

TRUSTEE COUNCIL  
MEETING TRANSCRIPT

NOV. 20, 1995

RECEIVED  
DEC 12 1995

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL  
ADMINISTRATIVE RECORD

TRUSTEE COUNCIL TELECONFERENCE MEETING  
Monday, November 20, 1995  
10:00 o'clock a.m.

Federal Building  
Forest Service Conference Room  
Juneau, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

U.S. DEPARTMENT OF THE INTERIOR:	MS. DEBORAH WILLIAMS (Chair) Special Assistant to the Assistant Secretary
STATE OF ALASKA:	MR. CRAIG TILLERY and MR. ALEX SWIDERSKI Trustee Representatives for the Attorney General
STATE OF ALASKA - DEPARTMENT OF FISH AND GAME:	MR. FRANK RUE Commissioner
U.S. DEPARTMENT OF AGRICULTURE - FOREST SERVICE:	MR. PHIL JANIK Regional Forester MR. JAMES WOLFE, Alternate
U.S. DEPARTMENT OF COMMERCE - NOAA:	MR. STEVE PENNOYER Director, Alaska Region
STATE OF ALASKA - DEPARTMENT OF ENVIRONMENTAL CONSERVATION:	MR. ERNIE PIPER Alternate for Commissioner Gene Burden

1       **TRUSTEE COUNCIL STAFF PRESENT:**

2       MS. MOLLY McCAMMON                   Executive Director  
  EVOS Trustee Council

3       MR. ERIC MYERS                         Director of Operations  
4   EVOS Trustee Council

5       MS. REBECCA WILLIAMS                 Executive Secretary  
  EVOS Trustee Council

6       MS. L. J. EVANS                       Public Information Specialist  
7   EVOS Trustee Council

8

9       **OTHER PARTICIPANTS:**

10      MS. GINA BELT                         U.S. Department of Justice

11      MR. KIM SUNDBERG                     State of Alaska  
  Department of Fish and Game

12      MR. GLENN ELISON                    U.S. Department of Interior

13      MR. BARRY ROTH                       U.S. Department of Interior  
14   (Telephonic)

15

16

17

18

19

20

21

22

23

24

25

	<b>PUBLIC TESTIMONY (Location Testifying From)</b>	<b>PAGE</b>
1		
2	MR. DAVE DEANS (Anchorage) . . . . .	44
3	MS. PAM BRODIE (Homer) . . . . .	45
4	MS. DIANA ZIRUL (Kenai) . . . . .	47
5	MR. MARK LUTTRELL (Seward) . . . . .	49
6	MAYOR JEROME SELBY (Juneau) . . . . .	51
7	MR. JOEL BOLGER (Juneau) . . . . .	56
8	MR. LARRY LANDRY (Juneau) . . . . .	61
9	MR. CHARLES McKEE (Anchorage) . . . . .	65
10	MS. BARBARA SEAMAN (Homer) . . . . .	68
11	MR. BRANDON ANDERSON (Seward) . . . . .	70
12	MS. RICKIE OTT (Cordova) . . . . .	71
13	MR. RICHARD TYLER (Homer) . . . . .	75
14	MS. AMY BOLLENBACH (Homer) . . . . .	77

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Proceedings recorded by electronic sound recording. Transcript produced by transcription service.

JUNEAU, ALASKA - MONDAY, NOVEMBER 20, 1995

(Tape No. 1 of 3)

(On record at 10:00 a.m.)

CHAIR WILLIAMS: I'd like to welcome the Trustee Council members, Agency staff, and the public. I would like to call to order the November 20th, 1995, meeting of the Exxon Valdez Oil Spill Trustee Council. And we will begin with the approval of the agenda.

Did all the Trustee Council members have the opportunity to review the agenda?

(No audible response)

CHAIR WILLIAMS: Is there a motion to approve the agenda?

MR. PENNOYER: I move we approve the agenda.

MR. JANIK: Second.

CHAIR WILLIAMS: Moved by Mr. Pennoyer, seconded by Mr. Janik. Is there any opposition to approving the agenda as written?

(No audible response)

CHAIR WILLIAMS: The agenda is approved. We'll next move to the approval of the August 25th, 1995, meeting notes. Did all the Trustee Council members have the opportunity to review the meeting notes?

(No audible response)

1 CHAIR WILLIAMS: Is there a motion to approve the  
2 meeting notes as written?

3 MR. JANIK: So move.

4 MR. PENNOYER: Second.

5 CHAIR WILLIAMS: Moved by Mr. Janik, seconded by Mr.  
6 Pennoyer. Any opposition to approving the meeting notes for  
7 August 25th, 1995, as written?

8 (No audible response)

9 CHAIR WILLIAMS: They are approved. The next item of  
10 business is the Executive Director's report. Ms. McCammon?

11 MS. MCCAMMON: Thank you, Madam Chair. In your  
12 packet you'll notice that you have a financial report as of  
13 October 31st, 1995. This shows the Joint Trust Fund account  
14 balance of \$117,534,467, less current year commitments, the  
15 restoration reserve balance, plus adjustments, for an  
16 uncommitted Fund balance of \$46,094,678. It's estimated  
17 between future Exxon payments and less the remaining  
18 reimbursements and less the remaining commitments that the  
19 Council has made so far that the total estimated funds  
20 available are approximately \$406,000,000. There is also  
21 associated backup with this.

22 And at this point, these financial reports that  
23 you've been receiving on a monthly basis have not been  
24 certified through the accounting agency that has been  
25 contracted to do our audit, but following the final audit

1 report in March, we'll be able to have these certified on a  
2 regular basis.

3 CHAIR WILLIAMS: Thank you. Are there any questions  
4 from the Trustee Council members? And let me take a moment, if  
5 I could. I neglected to introduce the Trustee Council members.  
6 Let me do so at this time, particularly for the benefit of  
7 those people on the teleconference system.

8 We have with us today Commissioner Frank Rue,  
9 representing the Alaska Department of Fish and Game; Mr. Phil  
10 Janik, Regional Forester for the Forest Service, Department of  
11 Agriculture; Mr. Pennoyer, representing NMFS, NOAA, and  
12 Department of Commerce. Of course, we have Eric Myers, Chief  
13 of Staff for the Exxon Valdez Trustee Council; Molly McCammon,  
14 Executive Director, Exxon Valdez Trustee Council; Mr. Craig  
15 Tillery, representing the Attorney General's Office; Ernie  
16 Piper, representing the Alaska Department of Environmental  
17 Conservation. And I am Deborah Williams, representing the  
18 Department of Interior and acting as Chair today.

19 Thank you, Ms. McCammon. If you would continue,  
20 please.

21 MS. McCAMMON: The next item in your packet is the  
22 quarterly project status summary as of September 30th, 1995,  
23 and this is for the status of all the projects, the 1992  
24 projects, '93 projects, '94 projects, and '95 projects as of  
25 the end of this fiscal year. I think the main item of interest

1 here is that the Trustee agencies have done a much better job  
2 in the last year, and especially in the last three months, in  
3 getting final reports submitted, reviewed, approved, and then  
4 into the proper format to be delivered to OSPIC and made  
5 available to the public.

6 In addition, this year we made a major change with  
7 the '95 projects and are requiring, for those projects that  
8 have multi-year funding, requiring an annual report that still  
9 goes through the same kind of peer review process, but it  
10 doesn't have the back-and-forth rewrite that a final report  
11 gets. And this should, I think, expedite getting these kinds  
12 of reports out and available to the public. The peer review  
13 comments are still available to the public and will be  
14 available upon request.

15 What we're trying to expedite, simplify, and make  
16 sure that all of our report requirements are accomplished in as  
17 timely a fashion as possible. And I think there's been a much  
18 better effort made this year than in the past.

19 The new thing that we're implementing for next year  
20 is that for FY '97, all reports for projects that just finished  
21 the field season for the FY '95 projects, those reports are due  
22 on April 15th. That is the same date that the proposal for  
23 FY '97 is due. The FY '97 proposal will not be read unless --  
24 or even considered -- unless it is accompanied by a final  
25 report or an annual report, whichever the case is. That's also



1 due on that same date. Or if there is some special  
2 accommodation that needs to be made, that that needs to be  
3 submitted in writing and approved.

4 So this means before any future funding will even be  
5 considered, before a proposal will be reviewed, that the report  
6 for the prior field season has to accompany any request for  
7 future funding.

8 We've been working very closely with the Trustee  
9 agencies and with the PIs on the report process and have had a  
10 great deal of cooperation from those within the agencies.  
11 We're trying to clean up a -- there's a number of reports that  
12 are still on backlog status. To a large degree, these are  
13 reports that either the principal investigator quit, took  
14 another job, left, and the reports had to be picked up by  
15 someone else. Or, in some cases, they are reports that have  
16 some -- we're almost at the point of having some irreconcilable  
17 differences between the principal investigators and the peer  
18 reviewers, and we're trying to work out ways of resolving that.

19 Some of the items, I think you'll notice, of interest  
20 in the status report that have occurred since our August  
21 meeting, first of all, in September, the Council sponsored a  
22 Youth/Elder Subsistence Conference. This was attended by more  
23 than 100 people. There were representatives from every  
24 community within the spill area, with the exception of the  
25 village of Tatitlek that was weathered out during those two

1 days.

2 The group spent several days going over the status of  
3 the injured resources, their concerns about subsistence use of  
4 those resources within the spill area. And I think afterwards,  
5 the good news from all of this is that many of the  
6 recommendations and concerns that were brought up in that  
7 conference are items that the Council has heard in the past and  
8 has worked to implement some way of addressing them. So a lot  
9 of the recommendations, when I was reviewing the final report,  
10 are things that the Council has already undertaken.

11 There were two concerns that I think were very  
12 important to those gathered. One concern that they definitely  
13 wanted passed on to the Council is their recommendation that  
14 there be a Native trustee on the Trustee Council. And the  
15 second concern that was brought up was a concern that the  
16 process under which this settlement occurred does not  
17 adequately take into account human issues and concerns: the  
18 impact of the spill on Native culture and human resources  
19 within the villages. And they wanted that message passed on to  
20 the Trustee Council.

21 A final report has been written, and right now I'm  
22 drafting a response to that report and I'll be circulating that  
23 to all of you before we issue it, on how to respond to it.

24 In addition, in early November, the Council also  
25 sponsored a Residual Oiling Conference. At this time, this was

1 attended by all of the experts who have participated in the DEC  
2 process over the last few years, in terms of looking at what  
3 leftover oil is still out there on the beaches. We heard -- we  
4 had significant participation from the village of Chenega; they  
5 sent, I think, 10 or 12 people who represented the community.  
6 There was a lot of very good discussion. There is continuing  
7 concern from the residents about remaining oil on the beaches.

8 We have worked with them really closely to identify  
9 those beaches of greatest concern to the residents, and we'll  
10 be preparing a set of option papers probably for you by  
11 January. But I did want to bring to your attention that the  
12 presence of oil is still a major issue, especially to the  
13 residents of Chenega and right around their community.

14 In addition, the third conference that the Council  
15 sponsored was the Sea Bird Restoration Workshop that was held  
16 in Girdwood in early October. That workshop will be developing  
17 a report and will have some possible options for the Council to  
18 consider in the future.

19 Right at the moment, the chief scientist is  
20 sponsoring a number of technical review sessions in preparation  
21 for action on the final work plan in December. Those include  
22 review sessions on herring, pink salmon, sockeye salmon, the  
23 APEX project, and many sessions on clams, octopus, and  
24 harlequin ducks. Those technical sessions, we're hoping, will  
25 be able to be accomplished in the time schedule that we've set.

1           They depend, to some degree, on participation by  
2 federal agency folks. The last one on the herring review last  
3 week, the -- one of the reviewers was a federal employee who  
4 was grounded at the last minute, and fortunately, we were able  
5 to find an alternate on 24-hour notice. But hopefully, we'll  
6 get through these sessions in the next month.

7           This will lead us to a final recommendation for the  
8 rest of the work plan on December 11th. The schedule that we  
9 have is extremely tight. Because of the reviewers' schedules,  
10 we were not able to schedule a lot of these technical sessions  
11 until late November/early December. The last session, I  
12 believe, is completed on December 2nd. We'll be working, at  
13 that time to develop a draft recommendation. The Public  
14 Advisory Group meets in Anchorage on December 6th.

15           Based on -- we'll incorporate their comments into the  
16 draft recommendation, and you will be receiving it on  
17 approximately December 8th, in preparation for a December 11th  
18 meeting. So it's a very tight time schedule; I apologize in  
19 advance for that. The only other option is not having us  
20 meeting until January, which I think, from most people's  
21 perspective, is not acceptable in terms of funding, schedules,  
22 and trying to get funds through the court and through the  
23 various processes.

24           These are all projects that have been reviewed, the  
25 Council has seen in the past. They're all ones that the public

1 has seen. There is nothing new on the table. So I think in  
2 terms of public process, there's nothing new out there, it's  
3 just a question of what the results of the technical sessions  
4 are.

5 In addition, we're working right now in preparation  
6 for the annual Restoration Conference, which will be held in  
7 Anchorage at the Captain Cook Hotel January 16th through the  
8 18th. This is one that is a mandatory meeting of all the  
9 principal investigators for all of the Trustee Council  
10 projects. Last year, we had more than 200 people attend this  
11 conference.

12 One of the -- the keynote speaker and the keynote  
13 address that we're focusing on this year will be on traditional  
14 environmental knowledge. And the person who's giving the  
15 keynote speech has not been selected yet, but we should have  
16 that nailed down in the next week or so.

17 But I would encourage any of the Council members, if  
18 you're able to do so, this is a really good opportunity to  
19 really listen to what's happening within the program and get  
20 involved in the exchange, this scientific exchange that occurs  
21 at conferences like this. We'll have a final more tentative --  
22 a more final tentative agenda on that available next week, and  
23 I'll get that out to all of you.

24 In addition, I wanted to note that one of the  
25 Council's projects, the Sound Waste Management Plan, which is

1 nearing completion this year, did receive an award at the  
2 Alaska Municipal League at their banquet on Friday. The award  
3 was accepted by the Mayors that are participating in that  
4 project. So the Mayors of Whittier, Valdez, Cordova, and, I  
5 believe, representatives from Chenega and Tatitlek accepted  
6 that award on the Council's behalf.

7 And one final item that I wanted to note here also  
8 is, during the month of October -- well, actually, it was in  
9 late September, the Public Advisory Group took a tour of Prince  
10 William Sound, starting in Valdez, holding a public meeting  
11 there, and then on one of Stan Stevens' boats, viewing a  
12 significant amount of the land that's considered for protection  
13 within Prince William Sound, right around Tatitlek. We had  
14 Gary Kompkoff, who was the Village Council President, get on  
15 board the boat and describe the Trustee Council projects that  
16 are being funded within that area.

17 Then we crossed over the Sound to Chenega, held a  
18 public meeting in that community that night, attempted to leave  
19 the next day but were caught up in Typhoon Oscar, and after --  
20 I don't know -- huge waves, whatever -- I don't know how many  
21 feet they were, but they were big, turned around and spent an  
22 additional day in Chenega, which actually was really  
23 beneficial. It gave us the opportunity to talk to them about  
24 the archaeological restoration projects and about habitat  
25 acquisition and a number of other items.

1           So it was, I think from everyone's perspective, a  
2 really worthwhile trip. Enforced confinement on a vessel gets  
3 you talking to people. So it was very beneficial.

4           The next item I wanted to report on was the status of  
5 the audit. And I believe.....

6           CHAIR WILLIAMS: Molly, let's quickly ask: Do any  
7 Trustee Council members have any questions about recent or  
8 future conferences or about the quarterly project status  
9 report? Yes. Mr. Pennoyer.

10          MR. PENNOYER: Thank you, Madam Chair. In the past  
11 meeting, Molly, we approved the minutes of the meeting, but  
12 there were various things people undertook to do, and one of  
13 them was this age-old question of criteria to differentiate  
14 between oil spill related projects and normal operation  
15 projects. Is this something that will also come to us in the  
16 December meeting?

17          MS. McCAMMON: Yes. Mr. Pennoyer, we have a draft  
18 being circulated right now; it's being looked at by Agency  
19 staff. The Public Advisory Group requested this also. We'll  
20 do a presentation with them on December 6th and then bring it  
21 back to you on December 11th. Yes.

22          MR. PENNOYER: Okay. I wasn't aware we'd seen a  
23 draft.

24          MS. McCAMMON: Yeah.

25          MR. PENNOYER: We'll get a copy from you if we don't

1 have one?

2 MS. McCAMMON: Yes.

3 MR. PENNOYER: Thank you.

4 MS. McCAMMON: No, you haven't seen the draft yet.

5 It's just.....

6 MR. PENNOYER: Oh, okay. You said it was  
7 circulating.

8 MS. McCAMMON: It just came out last week.

9 MR. PENNOYER: Okay. All right. Thank you.

10 CHAIR WILLIAMS: Certainly. Any other questions or  
11 comments?

12 (No audible response)

13 CHAIR WILLIAMS: Okay. Ms. McCammon?

14 MS. McCAMMON: We do have two members of the audit  
15 team here today: Max Marts and Tim O'Keith. They're with the  
16 firm of -- back here in the corner. They're with the firm of  
17 Elgee, Rehfeld.....

18 CHAIR WILLIAMS: Sort of like the.....

19 MS. McCAMMON: .....& Funk.

20 CHAIR WILLIAMS: .....Academy Awards, huh?

21 (Laughter)

22 MS. McCAMMON: This is a Juneau firm that was awarded  
23 the contract to conduct the audit on behalf of the Trustee  
24 Council. They have been -- their efforts have been under way  
25 in the last month, and barring some further major shutdown on



1 the federal side, all of the meetings are on schedule. The  
2 draft report from the audit should be submitted to us by  
3 February 1st, and we should have a final audit by March 1st.  
4 So everything seems to be on schedule with that.

5 As this audit proceeds, they're focusing a lot on the  
6 processes that are used for the transfer of funds and for  
7 various mechanisms, and if anything does get identified during  
8 the audit that seems like it might be appropriate to institute  
9 a change or at least look into the reasons for various things,  
10 we're doing that as we go through the audit. So we're not  
11 waiting till the end of the audit to look at making some  
12 changes in processes and all. We'll be bringing them to  
13 individual agencies' attention as they get identified through  
14 the process. But I think having this is going to be very  
15 worthwhile.

16 CHAIR WILLIAMS: Any questions or comments for either  
17 Ms. McCammon or the auditors from the Trustee Council members?

18 (No audible response)

19 CHAIR WILLIAMS: Okay.

20 MS. MCCAMMON: The only other item there that I  
21 wanted to mention is that the Council, if you'll recall, has  
22 committed to \$36 million in the Restoration Reserve, which is  
23 to be invested on a longer-term basis than the rest of the  
24 Trustee Council funds. As of this date, today, the court has  
25 still not made those investments. They have told us that it

1 requires a change in their contract with the Texas bank that  
2 they use, and that they are waiting for certain securities to  
3 mature and for the timing to be right to make those  
4 investments.

