coho salmon on the Copper River Delta. Although the wild coho salmon stocks in the Copper River Delta were not directly injured by the *Exxon Valdez* oil spill, the area is within the spill-affected area and the species is under increased sport fishing pressure.

The existing smolt release pond at Fleming spit is shallow, exposing smolts to bird predation and causing net pens to ground. Net pens should be kept floating to maintain proper circulation. A dredge and fill project is proposed to enlarge and deepen smolt release ponds. By reducing bird predation and allowing net pens to float at all tide stages, this improvement will decrease mortality among young salmon.

The terminal fisheries now operate with two mobile net pens temporarily on loan from the Prince William Sound Aquaculture Corporation. Continuation of the terminal fisheries requires replacement of the mobile net pens with more durable net pens, which will be owned by the city and dedicated to the Fleming Spit terminal fisheries.

Fishing Boardwalk. The purpose of the fishing boardwalk is to provide safe pedestrian access to the fishing area for a diverse mix of people, including children, the elderly, and the disabled. The fishing area is presently accessed via the steep, rocky slope of the roadbed. The main part of the proposed boardwalk will extend 20 to 30 feet offshore. Platforms will also extend into the smolt release pond (on the landward side of the road). The entire boardwalk will comply with the Americans with Disabilities Act and therefore be accessible to the elderly and the handicapped.

PROJECT DESIGN

A. Objectives

1. Replace lost or reduced sport fishing opportunities by improving terminal fisheries at Fleming Spit.
2. Protect riparian and intertidal habitat for wild pink salmon.

B. Methods

All of the following steps will be the responsibility of the City of Cordova.

1. Acquire a 5.39 acre parcel of land (US\$ 252) at or below appraised fair market value.
2. Before undertaking fisheries improvements or constructing the fishing boardwalk, secure the following commitments and authorizations:
 - a. A long-term agreement with the Prince William Sound Aquaculture Corporation to obtain smolt for the terminal fisheries.
 - b. Authorization from the Department of Natural Resources and, if necessary, the

- Department of Transportation and Public Facilities, for long-term use the tidelands and road right-of-way for the fishing boardwalk (may require concurrence from the leaseholder of ATS 957).
- c. Authorization from the Department of Natural Resources to use the tidelands occupied by the smolt release pond.
 - d. A long-term community commitment to operate the fisheries and maintain the fishing boardwalk.
3. Enlarge and deepen the smolt release pond.
 - a. Design the dredge and fill project to minimize salmon mortality.
 - b. Obtain a Sec. 401 permit from the Corps of Engineers and other permits as needed.
 - c. Through a competitive procurement process, enter into a contract with a qualified contractor to dredge and fill the smolt release pond.
 4. Construct permanent net pens.
 - a. Through a competitive procurement process, acquire net pens.
 - b. Install anchors for securing the net pens.
 - c. Deploy net pens in the smolt rearing pond.
 5. Construct a fishing boardwalk.
 - a. Design the fishing boardwalk in compliance with the Americans with Disabilities Act.
 - b. Obtain necessary permits.
 - c. Through a competitive procurement process, enter into a contract with a qualified contractor to construct the fishing boardwalk.

C. Schedule

Acquire land	Feb - June	1995
Enter into operating agreements	Feb - Aug	1995
Deepen smolt release ponds		
- Obtain Sec. 401 permit	Feb - Aug	1995
- Issue RFP	Feb	1995
- Dredge and fill	Sept - Oct	1995
Construct permanent net pens	Apr - May	1995
- Acquire net pens	Feb - Aug	1995
- Install anchors	Sept - Oct	1995
- Deploy net pens	May - Aug	1996
Construct fishing boardwalk	Jan - May	1996

D. Technical Support

None.

E. Location

Fleming Spit is located within the city limits of Cordova, 1.5 miles northwest of the city center. It is on Orca Inlet between the State ferry dock to the south and the Eyak Village Corporation's log transfer facility to the north.

PROJECT IMPLEMENTATION

The proposed project will be implemented through a contract with the City of Cordova. The city will negotiate acquisition of land interests, hold title to the acquired land, obtain required permits, comply with the requirements of the National Environmental Policy Act (NEPA), and construct and maintain the permanent net pens and the fishing boardwalk.

COORDINATION OF INTEGRATED RESEARCH EFFORT

Not applicable.

