

09.17.02

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Public Meeting
Thursday, July 24, 2003
9:00 a.m.

EVOS Office
441 West 5th Avenue, Suite 500
Anchorage, Alaska

Teleconference
July 25, 4:10 p.m.

TRUSTEE COUNCIL MEMBERS PRESENT:

STATE OF ALASKA - DEPARTMENT OF FISH AND GAME:
(Chairman) MR. KEVIN DUFFY
Commissioner

U.S. DEPARTMENT OF COMMERCE, National Marine Fisheries Svc: MR. JAMES W. BALSIGER
Administrator, AK Region

STATE OF ALASKA - DEPARTMENT OF LAW: MR. GREGG RENKES
Attorney General
State of Alaska

U.S. DEPARTMENT OF AGRICULTURE, U.S. FOREST SERVICE MR. JOE MEADE
Forest Supervisor
Forest Service AK Region

U.S. DEPARTMENT OF INTERIOR: (Telephonically) MS. DRUE PEARCE
Senior Advisor to the
Secretary for Alaskan
Affairs,
U.S. Department of Interior

STATE OF ALASKA - DEPARTMENT OF ENVIRONMENTAL CONSERVATION: MS. ERNESTA BALLARD
Commissioner

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1 **TRUSTEE COUNCIL STAFF PRESENT:**

2	DR. PHIL MUNDY	Science Director
3	MS. CHERRI WOMAC	Administrative Assistant
4	MS. DEDE BOHN	U.S. Geological Service
5	MR. KEN HOLBROOK	U.S Forest Service
6	MR. CRAIG TILLERY	State of Alaska, Department of Law
7	MR. DOUG MUTTER	Department of Interior

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1 P R O C E E D I N G S

2 (On record - 9:03 a.m.)

3 CHAIRMAN DUFFY: Good morning, everyone.
4 I'd like to call the Exxon Oil Spill Trustee to meeting,
5 9:00 a.m., July 24th, 2003. With that I would like Council
6 members to introduce themselves.

7 My name is Kevin Duffy, I'm Commissioner
8 Alaska Department of Fish and Game. And I'll start out to
9 my left and we'll work across the table.

10 MR. RENKES: Gregg Renkes, Attorney
11 General.

12 MR. BALSIGER: Jim Balsiger, National
13 Marine Fisheries Service, part of NOAA, part of the
14 Department of Commerce.

15 MS. BALLARD: Ernesta Ballard, DEC
16 Commissioner with the State.

17 MR. MEADE: Joe Meade, Forest Supervisor
18 for the Chugach National Forest.

19 CHAIRMAN DUFFY: Thank you. And I'd like
20 the Trustee Council staff to introduce themselves, if they
21 will, also.

22 MS. WOMAC: Cherri Womac.

23 DR. MUNDY: Phil Mundy, I'm Science
24 Director.

25 CHAIRMAN DUFFY: Thank you, Phil. I think

1 the first action item for the Trustee Council would be to
2 approve the agenda for today and I'd entertain a motion to
3 that effect.

4 MS. BALLARD: I move we approve the agenda.

5 MR. BALSIGER: Second.

6 CHAIRMAN DUFFY: It's been moved and
7 seconded to approve the agenda for today's Trustee Council
8 meeting. Any comments?

9 (No audible response)

10 CHAIRMAN DUFFY: Absent comments, is there
11 any opposition to approval of the agenda?

12 (No audible response)

13 CHAIRMAN DUFFY: Hearing none, the agenda
14 is so approved.

15 The next action item is approval of the
16 meeting notes from the April 23rd, 2003 meeting in Juneau,
17 Alaska.

18 MS. BALLARD: And, again, I have reviewed
19 these and I'll move their approval.

20 MR. BALSIGER: Second.

21 CHAIRMAN DUFFY: Motion to approve the
22 minutes of April 23rd, moved by Ernesta Ballard, seconded
23 by Dr. Balsiger. Any further comment, Council members?

24 (No audible response)

25 CHAIRMAN DUFFY: Any opposition to approval

1 of the April 23 minutes?

2 (No audible response)

3 CHAIRMAN DUFFY: Hearing none, the minutes
4 are hereby approved.

5 The next item on the agenda is public
6 comment. Is there a sign-up sheet here, Cherri?

7 MS. WOMAC: There is, but nobody wanted to
8 make comment.

9 CHAIRMAN DUFFY: So we do not have anyone
10 signed up for public comment, nor do we have anyone on line
11 that has expressed an interest in public comment. Given
12 those two facts, public comment period is initiated and
13 concluded in a rather short time frame.

14 The next item on the agenda is
15 consideration of an executive session. I would entertain a
16 motion to that effect.

17 MR. BALSIGER: Mr. Chairman, I would move
18 that we go into executive session for the purpose of
19 considering personnel matters.

20 MS. BALLARD: Second.

21 CHAIRMAN DUFFY: It's been moved and
22 seconded that we go into executive session for
23 consideration of personnel matters in front of the Exxon
24 Valdez Oil Spill Trustee Council. Is there opposition or
25 comment from Council members?

1 (No audible response)

2 CHAIRMAN DUFFY: Hearing none, so moved.

3 The Council has now moved into executive session.

4 (Off record - 9:06 a.m.)