5 We'll be pursuing this. This has been a lengthy  
6 process. The Council first initiated this effort more than a  
7 year ago, and it's been frustrating, to say the least. But all  
8 the papers have been filed with the court; it's all in place.  
9 The burden is really now with the court system to do this.

10 As part of the audit process, we do have a meeting  
11 scheduled in Houston with the Court Registry Investment System,  
12 and I hope to have this fixed before that meeting.

13 CHAIR WILLIAMS: I do find this appalling (laugh).  
14 And is there -- Mr. Tillery or Ms. Belt, is there anything we  
15 can do, or Ms. McCammon, to put more pressure on this process?

16 MR. TILLERY: To clarify, the court here has done  
17 everything it can do.

18 CHAIR WILLIAMS: All right.

19 MR. TILLERY: Judge Holland has signed the enabling  
20 legislation, the enabling court order; he has signed the two  
21 deposit orders. It's a function of them -- the Court Registry  
22 Investment System getting their contracts with the bank in  
23 order. And I guess we kind of caught them at a time when they  
24 were changing their system around. And we were originally told  
25 there was nothing more that was needed to be done, and then

1 after we scuttled the order down there and, apparently, they  
2 started to thinking about how they were going to do it, they  
3 decided they did need to do something.

4 And I think one of the -- I think one thing we need  
5 to do is to have Ms. McCammon go down to Texas and have some  
6 personal discussions that I think will make things maybe easier  
7 to work with in the future, go quicker.

8 CHAIR WILLIAMS: Ms. McCammon, do you think a new  
9 resolution by this body emphasizing how important it is for  
10 restoration to maximize, you know, our investment dollars would  
11 be helpful for you to take down, and perhaps one that expresses  
12 just a little bit of frustration with the time that's been  
13 involved? Would that be helpful for you to have?

14 MS. McCAMMON: I'm not sure whether that would or  
15 not. I don't think it hurts to have a -- to be able to have a  
16 strong message from the Council from that perspective, but.....

17 MR. TILLERY: Previous.....

18 MS. McCAMMON: .....I'm not sure whether it would  
19 help.

20 MR. TILLERY: .....impression in dealing with courts  
21 is that expressions of frustration are not very fruitful.

22 (Laughter)

23 CHAIR WILLIAMS: How about just an expression of  
24 renewed commitment to have this occur in a timely manner?  
25 Again, if it is felt to be either futile or non-productive, we

1 won't do it, but it's been a year, and our last expression is  
2 somewhat stale. I don't even think it included the Knowles  
3 appointees. I'm trying to remember. Was that pre- -- that was  
4 pre-Knowles; right?

5 MS. McCAMMON: Right.

6 CHAIR WILLIAMS: Would.....

7 MS. McCAMMON: Madam Chair, the next -- this meeting  
8 in Texas is scheduled for December 14th, after our next  
9 meeting. So if we haven't gotten any further with this by  
10 December 11th, then we can draft something for that meeting.

11 CHAIR WILLIAMS: Okay. Let's plan on that. I think  
12 that's a good idea. Thank you.

13 Any other questions or comments about the investment  
14 situation?

15 (No audible response)

16 CHAIR WILLIAMS: Okay. Ms. McCammon?

17 MS. McCAMMON: Madam Chair, the last item I wanted to  
18 report on is the status of the Alaska SeaLife Center, and there  
19 is a report in your packet on this from Kim Sundberg with the  
20 Department of Fish and Game.

21 The current status of this project is that at its  
22 October 12th meeting, the Legislative Budget and Audit  
23 Committee granted approval for the Alaska Department of Fish  
24 and Game to receive and expend the up to \$25 million approved  
25 by the Council for construction of the Alaska SeaLife Center;

1       however, they put two conditions on it.

2               The first condition was that none of this money could  
3       be spent until all funding for the entire facility, both the  
4       research and the visitor component, was in place; and secondly,  
5       until AIDEA had made a final determination and actually  
6       provided written certification that the entire project would be  
7       financially viable from both a construction and an operating  
8       aspect.

9               Since that time, if you'll recall, this project  
10       actually had two portions to it: the research facility  
11       portion, which is the one that the Trustee Council contributed  
12       to, and the visitor portion. The research portion had all of  
13       the funding available and ready to go. The visitor portion was  
14       to be paid for by additional fund-raising over the next three  
15       to six years, approximately, for a total of \$12 million.

16              So that the whole project could be constructed at the  
17       same time, the project was attempting to obtain bridge  
18       financing, and they've been working with AIDEA to do so. The  
19       bridge financing that they would receive would be under the  
20       bank sharing program where a bank provides 20 percent of it and  
21       AIDEA provides the other 80 percent. So this would be \$3  
22       million and \$9 million, basically.

23              National Bank of Alaska is very interested in  
24       participating in that. They're looking at some conditions of  
25       their own onto the funding. It's becoming -- there are a lot

1 of discussions going on now; AIDEA's having their additional  
2 reviews done. The end result, at the moment, is that the  
3 anticipated bid opening date for construction, which had been  
4 December 15th, has now been delayed until at least March.

5 Now, the project planners have said that even with  
6 that delay in the bid opening, that the facility could still be  
7 constructed and open on -- during the month of May of 1998,  
8 assuming everything goes as planned. But it doesn't allow much  
9 room for any further problems after that. If additional  
10 problems occur between now and March, it could be even further  
11 delayed. But at this point, we're looking -- we're still  
12 looking at a May '98 opening date, but not until March for the  
13 bid opening.

14 CHAIR WILLIAMS: Is Mr. Sundberg on the line, or  
15 anyone else?

16 MS. McCAMMON: He should be available in Anchorage.

17 CHAIR WILLIAMS: Kim?

18 (No audible response)

19 CHAIR WILLIAMS: Do we have Anchorage on line?

20 MR. SUNDBERG: Yeah, I'm here. This is Kim  
21 Sundberg.....

22 CHAIR WILLIAMS: Oh, good.

23 MR. SUNDBERG: .....with Fish and Game.

24 CHAIR WILLIAMS: Good. I don't know. Just in case  
25 Molly can't respond to this, I thought I'd ask you, Kim, to

1 serve as a backup. Two questions that I have.

2 One, in reading through the notebook, there was a lot  
3 of discussion about the City of Seward becoming involved in the  
4 financing issue and providing a guarantee or something of that  
5 sort. I couldn't quite figure out what the City of Seward's  
6 role is projected to be, or is, in this process.

7 MR. SUNDBERG: This is Kim Sundberg with Fish and  
8 Game. The City of Seward is involved with the discussions of  
9 putting together the financing package. Specifically, they're  
10 looking into their abilities to participate as far as floating  
11 some municipal bonds, which would then be, to my understanding,  
12 purchased by the banks and by AIDEA to back this loan. So they  
13 are involved with the discussions with AIDEA and the banks in  
14 terms of the overall financing package.

15 CHAIR WILLIAMS: Okay. They've not made a specific  
16 commitment at this point yet, though?

17 MR. SUNDBERG: No. Those discussions are still  
18 ongoing, and I expect that those are going to occur over the  
19 next month or two in terms of, you know, coming back with a  
20 proposed package.

21 CHAIR WILLIAMS: Okay. My second question is this:  
22 As I'm sure the other Council members know and have been  
23 keeping track of, we have been proposing various ways to  
24 address the potential and the actuality of having  
25 archaeological finds on the site.

1           Let me take this moment, first, to commend those  
2 people who have been working on that issue. People really have  
3 done an outstanding job in expediting the analysis and review  
4 of that issue, both at the Federal/State and National Board  
5 level, and also, of course, the SAAMS folks. So again, let me  
6 thank everyone for doing that quickly.

7           Now to my question. Since we are facing a more  
8 delayed bid opening time than I think we thought was going to  
9 be the case when we were having the discussions about test  
10 holes and so forth, Kim, can you tell us what the likely  
11 schedule is for the archaeology mitigation and testing?

12           MR. SUNDBERG: Yeah, this is Kim Sundberg. The  
13 project has gone ahead during the month of November with the  
14 eight test trenches within the building footprint, and those  
15 are now completed and the archaeologist is writing up his  
16 results. I can report that seven of those trenches, they  
17 didn't find any cultural materials. One of the trenches, they  
18 found some materials that were similar in nature to the  
19 materials that were found in the Lowell homestead site, and  
20 that trench actually ended near the Lowell homestead site.

21           So the sort of field results were that that was the  
22 same type of material. So essentially, those eight clearance  
23 trenches have been all dug, and the site appears to be clean  
24 from an archaeological standpoint.

25           The test pits that were agreed to in the mitigation



1 plan at the Lowell homestead site, the work is going to be done  
2 on those next spring, I believe.

3 CHAIR WILLIAMS: Very good. Well, that's very good  
4 news about the next trenches.

5 Any questions or comments about Alaska SeaLife Center  
6 from the other Council members?

7 (No audible response)

8 CHAIR WILLIAMS: All right. Thank you. Ms.  
9 McCammon, who will be giving the habitat protection status  
10 report and discussion of appraisal and acquisition processes?

11 MS. McCAMMON: I will be.

12 CHAIR WILLIAMS: Excellent. Please proceed.

13 MS. McCAMMON: Okay. Also included in your packet is  
14 the status report on habitat acquisition and protection, just  
15 to give a brief summary for the public and also to bring  
16 everyone totally up to date as to what's occurred.

17 Under the Small Parcel Program, we do have a package  
18 of recommendations for your consideration and possible action  
19 as a separate item on the agenda today.

20 For Koniag, the Koniag purchase agreement for lands  
21 on Koniag -- Kodiak Island was signed in Washington, D.C., on  
22 Monday, November 13th. The ceremony was held for the World  
23 Wildlife Fund two days later; it was held outside of Interior  
24 Department due to the federal shutdown. And the court request  
25 for the first payment has been filed.

1           On Shuyak, we have that as a possible action item  
2 today, and it -- this will be discussed in Executive Session.  
3 Jim Wolfe, Craig Tillery, and Sheila Anderson, the State's  
4 timber review appraiser, met in Portland on Monday,  
5 November 13th with Ray Granville, the Council's timber  
6 appraiser who is under contract with the Forest Service. And  
7 that meeting was held to discuss a draft timber review that had  
8 been contracted out to Mr. Granville.

9           Reconciliation of the government-approved appraisal  
10 was accomplished last week. This was given to the Kodiak  
11 Island Borough, and we're hopeful that we'll have some form of  
12 action on this later today.

13           For Chenega, Ray Granville is still analyzing the  
14 data that he obtained during the additional field work in  
15 October. He was able to get out there during ten clear days  
16 and do all the work that he had hoped to get accomplished  
17 during that period of time. His assessment is expected to be  
18 completed in about one week, and we'll probably be discussing  
19 the results of that assessment at the December 11th meeting.

20           For Tatitlek, the draft appraisal had been expected  
21 at about the 1st of November. This has slipped by a number of  
22 weeks, primarily due to additional work on Shuyak and also due  
23 to Mr. Granville's medical problems. The expected date for his  
24 preliminary draft now is late December.

25           The Tatitlek Corporation will be getting all of the

1 timber cruise data as it is being developed at the same time,  
2 and they're working up all of the numbers at the same time as  
3 the government appraisers are. We're still hopeful that,  
4 although it doesn't look like we'll have an agreement reached  
5 by December 11th, we're really hopeful that January, something  
6 will occur.

7 On Eyak, Phil Janik, Craig Tillery, and I met with  
8 Eyak Corporation President, Nancy Barnes, here in Juneau a few  
9 weeks ago to discuss the continuation of negotiations with  
10 Eyak. The response that we heard from Nancy was very positive.  
11 She requested that we meet with several additional members of  
12 the Eyak Board. We've been trying to set up that meeting, and  
13 to this date, we haven't been able to reach a mutually  
14 agreeable time. We're hopeful to have that done by the middle  
15 of December.

16 In the meantime, the Forest Service has requested all  
17 of the timber cruise data from Pacific Forest Consultants and  
18 will be looking at that information and making a recommendation  
19 on how best to proceed with finalizing the appraisal for the  
20 Eyak lands.

21 On Afognak Joint Venture, the Alaska Department of  
22 Natural Resources will be issuing an RFP for this appraisal in  
23 January, with work expected to commence, depending on snow and  
24 weather, as early in the spring as possible.

25 And that completes, basically, the summary of what

1 action has been taken in the past few weeks.

2 CHAIR WILLIAMS: I have a question. How long do we  
3 expect the Afognak appraisal process to take, or, more  
4 precisely, when could we expect to have an appraisal number in  
5 front of the Council?

6 MR. TILLERY: Madam Chairman, we would hope to get  
7 the procurement done by spring, by this season. It will take a  
8 good -- it depends. They've -- there's an existing cruise;  
9 they have to go check that cruise. If the cruise is adequate,  
10 if it doesn't need much more work, then I would hope that by  
11 sometime mid-summer or so, we would have the information from  
12 that and could -- I would say, by the end of the summer, have  
13 an appraisal done.

14 CHAIR WILLIAMS: Any further questions about the  
15 status of habitat protection? Mr. Janik?

16 MR. JANIK: Madam Chair, just a comment. I'd be  
17 remiss if I did not acknowledge all the hard-spent time and  
18 effort by both the federal and state individuals involved in  
19 getting these appraisals where they are. The appraisal  
20 process, as we know, has never been satisfying to the time  
21 lines we would have liked to have seen. The fact of the matter  
22 is these are very complicated exercises that need to be  
23 accomplished, and a great deal of personal time has been spent  
24 moving them along as fast as they have gone. And I just want  
25 to make that acknowledgement to the federal and state people

1 involved in these.

2 CHAIR WILLIAMS: Thank you. I think that's shared by  
3 all Trustee Council members.

4 Any further comments?

5 (No audible response)

6 CHAIR WILLIAMS: Ms. McCammon?

7 MS. MCCAMMON: Madam Chair, there -- under the tab  
8 labeled "Appraisal Report," there is a draft report for  
9 discussion purposes. That was prepared by myself and a working  
10 group that consisted of Barry Roth and Glenn Elison with the  
11 Department of Interior; Dave Gibbons with the Forest Service;  
12 Alex Swiderski with the Department of Law; and Carol Fries with  
13 the Alaska Department of Natural Resources.

14 This group was -- or report was requested at your  
15 August 25th Council meeting to review the costs, logistics, and  
16 processes for habitat acquisitions, including pre-acquisition  
17 closing and post-acquisition activities and costs. There were  
18 a number of issues that were identified, and I have in here  
19 a -- some suggested recommendations and also have highlighted  
20 where some of the policy issues are.

21 The one thing that we did not finalize was a final  
22 review of the 126 -- the 96-126 budget, in light of some of  
23 these recommendations. And following our discussion today,  
24 we'll go back and take a further look at those budgets and have  
25 a revised budget for your consideration at the December

1 meeting.

2 But at this time, if it's the wish of the Council, we  
3 could go through this, or we could defer it until later in the  
4 day. It's kind of up to you.

5 CHAIR WILLIAMS: Well, we have 15 minutes before the  
6 public comment period begins, so unless anyone objects, I'd  
7 propose we get as much done as we can in the next 15 minutes.

8 MS. McCAMMON: Okay. We could just take these item  
9 by item. And the first one on the list here is title  
10 insurance. The question that was raised during our process was  
11 whether title insurance is required for all of the acquisitions  
12 that the Council undertakes.

13 And it took some doing to try to figure out whether  
14 it was a matter of law, a matter of policy, a matter of  
15 regulation that the various agencies were acting under. The  
16 Department of Interior provided me with the standards for the  
17 preparation of title evidence in land acquisitions by the  
18 United States that they use, requiring that acquiring federal  
19 agencies furnish necessary evidence of title to land to be  
20 acquired by direct purchase, exchange, or donation.

21 The standards direct that evidence of title  
22 acceptable to prudent attorneys and title examiners in the  
23 locality in which the land is situated will ordinarily be  
24 acceptable to the Department. While the practice of Interior  
25 agencies normally is to purchase title insurance policies,

1 there are other types of evidence that can be used after  
2 considering local practice, reliability, security, economy,  
3 efficiency, and speed.

4 Since the purchase of title insurance policies is  
5 based on a percentage of the cost of the transaction, for some  
6 of these large deals, it can be very expensive and, in some  
7 cases, not necessary. What the Interior's Office of the  
8 Regional Solicitor has approved is the use of abstracts of  
9 title from an abstract company that is approved by the  
10 Department of Interior in lieu of purchasing title insurance.  
11 The State would be comfortable with using abstracts of title  
12 for most acquisitions.

13 The Department of Agriculture has indicated that  
14 basically what is acceptable to Department of Justice would be  
15 acceptable -- would be what they would use. And so we'll be  
16 clarifying with the Department of Justice what exactly they  
17 believe are the requirements, but I would imagine that they're  
18 similar to Interior's.

19 In some cases, it makes sense to have title  
20 insurance, and others not, and we'll probably be looking at it  
21 on a case-by-case basis.

22 CHAIR WILLIAMS: Ms. McCammon, is it our goal to go  
23 through this now, raise questions, make assignments where  
24 appropriate, and then have a final document for our December  
25 meeting?

1 MS. McCAMMON: That's correct.

2 CHAIR WILLIAMS: Good. Ms. Belt, do you think  
3 Department of Justice will be able to review this issue before  
4 our December meeting?

5 MS. BELT: If we can get a copy of the report, yes.

6 MS. McCAMMON: It's in your -- in the draft packet.

7 (Pause - Side comments)

8 MR. PENNOYER: Hm mmm (negative).

9 CHAIR WILLIAMS: It's not?

10 MR. PENNOYER: No.

11 CHAIR WILLIAMS: Under appraisal report?

12 (No audible response)

13 CHAIR WILLIAMS: Okay.

14 MS. McCAMMON: On the next page is hazardous  
15 materials surveys. And it is the policy of the Department of  
16 Interior that all acquisitions of real property require a pre-  
17 acquisition site assessment. It is also the policy that the  
18 Department minimize its potential liability by acquiring real  
19 property that is not contaminated unless directed by the  
20 Congress, court mandate, or as determined by the Secretary of  
21 the Interior. The Department of Agriculture has a similar  
22 policy.

23 For Trustee Council acquisitions, the State concurs  
24 in the need for pre-acquisition site assessments. The State  
25 has no written policy in statute or regulation.



The next item, surveys needed to accomplish acquisition. The issue.....

CHAIR WILLIAMS: Actually, I do have one question about the hazardous materials survey. So the State would concur that hazardous materials surveys are a necessary prerequisite on both state and federal land or just on federal land?

MR. TILLERY: Just on state land.

(Laughter)

MR. TILLERY: It's a prudent action.....

CHAIR WILLIAMS: Yes.

MR. TILLERY: .....to be taken.