FY 95 BUDGET (\$K)

Personnel	0.0
Travel	0.0
Contractual	620.0*
Commodities	0.0
Equipment	0.0
Subtotal	620.0
Gen. Admin.	24.9
Total	644.9

* Proposed as a contract with the City of Cordova for the following activities:

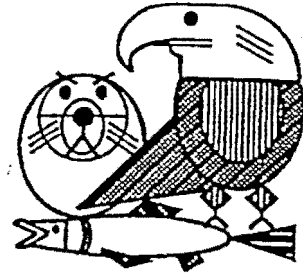
Acquire parcel of land	\$150.0
Enlarge and deepen smolt release ponds	150.0
Construct permanent net pens	20.0
Construct a fishing boardwalk	300.0

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO: Molly McCammon
 FROM: *Traci Cramer*
 Traci Cramer
 Administrative Officer

DATE: May 23, 1995

RE: FFY 1995 Budget Amendments

Based on communication from the Alaska Department of Fish and Game, the following amendments to the Federal Fiscal Year 1995 budget require consideration by the Trustee Council.

Transfers Between Trustee Projects

<u>No.</u>	<u>Title</u>	<u>Amount</u>
95139A1	Salmon Instream Habitat and Stock Restoration - Port Dick Spawning Channel	\$37,000

Comments - Funding is requested in FFY 1995 to continue data collection efforts and prepare the Environmental Assessment for the Port Dick Spawning Channel. The agency has requested \$223,100 to construction the spawning channel in FFY 1996. Trustee Council action on the FFY 1996 request will be sought in August. After Trustee Council action, the FFY 1995 Authorization will be \$37,000.

<u>No.</u>	<u>Title</u>	<u>Amount</u>
95139C2	Salmon Instream Habitat and Stock Restoration - Lowe River	(\$37,000)

Comments - The Draft Environmental Assessment has been produced and comments in response revealed that some original planning assumptions may be flawed. Additional data collection will be required before this project or a similar project in the Lowe River drainage can proceed. Since construction of the spawning channel cannot proceed as originally intended, funding is available for transfer to the Port Dick Spawning Channel. This is the second amendment affecting the Lowe River project, after Trustee Council action, the FFY 1995 Revised Authorization will be \$108,100.

Trustee Agencies

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

<u>No.</u>	<u>Title</u>	<u>Amount</u>
95320E	Pink Salmon and Herring Predators	(\$40,000)

Comments - The proposed request would transfer vessel charter needs associated with the SEA program and required for implementation of the Prince William Sound Science Center portions. After Trustee Council action, the FFY 1995 Revised Authorization will be \$903,100.

<u>No.</u>	<u>Title</u>	<u>Amount</u>
95320M	Physical Oceanography	\$40,000

Comments - The transfer represents the consolidation of vessel charter needs associated with the SEA program and required for implementation of the Prince William Sound Science Center portions. After Trustee Council action, the FFY 1995 Revised Authorization will be \$617,800.

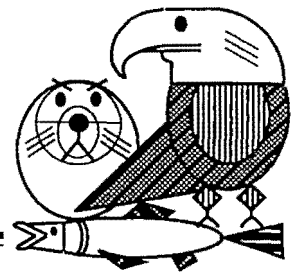
cc: Eric Myers
Joe Sullivan, ADF&G

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

RECEIVED
JUN 07 1995

March 31, 1995 @ 2:00 p.m.

By Molly McCammon
Executive Director

DRAFT

**EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD**

Trustee Council Members Present:

Phil Janik, USFS

• Deborah Williams, USDOJ

• Bill Hines, NMFS

• Ellen Fritts, ADF&G

* • Michele Brown, ADEC

• Alex Swiderski, ADOL

* Chair

• Alternates:

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

Bill Hines served as an alternate for Steve Pennoyer for the entire meeting.

Ellen Fritts served as an alternate for Frank Rue for the entire meeting.

Michele Brown served as an alternate for Gene Burden for the entire meeting.

Alex Swiderski served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. Motion by Williams, second by ? (Attachment A)

APPROVED MOTION: Approved February 13, 1995, February 22, February 24, February 28, and March 1, 1995 Trustee Council meeting notes. Motion by Williams, second by Janik. (Attachment B)

2. Nearshore Vertebrate Predator Package (NVP)

APPROVED MOTION: Trustee Council to fund the Nearshore Vertebrate Predator Package project for the duration of the project, for the amount of \$606,100 for FFY95 with the following provisos:

1) that there be no collections unless and until Dr. Spies approves a methodology and the Council reviews the methodology and,

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

2) to the maximum extent possible, if there are collections that they be done in conjunction with the hunting community, and,
3) that the Department of Justice reviews and approves the project.