5 (On record - 10:20 a.m.)

6 CHAIRMAN DUFFY: All right, we are now out
7 of executive session. I'd like to go back to something we
8 did this morning. It was an oversight on my part and that
9 was we need consent of all the Trustees for approval of the
10 agenda. All of the Trustees present at the time approved
11 the agenda, we did not have the benefit of Drue being on
12 the line, so I would entertain a motion, stepping back, for
13 approval of the agenda for today's meeting.

14 MS. PEARCE: So moved, Mr. Chair.

15 MS. BALLARD: Second.

16 CHAIRMAN DUFFY: Assuming that the one that
17 was not in attendance made the motion, we have consensus on
18 the agenda. We then moved into an executive session. We
19 are now back out of executive session, on the public
20 record. The discussion, we had a very frank, open, honest
21 and direct discussion in executive session about the
22 executive director position. This is not the first time
23 that this Trustee Council has discussed this issue. We did
24 formal notice in newspapers in Alaska and, I believe,
25 Outside of the recruitment process for an executive

1 director for the Exxon Valdez Oil Spill Trustee Council.

2 As a result of that recruitment notice we
3 received approximately 50 applications that each of the
4 Trustee Council members reviewed. We, through an exchange
5 of e-mails, and then further dialogue, we narrowed the
6 field of applicants down to four individuals that we
7 proceeded to interview as a team last week here in
8 Anchorage. We were very lucky that not only were the four
9 candidates that we interviewed well qualified, that I
10 believe a significant number of the applicants out of the
11 general pool of 50 that applied, from out of state and in
12 state, were also very well qualified. Nevertheless, we had
13 to narrow the range of folks to interview. As I said, we
14 proceeded with those interviews. We have now had an
15 internal executive session to discuss those four applicants
16 and, based on those discussions and the previous public
17 process of the recruitment and narrowing and interviewing
18 process, as Chairman, I would entertain a motion from
19 Trustee Council members on this issue.

20 MS. BALLARD: Mr. Chairman, I move that you
21 and Jim Balsiger, as the committee which led us through
22 this process, be empowered to enter into negotiations with
23 Gail Phillips to serve as our next executive director and
24 report back to us so that we can confirm by consensus the
25 outcome.

1 CHAIRMAN DUFFY: Do we have a second?

2 MR. RENKES: Second.

3 CHAIRMAN DUFFY: It's been moved and
4 seconded that the State and Federal co-chairs, Dr. Jim
5 Balsiger and Kevin Duffy, move forward to negotiate the
6 executive director position with Ms. Gail Phillips. Is
7 there any further discussion of that issue? Dr. Balsiger.

8 MR. BALSIGER: I would just clarify that
9 the reference to you and I as chair and co-chair is
10 relative to the recruitment group, we're not chair and co-
11 chair of the Trustee Council or anything.

12 CHAIRMAN DUFFY: Thank you, that's an
13 excellent clarification for the record. We are the chair
14 and co-chair of the recruitment process that the Trustee
15 Council undertook. Any additional comments?

16 (No audible response)

17 CHAIRMAN DUFFY: On this issue I believe we
18 should -- we are moving for a consensus decision. Is there
19 opposition to the motion in front of the Trustee Council?

20 (No audible response)

21 CHAIRMAN DUFFY: Hearing no opposition, we
22 have consensus that we will proceed to negotiate with
23 Ms. Gail Phillips as the new executive director for the
24 Trustee Council.

25 MR. RENKES: Mr. Chair, should we set a

1 time for when you and Mr. Balsiger were to report back to
2 the Trustees?

3 CHAIRMAN DUFFY: Yes, that's good advice.
4 I would suggest, at this point, that following any
5 additional business we recess this meeting, that would give
6 Dr. Balsiger and I an opportunity to conduct that
7 negotiation and to get back in a teleconference as soon as
8 possible with the Trustee Council to confirm, hopefully in
9 a positive fashion, that we have a recruit that has
10 accepted the position. So that would be my intent.

11 I think having addressed that issue we can
12 talk about when a teleconference will happen right before
13 we recess. There's a couple other issues that, I believe,
14 for administrative purposes and for the efficiency of the
15 Trustee Council we should take on today and that is trying
16 to identify two meeting dates. One being a meeting date in
17 late August so as to review and approve the administrative
18 budget for the Trustee Council for the fiscal year, would
19 be one issue.

20 MS. WOMAC: There are actually four
21 budgets.

22 CHAIRMAN DUFFY: Four budgets. The
23 learning curve is steep, but I'm a quick learner. Four
24 budgets that we would approve for the Trustee Council.

25 The second issue is, I believe, we have

1 talked generally and we talked about it at the April
2 Trustee Council meeting about the need for a meeting
3 sometime in late October.....

4 MS. WOMAC: Early October.

5 CHAIRMAN DUFFY: Early October, excuse me.
6 Early October for purposes of reviewing and selecting
7 projects as a result of the RFP process. At that point in
8 time, I believe, we would have recommendations from the
9 Science Committee and Science Advisor relative to
10 particular projects as a result of the RFP. It would also
11 be my understanding that we would have specific
12 recommendations from the new Executive Director on a suite
13 of proposals for consideration for funding.