CHAIR WILLIAMS: Okay. But you would concur on federal land also.

MR. TILLERY: Yes, we have no.....

CHAIR WILLIAMS: Very good.

MR. TILLERY: .....problems within the federal land.

CHAIR WILLIAMS: Thank you.

MS. McCAMMON: Would you like that clarified, Madam Chair?

CHAIR WILLIAMS: Yes, please.

MS. McCAMMON: Okay. The next issue was on surveys needed to accomplish acquisition. The issue that arose was whether and to what extent surveying of lands is necessary in order to close an acquisition. Interior agencies have

1 standards that involve how lands can be legally described to  
2 meet Departmental standards for acquisition. Allocate (sic)  
3 part descriptions are acceptable -- are considered acceptable  
4 descriptions.

5 The working group recommended that the following  
6 guidelines be used in making such a determination: To, first  
7 off, use the least expensive acceptable means available for  
8 describing a property. In most cases, this will be the  
9 allocate parts. If the seller has taken action to create an  
10 in-holding that results in a need to survey, the seller has the  
11 responsibility to pay for the survey.

12 The policy question that arises is how this might be  
13 addressed in various negotiations and whether it might be  
14 considered a negotiable item. And if so, at what time and  
15 where does funding for this take place? Is it in a budget  
16 after the acquisition is approved, or is it considered part of  
17 the acquisition total price?

18 In addition, the one agreement with AKI that has  
19 already been signed and agreed to, although it doesn't  
20 specifically address the issue of assigned responsibility for  
21 survey of in-holdings within corporation lands, Akiak/Aguyak  
22 must deliver free and clear title. The lands to be conveyed in  
23 the final closing are encumbered by claims arising from  
24 Section 14(c) of ANCSA. These are in litigation and remain  
25 unresolved, and they mainly involve improved setnet sites.

1 Fish and Wildlife Service has -- says that these  
2 areas must be excluded in the deed to the United States and  
3 cannot be legally described, and thus, a survey is required.  
4 Fish and Wildlife Service is requesting funds in this --  
5 they'll be requesting funds next year in the FY '97 budget for  
6 these.

7 Did you want to add something further to that, Glenn?

8 MR. ELISON: I think you've captured it nicely,  
9 Molly.

10 MS. McCAMMON: Okay.

11 CHAIR WILLIAMS: Commissioner Rue?

12 COMMISSIONER RUE: Madam Chair, do we want to discuss  
13 the policy question now? I think this really is an interesting  
14 one. And I guess I would ask Mr. Tillery if he would want to  
15 give us an opinion, since he's negotiated a number of the land  
16 sales, or transactions. On the face of it, it seems like the  
17 survey should be a part of any negotiated settlement, and who  
18 pays for it. But I'm just curious why -- whether there's a  
19 reason you might not want to include that in negotiations.

20 CHAIR WILLIAMS: Mr. Tillery?

21 MR. TILLERY: Madam Chairman, I can't think of any  
22 reason not to include it in negotiations. If we have to do  
23 this -- I mean, I would -- my own preference is not to do a  
24 survey, to have the survey be done by an agency after  
25 acquisition, if they need it, unless it has to be done as part

1 of closing. If that's like a legal requirement in order to  
2 close the deal, then I think we need to do the survey, and if  
3 we need to do the survey and the seller is the one that has  
4 created the problem through its -- through in-holdings or  
5 stuff, or for whatever reason, I think they should be part of  
6 the negotiation.

7 COMMISSIONER RUE: Madam Chair?

8 CHAIR WILLIAMS: Commissioner Rue?

9 COMMISSIONER RUE: I -- it seems to me it would be  
10 nice to know the whole package you're buying, and if survey is  
11 a significant price or -- why wouldn't we want to know that up  
12 front rather than having it come back to us as a Council a year  
13 or two later?

14 MR. TILLERY: No, you do. I think -- that's right.  
15 I think all the -- all of these items, whether it's marking and  
16 posting or surveying or whatever, it should come -- the Council  
17 should be aware of those, or at least, if you don't know the  
18 costs or you don't know whether you're going to have to do  
19 them, aware of the possibility of them at the time.....

20 COMMISSIONER RUE: Mm hmm (affirmative).

21 MR. TILLERY: .....we decide to acquire the land.

22 CHAIR WILLIAMS: Mr. Elison, for example, how much do  
23 you think the Akiak/Aguyak surveys for the setnet sites will  
24 cost?

25 MR. ELISON: Madam Chair, I don't have even a good

1 guess at this point because the sites are located in various  
2 areas throughout southern Kodiak. The parcels are relatively  
3 small, generally an acre and a half to three acres. There are  
4 only a handful of the sites, approximately a half a dozen, but  
5 I'm not sure what that would translate to.

6 CHAIR WILLIAMS: Okay. Other questions or comments  
7 about surveys? I have one clarification question having to do  
8 with the intent of the group on Item 2. And I don't know, Ms.  
9 McCammon, if you can answer it or one of the other group  
10 members can.

11 Obviously, there are several kinds of in-holdings you  
12 could have. One is just pre-existing property rights that had  
13 nothing to do with the particular seller, be it allotments or  
14 homestead sites or whatever. The other is if the seller says,  
15 you know, 'I don't want to sell this piece of land,' or, 'I  
16 want a conservation easement on this piece of land as opposed  
17 to selling fee simple.' Was 2 meant to apply only to the  
18 latter category?

19 MS. McCAMMON: Madam Chair, I'd look for some further  
20 guidance from some of the other members of the group on that.

21 CHAIR WILLIAMS: Would anyone from the group like to  
22 address that? Mr. Elison? Or Barry Roth, are you on the  
23 phone?

24 MR. ROTH: Yes, I am, Deborah. Can you hear me?

25 CHAIR WILLIAMS: Yes, very well. Thank you. Did you

1 hear my question, Barry?

2 MR. ROTH: It's the situation on the 14(c) that's  
3 given here. If that was a right created by ANCSA, that while  
4 the burden falls on the Native corporation to convey the lands  
5 out, they had no control over it. If they took subject to it,  
6 the United States will not and cannot take the property back  
7 subject to that. It's really not up to the Native corporation  
8 created.

9 We haven't run into other situations yet, that I'm  
10 aware of, in Interior where we had survey problems that we're  
11 asking the Council to pay for because of actions taken by the  
12 sellers. And the boundaries -- we've been able, even with  
13 Koniag, to ease out the park descriptions. So I'm not sure we  
14 have the exact situation where something has arisen where  
15 somebody's unwilling to sell, but if that comes up, again, the  
16 policy group will disclose to the Council at the time we've  
17 approved.

18 But again, the key on the 14(c) is that AKI did  
19 nothing in and of its own to create this problem. The U.S.  
20 gave it to them that way, but it's not something that BLM has  
21 responsibility for surveying for.

22 CHAIR WILLIAMS: Yes, Mr. Tillery?

23 MR. TILLERY: If Mr. Roth could explain, who has --  
24 if we don't -- if we hadn't done the AKI deal, who -- would  
25 those parcels have had to have been surveyed eventually, and if

1 so, who would have paid for it?

2 MR. ROTH: The litigation will result in a judgment,  
3 and I don't know how the court system would assess the cost.  
4 And what's subject to the cloud by the litigation is what's  
5 being excluded, and that's why there's a survey to determine  
6 the boundaries.

7 CHAIR WILLIAMS: Okay. Are there any other questions  
8 about survey?

9 (No audible response)

10 CHAIR WILLIAMS: Would any Board member like to  
11 address a motion on the policy question?

12 COMMISSIONER RUE: Madam Chair, is that something you  
13 think we need to do today, or is this coming back to us as a  
14 formal proposal at the next meeting? I would -- I thought the  
15 general direction of this discussion was good. It was -- it  
16 looked like we were getting away from unnecessary costs and  
17 trying to keep things as cheap as possible and putting the  
18 burden of survey where it legitimately should be. All of those  
19 seem like laudible objectives.

20 As the policy question is whether they should be a  
21 negotiable item in land negotiations, I would -- I wouldn't  
22 mind -- that seems like a simple enough issue. I wouldn't mind  
23 making a motion to that effect, that survey costs ought to be  
24 the -- a negotiable item in land negotiations. I think it's a  
25 simple motion, so.....

1 CHAIR WILLIAMS: Okay.

2 COMMISSIONER RUE: .....for purposes of discussion,  
3 I'll put it on the table.....

4 CHAIR WILLIAMS: Okay. Is there.....

5 COMMISSIONER RUE: .....and then we can decide.

6 CHAIR WILLIAMS: .....a second to that motion?

7 MR. PENNOYER: I'll second the motion.

8 CHAIR WILLIAMS: Okay. It's been moved by  
9 Commissioner Rue and seconded by Mr. Pennoyer that, for  
10 purposes of this policy paper and future negotiations, that  
11 survey costs be a negotiable item in land negotiations. Any  
12 discussion of that motion? Yes, Mr. Pennoyer?

13 MR. PENNOYER: Madam Chair, having seconded it for  
14 purposes of discussion, to some degree, a clarification of what  
15 that means, obviously, anything is negotiable that the seller  
16 believes might be a cost or the buyer believes might be a cost.  
17 So in this case, when we say it's a negotiable item, are we  
18 directing it toward the bank that it would be negotiated -- of  
19 which side? I mean, are you negotiating it -- we're  
20 negotiating that they might have to pay for it?

21 That some cost, total value of the land, in the eyes  
22 of the seller and the beholder -- and a buyer are still  
23 conclude (sic) all sorts of considerations. But in this case,  
24 we're saying specifically we would perhaps decide who's going  
25 to pay for that item.



1 COMMISSIONER RUE: Mm hmm (affirmative).

2 MR. PENNOYER: Okay. I guess I talked myself into  
3 it.

4 (Laughter)

5 CHAIR WILLIAMS: Any additional discussion? Mr.  
6 Tillery?

7 MR. TILLERY: I think that this is an issue that  
8 needs to be decided in the context of figuring out exactly  
9 where these surveys, why they originate, who's responsible for  
10 them, who needs to pay for them. I don't think this is an  
11 issue that should be separated out for a vote right now. I'd  
12 rather see it be maybe as part of a greater or larger motion in  
13 the December 11th meeting.

14 CHAIR WILLIAMS: Okay.

15 MR. TILLERY: I mean, I think the discussion is  
16 useful, but I guess I don't think making a decision on this one  
17 item right now is necessary. I'm not aware of any negotiations  
18 that will happen before December 11th that this would impact.

19 CHAIR WILLIAMS: So you move to table?

20 MR. TILLERY: I -- if that's what I need to do to do  
21 that, yes, I do.

22 COMMISSIONER RUE: And, Madam Chair, I simply made  
23 the motion to get it on the table.....

24 CHAIR WILLIAMS: Indeed.

25 COMMISSIONER RUE: .....so we could discuss it, and

1 if other Council members would like to table it until December  
2 11th, I have no objection to that.

3 CHAIR WILLIAMS: Is there a second to the tabling  
4 motion?

5 MR. PIPER: Second.

6 CHAIR WILLIAMS: All right. It's been moved to  
7 table. All in favor of tabling this until December and put it  
8 in the larger context, please indicate by raising your hand.

9 (Unanimous affirmative signal response)

10 CHAIR WILLIAMS: Any opposition?

11 (No response)

12 CHAIR WILLIAMS: All right. We'll address this in  
13 the larger context. But I do believe the discussion was  
14 helpful.

15 MR. TILLERY: Mm hmm (affirmative).

16 CHAIR WILLIAMS: All right. It is 11:00 o'clock, and  
17 I would propose that we break this discussion to go into public  
18 comment. And would we like to take a few-minute break first?  
19 Okay. Let us take a five-minute break, and we will resume  
20 about a few minutes after 11:00, and at that time, we will be  
21 taking public comment.

22 MS. EVANS: And we will stay on line until.....

23 CHAIR WILLIAMS: And please everyone stay on line.  
24 We'll be right back.

25 (In recess at 11:00 o'clock a.m.)

1 (Tape Change - Tape No. 2 of 3)

2 (On record at 11:05 o'clock a.m.)

3 (Pause)

4 COMMISSIONER RUE: The Chair has called the meeting  
5 back to order.

6 MS. EVANS: And we've designated this area right here  
7 for public testimony if anyone cares to testify here in Juneau.

8 CHAIR WILLIAMS: Very good. I'd like to call the  
9 meeting back to order, and we will now begin public comment.  
10 First I'd like to check to see if the following sites are still  
11 on line, and if you could just tell me whether anyone would  
12 like to testify at your site, then we will go ahead and do the  
13 round-robin testimony that we normally do.

14 Anchorage, are you on line, and is there anyone who  
15 wishes to testify?

16 (No audible response)

17 CHAIR WILLIAMS: Anchorage?

18 MR. THOMPSON: This is Ray Thompson. Anchorage is on  
19 line; there is one person signed up here to testify. I'm not  
20 sure if that person's present, Ms. Dave Deans (sic). Yes, he's  
21 present.

22 CHAIR WILLIAMS: All right. Very good. Again, I'm  
23 just going to go through and see -- make sure who's on line and  
24 who has people who wish to testify. Cordova, are you on line,  
25 and do you have anyone who wishes to testify?

1 CORDOVA MODERATOR: We're still on line, and we just  
2 have one observer at this time.

3 CHAIR WILLIAMS: Okay. Homer, are you on line, and  
4 do you have anyone who wishes to testify?

5 (No audible response)

6 CHAIR WILLIAMS: Homer?

7 HOMER MODERATOR: Yes. Homer is on line, and we have  
8 people who wish to testify.

9 CHAIR WILLIAMS: Thank you. Kenai, are you on line,  
10 and do you have people who wish to testify?

11 KENAI MODERATOR: Yes, we are here, and we have one  
12 to testify.

13 CHAIR WILLIAMS: Thank you. Seward, are you on line,  
14 and do you have anyone who wishes to testify?

15 SEWARD MODERATOR: Yes, we are on line, and we do  
16 have people to testify.

17 CHAIR WILLIAMS: Very good. Is there anyone else who  
18 is on line, any other sites?

19 (No audible response)

20 CHAIR WILLIAMS: And we do have people who wish to  
21 testify here in Juneau. Let us begin with Anchorage. And  
22 please, could all the witnesses say and spell your last name  
23 for the record. Anchorage.

24 (Pause)

25 **PUBLIC TESTIMONY OF MR. DAVE DEANS (ANCHORAGE)**

1           Good morning, Madam Chair. My name is Dave Deans;  
2   D-e-a-n-s is the last name. I hadn't intended to testify until  
3   I heard your discussion regarding some possible conditions of  
4   closing on land acquisitions, that being title insurance and  
5   surveys. And my understanding is you've tabled that until the  
6   December meeting. And in your discussions between now and your  
7   December meeting, you might consider the effects on the  
8   negotiations of the survey issue.

9           I do not believe that title insurance is a  
10   significant economic issue such that it would affect the  
11   negotiations that much. However, with respect to surveys, if  
12   this is a policy consideration, and if that policy should apply  
13   equally to small parcels as well as large parcels, I think that  
14   that should be considered and determined prior to the appraisal  
15   having been done because it's not unrealistic in some scenarios  
16   where the cost of the survey may meet or exceed the value of a  
17   particular property.

18           And so I think in order to be consistent, that if it  
19   is that a policy decision is to be created that puts that  
20   burden on the seller, that that be incorporated with the  
21   appraiser's instructions and knowledge. Otherwise, I think  
22   that may become a significant deal point and possibly a deal-  
23   killer in the negotiation process.

24           So I guess the item would be either (a) do not  
25   establish a policy that requires a survey at closing, or (b) if

1 the policy is adopted to require a survey, to make that known  
2 and incorporate that in with the appraisal instructions. Thank  
3 you.

4 CHAIR WILLIAMS: Thank you very much, Mr. Deans. Are  
5 there any questions or comments for Mr. Deans from the Trustee  
6 Council members?

7 (No audible response)

8 CHAIR WILLIAMS: Thank you. We appreciate those  
9 comments. Let us now go to Homer. If the first witness could  
10 please testify, and spell your last name.

11 (Pause)

12 **PUBLIC TESTIMONY OF MS. PAM BRODIE (HOMER)**

13 Good morning. This is Pam Brodie from the Sierra  
14 Club. I'm in Homer now. I'd like to say, first of all, that  
15 the Sierra Club supports the small parcel process, and we have  
16 a longstanding policy supporting buying in-holdings within  
17 existing conservation units.

18 Particular in this case, Sierra Club has supported  
19 the acquisition of the Kenai National Wildlife Refuge in-  
20 holding as negotiated some time ago between the Trustee Council  
21 and the Kenai Native Association, and we urge the Trustee  
22 Council to contribute the necessary funds to complete that  
23 deal. I submitted a letter about this, but I'm not sure if you  
24 folks received it since I didn't send it in till Friday night.

25 Regarding the rest of the small parcel process, I

1 sincerely hope that the appraised values turn out to be fair  
2 and accurate, those that many of the small parcel owners will  
3 agree to these prices. I understand that in a few cases, which  
4 are the only cases I know about, there are differences of  
5 opinion between the owners and the appraised prices, so I don't  
6 know how this process is going to work out in the future.

7 But that brings up the larger question of the  
8 appraisal process in Trustee Council activities. And I do want  
9 to say that the environmental community has been very  
10 distressed and leery about the problems with the appraisal  
11 process. We certainly applaud the efforts that the Trustee  
12 Council and the staff have gone through, but there has been  
13 delays, and a number of the appraisals have had to be done over  
14 again, which, of course, it's expensive, but even more of a  
15 worry is the time that it takes.

16 We have been happy to see that the Kodiak -- or the  
17 partial deal with Koniag has finally been completed, but it  
18 took more than an entire year from the original offer to  
19 complete that deal. And we're very worried that with  
20 appraisals not coming in until next spring or summer, some  
21 things -- some of the deals may not be able to be completed  
22 depending on the results of Presidential elections next year.  
23 I sincerely hope that the process will continue for a number of  
24 years, but we can't assume that.

25 And this is kind of in the nature of complaining

1 about what's happened in the past rather than recommending  
2 something in the future, but I just -- I -- it's just that  
3 we're very worried that some deals will fall apart, and in  
4 particular, not necessarily the deals that have been delayed,  
5 which may in fact be completed in time, but the areas that the  
6 Trustee Council is interested in acquiring, and that we would  
7 like to see acquired, but which are considered the problem  
8 areas, they're not really going to be worked on until after the  
9 so-called easy areas are done, that the Trustee Council may  
10 never be able to capture that.

11 So we just hope that you can move along these  
12 appraisals as quickly as possible. Thank you.

13 CHAIR WILLIAMS: Thank you, Ms. Brodie. And I would  
14 like to report that we have a copy of your letter in front of  
15 us; it was just passed out. We appreciate both your written  
16 and oral comments.