Motion by Williams, second by Swiderski.

3. APEX

APPROVED MOTION: Trustee Council to fund the APEX project for the amount of \$1,167,900 for FFY95 for the next year only, with the following provisos:

DRAFT

1) that there be no collections unless and until Dr. Spies approves a methodology and the Council reviews the methodology and,
2) to the maximum extent possible, if there are collections that they be done in conjunction with the hunting community, and,
3) that the Department of Justice reviews and approves the project.

Motion by Fritts, second by Hines.

4. Technical Amendments to AKI and Old Harbor Resolutions

APPROVED MOTION: The Trustee Council agreed to language changes on the Akhiok-Kaguyak and Old Harbor November 2, 1994 resolutions relating to the reverter clauses. The specific changes provide for permanent protection and give the non-acquiring government an oversight role. Motion by Williams, second by Swiderski. (Attachment C)

5. Technical Amendments to FY95 Budgets

APPROVED MOTION: To transfer previously authorized funds between two Trustee agencies for two projects, and to transfer between two sub-projects within an already authorized project. Motion by Fritts, second by Hines. (Attachment D)

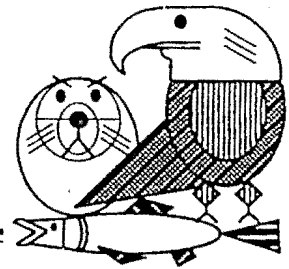
Meeting adjourned.

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

March 1, 1995 @ 3:00 p.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Phil Janik, USFS

• Deborah Williams, USDOJ

• Bill Hines, NMFS

* Frank Rue, ADF&G

Michelle Brown, ADEC

• Craig Tillery, ADOL

* Chair

• Alternates:

Michelle Brown served as an alternate for Gene Burden 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.

Bill Hines served as an alternate for Steve Pennoyer for the entire meeting.

1. Executive Session

Meeting began in Executive Session for the purpose of discussing the Eyak land acquisition negotiations.

Off Record at 3:00 p.m.

Executive Session from 3:00 p.m. to 4:25 p.m.

On Record at 4:25 p.m.

2. Eyak

APPROVED MOTION: The Trustee Council and Eyak agreed in a Statement of Intent to the following:

1) Redirect timber harvest to reduce impacts to Orca Narrows/Nelson Bay.

2) Immediately determine the value of timbered lands on the South side of Simpson Bay, within the Orca Sub-parcel, for the purpose of making an equal value (timber-rights for timber-rights) exchange with Eyak and Sherstone.

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

STATEMENT OF INTENT
between the
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
and
EYAK CORPORATION
and SHERSTONE, INC.

The Trustee Council, the Eyak Corporation, and Sherstone, Inc. have worked cooperatively to identify means by which the restoration purposes of the Trustee Council can be furthered through the acquisition of properties, or interests in properties, owned by Eyak and Sherstone, Inc. while also recognizing the intent of Eyak and Sherstone, Inc. to pursue resource development on certain portions of the Orca Revised lands.

In order to protect habitat values important to restoration, while recognizing Eyak's and Sherstone's right and intent to harvest timber, the Trustee Council, Eyak Corporation and Sherstone, Inc. jointly recognize the following:

1. **Redirection of Timber Harvest to Reduce Impacts to Orca Narrows/Nelson Bay.** Sherstone proposes to redirect timber harvest plans, scheduled to start March 2, 1995, from highly visible areas along Orca Narrows/Nelson Bay to areas within the vicinity of Simpson Bay in consideration of the actions of the Trustee Council and the United States Forest Service (USFS) contemplated by this Statement of Intent.
2. **Timber Rights Exchange and/or Land Conveyances.** In order to avoid timber harvest in the highly visible areas along Orca Narrows/Nelson Bay:
 - The Trustee Council will support efforts by the USFS to immediately determine the value of timbered lands on the south side of Simpson Bay, within the Orca Sub-parcel, for the purpose of making an equal value (timber-rights for timber-rights) exchange with Eyak and Sherstone, for timber rights in the highly visible areas along Orca Narrows/Nelson Bay that would otherwise be harvested.
 - Eyak, with the active support of the Trustee Council, will seek expedited conveyance of lands within the Simpson Bay drainage,

Sections 15-16 of T14S, R3W, in order to supplement the volume of timber available for harvest in the Simpson Bay area.