14 So we have two meeting dates we need to
15 establish. My guess would be for the August meeting on the
16 four budgets to approve, we could probably accomplish that
17 in one day, unless I hear different from staff with all the
18 experience. Okay, nodding. And then I believe we should
19 schedule the second meeting in early October for two days,
20 see how efficient we are at getting business done in
21 selecting projects. If it ends up being one day that would
22 be great for all of the Trustee Council members, but we
23 should probably set aside two days to make sure that we
24 have a thorough review. And I would look to the wisdom of
25 continuing Trustees, Dr. Balsiger, would you suggest two

1 days for that effort?

2 MR. BALSIGER: Two days for the October
3 meeting?

4 CHAIRMAN DUFFY: Yes.

5 MR. BALSIGER: The North Pacific Management
6 Council starts the week of the 6th. I'd suggest the 6th
7 and 7th unless you think you'd have to be tied up with
8 other parts of the Council meeting on that Monday and
9 Tuesday.

10 CHAIRMAN DUFFY: That will work for me. I
11 will make this a priority and we'll have staff cover the
12 Council.

13 MS. BALLARD: Jim, in your experience, will
14 we need two full days? Or maybe Phil would have a feeling
15 about that.

16 MS. PEARCE: I'm having trouble hearing
17 you.

18 CHAIRMAN DUFFY: Drue, this is Kevin Duffy,
19 for the early October meeting for the purposes of reviewing
20 project proposals as a result of the RFP, the discussion is
21 does that usually take one or two days. I was assuming it
22 might take two. I'm going to go to Dr. Phil Mundy for his
23 learned advice. Phil, could you help us out on that as
24 staff to the Council?

25 DR. MUNDY: Mr. Chairman, for the record,

1 I'm Phil Mundy, Science Director. Normally it takes one
2 day because we expect to have a detailed set of
3 recommendations with some detailed scientific reviews out
4 to staff probably by the 15th of August. We are short of
5 staff here at the Trustee Council, so that's why I'm
6 hedging a little bit on the date, but we will have those
7 out to you a substantial amount of time in advance of the
8 Trustee Council meeting so that you'll have time to
9 consider those and also send questions back through staff
10 to us, you know, for further review. So I would expect --
11 in the past, even with more proposals than we have now to
12 consider, normally we can do this in one full day.

13 CHAIRMAN DUFFY: Thank you, Dr. Mundy.

14 Mr. Mead.

15 MR. MEADE: If we're looking at dates for
16 October, the 6th and 7th would not be dates that are
17 flexible for me, the end of that week could be. If
18 that.....

19 MS. PEARCE: I can't do it the end of the
20 week.

21 CHAIRMAN DUFFY: Mr. Mead, on that
22 particular issue, Jim Balsiger and I both are members of
23 the North Pacific Fisheries Management Council, that starts
24 formally on Wednesday, October 8th and once we're into a
25 Council meeting it is impossible, literally, for us to do

1 that, so perhaps we need to look at another date.

2 MR. BALSIGER: Mr. Chairman, the North
3 Pacific Research Board, I believe, meets on October 1 and 2
4 that would leave Friday the 3rd as a possibility for me.

5 MR. MEADE: That wouldn't work for me
6 either, that period of time through the 7th I won't be in
7 state. Now, if it's appropriate I can have an acting
8 available to be at that session through Ken Holbrook, but I
9 personally wouldn't be able to attend from the end of
10 September through October 7th.

11 CHAIRMAN DUFFY: Okay. I'd like you to
12 give that a little thought while I make a suggestion.

13 MR. RENKES: October 3rd would be fine for
14 me.

15 CHAIRMAN DUFFY: Mr. Renkes says October
16 3rd is fine for him, that is a Friday.

17 MS. BALLARD: It's okay for me, too. Drue,
18 was there a time you were going to be here anyhow?

19 MS. PEARCE: No, but I can make October 3rd
20 work.

21 MS. BALLARD: And we could have a
22 representative from Forest Service.

23 MR. MEADE: Yeah, and I'm comfortable with
24 that if it's appropriate.

25 MS. PEARCE: Now, does this mean we're not

1 doing a September meeting?

2 MS. BALLARD: No, I don't think it does,
3 Drue, I think we're just trying to get this October one
4 pinned down and then we'll come back to the August meeting.

5 MS. PEARCE: Okay.

6 CHAIRMAN DUFFY: Yes, we jumped forward to
7 the second meeting in early October, which is fine, as long
8 as we make some decisions, then we'll step back to the
9 August meeting for budget purposes. Dr. Balsiger.

10 MR. BALSIGER: Mr. Chairman, I wonder if we
11 could ascertain in official votes, such as we'll be taking,
12 whether or not -- who is allowed to have substitutes and
13 what has to be done in order to make that work. And to be
14 explicit, what do we have to do to make sure that Holbrook
15 can vote for Mr. Mead?