17 Are there any questions or comments for Ms. Brodie?

18 (No audible response)

19 CHAIR WILLIAMS: All right. I would like to move  
20 next to Kenai. If the first witness could please testify, and  
21 be sure and spell your last name.

22 **PUBLIC TESTIMONY OF MS. DIANA ZIRUL (KENAI)**

23 Hello, Deborah. This is Diana Zirul, spelled Z- as  
24 in zebra, -i-r-u-l. I'm a member of the Board of Directors for  
25 Kenai Natives Association and the General Manager of the Kenai



1 Natives Association. With me today is Thomas Strohman, who is  
2 the President of the Board of Directors for Kenai Natives  
3 Association.

4 On behalf of the Board of Directors and the  
5 Corporation, I would like to express our sincere appreciation  
6 to the Executive Director of the Trustee Council, Molly  
7 McCammon, and to the entire Exxon Valdez Oil Spill Trustee  
8 Council for today's consideration of funding for KNA's small  
9 parcels. (Clearing throat) Excuse me.

10 As you are aware, this potential funding would only  
11 be part of the solution to a negotiated (indiscernible - cough)  
12 with the United States. The Department of Interior is, and has  
13 been, working hard towards putting together an offer to KNA.  
14 That has yet to be made, and this funding would certainly  
15 provide positive movement towards that offer.

16 Assuming that the offer is ultimately made and we --  
17 which we fully expect to happen, our Corporation will then have  
18 time to give this full consideration and also offer full  
19 discussion with our shareholders before any decisions to accept  
20 or reject are made.

21 Once again, I'd like to thank all of you who've  
22 worked so hard for our support, and thanks to each of the  
23 members of the Council for giving KNA their consideration.  
24 Thank you.

25 CHAIR WILLIAMS: Thank you, Ms. Zirul. Does Mr.

1 Schomann (ph) wish to testify also at this time?

2 MS. ZIRUL: No, that's fine.

3 CHAIR WILLIAMS: Thank you very much. Are there any  
4 questions or comments for Ms. Zirul?

5 (No audible response)

6 CHAIR WILLIAMS: Well, I do want to thank KNA for  
7 their cooperation and patience and good faith efforts in this  
8 regard also, and I look forward to our resolution of this issue  
9 later on this afternoon.

10 I would like now to move to Seward. If the first  
11 witness would please testify in Seward, and spell your last  
12 name.

13 **PUBLIC TESTIMONY OF MR. MARK LUTTRELL (SEWARD)**

14 Good morning, everyone. My name is Mark Luttrell;  
15 that's spelled L-u-t-t-r-e-l-l. And I'm the President of a  
16 local environmental group here called the Eastern Kenai  
17 Peninsula Environmental Action Association, and I'd like to  
18 make a few comments regarding the small parcel acquisition that  
19 is on your agenda for this afternoon.

20 There are two parcels in the Seward area that concern  
21 the public very much. One is Lowell Point; it's at the south  
22 end of town. It's the last -- it's one of two accessible  
23 natural beaches. It provides a great deal of recreation for  
24 both locals and visitors, and it also brings in actually  
25 hundreds of school kids from Eagle River, Anchorage, and the

1 Peninsula in general. There's a lot of natural tide pools out  
2 there and opportunities to learn marine science. The Park  
3 Service has projects that involves this beach as well.

4 I just urge the Trustee Council to support it. It's  
5 a worthy project, it has strong public support, and I hope  
6 it -- I hope you all can support it.

7 The second parcel is the -- that I'm in favor of is  
8 Grouse Creek -- or Grouse Lake, rather. It's at sort of --  
9 well, Mile 7. It's before you leave the city area. Right now  
10 it's just a de facto camping spot for the local ruffians, and  
11 they tend to trash it quite a bit, and it deserves a lot of  
12 support here to convert that to a clean family day-use area,  
13 possibly overnight camping. We'd like to see maybe some small  
14 docks or just some overlooks to provide fishing.

15 Seward, right now, doesn't have an easily accessible,  
16 nearby family campground/day-use area, and this will provide  
17 that. It's different from Lowell Point because Lowell Point is  
18 primarily natural. This would have some development, most of  
19 it being exits. The actual construction and the proposal of  
20 various projects would be done by a coalition of local  
21 community groups that would create this proposal and submit it  
22 to the Forest Service. So it wouldn't cost the Forest Service  
23 anything in terms of construction or maintenance.

24 But it's -- again, it's another one with strong  
25 public support; it's worthy. It'll eliminate a trashy area

1 that keeps the Troopers busy, just distracts them from their  
2 other duties.

3 And finally, just to plug Homer, there's the Overlook  
4 Park. I'm not sure where my back yard ends, but I think it  
5 includes that, and I'd strongly urge you to support the  
6 Overlook Park.

7 That's it. Thanks.

8 CHAIR WILLIAMS: Thank you, Mr. Luttrell. Are there  
9 any questions or comments for Mr. Luttrell from the Council  
10 members?

11 (No audible response)

12 CHAIR WILLIAMS: Very good. Let's then move to  
13 Juneau, and I know we have three people who would like to  
14 testify today. And because I believe it's all on the same  
15 issue, I'll ask Mr. Selby, Mr. Bolger, and Mr. Landry to please  
16 come to the witness stand.

17 (Pause - Side comments)

18 CHAIR WILLIAMS: And we will begin with Mr. Jerome  
19 Selby. Mr. Selby?

20 **PUBLIC TESTIMONY OF MAYOR JEROME SELBY (JUNEAU)**

21 Thank you, Madam Chairman and members of the Council.  
22 I appreciate the opportunity to be here today. The delightful  
23 good news from our perspective is that with the federal  
24 appraisal figures that you have before you today, that we can  
25 fix the value of Shuyak Island at \$35.3 million and close the

1     \$42 million deal that we agreed to last December.

2             While I recognize that that's the high end and your  
3     figures that -- and I'm aware of your figures from Mr.  
4     Goossens. Obviously, it's \$27.5 to \$32.3 million is his timber  
5     values, plus \$3 million for the land values, which would give a  
6     range of \$30.5 million to \$35.3 million, is the range that we  
7     need to talk about. I wanted to argue that the \$35.3 million  
8     and give you what I consider four outstanding rationales for  
9     why the 35.3 number is the right number.

10            First of all, it is the habitat value. I think that  
11     there should be recognition of the extremely high value habitat  
12     for all of the species impacted by the Exxon Valdez oil spill  
13     that is represented on Shuyak Island. This was the crown  
14     jewel, folks, of Alaska. This is the prime habitat in the  
15     entire state of Alaska. There is no other land parcel that has  
16     as many birds, marine mammals, and land mammal species who  
17     benefit from this outstanding piece of habitat. Being the  
18     crown jewel, I think that there is very strong rationale for  
19     why this should be the up-end value, then, of the appraisal.

20            Secondly, I think that there needs to be recognition  
21     given to the fact that you are, in fact, buying long-term  
22     research on those same many species that were impacted by the  
23     Exxon Valdez oil spill beyond this deal. And the reason for  
24     that is because the Kodiak Island Borough has committed to the  
25     construction of the -- what we are now calling the Near Island

1 Research Facility, which \$6 million of the \$42 million is  
2 destined to go towards that project and see that through to  
3 completion.

4 There's no other deal that you've done that buys you  
5 a long-term research onto the critical species that were  
6 impacted by the spill besides this one. It's the best buy you  
7 got going. Again, I think it's a very strong argument for why  
8 this ought to be the up end of the value in terms of the  
9 appraisals that you have before you.

10 Thirdly, there are other -- there is the other  
11 appraisals that have taken place. Shuyak Island is probably  
12 now one of the most appraised pieces of land in the entire  
13 state of Alaska, if not on Earth. And, you know, we've all  
14 been through this appraisal business, so I'm not going to spend  
15 a lot of time on this, but, you know, back in October of 1993,  
16 the Kodiak Island Borough Assessor, Pat Carlson, did an  
17 appraisal of Shuyak Island and came up with \$36,500,000 as the  
18 value of that island.

19 Now, I'm here today to tell you that in spite of two  
20 years later, for my money, that's probably the best number  
21 we've got, folks. Pat Carlson's probably the best man who's  
22 familiar with Kodiak Island lands; he looks at these on a daily  
23 basis. His track record with the State of Alaska for the last  
24 two years is that his appraisals are at 99 percent of fair  
25 market value, as certified by the State of Alaska. So \$36,500

1 (sic), to me, is probably still the best number we've got, on  
2 the record.

3 CHAIR WILLIAMS: Well, we'll buy it for that.

4 (Laughter, side comments)

5 MAYOR SELBY: I'm sorry, \$36,500,000. Okay.

6 (Laughter, side comments)

7 MAYOR SELBY: Personal check.

8 BY MAYOR SELBY (Resuming):

9 Another appraisal was done in July of '94 by a Wesley  
10 Rickert. This is the fellow who was used extensively in the  
11 Exxon Valdez legal action; certainly a well known and well  
12 respected person. His main -- he used a faster rate of logging  
13 than what was used by your appraiser for the official federal  
14 appraisal, but his figure was \$54,389,628 as the value of  
15 Shuyak Island.

16 In August of 1994, the Kodiak Island Borough had an  
17 appraisal done, and curiously enough, as I mentioned your  
18 official appraisal figure right now can be come in (sic) at  
19 \$35.3 million. Here's our appraisal; it's done by Affiliated  
20 Appraisers of Alaska. The value for Shuyak Island,  
21 \$35,300,000. Now, I would suggest to you, given the way we've  
22 all been through appraisals the last two or three years that  
23 when we've got three appraisers that can all come down to one  
24 number, \$35,300,000, we probably ought to ink that just as fast  
25 as we can before they start changing the numbers on us again.

1 I won't mention that the problem with this, this was  
2 based on Mr. Manley's \$24 million timber values, so it is below  
3 your low end, \$27.5 million for timber by \$3.5 million. But  
4 it's on the record, and if we can agree on \$35.3 million as  
5 being the value for Shuyak, I'm not going to get into that  
6 stuff. But that's the reality.

7 So I think that we've got interesting numbers here,  
8 all of which, in my view, would tend to all point that  
9 somewhere in the \$35 to \$36 million range is a reasonable value  
10 to fix Shuyak Island's value at. You've got at least three  
11 appraisals in that range. We've got the other higher one, you  
12 know, and we can throw that one out. But I think that there's  
13 plenty of rationale to argue that somewhere between \$35 million  
14 and \$36 million would be a reasonable place to fix the value.

15 Fourthly, even within what Mr. Granville has done,  
16 there are some technical errors in the appraisal, and I'm  
17 talking about arithmetic problems, not unlike where we started  
18 out with Mr. Manley. And we started out with \$24 million, and  
19 we pointed out to him the arithmetic problems -- just  
20 arithmetic, not philosophy and approach of appraisal, but just  
21 arithmetic problems -- and that one, as you recall, ended up at  
22 \$33 million. So we went from 24 to 33 on mathematical errors.

23 There are mathematical errors in the \$35.3 million in  
24 your current federal appraisal. Okay? Now, Joel's going to  
25 run through a few of those with you, just so that you can



1 understand the scope of them and look at the mathematics.

2 I don't -- we don't want to spend a lot of time on  
3 that, folks. We feel that you've got numbers in front of you  
4 that allow you to close and establish the value at \$35.3  
5 million. That lets us close the deal we made with you last  
6 December for \$42 million for Shuyak Island. I'm here today; I  
7 want to close that deal at \$42 million, and I'm simply asking,  
8 let's set 35.3 as the value and close the deal today. Thanks.

9 CHAIR WILLIAMS: Okay. Are there any questions of  
10 Mr. Selby at this time? We could either ask Mr. Selby  
11 questions now or when the three-person presentation is over.  
12 Would anyone like to ask questions now?

13 (No audible response)

14 CHAIR WILLIAMS: All right. Mr. Selby, if you would  
15 stay near though.

16 MAYOR SELBY: Okay.

17 CHAIR WILLIAMS: Our next witness in Juneau is Joel  
18 Bolger. Mr. Bolger?

19 MR. BOLGER: Thank you.

20 CHAIR WILLIAMS: And if you would please spell your  
21 last name for the record.

22 MR. BOLGER: It's B-o-l-g-e-r.

23 **PUBLIC TESTIMONY OF MR. JOEL BOLGER (JUNEAU)**

24 I am an attorney for the Kodiak Island Borough. I'd  
25 like to go into a little bit more detail about a couple of the

1 appraisal issues, but I don't want to bore you with a long  
2 speech. I think it's useful just to back up for a second.

3 The history is that the Trustee Council passed a  
4 resolution last December approving the purchase for 20 percent  
5 above approved fair market value, not to exceed \$42 million.  
6 And just a few days later the Borough Assembly passed a  
7 corresponding resolution agreeing to the same installment  
8 payment scheme and agreeing to sell their holdings on Shuyak  
9 Island for \$42 million. So in other words, there's a purchase  
10 price of \$42 million approved by both parties, which is subject  
11 to an approval of the fair market value at \$35 million.

12 Now, in addition to the points that Mayor Selby  
13 mentioned, after Pacific Forest Consultants, Tim Manley, issued  
14 his original report, and in response to landowner comments, he  
15 came up with a revised estimate of timber value at \$30.6  
16 million. And we met with him in May, along with Mr. Tillery  
17 and representatives from the review appraisers for both the  
18 state and federal governments. He admitted additional errors  
19 in logic, in mathematics; he admitted that he had double-  
20 counted certain bulldozer costs. And we expect that if he were  
21 asked to go back and look at the question, his timber valuation  
22 alone would be more than \$33.8 million, and the resulting total  
23 would be in the same range the Mayor mentioned, a \$36.8 million  
24 if you rely on the Trustee Council's own land appraisal.

25 Also, relying on Pacific Forest Consultants' revised

1 report, the Borough's appraiser, Affiliated Appraisers, revised  
2 its valuation. If there is a \$30.6 million timber value, then  
3 Affiliated Appraisers felt that the total value for land and  
4 timber would be \$41.8 million. In other words, our appraiser  
5 believes that the land value is closer to \$10.5 million rather  
6 than the \$3 million that was submitted by the Trustee Council's  
7 appraisal.

8 Finally, getting to the review appraisal that was  
9 just completed by Cascade Appraisal Service, the range that's  
10 reported is between \$30,550,000 and \$35,300,000 if you add in  
11 the land component from Black, Smith & Richards. Now, we've  
12 only had this document since Friday, but I've talked with our  
13 appraisal consultant, and we feel that there are some serious  
14 issues concerning the methodology that we could go into if it  
15 was necessary. In other words, we think this is a very  
16 conservative review.

17 The prices are much lower than the same prices  
18 reported for the same period in the Baum (ph) Point review that  
19 Mr. Granville did for the Eyak acquisition. The logging costs  
20 are higher than the logging costs which we have experienced and  
21 reported from Seal Bay Timber Company in the very same  
22 neighborhood as this acquisition. And we also believe that Mr.  
23 Granville applied the profit-and-risk ratio -- that's basically  
24 traditional Forest Service approach -- that he applied this  
25 incorrectly. And the way that he did it resulted in a 61-

1 percent return on the investment rather than a 12-percent  
2 return which he assumed.

3 There's other economic issues that I could go through  
4 with you, but my point is that the \$35 million fair market  
5 value is more than adequately supported, both by work that the  
6 Trustee Council has previously done and work that the Borough  
7 has previously done. We think it's a very conservative  
8 estimate, and we thank you very much for your consideration of  
9 this acquisition.

10 CHAIR WILLIAMS: Mr. Bolger, I have at least one  
11 question, and perhaps there are more. I understand you only  
12 got the appraisal on Friday. Have you had a chance to go over  
13 some of the concerns you raised with the Forest Service or the  
14 State?

15 MR. BOLGER: Not at this point.

16 CHAIR WILLIAMS: Okay. Do you have a list of them or  
17 a more detailed description that you could pass out to the  
18 Trustee Council at this time?

19 MR. BOLGER: Yes, I do.

20 CHAIR WILLIAMS: Okay. I think we would all benefit  
21 from that.

22 (Pause)

23 MR. BOLGER: I'll just retrieve that and go ahead and  
24 pass it out, if that's okay, Madam Chairman.

25 CHAIR WILLIAMS: Yes. That would be fine. Are there

1 any other questions of Mr. Bolger? Okay. Mr. Bolger, Mr.  
2 Janik has a.....

3 MR. JANIK: Not a question. I just have a comment.

4 CHAIR WILLIAMS: Oh, please. Mr. Janik.

5 MR. JANIK: Just for clarification, so we understand  
6 where the process is at, there has been a review check on the  
7 draft appraisal, if I can refer to it as that for common talk  
8 here. What occurred last Friday was a finalization of the  
9 government appraisal. So that is a finished event. Points of  
10 consideration here that we're hearing from a number of these  
11 folks will obviously be taken into consideration, but as far as  
12 the estimate of fair market value by the government, that event  
13 is complete, and there is not another inning of examining the  
14 kinds of details that we're speaking of here.

15 Is that correct as I've stated it?

16 (No audible response)

17 MR. JANIK: Yes.

18 CHAIR WILLIAMS: Well, we can certainly review  
19 these.....

20 MR. JANIK: Yes.

21 CHAIR WILLIAMS: .....as the Trustee Council. Very  
22 good. Any other questions or comments for Mr. Bolger?

23 (No audible response)

24 CHAIR WILLIAMS: Okay. We'll call the third witness  
25 in this triumvirate, Mr. Larry Landry. And, Mr. Landry, if you

1 could spell your last name for the record.

2 **PUBLIC TESTIMONY OF MR. LARRY LANDRY (JUNEAU)**

3 Good morning. My name is Larry Landry, L-a-n-d-r-y.  
4 I'm a consultant here, and some of you have seen me here  
5 before. Not since last December though; it was in this room,  
6 but I live in Phoenix, Arizona, whose temperature is slightly  
7 close to Juneau's, and came up here today to spend a few  
8 minutes, and I appreciate it.

9 I'd like to offer just a little bit of perspective of  
10 where I believe we are in the Shuyak process and make a few  
11 points. As I've testified before, but not to some of the new  
12 state representatives who haven't had an opportunity to hear  
13 before, I've been involved in consultanteze (sic), both over 10  
14 years in the government side and over 10 years in the private  
15 side. So I've seen both sides.

16 I'd like to start my comments by reading something,  
17 just two sentences, out of your November 16th discussion draft  
18 on habitat acquisition. And it's on the last page, and it  
19 says:

20 "Appraisals provide an opinion of strict  
21 economic value and do not consider restoration  
22 or biological values. Appraisals are estimates  
23 of value based on many assumptions and subject  
24 to professional judgments and opinions."

25 As Trustee Janik so -- said so well, they're

1 complicated exercises. But I would like to try and put this  
2 complicated exercise that's called Shuyak in perspective and,  
3 hopefully, help you all, lead you to what we believe is the  
4 right decision. And first of all, we know that you're trying  
5 to do what's best, and you've worked very hard on this, and  
6 there's no E's for effort here, only A's.