- Concurrent with efforts to expedite conveyances, the USFS will explore opportunities to exchange timber rights from Sections 15-16 of T14S, R3W with Eyak and Sherstone for timber rights along Orca Narrows/Nelson Bay. The Trustee Council, Eyak Corporation, and Sherstone, Inc. all regard this approach as the preferred way to supplement timber volume for Sherstone's harvest from Sections 15-16 (T14S, R3W) in the Simpson Bay area.

Timber rights that may be acquired from Eyak and Sherstone through such an exchange will be applied to those highly visible lands along Orca Narrows/Nelson Bay, starting at the eastern edge of the Orca Sub-parcel and then progressively further to the northeast toward the Rude River drainage. It is recognized that as a result of timber rights exchanges contemplated by this agreement and a redirection of timber harvest activities, Sherstone would experience an increase in road costs across those lands along Orca Narrows/Nelson Bay being protected that it would otherwise harvest. It is intended that these incremental costs be mutually identified, agreed upon and compensated.

For the purposes of the timber exchanges contemplated by this Statement of Intent, the valuation shall be completed on a basis that establishes a value as if the timber had been cut by Sherstone using existing and applicable log prices and expenses.

3. **Limited Conservation Easement for Orca Revised Parcel.** The Trustee Council will authorize funds for the USFS to acquire a limited conservation easement on the Orca Revised lands along Orca Narrows/Nelson Bay for \$200,000 consisting of commercial timber harvest rights for a period of time from March 1, 1995 through and including May 15, 1995. If the timber exchange for the Orca Sub-parcel is completed on or before May 15, 1995, the term of the limited conservation easement shall be extended through July 15, 1995. The US Forest Service will work with Sherstone, Inc. to complete a purchase agreement by March 10, 1995.

The sum of \$200,000 shall be paid to Sherstone for the limited conservation easement. If: 1) by May 15, 1995, the timber rights on the northwest side of the Orca Sub-parcel have been exchanged with Eyak and Sherstone; and 2) by July 15, 1995, the timber rights for Sections 15-16 have been exchanged with Eyak and Sherstone, or Sections 15-16 have otherwise been conveyed to Eyak, then Sherstone will allow \$200,000 to be offset against any amounts due Sherstone as a result of increased costs described in 2 above or as a credit against the acquisition of other timber

rights. Permits are a key component and could encumber Sherstone's ability to operate if there are delays that could affect Sherstone's operations.

4. **Access for Logging in Simpson Bay.** The Trustee Council recognizes that in order to access planned cutting units in the vicinity of Simpson Bay, road access from the log transfer facility in Orca Narrows/Nelson Bay across a portion of the Orca Sub-parcel will be needed and was provided for in the purchase agreement for the Orca Sub-parcel.
5. **Road Access Along Orca Narrows/Nelson Bay to the Rude River Drainage.** The Trustee Council recognizes that Sherstone's timber harvest plans include the harvest of lands in the Rude River drainage and that this will require road access along Orca Narrows/Nelson Bay. Sherstone recognizes the need to develop such a road in a manner that reduces or minimizes negative impacts to restoration values, to the extent practicable.
6. **Downed Timber on the Orca Sub-parcel.** The Trustee Council and Sherstone recognize that, if they can reach a mutually agreed upon value for the presently downed timber on the Orca Sub-parcel (approximately 10 acres), the net value of that timber will be applied to offset any payment or other value due Sherstone as a result of implementation of the provisions described in this Statement of Intent.
7. **Further Negotiation Schedule.** The Trustee Council, Eyak and Sherstone agree to develop a schedule by April 1 for further negotiations which are intended to address habitat protection on Eyak's and Sherstone's interests in the Other Lands (west of Shepard Point), including Sheep Bay, Port Gravina, and Windy Bay and other areas that have high restoration values of particular interest to the Trustee Council. This will include authorization by Eyak and Sherstone for the Trustee Council (through the USFS) to complete the appraisal of the Other Lands.