16 CHAIRMAN DUFFY: I would request advice
17 from legal counsel.

18 MR. HOLBROOK: We have an alternate who
19 would attend, I would not be the alternate.

20 MR. MEADE: Maria would be the alternate?

21 MR. HOLBROOK: Yes.

22 MR. MEADE: Okay, so we have an alternate
23 established. Very good.

24 CHAIRMAN DUFFY: Yeah, what we're seeking
25 for, on the record, is having alternates sit in for Trustee

1 Council members. I think it's just a clarification.

2 MR. TILLERY: This is Craig Tillery. To
3 have an alternate sit in, basically you need to just send a
4 letter to the Executive Director stating that someone will
5 act as your alternate at meetings and has the authority to
6 vote for you.

7 CHAIRMAN DUFFY: Okay, thank you. Thank
8 you for that clarification.

9 MR. MEADE: And I can't speak for my
10 alternate's calendar for that date, but I can pursue
11 availability.

12 CHAIRMAN DUFFY: Okay. Thank you, Joe.

13 MS. BALLARD: Do we need a motion or should
14 we just agree to hold the 3rd?

15 CHAIRMAN DUFFY: The Chair would entertain
16 a motion and a second, I think let's just formalize it for
17 purposes of public notice.

18 MS. BALLARD: I propose we schedule the
19 meeting for the 3rd. And I hope we can hear from Maria as
20 quickly as possible. If there can't be a U.S.F.S.
21 alternate then let's move it because we can't do business.

22 MS. PEARCE: I can answer that. If you're
23 asking on the Federal side, there can be an alternate. Cam
24 has.....

25 MS. BALLARD: No, we understand that, we

1 just want to be sure Maria is free that day.

2 MS. PEARCE: Oh, okay, I understand.

3 Sorry.

4 CHAIRMAN DUFFY: Is there a second to the
5 motion for Friday, October 3rd?

6 MR. BALSIGER: I'll second.

7 CHAIRMAN DUFFY: Moved and seconded. Any
8 discussion on the meeting in October for purposes of
9 reviewing project proposals and coming to the decisions on
10 which projects to fund?

11 (No audible response)

12 CHAIRMAN DUFFY: Hearing no objection, so
13 moved.

14 The second and related issue is a meeting
15 date sometime, I believe, in late August for purpose of
16 reviewing four specific budgets relative to the
17 administrative operations of the Exxon Valdez Oil Spill
18 Trustee Council.

19 MS. PEARCE: This is Drue. The last week
20 in August, both Cam and I are consumed with having CEQ
21 Chairman Jim Connison and some White House staff in Alaska,
22 we're both going to be with them so there's no day that we
23 -- the following week I could either have Cam there or I
24 could be there by phone, the week of Labor Day. The week
25 after Labor Day I should say.

1 MS. BALLARD: What week is that?

2 CHAIRMAN DUFFY: I was looking over to
3 staff to see if that was striking fear in their hearts
4 relative to any budgeting exercises. I'm not seeing that
5 fear, so we do have a bit of a flexibility. The discussion
6 was late in August, Drue has pointed out the last week is
7 not something that can be worked out between her and her
8 alternate, so we're looking at, I believe, following Labor
9 Day, the next week or the 3rd week of August it would be.

10 MS. PEARCE: If I could just say, I would
11 like it not to be Tuesday, September 2nd, that's my
12 daughter's first day of school and I want to be able to
13 take her and pick her up.

14 CHAIRMAN DUFFY: Fair enough, we understand
15 those obligations.

16 MR. BALSIGER: Mr. Chairman, I can't meet
17 the third week of August, so I propose either the 3rd or
18 the 4th of September.

19 CHAIRMAN DUFFY: Two options put on the
20 table by Dr. Balsiger, September 3rd or 4th. Either I will
21 make work for me as Chair.

22 MS. PEARCE: I can make either work.

23 MS. BALLARD: I'm okay on either.

24 MR. MEADE: Let's do it on the 3rd.

25 MR. RENKES: I'm available as well.

1 CHAIRMAN DUFFY: What day of the week?

2 MS. BALLARD: Can you make it on the 3rd,
3 Drue?

4 MS. PEARCE: Yes, I can, it's just the 2nd
5 I can't do.

6 MS. BALLARD: Can you get from there to
7 here on the 3rd?

8 MS. PEARCE: I'm probably not going to come
9 to -- I'm definitely not coming back to Alaska, but I'll do
10 it by phone.

11 MS. BALLARD: Okay. All right. Well, then
12 let's go with the 3rd.

13 MS. PEARCE: If you all can do it morning,
14 so I can do it afternoon, that's preferable. If you need
15 to do it afternoon, I can do it in the evening.

16 CHAIRMAN DUFFY: Okay. The motion is for
17 Wednesday, September 3rd, I believe that would be here in
18 these offices. Is there a second to that motion?

19 MS. PEARCE: I'll second.

20 CHAIRMAN DUFFY: Seconded by Drue Pearce.
21 Any objection?

22 (No audible response)

23 CHAIRMAN DUFFY: Hearing or seeing none, so
24 moved. The meeting for purpose of approving four budgets
25 associated with administration of the Exxon Valdez Oil

1 Spill Trustee Council will occur on Wednesday, September
2 3rd, 2003.

3 Is there other business before the Council
4 at this point? Cherri.

5 MS. WOMAC: Did you guys only approve the
6 agenda or did you go ahead and reapprove the meeting notes
7 prior to the executive session? You need to do that with
8 all six of you.