7 But I'd just like to -- I know you have a summary,  
8 probably haven't had to see the whole appraisal, and you've  
9 probably seen Mr. Goossen's two-page letter of review -- review  
10 appraisal. I'd just like to talk through just a few points on  
11 value. And we are certainly -- would like to get it done today  
12 and are available, either in this forum or Executive Session or  
13 whatever forum you choose, to spend more time and more detail  
14 discussing this.

15 But number one, I think it's just important to walk  
16 through, just very briefly, the, quote, "low value of \$27  
17 million" because that truly amazes me. We received a report,  
18 as Mr. Bolger said, indicating, from Mr. Manley, the \$24  
19 million. That's how you get with a land value of \$3 million to  
20 27. No one wants anything to do with his numbers any more, yet  
21 it's still the low appraisal.

22 The math errors and logic errors and double-counting  
23 brings the timber value of that over \$33 million. We received  
24 in March a seven-page memo from Mr. Manley that brought the  
25 timber value to \$30.6 million. We had a subsequent meeting

1 that a number of us attended in May where another over \$3  
2 million of counting, logic, mathematical, double-counting  
3 errors were admitted. Then Manley was no good any more, so we  
4 went to somebody else. And that's okay. I mean, that's the  
5 right of the process. But now he suddenly comes back in,  
6 without recognition of all the math errors, at the low.

7 So that's why Mayor Selby so correctly focused on Mr.  
8 Granville's most recent range of timber values and the various  
9 range. And in that, there was a, quote, "a low, a medium or  
10 most probable" with Mr. Granville, "or a higher range." In  
11 this complicated exercise, from the most probable and, quote,  
12 "the high," you're talking about an approximately 5-percent  
13 difference in this complicated exercise. Okay? So I just want  
14 to give you a range in these two.

15 And, as Mayor Selby indicated, there are at least  
16 three professionals, and some would say that "MAI" means Made  
17 As Instructed. I don't know if that's exactly true; it's kind  
18 of a slap. But I would just say that an appraisal is an  
19 estimate of value; it's your best guess. And I would just like  
20 to point out that Mr. Granville says there's 289 million board-  
21 feet on Shuyak. That's well over two times of what you  
22 purchased on Seal Bay, just to give you a perspective on this  
23 issue.

24 So we know you have a tough judgment to make in  
25 trying to determine what is both fair and market, and there are



1 some incredible restoration and biological values. Every major  
2 environmental group from the Rain Forest Coalition, the Sierra  
3 Club, the Wilderness Society, et cetera, have all written in  
4 support of Shuyak. You haven't gotten a lot of recent stuff;  
5 all of that occurred before last December. But this is really  
6 pristine and prime land. It's a unique opportunity, and we  
7 think it is something we -- hopefully you can do today, at the  
8 agreed-upon price of \$42 million -- not agreed-upon, but the  
9 suggested negotiated issue of \$42 million that we got to last  
10 December.

11 There's been a lot of work; there's been a lot of  
12 frustrations in the process. But the facts are, folks, we're  
13 awful very close to this issue, and we have very substantial  
14 truth. And I would ask you to seriously consider the extra  
15 bang for your dollar that gets the Fish Tech Center, permanent,  
16 long-term research. If ever there was a case of leveraging  
17 your money for further permanent restoration, this is a unique  
18 example of multiple government cooperation and leveraging money  
19 to make everybody win.

20 With that, Madam Chairman, we're very appreciative of  
21 your time. I would ask you to -- Mayor Selby and Mr. Bolger  
22 gave you several reasons to get us to fair and market of where  
23 we think we should be, and we are certainly available for  
24 further discussion, either formally or informally, as the day  
25 goes on. And we would just ask you, because of the

1 construction schedule, if there could be a resolution today, it  
2 would be most helpful because if we want to start construction  
3 next spring, we really need to go to design drawings right  
4 after this meeting if that's at all possible.

5 We've written you to this in some detail before, and  
6 we appreciate you putting us on the agenda and giving us the  
7 time you have. Thank you.

8 CHAIR WILLIAMS: Thank you, Mr. Landry. Are there  
9 any questions for Mr. Landry or any questions for Mr. Bolger or  
10 Mr. Selby?

11 (No audible response)

12 CHAIR WILLIAMS: Thank you very much. Okay. Let us  
13 return to Anchorage. Is there anyone else in Anchorage who  
14 wishes to testify?

15 ANCHORAGE MODERATOR: Yes, Mr. Charles McKee would  
16 like to testify.

17 CHAIR WILLIAMS: Yes, Mr. McKee, if you would please  
18 testify; spell your name for the record.

19 (Pause)

20 **PUBLIC TESTIMONY OF MR. CHARLES MCKEE (ANCHORAGE)**

21 My name's Charles McKee, and for the record, I'm  
22 taping this also. Now, this is Exxon Valdez Trustee Council  
23 teleconference meeting, Monday, November the 20th, 1995, and  
24 discussing the acquisition and appraisal in lieu of  
25 restoration.

1           And what I want to point out is the fact that you  
2 haven't done your homework. I have here Federal Railroad  
3 Administration Office of Safety, Safety Appliance and Pilot  
4 Rigs. It's about -- it starts out with -- how this ties in, it  
5 starts out with public law, and in regards to safety of Federal  
6 Administration, it was transferred to the Secretary of  
7 Transportation. And how this ties in is common carriers:  
8 railroads, pipelines, roads, even telecommunication, our  
9 current monetary system is all based on common carrier policy,  
10 which is supposed to supervise and maintain public safety.

11           Now, that ties in with the fact that on the front of  
12 the book, it has a symbol of -- ball rotary type symbol. And  
13 that in -- ties into vertical or horizontal train of thought.  
14 And so if you want to make an acquisition, I've been before  
15 this body before, and many others.

16           I might add that rather than you tendering for  
17 acquisition, I am kindled in my anger just a little bit by  
18 virtue of the fact that I'm still residing in a van. I'm not  
19 in a position to tender any type of assistance because of the  
20 linear projected thought. And I'll read to you a 1944 issue  
21 about American history -- global history, American history --  
22 and it talks about Texas as well, which is based on Texas. And  
23 I might add at least they had the fortitude to come right out  
24 and say it. You know, they're the type of people that don't  
25 beat around; they just tell it like it is rather than other

1 people hiding the truth.

2 CHAIR WILLIAMS: And, Mr. McKee, after you read your  
3 quote, if you could wrap up your testimony, please.

4 MR. McKEE: Yes.

5 BY MR. McKEE (Resuming):

6 Your linear thought, horizontal thought, is based on  
7 keeping your eyes to the ground and your feet firmly grounded,  
8 where your wealth is, which is, again, horizontal. I,  
9 yesterday, spoke to a woman, woman being a direct descendent of  
10 Eve. Of course, we all know how and where she was created  
11 from, and who created her. And I says, "I lift the curse of  
12 the Earth and of the women."

13 And my anger is kindled -- I say that to you -- and  
14 simply because I requested \$200 billion, some of which would be  
15 to mitigate the problem that you're trying to make a safe  
16 facade about. And it hasn't occurred, yet it has been spent,  
17 \$4 trillion since 1965 on the poor, and that hasn't been  
18 alleviated. And the poor has directly resulted from your  
19 rotary type mentality and your attempt to acquire, through  
20 acquisition, with the basis of public law. The law is nothing  
21 but a curse when you lay down law and then you don't abide by  
22 it. Public safety, common carriers, and then you continue to  
23 manufacture the same thing that you set laws down to prevent.

24 CHAIR WILLIAMS: Mr. McKee, thank you very much for  
25 your comments. Are there any questions or comments for Mr.

1 McKee?

2 (No audible response)

3 CHAIR WILLIAMS: Thank you again, Mr. McKee, for  
4 joining us today.

5 I'd now like to turn to Homer. Is there anyone else  
6 who wishes to testify in Homer?

7 HOMER MODERATOR: Yes, there is someone else who'd  
8 like to testify in Homer.

9 CHAIR WILLIAMS: Please, if they could approach the  
10 microphone and spell their last name.

11 **PUBLIC TESTIMONY OF MS. BARBARA SEAMAN (HOMER)**

12 My name is Barbara Seaman. I'm President and an  
13 internal Director of the Kachemak Heritage Land Trust -- can  
14 you hear me for starters?

15 CHAIR WILLIAMS: Yes, we can, and if you could please  
16 spell your last name.

17 MS. SEAMAN: All right. My last name is S-e-a-m-a-n.

18 CHAIR WILLIAMS: Thank you.

19 BY MS. SEAMAN (Resuming):

20 And you may already know that we've long been  
21 involved in documenting the values of Overland Park, including  
22 the public support that is so obvious here, for the acquisition  
23 and preservation of this parcel. We hope that the Trustees  
24 also will reflect, or at least acknowledge, the values  
25 described by the public support that's documented. It would be

1       unfortunate, to say the least, if some of these parcels were  
2       lost due to mobile efforts that just reflect appraisals.

3               I'd like to also express KHLT's support for the  
4       Baycrest parcel, which is nearby Overlook, and also Lowell  
5       Point in Seward. I'm also wondering if you can answer a  
6       question, if there will be a negotiation process with the  
7       landowners or if the appraised value is its (cut out) offer.

8               Thanks for the opportunity to comment, and I'll let  
9       you answer.

10              CHAIR WILLIAMS: Thank you very much. Who would like  
11       to answer that question? Ms. McCammon?

12              MS. MCCAMMON: Madam Chair, the proposed  
13       recommendation under consideration today is to make an offer  
14       for acquisition of these parcels based on the appraised value.

15              CHAIR WILLIAMS: Very good. Does anyone have any  
16       questions or comments for Ms. Seaman?

17                               (No audible response)

18              CHAIR WILLIAMS: Thank you very much for joining us  
19       today, Ms. Seaman. I'd now like to turn to Kenai. Is there  
20       anyone else who wishes to testify in Kenai?

21              MS. ZIRUL: Ms. Williams, this is Diana Zirul.  
22       There's nobody else here who'd like to testify.

23              CHAIR WILLIAMS: Thank you again, Ms. Zirul. Seward.  
24       Is there anyone else who would like to testify in Seward?

25              MR. ANDERSON: Yes. My name is Brandon Anderson.

1 I'd like to testify.

2 CHAIR WILLIAMS: Good. If you could please spell  
3 your last name, Mr. Anderson.

4 MR. ANDERSON: A-n-d-e-r-s-o-n.

5 CHAIR WILLIAMS: Please proceed.

6 **PUBLIC TESTIMONY OF MR. BRANDON ANDERSON (SEWARD)**

7 Okay. I'd just like to make some brief comments in  
8 support of the acquisition of the Grouse Lake parcel in Seward.  
9 Speaking as a resident of Seward, and I think that this  
10 particular parcel has a great deal of potential as far as  
11 recreational value. And as Mr. Luttrell who spoke before me  
12 mentioned, there's -- this is an area that has a great deal of  
13 scenic and recreational potential and currently has been  
14 somewhat abused, and we have an opportunity now to make this  
15 area something that can be a great asset to the area, not only  
16 to the people of Seward but to people of the entire  
17 Southcentral Alaskan area.

18 This particular lake is also used as a stocking area  
19 for various salmon species, also an indigenous population of  
20 fish there. The Department of Fish and Game lists this as a  
21 destination for fishing in their publications they put out, and  
22 unfortunately, it tends to leave a bad taste in people's mouth  
23 when they show up to this spot and it's not taken care of and  
24 trashed out.

25 So I think we have an opportunity to do something

1 really good here. It's a relatively small parcel, but it has  
2 lots of excellent qualities to it. I hope we can support this,  
3 and I know that there's a great deal of community support on  
4 this project. And that's all I had. Thank you.

5 CHAIR WILLIAMS: Thank you, Mr. Anderson. Are there  
6 any questions or comments for Mr. Anderson?

7 (No audible response)

8 CHAIR WILLIAMS: Thank you again, Mr. Anderson. We  
9 appreciate your testimony.

10 Is there anyone else in Anchorage who would like to  
11 testify at this time?

12 MR. THOMPSON: Madam Chair, this is Ray Thompson. I  
13 don't believe there is at this time.

14 CHAIR WILLIAMS: Thank you very much. Is there  
15 anyone in Cordova who would like to testify at this time?

16 MS. OTT: Yes, there is.

17 CHAIR WILLIAMS: If you would please state your last  
18 name, spell it, and proceed.

19 **PUBLIC TESTIMONY OF MS. RICKIE OTT (CORDOVA)**

20 Yes. This is Rickie Ott from Cordova; O-t-t. And  
21 I'd just like to say that while I'd encourage the Shuyak land  
22 purchases, I would like to remind everyone that the reason that  
23 we're having this hearing on Shuyak today is because we're not  
24 hearing about the Eyak purchases. And the check cruise  
25 specifically has not been done as promised by the Trustees the



1 year before.

2 And it's my understanding that the reason for this is  
3 that it was put in the hands of a subordinate who is not  
4 perhaps as assertive as he could have been with the appraiser.  
5 I'd like to have the Trustees put this check cruise in the  
6 hands of the highest level of the U.S. Forest Service.  
7 Specifically, I'd ask that Phil Janik take over his  
8 responsibility as the Trustee representing the U.S. Forest  
9 Service to ensure that this Eyak check cruise is done at the  
10 earliest possible time.

11 It would be a real shame if we have a break-through  
12 in the Eyak negotiations and then what kills the deal is the  
13 lack of a check cruise. And then it would be entirely the  
14 Trustees' fault that the deal wouldn't go through. So the  
15 mechanics for the appraisal have to be completed before the  
16 appraisal figure can be determined. And it's also my  
17 understanding -- and I'd like a verification on this -- that  
18 the check cruise can be completed regardless of the status of  
19 the negotiations with Eyak.

20 So my understanding at this time, there's really no  
21 excuse for not getting this check cruise and resulting  
22 appraisal done, other than the fact that it's now winter; we  
23 might have to wait till next spring. But I'd like to know the  
24 status of this check cruise and what can be done about  
25 hastening it.

1 Thank you for the time to testify.

2 CHAIR WILLIAMS: Thank you, Ms. Ott.

3 Mr. Janik, would you like to give a status report to  
4 the public on Eyak, please?

5 MR. JANIK: Yeah, I'll just make a general comment,  
6 then I'm going to ask Jim Wolfe here to check his knowledge out  
7 on the check cruise that's being referred to. But to my  
8 knowledge, we have acquired all of the available data, which is  
9 now in the hands of the government appraisers to put together  
10 and continue to move forward with this.

11 As far as the specific check cruise information, Jim,  
12 you want to comment on that, in terms of what you know of that?

13 MR. WOLFE: Well, I think what Rickie is referencing  
14 here is a concern that we get out and do some additional check  
15 cruise and complete the cruise, really, on Eyak other lands  
16 before winter set in. But that was never activated because we  
17 never reached agreement on what we were trying to acquire at  
18 Eyak because of the development rights question. And we tabled  
19 that on the basis that the corporation was doing a land  
20 management plan, and once they finished that land management  
21 plan, then we would take into them, with the folks at Eyak, and  
22 see if we could move towards some agreement on lands that  
23 everyone wished to acquire and/or sell, or easements,  
24 conservation easements, in the case of the Eyak, primarily.

25 That's still on the table, and we're still -- they're

1 moving forward with their plan. In the meantime, we have  
2 gathered up all of the timber cruise information from our  
3 contract cruiser, and we are reviewing that data to see what  
4 additional supplemental cruise work would be required. But we  
5 have not completed that yet. It is our plan and our hope that  
6 we will be able to finish an appraisal once we agree on what it  
7 is we're appraising, yet this spring -- or this winter or  
8 spring, without additional work, using what information we have  
9 available at this time.

10 MR. JANIK: This is Phil Janik again. Just to refer  
11 back to some of the review that our Executive Director gave,  
12 the very purpose of meeting with Nancy Barnes recently, and as  
13 was mentioned, that was Craig Tillery, Molly McCammon, and  
14 myself, is to, again, sit down and begin discussing with Eyak  
15 exactly what our opportunities are for moving forward. And  
16 part of that will definitely deal with a more definitive  
17 commitment and description with regard to what we will be doing  
18 with respect to appraiser -- appraisals, excuse me.

19 CHAIR WILLIAMS: Very good. Any other questions or  
20 comments on this topic, or questions or comments for Ms. Ott?

21 (No audible response)

22 CHAIR WILLIAMS: Thank you. Before we go to the next  
23 witness, I've had a request.

24 Barry Roth, are you still on the phone?

25 MR. ROTH: Yes, I am.

1 CHAIR WILLIAMS: Barry, could you tell us where you  
2 are, i.e., your telephone number? And we also sent a fax to  
3 your office; we're not sure whether you've received it. But if  
4 you could begin by telling us (a) whether you received the fax,  
5 (b) if not, where we should send a fax, and (c) at what phone  
6 number we can contact you.

7 MR. ROTH: Okay. I'm down at Sakura's office right  
8 now; (202) 208-4678 is the phone number. The fax number is  
9 208-4684, and -- 'cause I have not received a fax yet, and I  
10 will be here till 5:15.

11 CHAIR WILLIAMS: Okay.

12 MR. ROTH: 1:15 your time.

13 CHAIR WILLIAMS: Thank you. Okay. Let us go back to  
14 the public testimony. Is there anyone else in Homer who would  
15 like to testify at this time?

16 (No audible response)

17 CHAIR WILLIAMS: Homer, are you still on the line?

18 HOMER MODERATOR: Yes, we are still on line. We have  
19 two more people to testify.

20 CHAIR WILLIAMS: Very good. If the -- one of the  
21 witnesses could come to the microphone and please state their  
22 last name and spell it.

23 **PUBLIC TESTIMONY OF MR. RICHARD TYLER (HOMER)**

24 My name is Richard Tyler, T-y-l-e-r. I'm a resident  
25 of Homer; I've stayed forever, it seems like. And I just want

1 to say that starting next year, the President of Transportation  
2 is planning a big project, with federal monies I guess, to  
3 upgrade the highway into Homer, past the lookout going up at  
4 the top of the hill; has plans to be all relandscaped. And  
5 that's the lookout point that looks down over the parcel here  
6 in Homer that we're so concerned about, Overlook Park.

7 So it'd be kind of a shame to have all this work done  
8 and then not have any -- as to what they're looking down on at  
9 this. Thank you.

10 CHAIR WILLIAMS: Thank you, Mr. Tyler. Are there any  
11 questions or comments for Mr. Tyler?

12 (No audible response)

13 CHAIR WILLIAMS: Thank you again for testifying. Is  
14 there anyone else in Seward who would like to testify at this  
15 time?

16 SEWARD MODERATOR: There is no one else at this time.  
17 Thank you.

18 CHAIR WILLIAMS: Thank you. We'll go back to  
19 Cordova. Is there anyone else in Cordova who would like to  
20 testify at this time?