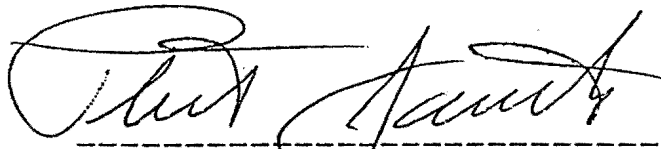
It is also intended that the Trustee Council, Eyak, and Sherstone will work to identify those remaining highly visible lands along Orca Narrows/Nelson Bay to the mouth of the Rude River that would not be protected from timber harvest as a result of the timber exchanges contemplated by this Statement of Intent and to negotiate cooperatively to reach an agreement for their protection. Additionally, it is intended that negotiations will proceed on acquisition of the Core Lands. Timber cruise and other similar factual data will be shared with Sherstone and Eyak.


8. **Use of Mediation As Appropriate.** The Trustee Council, Eyak and Sherstone agree that they will work cooperatively as described above and

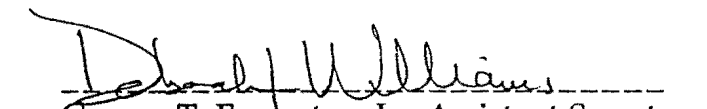
will use mediation, to the extent deemed appropriate by both parties, as a means of furthering these negotiations.

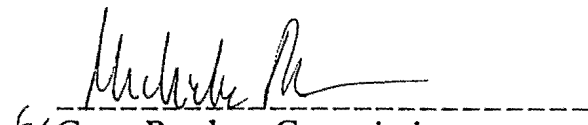
No contractual obligation enforceable against any party is created by this Statement of Intent.

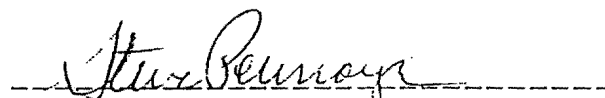
On behalf of the Exxon Valdez Oil Spill Trustee Council, the Eyak Corporation, and Sherstone, Inc. this Statement of Intent is recognized and accepted this 1st day of March 1995,

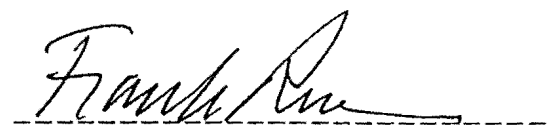

Phil Janik, Regional Forester
Alaska Region
USDA - Forest Service

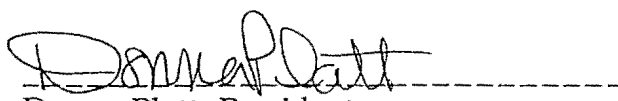

for Bruce Botelho, Attorney General
State of Alaska

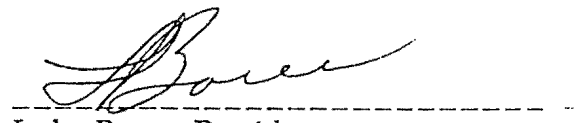

for George T. Frampton, Jr., Assistant Secretary for Fish and Wildlife and Parks
U.S. Department of the Interior


for Gene Burden, Commissioner
Alaska Department of
Environmental Conservation


Steve Pennoyer, Director
Alaska Region
National Marine Fisheries Service


Frank Rue, Commissioner
Alaska Department of Fish & Game


Donna Platt, President
Eyak Corporation


Luke Borer, President
Sherstone, Inc.

RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council, considering the views of the public and as a supplement to our December 2, 1994, and February 22, 1995 Resolutions regarding the Orca Revised, Other, and Core Lands interests owned by the Eyak and Sherstone Corporations (hereafter jointly referred to as "Eyak") find as follows:

1. On December 2, 1994, the Trustee Council unanimously resolved to authorize an offer to purchase from Eyak the Core Lands in fee simple and certain interests in the Orca Revised lands. The acceptance of this offer was subject, among other things, to the preparation of conservation easements that allow for development on the Orca Revised lands only to the extent compatible with the restoration of injured natural resources and services, which Eyak was to convey, in perpetuity, to the United States. Eyak subsequently responded to the offer in the form of a proposal called the "Eyak Concept Change," dated December 12, 1994, which the Trustee Council did not consider consistent with its restoration objectives as presented in the December 2 Resolution.

of the Orca Revised Lands is important to maintaining water quality and riparian habitats for anadromous fish and maintaining nesting and foraging opportunities for marbled murrelets and bald eagles. The Orca Revised Lands have a high value for recreation/tourism and are highly visible to the nearby community of Cordova.