9 MS. BALLARD: I move approval of the
10 minutes or the meeting notes.

11 MR. BALSIGER: I second.

12 CHAIRMAN DUFFY: It's been moved and
13 seconded to approve the meeting notes from the April 23
14 Trustee Council meeting in Juneau. Is there opposition or
15 further discussion?

16 (No audible response)

17 CHAIRMAN DUFFY: Hearing none, so moved.
18 Mr. Mead.

19 MR. MEADE: While we have a collection of
20 us here, anticipating the task ahead of the two of you for
21 contacting the individual that's to be offered the
22 position, should we set a date for a conference call?
23 Perhaps either Friday or Monday midday if we have a window
24 where we all can validate our availability in case we're
25 able to do so at that time, rather than try to do it once

1 we all break.

2 MS. PEARCE: You talking about tomorrow
3 Friday or next Friday?

4 MR. MEADE: Tomorrow Friday or Monday, I
5 anticipate it shouldn't take too long for them to -- those
6 are arbitrary figures, but.....

7 CHAIRMAN DUFFY: Joe, speaking as the
8 Chair, I think that's a good idea. Assuming we can make
9 our contacts with all of the candidates and the one who we
10 have selected to negotiate with, I think it's a good idea
11 to confirm that decision and reach consensus as a final
12 decision amongst Council members in a teleconference that
13 could either occur sometime tomorrow afternoon and/or
14 sometime Monday.

15 MR. BALSIGER: Mr. Chairman.

16 CHAIRMAN DUFFY: Dr. Balsiger.

17 MR. BALSIGER: This will be one of those
18 meetings where we're required to have six people, I guess,
19 and I won't be available next Monday, Tuesday or Wednesday.
20 Tomorrow would be good if we can make all those contacts.

21 CHAIRMAN DUFFY: Tomorrow would be good for
22 my schedule, if I could, I'm in Anchorage at some other
23 meetings.

24 MR. RENKES: I'm in an airplane most of the
25 day tomorrow.

1 MS. BALLARD: We only need a half hour
2 where you need to get somewhere.

3 MR. RENKES: Yeah. What time do I get in?
4 Late afternoon I could be on the phone.

5 MS. PEARCE: Late afternoon Anchorage time?

6 MR. RENKES: Yeah, late afternoon Anchorage
7 time.

8 MS. PEARCE: I can do that from my home in
9 the midst of feeding some people dinner, but I don't mind
10 doing that, because I assume it will be short.

11 MS. BALLARD: How about 4:00 o'clock?

12 MS. PEARCE: 4:00 o'clock your time?

13 MS. BALLARD: Yeah, 8:00 o'clock your time.

14 MR. MEADE: That's dessert.

15 MS. PEARCE: (Laughter) Are you going to
16 set up -- what will we do, set a bridge?

17 MS. BALLARD: Cherri will take care of the
18 details.

19 MS. PEARCE: Okay. Cherri, let us know a
20 bridge number and I will dutifully call in at 8:00 o'clock
21 tomorrow evening. Now, can we -- I believe if, for some
22 reasons, you're not able to conclude negotiations someone
23 will call us and tell us?

24 CHAIRMAN DUFFY: My operating assumption is
25 it may take us the rest of the day interspersed with other

1 business to contact the person that we're going to make the
2 offer to and as well as those that we have interviewed, so
3 we'll touch base on that particular issue tomorrow
4 afternoon at 4:00 o'clock, one way or the other, Drue.

5 MS. PEARCE: Okay, perfect.

6 CHAIRMAN DUFFY: Okay. If there's no
7 further business for the Trustee Council at this point, I
8 would entertain a motion to recess until tomorrow at 4:00
9 p.m.

10 MR. BALSIGER: Mr. Chairman, I move we
11 adjourn.

12 MS. OBERMEYER: I wanted to say hello, sir.
13 Would you forgive me? Theresa Obermeyer. I'm not sure if
14 we met, Mr. Duffy. Have you been doing great things for
15 Alaskans? That's the only question. Would you allow me?
16 I did have something and I apologize, I'm late and
17 disorganized. Would you allow me to say a word, sir?

18 CHAIRMAN DUFFY: Yes.

19 MS. OBERMEYER: Thank you so kindly.

20 CHAIRMAN DUFFY: Feel free to come forward
21 and I believe public testimony is limited to three minutes,
22 feel free.

23 MS. OBERMEYER: Oh, sure. I always have
24 something to pass along. And it's very nice to be
25 involved, except I don't know what to say anymore. I live

1 in Nazi Germany, Gregg. Mr. A.G. What a joke. I mean,
2 I'm sorry. I, ladies and gentlemen, am an American and you
3 see -- if you forgive me, Mr. Duffy, I'm very well known,
4 don't ever think I've had fun. I have no idea -- Gregg is
5 arraigning me tomorrow, ha, ha, go right ahead, Gregg, I
6 don't care anymore. Do whatever you please. I have lived
7 a life and I am a 57-year-old college administrator with a
8 Ph.D. I have sued the University of Alaska, the judges
9 stole that one, too. But that was many years ago. I did
10 not bring that with me. You see it's all very substantive.