21 CORDOVA MODERATOR: No, thanks.

22 CHAIR WILLIAMS: Thank you. That leaves us with  
23 Homer. If we could have the last witness, please, in Homer.

24 (Pause)

25 MS. BOLLENBACH Yes. I've got one. But can you hear

me?

1

CHAIR WILLIAMS: Yes, we can. If you could please  
2 state your name and spell your last name, please.

3

MS. BOLLENBACH: My name is Amy Bollenbach; that's  
4 spelled B- like boy, -o-l-l-e-n-b-a-c-h.

5

CHAIR WILLIAMS: If you could proceed, please.

6

MS. BOLLENBACH: Yes.

7

PUBLIC TESTIMONY OF MS. AMY BOLLENBACH (HOMER)

8

I'm testifying in favor of the parcels by Overlook  
9 Park, Parcel 12, Parcel 12, Seacrest. I just wanted to say  
10 that for a long time, Homer has -- or the public in Homer (cut  
11 out) Overlook Park for over 12 years, that area. And the other  
12 thing I wanted to say is that our local marine biologist has  
13 said that that area of the tidal flats is the tidal life of  
14 Kachemak Bay, or it was. They -- our biologists monitored (cut  
15 out) about foresight and Kachemak Bay since the oil spill, and  
16 (cut out) has declined, but it still has a great variety of  
17 intertidal and subtidal life. And good as -- as for if there  
18 was (cut out) for, I think, various types of intertidal life.  
19

So I'm just saying it's a wonderful place. And there  
20 are status reports, sea otters, harbor seals, harlequin ducks  
21 type of organism -- subtidal organisms are listed on the (cut  
22 out), all of those are in the Overlook Park area. Thank you  
23 very much.

24

CHAIR WILLIAMS: Thank you so much. Does anyone have  
25

1 any questions or comments for Mrs. Bollenbach?

2 (No audible response)

3 CHAIR WILLIAMS: Thank you again for taking time out  
4 of your schedule to testify today.

5 Is there anyone else here in Juneau who wishes to  
6 testify at this time?

7 (No audible response)

8 CHAIR WILLIAMS: I believe that completes our public  
9 testimony, unless there is anyone at any sites who has -- comes  
10 since announcing that all witnesses have presented their  
11 testimony. Is there anyone else who wishes to testify at this  
12 time?

13 (No audible response)

14 CHAIR WILLIAMS: Again, we wish to thank, very  
15 warmly, the public who testified today. We appreciate your  
16 speaking to the Council about these important issues, and we  
17 will now close the public testimony segment of the Trustee  
18 Council meeting today.

19 Trustee Council members, we have two options, I  
20 believe -- or three options. One is to go back to the policy  
21 statement that we were reviewing before the public testimony.  
22 Another is to go into Executive Session. And I guess a third  
23 option is to do a break before either of those two options.  
24 Which would the Trustee Council prefer to do?

25 (Pause)

1 CHAIR WILLIAMS: Where's our lunch?

2 (Laughter)

3 MS. McCAMMON: It's being obtained.

4 CHAIR WILLIAMS: Okay. Enroute. Very good.

5 Commissioner Rue?

6 COMMISSIONER RUE: The subject of Executive Session  
7 is?

8 CHAIR WILLIAMS: The subject of the Executive Session  
9 is small parcels and Shuyak.

10 COMMISSIONER RUE: Thank you.

11 CHAIR WILLIAMS: Would you like to take a break?

12 Yes, Mr. Pennoyer.

13 MR. PENNOYER: Well, how long is it going to take to  
14 finish that policy discussion? Maybe we could wrap that up and  
15 then.....

16 CHAIR WILLIAMS: All right.

17 MR. PENNOYER: .....take a break and then have lunch  
18 and start the Executive Session.

19 CHAIR WILLIAMS: Sounds like a good plan. Is  
20 everyone in agreement with that?

21 (No audible response)

22 CHAIR WILLIAMS: Let's do that. Let's go back to the  
23 policy statement, then we'll take a break, and then we'll go  
24 into Executive Session. Ms. McCammon?

25 MS. McCAMMON: Madam Chair, we're on page 2, Post-



1 Acquisition Surveys. It was the indication of our working  
2 group that none should be required for any of these closings.  
3 However, post-acquisition posting and marking was an issue, and  
4 the group recommended that the following general guidelines be  
5 used in determining when post-acquisition posting and marking  
6 would be necessary:

7         The most likely scenario would be to delineate for  
8 the public different uses within conservation easements. For  
9 example, if one area was unrestricted public access, but  
10 perhaps another was restricted and there was no commercial  
11 activities or it was limited in some fashion. Since these  
12 represent rights that would be retained by the landowner, any  
13 posting and marking should be at the landowner's discretion and  
14 expense.

15         Number two, any provision differing from this should  
16 be disclosed to the Trustee Council at the time of closing for  
17 their approval. So again, this becomes a negotiable item, but  
18 it would have to be something subject to the Council's  
19 approval. And any costs would be noted at that time, if known.

20         CHAIR WILLIAMS: Any questions or comments about this  
21 item?

22                     (No audible response)

23         CHAIR WILLIAMS: All right.

24         MS. McCAMMON: On page 3, at the top, Restoration  
25 Costs, the seller is required to comply with all federal and

1 state laws and regulations prior to the sale of their land,  
2 such as the Forest Practices Act. In some cases, this may  
3 require future monitoring and possible follow-up efforts on the  
4 part of the seller. Any additional restoration work above and  
5 beyond compliance with existing laws and regulations should be  
6 addressed within the negotiation process, if possible and, at  
7 the very least, should be identified at the time of closing if  
8 known.

9 One particular example that came up during the FY '96  
10 work plan was a proposal to do some work on Dolly Varden  
11 streams that are within the area that we're negotiating with  
12 Tatitlek to purchase. That's -- it was a restoration proposal,  
13 and the recommendation that I had at the time was to take this  
14 up through the negotiation process, but at least to identify it  
15 as a possible restoration need.

16 Normal agency management costs are not considered  
17 part of restoration. An expansion of the definition of "normal  
18 agency management" currently in the restoration plan is being  
19 drafted and will be presented to the Council at the  
20 December 11th meeting. We've had a draft that's been done  
21 internally; it will be circulated to the agency staff this week  
22 for their review and comment, and then presented to the PAG and  
23 then to the Council on December 11th.

24 CHAIR WILLIAMS: Any questions or comments about  
25 this? I know, when reviewing some of the small parcels, there

1 are a couple of small parcels where we talked about some  
2 restoration activities. I'll be interested, and Molly or the  
3 sponsors of small parcels, if you could say, you know, what you  
4 think about, you know, those restoration activities vis-a-vis  
5 this policy statement, I'd appreciate it. All right.

6 MS. McCAMMON: Large Parcel Resolutions and Offers.  
7 This was a -- at the request of Commissioner Rue to clarify  
8 that the Trustee Council has authorized the Trustee agencies to  
9 make a number of offers to landowners for purchase of various  
10 interests in lands at fair market value, to be determined by a  
11 government-approved appraisal and not to exceed a certain  
12 funding level. The funding totals used in these resolutions  
13 are caps, not targets. They were provided as placeholders for  
14 planning purposes only and do not reflect any entitlement on  
15 the part of the seller. And this should be clearly reiterated  
16 in all negotiations.

17 CHAIR WILLIAMS: Commissioner Rue?

18 COMMISSIONER RUE: Yeah. Could you explain the logic  
19 for needing a placeholder? 'Cause, I mean, I can imagine a  
20 scenario where we go ahead and negotiate, and as we finish  
21 negotiations, part of that is the negotiator's checking in to  
22 make sure there's cash available to do the deals, rather than  
23 establishing caps or expectations. So if you could explain the  
24 original rationale for the placeholders.

25 MS. McCAMMON: Madam Chair, this goes back to a year

1     ago when, I think, the Council was trying to lay out basically  
2     a plan for the habitat protection part of their efforts and  
3     ensure, first of all, that there was geographic distribution  
4     within the spill area and, secondly, ensure that there was  
5     sufficient cash to make all of the deals happen as they came  
6     about. And if we assume that all of those deals came about  
7     last year, within a few months of December 2nd, in November,  
8     then it was very -- it was imperative that we have some  
9     estimate, for planning purposes, to figure out whether there  
10    was going to be sufficient resources for that.

11                 So it was a planning exercise for cash flow and also,  
12    I think, to give an indication to the public that the Council  
13    supported a geographic distribution of habitat protection  
14    throughout the spill area.

15                 COMMISSIONER RUE: Just it seems to me we could  
16    authorize staff to proceed with negotiations and keep any cap  
17    confidential. Is that something that we could -- I mean, it  
18    seems to me, does that have to be made public?

19                 CHAIR WILLIAMS: Mr. Tillery?

20                 MR. TILLERY: I think that's certainly true, and I  
21    think that's probably what we'd do if we were going to do any  
22    more of these, but I kind of think we -- the horse left the  
23    barn.

24                 COMMISSIONER RUE: I'm sure the horse is out of the  
25    barn on these. I'm just wondering for the future if in

1 fact.....

2 MR. TILLERY: I think it was a product of the  
3 peculiar timing and circumstances.

4 COMMISSIONER RUE: I see. All right.

5 CHAIR WILLIAMS: That's correct.

6 COMMISSIONER RUE: Okay.

7 CHAIR WILLIAMS: Any other comments on this issue?

8 (No audible response)

9 CHAIR WILLIAMS: Ms. McCammon?

10 MS. McCAMMON: The next section, Use of Fair Market  
11 Value Appraisals, actually was added following the series of  
12 articles that appeared in the Anchorage Daily News about the  
13 Council's appraisal process, use of appraisals, particularly in  
14 the Kodiak acquisitions, and it's to clarify the practice of  
15 you -- or the purpose of the government-approved appraisals.  
16 Federal agencies are required to offer no less than fair market  
17 value for land being acquired by the United States.

18 Fair market value appraisals are developed using  
19 government-approved U.S. standards. The appraisal provides the  
20 basis for any offer the Trustee Council makes. Appraisals  
21 provide an opinion of strict economic value and do not consider  
22 restoration or biological value. Appraisals are estimates of  
23 value based on many assumptions and subject to professional  
24 judgments and opinions.

25 And I think, for the record, that one of the things

1 that's probably important to reiterate here today is that the  
2 Council's willingness to go above appraised value on the large  
3 parcels has been primarily because of the difficulty in the  
4 appraisal process and the lack of -- for the most part, of any  
5 comparables, any comparable sales, to provide a real accurate  
6 description of what the economic value of those lands are,  
7 especially if they don't have timber on them.

8 With the small parcel, the small parcels, on the  
9 other hand, it is the expectation of the Council that there --  
10 in most cases, there will be sufficient comparables to give  
11 greater confidence that the appraised value does accurately  
12 reflect the market value and what values landowners would be  
13 willing to accept.

14 CHAIR WILLIAMS: In reviewing the package today, I  
15 think we've all had our own internal thoughts about the  
16 distinction between restoration value and appraised value and  
17 why we feel very comfortable with the offer we made on Kodiak  
18 and so forth. But it was underscored, as I was reviewing the  
19 package today, the difference, because appraised value, of  
20 course, will go up with development: roads, sewers, fill, and  
21 so forth. And that, of course, is in direct opposition to  
22 restoration value.

23 So if you think about a Kodiak deal, of course, one  
24 thing that made that deal of such high restoration value was  
25 that the people of Kodiak protected and preserved that

1 property. They could have gone in there and put in roads,  
2 sewers, fill, and so forth to try and up the appraisal value,  
3 but what an ironic exercise that would have been. That would  
4 have diminished the restoration value.

5 And so I do think when we look at restoration value,  
6 particularly on the large parcels, we should reward those  
7 people who have maintained the land in a pristine value because  
8 that is what brings restoration benefits to this effort, and  
9 not shackle this process with the economic confines of  
10 appraisal value when we reach a final deal. But again, it just  
11 struck me as particularly poignant in thinking about this, how  
12 directly contrary the interests sometimes of economic appraised  
13 value are to the interests of restoration.

14 Any other questions or comments on this item?

15 (No audible response)

16 CHAIR WILLIAMS: Okay. Ms. McCammon?

17 MS. MCCAMMON: Well, the next item, Madam Chair, is  
18 Appraisal Logistics, and again, following our further review,  
19 the following actions have been taken in order to more  
20 efficiently manage the appraisal process:

21 The Forest Service has designated Dave Gibbons and  
22 Jim Wolfe as the primary contacts for the appraisal contract,  
23 and those are the folks that I deal with directly on the  
24 appraisal contract now. All work with the contractor and  
25 agreements on scheduling will be confirmed in writing. Any

1 changes will be noted by the contractor in writing.

2 The Forest Service liaison will provide the Executive  
3 Director with biweekly status reports on the appraisal work and  
4 negotiations; any delays will be identified. And the Executive  
5 Director will provide the Trustee Council with monthly, at a  
6 minimum, status reports and will notify them of any changes in  
7 the schedule.

8 CHAIR WILLIAMS: Questions or comments on this item?

9 (No audible response)

10 CHAIR WILLIAMS: I think this looks like an excellent  
11 plan, and again, we want to thank the Forest Service for having  
12 taken on such a tremendous responsibility in this appraisal  
13 process.

14 (Pause)

15 CHAIR WILLIAMS: Ms. McCammon?

16 MS. McCAMMON: And finally, Madam Chair, the 96-126  
17 budget, there were some revisions to this budget that were  
18 handed to me last week. In all honesty, I did not have time to  
19 review them. I think, based on our discussion today, we'll be  
20 going back and looking at those budgets once again, and we'll  
21 have a revised budget to bring to you on December 11th.

22 CHAIR WILLIAMS: And so we don't know what that  
23 revised budget may look like at this time?

24 MS. McCAMMON: No. At this time, you have approved a  
25 budget for 96-126, but we're taking another look at it, and it



1 could be less, it could be more. But we'll have it back to  
2 you.

3 CHAIR WILLIAMS: Questions or comments on this item?

4 (No audible response)

5 CHAIR WILLIAMS: All right. Ms. McCammon, how would  
6 you like to proceed, then, with this? Would you like the  
7 Trustee Council members to give you thoughts they have over the  
8 next week or so? Would you like to assume that you're going to  
9 finalize this and bring this to the December meeting with a  
10 little -- reflecting a little bit of the discussion we have?

11 MS. McCAMMON: Madam Chair, what I would propose is  
12 that we put this -- reformat this and put it in a more of a  
13 policy paper format, and then circulate it to all the agencies  
14 for final review, and then bring it back for adoption at the  
15 December 11th meeting.

16 CHAIR WILLIAMS: All right. Any questions or  
17 comments on that? Commissioner Rue?

18 COMMISSIONER RUE: Madam Chair, I would just like to  
19 compliment the staff and the agencies who worked on putting  
20 this together. It helped me, who had a number of questions  
21 about the process, and I think the plan that Ms. McCammon put  
22 forward is a good one.

23 CHAIR WILLIAMS: We thank you, Commissioner Rue, for  
24 precipitating this process.

25 Mr. Janik, did you have a question or comment?

MR. JANIK: No.

1 CHAIR WILLIAMS: Anything else? Ms. McCammon,  
2 anything else before we take our break and then go into  
3 Executive Session?

4 MS. McCAMMON: Nothing further.

5 CHAIR WILLIAMS: Who would like to move to go into  
6 Executive Session?

7 MR. PENNOYER: So move.

8 MR. TILLERY: Second.

9 MS. McCAMMON: For the purpose of?

10 CHAIR WILLIAMS: Yes.

11 MR. PENNOYER: For the purposes of discussion of  
12 habitat acquisition and possibly Shuyak, or both.

13 CHAIR WILLIAMS: Okay. It's been moved by Mr.  
14 Pennoyer and seconded by Mr. Tillery that we go into Executive  
15 Session after taking a short break for purposes of discussing  
16 habitat acquisition, specifically small parcels, and Shuyak.  
17 Is there any op- -- yes, Ms. McCammon?

18 MS. McCAMMON: Oh, Madam Chair, just for technical  
19 purpose, we have to disconnect the entire teleconference, but  
20 could we clarify who we have to add back on in a separate call?  
21

22 CHAIR WILLIAMS: Yes. Let's.....

23 MS. EVANS: I will call the LIO in Anchorage, who  
24 monitors these teleconferences, and make sure that they know  
25 when we're ready to come back into session so that folks can be

1 notified and call back in.

2 MR. PENNOYER: Madam Chair, do we have an estimate of  
3 time so that people on the teleconference know when to come  
4 back, or anybody want to take a guess at that?

5 CHAIR WILLIAMS: That's always risky.

6 MR. PENNOYER: Executive Director?

7 MS. McCAMMON: An hour?

8 CHAIR WILLIAMS: Oh, I think more than an hour. I  
9 would say.....

10 MR. PENNOYER: One to two hours?

11 CHAIR WILLIAMS: .....two, two and a half. Just to  
12 be on the safe side. Two, two and a half?

13 MS. EVANS: Barry wants to be on?

14 CHAIR WILLIAMS: Two, two and a half?

15 MR. PENNOYER: Madam Chair, if you put it too long,  
16 they may not come back and we may have already started. So  
17 it's better to indicate something like an hour and a half to  
18 two and a half, and then the.....

19 CHAIR WILLIAMS: Okay.

20 MR. PENNOYER: .....people can take their chances if  
21 they don't get back in time.

22 MS. EVANS: So what I would suggest to the  
23 teleconference sites is check with the LIO in Anchorage at  
24 about an hour and a half and see what our estimates are. And  
25 I'll keep Barbara there, who is the teleconference moderator

1 today, up to date on when we should be coming back on line.

2 CHAIR WILLIAMS: Good. Excellent. We have a motion  
3 on the floor. Is there any objection to going into Executive  
4 Session pursuant to the terms of the motion?

5 (No response)

6 CHAIR WILLIAMS: The motion passes. Thank you.  
7 Let's take a five-minute break, and then we will go into  
8 Executive Session.

9 (Off record)

10 (Whereupon, the regular session of the Exxon Valdez  
11 Oil Spill Trustee Council was recessed for a short  
12 break at 12:18 p.m. and then convened in Executive  
13 Session)

14 (Tape Change - Tape No. 3 of 3)

15 (Whereupon, the Executive Session of the Exxon Valdez  
16 Oil Spill Trustee Council was adjourned at 4:18 p.m.,  
17 and the regular session was reconvened at 4:20 p.m.)

18 (On record)

19 CHAIR WILLIAMS: Who else is on line, please?

20 TELECONFERENCE MODERATOR: Okay. I have Homer and  
21 your office here in Anchorage. I have not had time to send out  
22 my outside message; I'll be doing it momentarily, so maybe it'd  
23 be nice if you can give them about three or four minutes to  
24 call in.

25 CHAIR WILLIAMS: If you could do that quickly,

1 please.