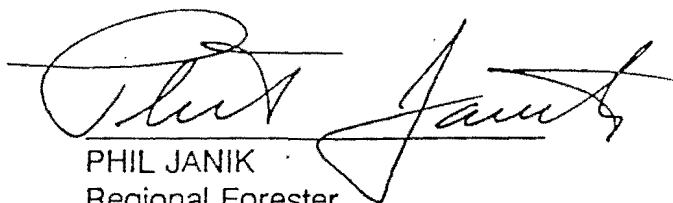
4. There is widespread public support for the acquisition of interests in the Orca Revised, Other, and Core Lands.

5. The acquisition of the interests in the Core Lands, Other Lands and the Orca Revised lands is an appropriate means to restore a portion of the injured resources and the lost or reduced services in the oil spill area. Acquisition of interests in these lands is consistent with the Final Restoration Plan.

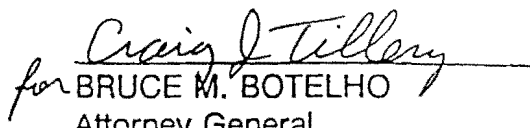
6. On March 1, 1995 the Trustee Council recognized and accepted the Statement of Intent in the form attached.

THEREFORE, the Trustee Council authorizes funds for the United States, acting through the Forest Service, to acquire a limited conservation easement on the Orca Revised lands along Orca Narrows/Nelson Bay for \$200,000 consisting of commercial timber harvest rights for a period of time from March 1, 1995 through and including May 15, 1995 or as extended consistent with the Statement of Intent.

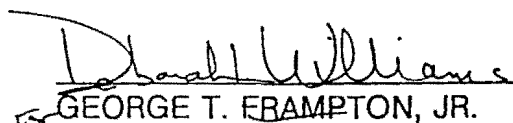
Dated this 3rd day of March, 1995, at Anchorage and Juneau, Alaska.



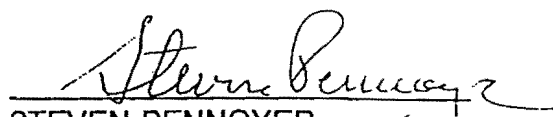
PHIL JANIK
Regional Forester
USDA Forest Service



for BRUCE M. BOTELHO
Attorney General
State of Alaska



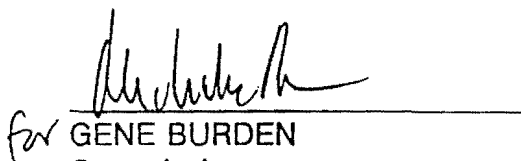
for GEORGE T. FRAMPTON, JR.
Assistant Secretary for Fish
and Wildlife and Parks
U.S. Dept. of the Interior



STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries
Service



FRANK RUE
Commissioner
Alaska Department of
Fish and Game



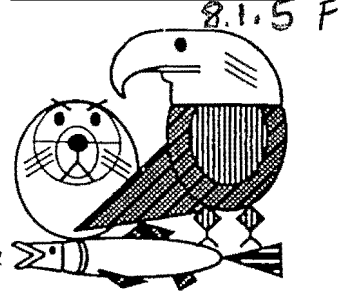
for GENE BURDEN
Commissioner
Alaska Department of
Environmental Conservation

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

February 28, 1995 @ 1:30 p.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Phil Janik, USFS
• Deborah Williams, USDO
Steve Pennoyer, NMFS

Frank Rue, ADF&G
• Ernie Piper, ADEC
• Craig Tillery, ADOL

* Chair

• Alternates:

Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

Ernie Piper served as an alternate for Gene Burden for the entire meeting.

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

1. Executive Session

APPROVED MOTION: Adjourned into Executive Session for the purpose of discussing Eyak land acquisition negotiations.

Off Record at 1:30 p.m.

Executive Session from 1:30 p.m. to 3:00 p.m.

On Record at 3:00 p.m.

2. Eyak

Announcement: The Trustee Council will meet again tomorrow to continue their negotiations with Eyak to try to reach a mutually acceptable agreement between Eyak Corporation and the Trustee Council.