11
12 And my husband is over there studying for
13 his 28th Alaska Bar exam in the only state in the United
14 States of America that does not have a law school. I don't
15 know if you ever thought of these things, Mr. Duffy, but
16 you probably are Irish. You see, sir, I'm Irish myself and
17 no matter what's going on I crack a joke. And here's my
18 great joke, so I think it's so fun. My summary joke is
19 they're so dumb they released me. I've only been jailed
20 five times, but the irony, and just to laugh with you, is I
21 taught at a jail for almost six years. I was a school
22 teacher at McLaughlin. And, of course, I've been on the
23 Anchorage School Board.

24 So nice to see you, Ms. Ballard, I've seen
25 your picture in the paper. And, of course, I knew you were

1 at the Chugiak/Eagle River Chamber yesterday. I wanted to
2 come to that. You know, what I can mention, ladies and
3 gentlemen -- and I want to make sure I say this, this is
4 not a nice place to raise children. And I'd like to
5 explain. I have four of them and, of course, our eldest
6 son just got home on Sunday. I don't know whether you were
7 living here at the time, Mr. Duffy, when Bob Cristal and
8 these -- they call themselves lawyers.

9 MS. WOMAC: Theresa, one minute.

10 MS. OBERMEYER: Madam, would you please not
11 interrupt? Would you let the Chair tell us when I am going
12 to conclude.

13 CHAIRMAN DUFFY: Excuse me.

14 MS. OBERMEYER: I really do tire.
15 Mr. Duffy is in charge, you are not, ma'am.

16 CHAIRMAN DUFFY: Excuse me, Ms. Obermeyer.
17 Sorry for that, she was just advising me as Chair and I
18 think she caught you.....

19 MS. OBERMEYER: But, sir.....

20 CHAIRMAN DUFFY: Go ahead and you got.....

21 MS. OBERMEYER: I want to mention,
22 Mr. Duffy, just to let you know what.....

23 CHAIRMAN DUFFY: Ms. Obermeyer, you have
24 one more minute, please summarize.

25 MS. OBERMEYER: It's about lawyers and it's

1 about a bar association, they don't even get a quorum
2 anymore, they've killed everyone off. They -- when they
3 recently had a swearing-in of the young lawyers that were
4 licensed by the straight-A essay test, 12 people were
5 licensed. You see now you would be stupid, after what my
6 husband has gone through, to really sit for this essay
7 test. Most people are licensed in the Lower 48 and then
8 get reciprocity, but even that is an explanation. Where we
9 live -- and just to give you a summary, and I didn't mean
10 to keep you. We live in a place that has about 2,200
11 attorneys and of that number 500 of them work for Gregg.
12 One fourth, almost one fourth of the attorneys. And would
13 you ask Gregg for how much they make, I assume -- and I
14 know they make about a hundred thousand. They get trips
15 anywhere they want to go, they do high level coffee
16 drinking.

17 And then, sir, just to let you know.....

18 CHAIRMAN DUFFY: Ms. Obermeyer, would you
19 please summarize, your time has expired. Please summarize.

20 MS. OBERMEYER: Yes, I'm trying to explain
21 what a prac -- there is no practice of law in Alaska.
22 There's another 500 over the 2,200 that are active out of
23 state, we have given our state away to the most powerful
24 law firms in the United States.

25 And the last point, Mr. Duffy, is 2,200 and

1 we have more oil development than the state of Texas and
2 they have 64,000 attorneys. Now, does anyone have a brain?
3 Unh-unh, everybody goes along with the employees, there's
4 no leadership where I live.

5 CHAIRMAN DUFFY: Okay. All right. Thank
6 you for your.....

7 MS. OBERMEYER: Did you have a question,
8 sir?

9 CHAIRMAN DUFFY: No, I do not have any
10 questions.

11 MS. OBERMEYER: I'm not sure we met.

12 CHAIRMAN DUFFY: We haven't had the
13 opportunity.

14 MS. OBERMEYER: And so have you been from
15 Alaska? I don't know.

16 CHAIRMAN DUFFY: Perhaps we can have a
17 discussion off to the side.....

18 MS. OBERMEYER: Let's do that.

19 CHAIRMAN DUFFY:it's not appropriate
20 for me to talk about my history at this point.

21 MS. OBERMEYER: And Erin-go-braugh.

22 CHAIRMAN DUFFY: Thank you very much.

23 MS. OBERMEYER: Thank you so kindly for
24 hearing me.

25 CHAIRMAN DUFFY: Thank you.

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MS. BALLARD: I move we adjourn.

CHAIRMAN DUFFY: Is there a second to
recess?

MS. BALLARD: Or to recess, excuse me
Mr. Chairman. I move we recess.

CHAIRMAN DUFFY: To recess until tomorrow's
teleconference?

MR. MEADE: I second that.

CHAIRMAN DUFFY: Any further comment?

(No audible response)

CHAIRMAN DUFFY: Hearing none, the Trustee
Council is recessed until the 4:00 p.m. teleconference
tomorrow afternoon. Thank you.

(Off record - 10:45 a.m.)

1 JULY 25, 2003 - TELECONFERENCE

2 (On record - 4:10 p.m.)