2 TELECONFERENCE MODERATOR: Yes.

3 (Off record)

4 (On record)

5 CHAIR WILLIAMS: Do we still have Anchorage on?

6 ANCHORAGE MODERATOR: Yes, you have Anchorage.

7 CHAIR WILLIAMS: And Homer?

8 (No audible response)

9 CHAIR WILLIAMS: Do we have Homer on still?

10 (No audible response - Pause, side conversations)

11 CHAIR WILLIAMS: Okay. I think we will resume our  
12 Trustee Council meeting of November 20th, 1995. Welcome back,  
13 everyone. We have completed our Executive Session, and we are  
14 ready to go back into regular session. During the Executive  
15 Session we discussed only the two items that we presented in  
16 our motion, the small parcels and the Shuyak acquisition.

17 I would like to call the meeting back to order.  
18 We'll begin with the Small Parcel Proposed Acquisition  
19 presentation. Ms. McCammon, if you could please walk us  
20 through the small parcels.

21 MS. MCCAMMON: Thank you, Madam Chair. Last February  
22 the Trustee Council authorized me to oversee preliminary  
23 negotiations for acquisition of up to 30 small parcels to  
24 protect habitat resources and services injured by the oil  
25 spill.

1           As a result of our efforts over the last few months,  
2           I have before you today a recommendation to make an offer to  
3           purchase at appraised value 16 parcels and to contribute  
4           \$4 million towards acquisition of the Kenai Native Association  
5           package, which is an acquisition exchange package. And what  
6           I'd like to do right now is go through parcel by parcel and  
7           briefly touch on the restoration benefits of those parcels that  
8           are being recommended to go forward at this time.

9           In Prince William Sound there are two parcels that  
10          are recommended for offers to be made to purchase at appraised  
11          value. The first one is Prince William Sound 17, Ellamar  
12          Subdivision. This is located on Virgin Bay about two miles  
13          north of Tatitlek. Public ownership of this parcel will  
14          protect habitat for pink salmon, Pacific herring, intertidal/  
15          subtidal organisms, sea otters, and recreation/tourism by  
16          preventing further construction on the lots that constitute  
17          this parcel.

18          Acquisition will also ensure public access to the  
19          shore lands for camping and preserve the option to enhance  
20          public recreational opportunities, for example, by installing  
21          mooring buoys or similar facilities. The key habitat and  
22          attributes of this parcel include pink salmon, herring,  
23          intertidal/subtidal organisms, and sea otters, and recreation/  
24          tourism.

25          I should note that the Public Advisory Group did note

1 that residents of Tatitlek use Virgin Bay for subsistence and  
2 recommended in favor of this acquisition overall.

3 CHAIR WILLIAMS: And it's my understanding, Ms.  
4 McCammon, that the pieces we'd be buying here are contiguous  
5 and that this would be phase one of a potentially two-phase  
6 process?

7 MS. McCAMMON: That's correct. The original  
8 acquisition proposal before the Council was to purchase all of  
9 the undeveloped lots within this subdivision. Upon further  
10 consideration, what you have before you is a proposal for phase  
11 one to purchase.....

12 (Pause)

13 MS. McCAMMON: I'm looking if this is seven or eight  
14 lots to count here. Block 10, Lots 5 through 11 and Lot 30 of  
15 the subdivision, which are all contiguous.

16 CHAIR WILLIAMS: Thank you. Any further questions on  
17 Ellamar Subdivision from the Trustee Council?

18 (No audible response)

19 CHAIR WILLIAMS: Okay. Hayward parcel.

20 MS. McCAMMON: The second parcel is Prince William  
21 Sound 52, the Hayward parcel; nine and a half acres, ranked  
22 moderate; appraised at \$150,000. This parcel is located on the  
23 very edge of the Valdez duck flats within the Valdez city  
24 limits. Public ownership of this parcel will protect habitat  
25 for intertidal and subtidal organisms, harbor seals and sea

1 otters by preventing further development of the site.

2 Acquisition will also create an opportunity to return  
3 the site to its natural condition by removing the three gravel  
4 pads that are on the site. This would allow periodic flooding  
5 of this part of the duck flats and reestablish native  
6 vegetation. The key habitats and attributes are intertidal/  
7 subtidal organisms, harbor seals, and sea otters, and also it  
8 provides nesting, molting, and staging habitat for 52 species  
9 of marine birds: 8 of waterfowl, 18 species of shore birds,  
10 and numerous other passerines and raptors, most particularly,  
11 Hudsonian godwits.

12 The potential threat to this parcel is through  
13 significant development, and the proposed management is to  
14 acquire it to preserve its ecological, natural, physical, and  
15 scenic values. This was strongly supported by residents of  
16 Valdez and also members of the Public Advisory Group.

17 CHAIR WILLIAMS: And it's my understanding,  
18 Commissioner Rue, that the Alaska Department of Fish and Game  
19 would be doing the gravel removal operations?

20 COMMISSIONER RUE: Madam Chair, that's correct. I  
21 think we would -- if the parcel is purchased, we would look for  
22 a way to remove those pads.

23 CHAIR WILLIAMS: Thank you. Any further questions or  
24 comments on the Hayward parcel?

25 (No audible response)



1 CHAIR WILLIAMS: Ms. McCammon?

2 MS. McCAMMON: The recommendation is to defer action  
3 on this time for Horseshoe Bay and Jack Bay in Prince William  
4 Sound until a new appraisal is done, and also to defer action  
5 on (indiscernible) Spit.

6 Moving on to the Kenai River parcels, there are five  
7 that are recommended to go forward with offers to purchase at  
8 appraised value:

9 Kenai 10, the Kobylarz Subdivision, 20 acres,  
10 ranked moderate, appraised at \$320,000. This is located at  
11 Mile 14 of the Kenai River on the big eddy, which is a very  
12 popular fishing area on the Kenai River and subject to wetland  
13 and stream bank trampling and habitat degradation. The  
14 restoration benefit is that public ownership will protect  
15 habitat for pink salmon, Dolly Varden, sockeye salmon, and  
16 recreation/tourism by preventing the loss of wetlands to  
17 development.

18 Acquisition will also create an opportunity for  
19 public agencies to manage use of the stream banks to minimize  
20 habitat degradation. The key habitats and other attributes are  
21 pink salmon and Dolly Varden, sockeye salmon, and recreation/  
22 tourism. The proposed management would be by the Department of  
23 Natural Resources jointly with Fish and Game through an inter-  
24 agency land management agreement.

25 CHAIR WILLIAMS: Are there any questions about the

1 Kobylarz Subdivision?

2 (No audible response)

3 CHAIR WILLIAMS: All right.

4 MS. McCAMMON: The next parcel is Kenai 34, the Cone  
5 parcel, 100 acres, ranked high, to be managed jointly by Fish  
6 and Game and DNR. The appraised value is \$600,000. This is  
7 located on the Kenai River flats south of Beaver Loop Road.  
8 The restoration benefits are that public ownership will protect  
9 fish habitat, intertidal habitat, and the recreational values  
10 associated with fish and wildlife on this parcel by preventing  
11 development on this parcel.

12 At one time, the City of Kenai proposed to rezone 500  
13 acres of adjacent City-owned wetlands from a rural residential  
14 classification to conservation if the Trustee Council acquired  
15 the property. And we would be -- the State would be pursuing  
16 that with the City.

17 Key habitats and other attributes include intertidal/  
18 subtidal organisms, pink salmon and Dolly Varden, sockeye  
19 salmon migrations, and recreation/tourism. It also provides  
20 support and habitat for a variety of other fish and wildlife  
21 not injured by the spill.

22 CHAIR WILLIAMS: Thank you. Any Council questions on  
23 the Cone parcel?

24 (No audible response)

25 CHAIR WILLIAMS: All right.

1 MS. McCAMMON: The next parcel is Kenai 54, the  
2 Salamantof parcel, 1,377 acres. And I should note here that  
3 although this exceeds the -- kind of the limit of the small  
4 parcel program, which is generally accepted as under 1,000  
5 acres, there were two separate submissions that were later  
6 combined for administrative purposes. And that's the basis of  
7 it exceeding the 1,000 acres.

8 It's ranked moderate. The sponsor is Fish and  
9 Wildlife Service. Upon acquisition, this would be incorporated  
10 into the Kenai National Wildlife Refuge. It's valued at  
11 \$2,320,000. It's one of the largest undeveloped privately  
12 owned parcels on the Kenai River, encompassing two miles of  
13 river bank between River Miles 26 and 28 upstream of the  
14 Soldotna Airport. Lands on the parcel are composed of well-  
15 drained forested uplands that slope gently toward the river and  
16 large areas of associated riparian wetlands. Most of the  
17 parcel is undisturbed except for extensive foot trampling along  
18 the stream bank.

19 Public ownership will protect habitat for pink  
20 salmon, sockeye salmon, Dolly Varden, bald eagle, river otter,  
21 and recreation/tourism by preventing future development  
22 including roads, residential subdivisions, and intensive  
23 private recreational use. Acquisition will also allow public  
24 agencies to mitigate impacts from unregulated access of the  
25 parcel. Key habitats and other attributes include pink salmon

1 and Dolly Varden, bald eagles, river otter, and recreation/  
2 tourism services, and sockeye salmon.

3 CHAIR WILLIAMS: Are there any questions or comments  
4 on the Salamantof parcel?

5 (No audible response)

6 CHAIR WILLIAMS: I'd just like to add that, of  
7 course, I'm familiar with this parcel, and I think it's  
8 extremely valuable, so I'm pleased to see it on the list.

9 MS. McCAMMON: The next parcel is Kenai 148, River  
10 Ranch. This is 146 acres, ranked moderate; appraised value at  
11 \$1,650,000. It's located near Mile 32 on the Kenai River.  
12 It's one of the larger privately owned properties on the river,  
13 developed primarily as a horse and cattle ranch. Topography is  
14 generally flat, and native vegetation has been cleared for hay  
15 fields. Riparian vegetation along portions of the Kenai River  
16 have been manually cleared or trampled by livestock.

17 Public ownership will protect habitat for pink  
18 salmon, Dolly Varden, and recreation/tourism by foreclosing the  
19 possibility that the parcel will be more intensively developed.  
20 Removal of livestock will further protect habitat by allowing  
21 the reestablishment of riparian vegetation. Acquisition will  
22 also allow public agencies to manage public access and thereby  
23 minimize associated bank damage. Key habitats and other  
24 attributes include habitat for pink salmon and Dolly Varden,  
25 sockeye salmon, and recreational/tourism services.

1 CHAIR WILLIAMS: Ms. McCammon or Commissioner Rue, do  
2 we know who's going to be responsible for removing the cattle  
3 and horses should we purchase this?

4 MS. McCAMMON: I assume the landowner.

5 COMMISSIONER RUE: I assume their owned -- we don't  
6 buy the horses, I hope.

7 (Laughter)

8 COMMISSIONER RUE: Moose we'll take.

9 (Laughter)

10 MR. PENNOYER: You get the moose, though. Okay.

11 COMMISSIONER RUE: Yeah.

12 CHAIR WILLIAMS: Okay.

13 COMMISSIONER RUE: I assume they'd be removed.

14 CHAIR WILLIAMS: All right. I think that would be a  
15 nice thing to make certain of because I don't know if we want  
16 EVOS members out there with guns pointed at the head of these  
17 cattle.

18 MR. PENNOYER: Frank will do a roundup.

19 CHAIR WILLIAMS: Okay. Any further questions or  
20 comments on River Ranch?

21 (No audible response)

22 CHAIR WILLIAMS: Okay. Girves parcel.

23 MS. McCAMMON: The Girves parcel is Kenai 1006, 110  
24 acres. This is a parcel meriting special concern. Although it  
25 ranked low on the scale that the Council used, it was just

1 below the cutoff point between moderate and low, and it had  
2 several outstanding values that weren't totally captured by the  
3 ranking system.

4 Public ownership of the parcel will protect fish  
5 habitat by allowing public agencies to manage public use of the  
6 stream banks. Acquisition will also enhance recreation by  
7 providing additional public land for fishing and other  
8 recreational uses. Appropriate action would be taken to  
9 protect or restore stream bank vegetation that is important  
10 fish habitat.

11 Key habitats and other attributes include habitat for  
12 pink salmon and Dolly Varden, sockeye salmon, and for  
13 recreation/tourism services. Potential threats is that the  
14 primary threat to habitat results from stream bank fishing.  
15 The landowner reports that significant erosion of stream banks,  
16 as much as five feet in one season, has occurred because of  
17 intensive trespassing use by river guides and tourists.

18 (Pause)

19 MS. MCCAMMON: The next acquisition on the Kenai  
20 River includes three parcels that were submitted under the  
21 Small Parcel Program: Kenai 1004 and Kenai 1002 and 03.  
22 Kenai 1004 is the Stephanka tract, which is 803 acres, one  
23 mile below the outlet of Skilak Lake on the Kenai River. This  
24 was one of the highest-ranked parcels entered through the  
25 process.

1           Public ownership of the parcel will preserve the  
2 wilderness qualities of the area and allow for improved public  
3 access to the river and the adjacent wilderness area for  
4 primitive recreational activities. Acquisition will also  
5 protect archaeological sites and key habitat for pink salmon,  
6 Dolly Varden, bald eagles, and river otters from the adverse  
7 effects of future development of this site.

8           The owners of this parcel have made it very clear  
9 that they are not willing to sell this parcel by itself. It is  
10 part of a negotiated package between the Kenai Natives  
11 Association and Fish and Wildlife Service. This package totals  
12 more than 15,000 acres and is appraised at more than  
13 \$10 million total. The proposal is to have the Trustee Council  
14 contribute \$4 million towards that package.

15           This would -- and to ensure that this package would  
16 include, at the very least, Stephanka tract and then also the  
17 two Moose River Tracts Kenai 1002 and 1003, which have  
18 important habitat for bald eagles, sockeye salmon, recreation,  
19 tourism, and wilderness.

20           CHAIR WILLIAMS: Very good. Any questions or  
21 comments about the KNA parcels?

22                           (No audible response)

23           CHAIR WILLIAMS: Again, I'd just like to commend the  
24 small parcel process for having these in the process. They, I  
25 think, will provide outstanding restoration value. Ms.

1 McCammon?

2 MS. McCAMMON: Moving on to the other Kenai Peninsula  
3 parcels, Kenai 12, Baycrest, 90 acres, a parcel meriting  
4 special concern. This is located about four miles west of  
5 Homer, has three-quarters of a mile of shoreline along Kachemak  
6 Bay. There is road access to the parcel from the Sterling  
7 Highway and up Pioneer Road to the beach. There are no  
8 structures on the site.

9 Public ownership of this parcel will protect  
10 intertidal habitat by preventing the filling of wetlands that  
11 would result from construction of roads, driveways, and houses.  
12 Acquisition would also preserve opportunities for the public to  
13 continue using the area, especially the intertidal zone, and  
14 could facilitate access to Overlook Park and to the intertidal  
15 zones of both parcels.

16 Key habitats and other attributes include intertidal/  
17 subtidal organisms, recreation and tourism services, and also a  
18 variety of other fish and wildlife.

19 CHAIR WILLIAMS: Any questions about Baycrest?

20 (No audible response)

21 CHAIR WILLIAMS: Okay.

22 MS. McCAMMON: I should also mention, for the record,  
23 that support for acquisition of this parcel was expressed by  
24 the City Council of Homer, Kachemak Bay State Park Citizens  
25 Advisory Board, Kachemak Heritage Land Trust, and one other



1 individual.

2 CHAIR WILLIAMS: Thank you. Coal Creek.

3 MS. McCAMMON: Kenai 19 Coal Creek moorage, 53 acres,  
4 ranked high; appraised value \$260,000. This parcel is located  
5 at the confluence of Coal Creek and the Kasilof River and is  
6 part of the Kasilof River flats.

7 Public ownership will protect fish habitat and  
8 intertidal habitat by preventing the filling of wetlands that  
9 would result from construction; enable agencies to better  
10 protect cultural resources and to manage use of the stream  
11 banks to minimize habitat degradation; and preserve  
12 opportunities for the public to continue using the area.  
13 Acquisition will also preserve the option to enhance public  
14 recreational opportunities.

15 Key habitats and other attributes include pink salmon  
16 and Dolly Varden, sockeye salmon, intertidal/subtidal  
17 organisms, archaeological resources, and recreation/tourism, as  
18 well as a variety of other fish and wildlife. This was  
19 supported by the Kenai Peninsula Borough and by the Cook Inlet  
20 Aquaculture Association.

21 CHAIR WILLIAMS: Thank you. Any questions or  
22 comments about Coal Creek?

23 (No audible response)

24 CHAIR WILLIAMS: Tulin parcel?

25 MS. McCAMMON: Kenai 29, the Tulin parcel, 220 acres,

1 ranked parcel meriting special concern. This parcel runs for  
2 approximately 1.4 miles from the Sterling Highway west of Cook  
3 Inlet where it fronts the shoreline for 3,500 feet. Most of  
4 the rest of the parcel averages about one-quarter mile in  
5 length. This parcel contains and runs parallel to Diamond  
6 Creek, which is not an anadromous stream. The parcel is  
7 dominated by a mixed spruce and birch forest association.

8 Public ownership of this parcel will protect bald  
9 eagle habitat and preserve recreational opportunities by  
10 preventing further development of the subdivision on the  
11 parcel. Acquisition would also create the opportunity to  
12 enhance recreational opportunities through, for example,  
13 improving and maintaining the road for access to the beach.  
14 This parcel provides key access and results -- in addition,  
15 results in a buffer from further development. Key habitats and  
16 attributes include bald eagles and recreation/tourism.

17 CHAIR WILLIAMS: Any questions or comments?

18 (No audible response)

19 CHAIR WILLIAMS: Overlook Park, please.

20 MS. McCAMMON: Kenai 55, Overlook Park, 97 acres,  
21 ranked moderate. This parcel is locally known as Overlook Park  
22 because it is situated below and is visible from the Sterling  
23 Highway scenic overlook. The parcel is located between state  
24 lands on the north and Baycrest on the east. It is accessible  
25 only by foot down the steep bluff from the highway or by

1 walking along the shoreline three and a half miles west from  
2 Bishop Beach. There are no structures, roads, or any other  
3 human development on this site. The uplands consist of a mixed  
4 association of spruce, birch, cottonwood, small open meadows,  
5 bogs, and freshwater ponds.

6 Public ownership of this parcel would protect  
7 intertidal/subtidal habitat and ensure public access by  
8 foreclosing the possibility that it would be subdivided and  
9 developed in the future. Key habitats and other attributes  
10 include intertidal/subtidal organisms and recreation/tourism.

11 There appears to be some residential development  
12 potential for this property in the area between the tidelands  
13 and the bluff. Support for acquisition of this parcel was  
14 expressed by the City Council of Homer, Kachemak Bay State Park  
15 Citizens Advisory Board, Kachemak Bay Conservation Society,  
16 Kachemak Heritage Land Trust, and 22 individuals, mostly  
17 residents of Homer.