Meeting adjourned.

raw

Trustee Agencies

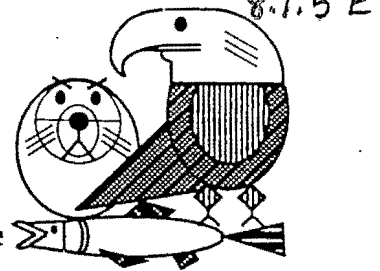
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

February 24, 1995 @ 11:30 a.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Phil Janik, USFS

*•Deborah Williams, USDOI

Steve Pennoyer, NMFS

Frank Rue, ADF&G

• Michelle Brown, ADEC

• Craig Tillery, ADOL

* Chair

• Alternates:

Michelle Brown served as an alternate for Gene Burden for the entire meeting.

Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

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

1. Executive Session

Meeting began in Executive Session for the purpose of discussing Eyak land acquisition negotiations.

Off Record at 11:30 a.m.

Executive session 11:30 a.m. to 1:22 p.m.

On Record at 1:23 p.m.

2. Eyak

APPROVED MOTION: The Council rejects Eyak's counteroffer for \$15 million, for the limited moratorium, and reaffirms their December 2, 1994 resolution. The Council offers to enter into mediation at the earliest available opportunity, mindful of Eyak's March 2, 1995 deadline. Mediation to commence with a mutually agreed upon mediator, date and time. Motion by Janik, second by Rue.

Meeting adjourned.

raw

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

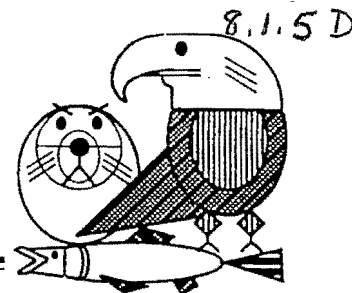
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

February 22, 1995 @ 11:30 a.m.

Reconvened from February 13, 1995 Meeting

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Phil Janik, USFS

*●Deborah Williams, USDOl

Steve Pennoyer, NMFS

Frank Rue, ADF&G

●Michelle Brown, ADEC

●Craig Tillery, ● ADOL

* Chair

● Alternates:

Michelle Brown served as an alternate for Gene Burden for the entire meeting.

Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

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

1. Executive Session

APPROVED MOTION: Adjourn into Executive Session for the purpose of discussion on the Eyak land acquisition negotiations. Motion by Janik, second by Pennoyer.

Off record at 11:40 a.m.

Executive Session 11:40 a.m. to 2:08 p.m.

On record at 2:08 p.m.

2. Eyak Resolution

APPROVED MOTION: Authorized \$4,130,000 for an offer to purchase a limited conservation easement in the form of a seven year moratorium on commercial timber located on a portion of the Orca Revised lands. This agreement is not intended to adversely impact Eyak's access and control of access to the land or their subsistence rights. Motion by Pennoyer, second by Rue.

Meeting adjourned.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

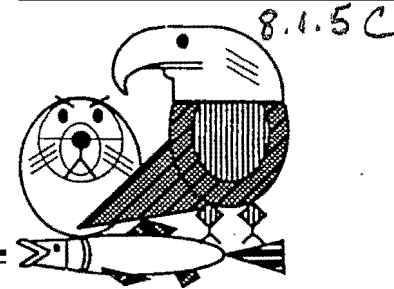
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

February 17, 1995 @ 9:00 a.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Phil Janik, USFS

• Deborah Williams, USDOJ

Steve Pennoyer, NMFS

Frank Rue, ADF&G

• Michelle Brown, ADEC

• Craig Tillery, ADOL

* Chair

• Alternates:

Michelle Brown served as an alternate for Gene Burden for the entire meeting.

Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

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

1. Executive Session

This entire meeting was in Executive Session for the purpose of discussing Eyak land acquisition negotiations.

Executive Session from 9:00 a.m. to 10:54 a.m.

Meeting recessed.

raw

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

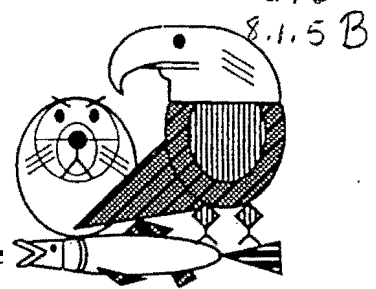
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

February 13, 1995 @ 10:00 a.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Dave Gibbons, ●● USFS
Deborah Williams, ●* USDOJ
Steve Pennoyer, NMFS

Frank Rue, ● ADF&G
Michelle Brown, ● 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. Alex Swiderski served as Tillery's alternate from 3:50 p.m. on.