3 CHAIRMAN DUFFY: This is Kevin Duffy in
4 Anchorage, we moved and approved to recess so I probably
5 need a motion to reconvene and a second and then we can
6 give you a little update on things.

7 MS. BALLARD: This is Ernesta, I move we
8 reconvene.

9 MS. PEARCE: This is Drue Pearce, I second.

10 CHAIRMAN DUFFY: Thank you. This is Kevin
11 Duffy. Is there any further comments, any disagreement?

12 (No audible response)

13 CHAIRMAN DUFFY: Hearing none, so moved.
14 The Trustee Council meeting is back in session. I will
15 start and, Dr. Balsiger, feel free to chime in. I'll give
16 you a little summary of the discussions that followed our
17 meeting yesterday.

18 Dr. Balsiger and I had lunch with Gail
19 Phillips and were able to reach agreement on the terms and
20 conditions of her employment. We agreed to pay her at a
21 salary range of 28K on the State system. She also is
22 planning on coming to work on next Friday, August 1st, so
23 for the State payroll system that all works out fine.

24 There was a negotiation on the salary
25 level, she had expectations somewhat different than what we

1 settled on. I described to her the range in the
2 advertisement said 78 to about 108,000. We settled on a
3 level that is exactly \$101,592 per year, that's a 28K on
4 the exempt scale.

5 So, Jim, do you want to add anything to
6 that meeting? And then I'll talk about what I did as a
7 follow-up with the other interviewees.

8 MR. BALSIGER: It was a very positive
9 meeting, I thought, she expressed her pleasure at being
10 offered the job and, as Kevin said, she had expected a
11 slightly different benefit package, but I think at the end
12 no one was dissatisfied, so I was pleased.

13 CHAIRMAN DUFFY: Yes, okay. And then
14 following that, I came back to the Trustee Council office
15 and I followed up with phone calls to Brett Huber, Jennifer
16 Kohout and also Henry Springer, notifying them of our
17 decision and thanking them for their interviews. They were
18 all very gracious, in particular Henry was very positive
19 about the selection of Gail. So I talked a little more at
20 length with Brett about those issues and we bifurcated into
21 some Cook Inlet allocations issues and we didn't talk much
22 longer over those.

23 So I informed Cherri Womac before I left
24 the office that that was the agreement we struck, so I
25 think we're in a position -- there may be some questions,

1 but I think we're in a position now where we would just do
2 a motion to approve the hire and, hopefully, that would be
3 the concluding of our business today. But I'll open it up
4 for anyone who wants to ask any questions or comment.

5 MR. RENKES: This is Gregg, thank you for
6 doing that, it sounds like a good result.

7 CHAIRMAN DUFFY: You're welcome. One other
8 thing we should think about before we leave and that is
9 should we send a letter out to those that applied notifying
10 them of our selection and thanking them for applying for
11 the position? That was one lingering question I had.

12 MR. MEADE: This would be Joe, I think that
13 would be an excellent approach.

14 MS. PEARCE: This is Drue, I think we
15 should, too. I also wanted to -- knowing that Sandra
16 Schubert left and Molly left (indiscernible - airplane)
17 just a couple of days in the office doing what Cherri and
18 others there can't, but just to kind of help her transition
19 in. Or should we each perhaps, should we maybe ask Gail to
20 spend some time by phone or in person with each of us
21 talking to us about what we know about the EVOS Trustee
22 Council, which for a lot of us isn't much yet, but kind of
23 our vision.

24 CHAIRMAN DUFFY: In responding to that,
25 Drue, Jim and I talked about that a bit and we thought

1 about Jim being there with her. Gail is actually going to
2 go over sometimes early next week and just walk around and
3 introduce herself to folks. Jim and I did at lunch have an
4 opportunity to talk about a whole host of issues, but a
5 couple that I thought were pretty germane to kind of get
6 her going, and that would be, you know, we have a meeting
7 scheduled September 3rd, you know, to go over four budgets
8 associated with administration of the Trustee Council, I
9 thought that would be a good early focus. And then right
10 on the heels of that, if not before, she will be looking at
11 all of the proposals that have come in as a result of the
12 RFP process, she will be reviewing the recommendations from
13 the scientists on those proposals and then she will be
14 formulating her recommendations for the Trustee Council
15 leading to our meeting on October 3rd.

16 MS. PEARCE: Okay.

17 CHAIRMAN DUFFY: I think that, you know,
18 given the people that I know there at the Trustee Council,
19 I think they will welcome her with open arms and Phil and
20 Cherri and whoever else will -- I think it will probably be
21 a pretty smooth transition.

22 MS. PEARCE: Okay, excellent.

23 MR. BALSIGER: This is Jim Balsiger. I
24 did, as Kevin said, volunteer to -- since she's starting
25 the 1st I, coincidentally, will be at the end of a

1 vacation, annual leave, on that day in Anchorage and I
2 volunteered to go with her, but she -- as Kevin says, she
3 expects to spend time with them, looking at space and one
4 thing and another, prior to that, so probably most of the
5 awkwardness will have worn off. Nonetheless, I gave her my
6 contact phone number, so if she still wants me to be there
7 on Friday, the 1st, I can do that.