18 CHAIR WILLIAMS: Thank you. Any questions or  
19 comments about Overlook Park?

20 (No audible response)

21 CHAIR WILLIAMS: And we do appreciate all the public  
22 comment on that parcel. Deep Creek?

23 MS. McCAMMON: Kenai 1001, Deep Creek, 91 acres,  
24 ranked high. This parcel is located about three miles south of  
25 Ninilchik immediately adjacent to the Deep Creek State

1 Recreation Area. It has a half-mile of frontage on Cook Inlet  
2 and road access from the Sterling Highway.

3 Public ownership will protect intertidal and  
4 estuarine habitat by preventing future development and by  
5 managing access to the intertidal area. Acquisition will also  
6 create an opportunity to enhance public access through ma- --  
7 to the Deep Creek State Recreation Area through maintenance of  
8 the parking area on a small part of the uplands. Key habitats  
9 and other attributes are intertidal/ subtidal organisms and  
10 recreation/tourism services.

11 Because of its proximity to a heavily used recreation  
12 area and access from the highway, the upland portion has  
13 considerable development potential.

14 (Pause)

15 MS. McCAMMON: Kenai 1005, Ninilchik, 16 acres  
16 located immediately adjacent to the Ninilchik State Recreation  
17 Area. The Ninilchik River bisects this parcel.

18 Public ownership of this parcel will allow for  
19 managed access to the Ninilchik River and the Ninilchik State  
20 Recreation Area, and thereby protect habitat. Dolly Varden and  
21 pink salmon resources that were injured by the spill may be  
22 fished in this part of the Ninilchik River. So the two key  
23 resources there are pink salmon and Dolly Varden.

24 This parcel has potential for residential or  
25 recreational development; however, its primary threat to

1 restoration results from uncontrolled access to the Ninilchik  
2 River, which damages habitat by trampling stream banks and  
3 denuding them of vegetation.

4 CHAIR WILLIAMS: Any questions or comments on Deep  
5 Creek?

6 (No audible response)

7 CHAIR WILLIAMS: Thank you. Ninilchik?

8 MS. McCAMMON: I did Ninilchik.....

9 CHAIR WILLIAMS: Excuse me.

10 MS. McCAMMON: .....while you had your head turned.

11 (Laughter)

12 CHAIR WILLIAMS: The Cooper parcel?

13 MS. McCAMMON: Kenai 1009, Cooper parcel, 30 acres,  
14 approximately two miles upstream of the mouth of the Ninilchik  
15 River, which flows through the middle of the parcel. Most of  
16 the property is classified as riparian habitat.

17 Public ownership would protect habitat for pink  
18 salmon and Dolly Varden by foreclosing the potential for future  
19 development of the site and allowing agencies to better manage  
20 stream bank fishing on the parcel. Acquisition will also allow  
21 for managed access to the Ninilchik River and thereby protect  
22 habitat.

23 The potential threat is for -- from possible  
24 residential or recreational development. However, its primary  
25 threat to restoration results from uncontrolled access to the

1 river, which damages habitat by trampling stream banks and  
2 denuding them of vegetation.

3 CHAIR WILLIAMS: Thank you. Any questions about the  
4 Cooper parcel?

5 (No audible response)

6 CHAIR WILLIAMS: Grouse Lake?

7 MS. McCAMMON: Kenai 1014, Grouse Lake, this is 64  
8 acres, approximately seven and a half miles north of Seward on  
9 the Seward Highway on the west shore of Grouse Lake. This  
10 parcel is the only level access area around Grouse Lake and  
11 Grouse Creek. It is heavily forested, and the lake and streams  
12 have clear water.

13 Public ownership will protect habitat for pink  
14 salmon, sockeye salmon, Dolly Varden by preventing further  
15 development of the site. Acquisition will further benefit the  
16 restoration of sockeye by ensuring continued access to Grouse  
17 Lake for Fish and Game sockeye salmon stocking program. Public  
18 ownership will also allow the Forest Service to replace and  
19 enhance recreational uses, such as sport fishing and wildlife  
20 viewing that rely on natural resources that were injured in the  
21 spill.

22 Key habitats and other attributes include pink  
23 salmon, Dolly Varden, sockeye salmon, recreation/tourism, and  
24 bald eagles and river otters.

25 CHAIR WILLIAMS: Thank you. Any questions or

1 comments about Grouse Lake?

2 (No audible response)

3 CHAIR WILLIAMS: Finally, Lowell Point.

4 MS. McCAMMON: Kenai 1015, Lowell Point, 19.4 acres,  
5 located one mile south of the Alaska SeaLife Center in Seward.  
6 This parcel is vegetated in part by hemlock and spruce and has  
7 approximately 700 feet of Resurrection Bay frontage. This  
8 parcel serves as the gateway to Resurrection Bay for small boat  
9 operators and kayakers and also has a hiking trail to Caneshead  
10 State Recreation Area.

11 Public ownership of this parcel would ensure public  
12 access to Resurrection Bay and the State Park. Acquisition  
13 will also provide a buffer area between subdivisions to the  
14 north, and it's an important public access route to  
15 nondeveloped areas. Key habitats and other attributes include  
16 benefits for recreation/tourism. The intertidal area is  
17 primarily sand and gravel beach and is valuable for access to  
18 Resurrection Bay and for educational field trips. Although it  
19 is not considered key habitat for intertidal biota because it  
20 lacks dense sea grass beds, clam beds, mussel beds, and high  
21 diversity, it is used extensively by schools for tide pool  
22 field trips.

23 Potential threat is from its development potential as  
24 a residential subdivision. The tract of land to the north is  
25 already subdivided. A road right-of-way exists to the west of

1 this parcel, and the site is served by electrical and telephone  
2 service. There are currently plans to develop it.

3 This site received extensive public comment. Many  
4 of the letters were written by students, parents, and teachers  
5 from Inlet View Elementary School in Anchorage and Homestead  
6 School and Fire Lake Elementary School, both in Eagle River.  
7 All three schools sponsor field trips to Lowell Point.  
8 Individuals from Seward, other communities in the Kenai  
9 Peninsula, and Anchorage also voiced support for acquisition.

10 CHAIR WILLIAMS: Thank you, Ms. McCammon. I believe  
11 those are the 16 parcels, then, in consideration.

12 MS. McCAMMON: That's correct.

13 CHAIR WILLIAMS: Would any Trustee Council member  
14 like to make a motion at this time? Let me say that I believe  
15 there -- Rebecca, as we speak, is xeroxing up a modified  
16 resolution that has been authored primarily by Mr. Tillery and  
17 Mr. Swiderski, with some modifications. And I think, though,  
18 we can go ahead and make a motion, if anyone chooses to do so,  
19 and then refer to the resolution when it returns to the room.  
20 Would anyone like to make a motion at this time?

21 (Pause - Side comments)

22 MR. PENNOYER: Madam Chair?

23 CHAIR WILLIAMS: Yes. Mr. Pennoyer?

24 MR. PENNOYER: I'm sorry. You want a motion, other  
25 than the resolution, which contains all these pieces, or



1 have indicated an interest in selling. The appraisals have  
2 been done, and as I understand it, it speaks to widespread  
3 public support. And we resolve that an offer of purchase be  
4 made to these owners at the appraised value. And if then  
5 accepted, would be -- we would then accept these parcels.

6 Let me see. It also includes a -- it specifically  
7 lists the parcels with the appraised values, and it also lists  
8 the \$4 million purchase of the Kenai Natives Association lands  
9 as described in the Attachment B. And let me see. Basically,  
10 it also sets out the terms of -- that we would -- under which  
11 we would accept the parcels, including no timber harvesting,  
12 road development, or alteration of the land, as well as  
13 satisfactory hazardous and material surveys and compliance with  
14 NEPA.

15 I believe -- (clearing throat) excuse me, I'm losing  
16 my voice -- that that summarizes the basic intent of the  
17 resolution. If other members of the Council would like to add  
18 any.....

19 CHAIR WILLIAMS: Excellent summary, Commissioner Rue.  
20 Excellent summary. It has been moved and seconded that the  
21 Trustee Council adopt the resolution which is before us and  
22 which was just summarized by Commissioner Rue, the maker of the  
23 motion. Any further discussion of this motion and/or the  
24 resolution?

25 (No audible response)

1 separately, or what exactly.....

2 CHAIR WILLIAMS: I guess a.....

3 MR. PENNOYER: .....are you asking for?

4 CHAIR WILLIAMS: .....motion to adopt the resolution.

5 (Pause)

6 CHAIR WILLIAMS: Oh, here it comes. Good. Would any  
7 Trustee Council member like to make a motion to adopt the  
8 resolution?

9 COMMISSIONER RUE: Madam Chair?

10 CHAIR WILLIAMS: Yes. Commissioner Rue.

11 COMMISSIONER RUE: I will move to adopt the  
12 resolution which is now being passed around by Rebecca.

13 CHAIR WILLIAMS: Is there.....

14 MR. PIPER: Second.

15 CHAIR WILLIAMS: Thank you. It's been moved by  
16 Commissioner Rue and seconded by Mr. Piper to adopt the  
17 resolution that has just been distributed among the Trustee  
18 Council members, with handwritten insertions by Mr. Swiderski.  
19 It is a six-page resolution. And, Commissioner Rue, would you  
20 like briefly to describe the resolution?

21 (Laughter)

22 COMMISSIONER RUE: Madam Chair, thank you for the  
23 honor. Basically, the resolution identifies the parcels which  
24 the Executive Director, Ms. McCammon, has just described to us  
25 as parcels which have met our criteria and where the owners

1 CHAIR WILLIAMS: Let me just say that I commend the  
2 Trustee Council staff, the negotiators and all the members of  
3 the Trustee Council for -- and all the agency members who have  
4 worked on this. This was a -- this has been a very labor-  
5 intensive process, and starting from the initial call for  
6 parcels to the appraisal of the parcels -- or the ranking of  
7 the parcels for restoration value and the appraisal of the  
8 parcels, and thank you for all your efforts. I think we have a  
9 group of 16 parcels here which have outstanding restoration  
10 values, and I certainly hope we'll be successful in their  
11 acquisition.

12 Any other comments? Mr. Tillery?

13 MR. TILLERY: I would like to make a comment 'cause I  
14 have been involved in this pretty heavily over the last month  
15 and a half, two months. And I would like to particularly  
16 commend the appraisers for the Forest Service, the Fish and  
17 Wildlife Service, and the State appraisers. In the last week  
18 alone, those guys have put in tremendous amounts of hours, and  
19 they have really cut through and gotten the job done on these  
20 when time was really getting pretty short, the state and  
21 federal review appraisers. And I really would like to note  
22 that.....

23 CHAIR WILLIAMS: Thank you.

24 MR. TILLERY: .....and commend them.

25 CHAIR WILLIAMS: Thank you, Mr. Tillery. And I

1 believe that's shared by all of the Council members. Any other  
2 questions or comments?

3 (No audible response)

4 CHAIR WILLIAMS: All right. Yes, Ms. McCammon?

5 MS. McCAMMON: Madam Chair, I would also like to note  
6 the efforts of Veronica Christman in preparing these  
7 restoration benefits reports for all of the small parcels and  
8 putting together my report, basically. She did.....

9 CHAIR WILLIAMS: Yes.

10 COMMISSIONER RUE: .....excellent work there. And  
11 then also note that there are the recommendation to defer  
12 action on a number of parcels means that our work has not  
13 ended, and we will be coming back to you again with additional  
14 recommendations.

15 CHAIR WILLIAMS: Precisely. There are some excellent  
16 small parcels that, for one reason or another, could not be  
17 included in this group, but we look forward to revisiting them.

18 Any other questions or comments on the motion?

19 (No audible response)

20 CHAIR WILLIAMS: All right. It has been moved by  
21 Commissioner Rue and seconded by Mr. Piper that we adopt the  
22 resolution of the Exxon Valdez Oil Spill Trustee Council  
23 regarding small parcels, which is before us at this time. All  
24 in favor, please indicate by saying aye.

25 (Unanimous affirmative response)

1 CHAIR WILLIAMS: All opposed?

2 (No audible response)

3 CHAIR WILLIAMS: The resolution passes. Thank you  
4 very much.

5 Ms. McCammon, if you could please talk about Shuyak.

6 MS. McCAMMON: Shuyak. As you will recall, on  
7 December 2nd of last year, the Council passed a resolution  
8 authorizing purchase of certain lands owned by Kodiak Island  
9 Borough on Shuyak Island, approximately 26,000 acres of land,  
10 for fair market value, subject to a government-approved  
11 appraisal, not to exceed \$42 million.

12 Since that time, there has been extensive review of  
13 the appraisal, and I believe that Mr. Tillery has a motion  
14 as -- since the State is the lead negotiator, Mr. Tillery has a  
15 motion to present to the Council for their consideration.

16 CHAIR WILLIAMS: Mr. Tillery?

17 MR. TILLERY: Thank you, Madam Chairman. At this  
18 time, I would like to move that we authorize the negotiators to  
19 offer to the Kodiak Island Borough \$42 million for the purchase  
20 of fee simple title for the Kodiak Island Borough interest in  
21 its land on Shuyak Island, comprising approximately 25,665  
22 acres, to be paid over seven years at a schedule to be agreed  
23 upon by the parties. The negotiators would work with the  
24 Kodiak Island Borough to, as quickly as possible, arrive at a  
25 purchase agreement and come back to the Council with a

1 resolution and a purchase agreement for its approval.

2 MR. PENNOYER: Second.

3 CHAIR WILLIAMS: It's been moved by Mr. Tillery and  
4 seconded by Mr. Pennoyer that we offer KIB \$42 million over a  
5 payment schedule to be agreed to between the two parties, and  
6 that, very quickly, a resolution and purchase agreement be  
7 arrived at and represented to the Trustee Council. Is there  
8 any discussion on the motion? Mr. Pennoyer.

9 MR. PENNOYER: Madam Chair, I'd just like to note  
10 that this is a very high restoration value package. The price  
11 and cost per acre is relatively low. It's something we're all,  
12 I think, very interested in. We're acquiring an ecosystem, in  
13 essence, with the lands already in State management there as  
14 park. We're not going to have to worry about ancillary  
15 activities on adjacent parcels causing problems in terms of  
16 reaching our restoration goals. And I think this is a very  
17 important action. Thank you.

18 CHAIR WILLIAMS: Thank you. Yes. Commissioner Rue.

19 COMMISSIONER RUE: Madam Chair, I would second Mr.  
20 Pennoyer's comments. I agree that this is a highly valuable  
21 piece of land. I appreciate the Borough's willingness to work  
22 with the Trustee Council to come up with an agreement, and I  
23 hope we can get it done quickly.

24 CHAIR WILLIAMS: Very good. And I would like to  
25 commend Kodiak Island Borough for working with us so patiently.

1 I'd also like to commend the Borough for their commitment to  
2 use some of this money, on completely their own volition, to  
3 build a Fish Tech Center, which I think will be a tremendous  
4 asset to the community. And Kodiak Island Borough has been  
5 generous enough to talk in terms of \$6 million contribution to  
6 that enterprise, which I think, again, is very significant for  
7 the community and for the state.

8 I'd like to thank the negotiating team for working on  
9 this effort. And I would just like to underscore Mr. Pennoyer  
10 and Commissioner Rue's comments that this area has tremendous  
11 restoration value and has received a lot of public support.  
12 And I think this is money very well spent for restoration.

13 Any other questions or comments on the motion?

14 (No audible response)

15 CHAIR WILLIAMS: All right. All in favor of the  
16 motion indicate by saying aye.

17 (Unanimous affirmative response)

18 CHAIR WILLIAMS: Opposed?

19 (No audible response)

20 CHAIR WILLIAMS: The motion passes. Thank you. Is  
21 there any other business to bring before the Trustee Council  
22 today?

23 (No audible response)

24 CHAIR WILLIAMS: Hearing none, do I -- I will  
25 entertain a motion to adjourn.

1 COMMISSIONER RUE: So move.

2 MR. PENNOYER: So moved.

3 CHAIR WILLIAMS: Moved by Commissioner Rue, seconded  
4 by Mr. Pennoyer. All in favor, indicate by saying aye.

5 (Unanimous affirmative response)

6 CHAIR WILLIAMS: Opposed?

7 (No audible response)

8 CHAIR WILLIAMS: Thank you. Oop. Excuse me. Yes,  
9 Ms. McCammon.

10 MS. McCAMMON: I just wanted.....

11 MR. TILLERY: I guess my question would be if we  
12 might get a deal -- an arrangement worked out, get some papers  
13 worked out pretty quickly with the Borough. Is it possible we  
14 would want to recess this meeting rather than adjourn it so  
15 that we could be called back into a teleconference? It's kind  
16 of hard otherwise to get people together during the.....

17 CHAIR WILLIAMS: That's a very good.....

18 MR. TILLERY: .....this time of year.

19 CHAIR WILLIAMS: .....point. I will accept a motion  
20 to recess.

21 COMMISSIONER RUE: I'll withdraw my motion.

22 MR. PENNOYER: Do you want to mention the panel  
23 tonight following?

24 MS. McCAMMON: Also, if your plane is delayed and you  
25 can't get out of here tonight, the Darkened Waters exhibit is



1 at the State Museum, and they are having a panel discussion  
2 about the spill tonight. And all the Trustees are invited to  
3 attend, as well as the members of the general public.

4 CHAIR WILLIAMS: Thank you. Okay. I'll entertain a  
5 motion to recess.

6 MR. TILLERY: I so move.

7 MR. PENNOYER: Moved again.

8 CHAIR WILLIAMS: Moved by Mr. Tillery, seconded by  
9 Mr. Pennoyer. All in favor, indicate by saying aye.

10 (Unanimous affirmative response)

11 CHAIR WILLIAMS: Opposed?

12 (No audible response)

13 CHAIR WILLIAMS: Thank you. We will recess until we  
14 have a purchase agreement and resolution for KIB. Thank you  
15 very much, everyone.

16

17 (Whereupon, the teleconference meeting of the Exxon  
18 Valdez Oil Spill Trustee Council was recessed at 4:57  
19 p.m., to be reconvened at the call of the Chair at a  
20 later date for the above-mentioned purpose.)

21

22

23

24

25

C E R T I F I C A T I O N

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )  
\_\_\_\_\_ )

I, CINDY S. CARL, do hereby certify:

(1) That the foregoing pages contain a full, true, and correct transcript of proceedings in the above-entitled matter, transcribed by me, or at my direction and supervision, to the best of my knowledge and ability.

(2) That I have been certified for transcript services by the United States Courts.

(3) That I was certified for transcript services by the Alaska Court System prior to January 1, 1993.

SIGNED AND CERTIFIED:

BY: Cindy S. Carl  
Cindy S. Carl  
Certified Court Reporter

DATE: 11/26/95