Frank Rue represented the Alaska Department of Fish and Game.

Dave Gibbons served as an alternate for Phil Janik for the entire meeting. Jim Wolfe represented USFS from 3:50 p.m. on.

Michelle Brown served as an alternate for Gene Burden for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. (Attachment A)

APPROVED MOTION: Approved with minor changes, the December 2, 1994 and January 5, 1995 Trustee Council meeting notes. (Attachment B)

2. Executive Director's Report

APPROVED MOTION: Adjourn into Executive Session for the purpose of discussions on habitat protection negotiation strategies, Public Advisory Group nominations, large parcel negotiation status, and the small parcel protection process. Motion by Tillery, second by Pennoyer.

Off Record at 12:36 p.m.

Executive Session from 1:00 p.m. to 3:50 p.m.

On Record at 3:50 p.m.

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. Public Advisory Group Nominations

APPROVED MOTION: Public Advisory Group recommended nominations were made alphabetically as follows:

Aquaculture - Karl Becker, motion by Pennoyer, second by Rue.

Commercial Fishing - Thea Thomas, motion by Brown, second by Pennoyer.

Commercial Tourism - Nancy Lethcoe, motion by Brown, second by Pennoyer.

Conservation - Chip Dennerlein, motion by Rue, second by Brown.

Environmental - Pamela Brodie, motion by Pennoyer, second by Rue.

Forest Products - Kim Benton, motion by Pennoyer, second by Rue.

Local Government - Dave Cobb, motion by Pennoyer, second by Gibbons.

Native Landowner - Charles Totemoff, motion by Wolfe, second by Brown.

Recreation Users - Jim Diehl, motion by Wolfe, second by Brown.

Science/Academic - John French, motion by Pennoyer, second by Rue.

Sport Hunting and Fishing - Rupert Andrews, motion by Brown, second by Pennoyer.

Subsistence - Brenda Schwantes, motion by Brown, second by Pennoyer.

Public-at-Large - Chris Beck, motion by Rue, second by Brown. Martha Vlasoff, motion by Swiderski, second by Pennoyer. Jim King, motion by Pennoyer, second by Rue. Vern McCorkle, motion by Wolfe, second by Pennoyer. Gordon Zerbetz, motion by Rue, second by Brown.

4. Small Parcel Protection Process

APPROVED MOTION: Adopted the Small Parcel Protection Process resolution. (Attachment C) Motion by Rue, second by Pennoyer.

APPROVED MOTION: Move five low ranked parcels into the further consideration category described in the Small Parcel resolution (see above). The parcels include: Parcel Kenai 12, Parcel Kenai 29, Parcel Kodiak 22, Parcel KAP 220, and Parcel KAP 105 and 142. Motion by Pennoyer, second by Brown.

5. Project 95191-A

APPROVED MOTION: Approved an additional \$210,100 for Project 95191-A, Egg and Alevin Mortality, to cover a budget oversight. Motion by Rue, second by Brown.

Meeting recessed.

7:55 PM

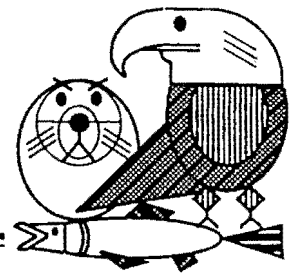
raw

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

RECEIVED
FEB 14 1995

1995
January 5, 1994 @ 4:00 p.m.
Teleconference
By Molly McCammon
Executive Director

DRAFT

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

Trustee Council Members Present:

Phil Janik, USFS
George T. Frampton Jr, USDOl
• Don Collinsworth, NMFS

*Carl Rosier, ADF&G
• Len Verrelli, ADEC
• Craig Tillery, ADOL

* Chair

• Alternates:

Len Verrelli served as an alternate for the Department of Environmental Conservation 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. Eyak

APPROVED MOTION: Approved an additional \$1.45 million for Eyak Corporation's 2,053 acre subparcel. This brings the total price to \$3.45 million. Motion by Phil Janik, second by Craig Tillery.

Meeting adjourned.

DRAFT

raw

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