8 MS. PEARCE: Okay, excellent. Thank you.

9 CHAIRMAN DUFFY: Yeah, and I also talked to
10 her about she was talking to the news today and I talked to
11 her about that and offered if she wanted to talk to me
12 about anything as she made this transition to feel free to
13 call me. I think she'll be fine.

14 MS. PEARCE: Okay.

15 MS. BALLARD: Kevin, I'm ready to make a
16 motion that we ratify, or whatever action we need to take,
17 the agreement that you and Jim reached with Gail. What
18 action do we actually take? This is Ernesta for the court
19 reporter.

20 CHAIRMAN DUFFY: This is Kevin. Ernesta, I
21 think what would suffice would be a motion to approve the
22 hiring of Gail Phillips as Executive Director under the
23 terms and conditions negotiated on July 24th, 2003.

24 MS. BALLARD: Then I make that motion.

25 MR. RENKES: This is Gregg. I second.

1 CHAIRMAN DUFFY: There is a motion to
2 approve the hiring of Gail Phillips as Executive Director
3 under the terms and conditions negotiated July 24th, 2003.
4 It's been moved and seconded. Is there further discussion?

5 (No audible response)

6 MS. PEARCE: And I think because we're on
7 teleconference, I know under the State Rules and Open
8 Meeting Act, we need to have an actual yes to make an
9 affirmative vote, since we're not there to raise hands. So
10 you could just call the roll.

11 CHAIRMAN DUFFY: Okay. I will call the
12 roll. Joe Mead.

13 MR. MEADE: Yes.

14 CHAIRMAN DUFFY: Drue Pearce.

15 MS. PEARCE: Yes.

16 CHAIRMAN DUFFY: Dr. Jim Balsiger.

17 MR. BALSIGER: Yes.

18 CHAIRMAN DUFFY: Attorney General Gregg
19 Renkes.

20 MR. RENKES: Yes.

21 CHAIRMAN DUFFY: Commissioner Ernesta
22 Ballard.

23 MS. BALLARD: Yes.

24 CHAIRMAN DUFFY: And Commissioner Kevin
25 Duffy in the affirmative. That would be a consensus

1 unanimous vote to approve the hiring.

2 Is there other business before the Council
3 at this point in time.

4 MS. BALLARD: Kevin, this is Ernesta. Very
5 briefly, the meeting on the 3rd, will that meeting be in
6 Anchorage or in Juneau?

7 CHAIRMAN DUFFY: Ernesta, it was my
8 impression, following the discussion, that we were going to
9 convene at the Trustee Council offices for purposes of that
10 meeting on the 3rd.

11 MS. BALLARD: Okay. No problem, I just
12 didn't know we had covered that.

13 CHAIRMAN DUFFY: Right. And then, Cherri,
14 I assume that you would send out to all of us an agenda and
15 the starting time and that kind of -- and any paperwork
16 associated with what we need to act on at the meeting?

17 MS. WOMAC: I will. We usually send out a
18 binder about a week before so you have time to review it
19 prior to the meeting. And for you guys that are going to
20 be traveling in that first week before the meeting, if
21 you'll let me know your location so I can make sure that I
22 can get the information to you there.

23 CHAIRMAN DUFFY: Okay.

24 MS. WOMAC: It would be helpful. And I did
25 want to mention that Gail contacted me and we e-mailed back

1 and forth about her coming to the office at the beginning
2 of the week to see her space and then she is going to have
3 a staff meeting with the EVOS staff at 1:00 p.m. on Friday,
4 the 1st.

5 CHAIRMAN DUFFY: Excellent.

6 MS. PEARCE: Good.

7 CHAIRMAN DUFFY: Okay. Is there any other
8 business before the Council at this time?

9 MR. BALSIGER: This is Jim Balsiger and I
10 think that your question about letters to the applicants is
11 good and Joe suggested we should send them. I'm not quite
12 sure how to accomplish that. I don't know whether -- Drue
13 should know who all the applicants are, so I don't know if
14 that should get taken care of other than in the Exxon
15 Valdez offices or whether there's any sensitivities there.

16 MS. BALLARD: You mean Gail, I think.

17 MR. BALSIGER: I'm sorry, yes, of course,
18 that's what I meant.

19 MR. MEADE: This is Joe. I was wondering
20 if we might be able to ask Cherri or one of the members
21 there at the Council just to draft a simple letter that
22 then could go out under the personal names of each of the
23 applicants. Wouldn't it be something that simple?

24 MS. PEARCE: And I believe, Cherri, don't
25 you have our electronic signatures or maybe just on this,

1 maybe Kevin and Jim on behalf of the entire Council sign.

2 MS. WOMAC: I do not have electronic
3 signatures.

4 MS. PEARCE: Okay.

5 MS. WOMAC: But I will do the letter and
6 then I can make it for both their signatures.

7 MS. PEARCE: I think that would be good in
8 place of all six of us.

9 MR. MEADE: I do, too.

10 MS. WOMAC: Okay.

11 CHAIRMAN DUFFY: Yeah, I think that would
12 be great, Cherri. Maybe if you could send Jim and I a
13 draft, we could return it to you and we could -- there's
14 got to be a way for me to transmit my electronic signature
15 to you.

16 MS. BALLARD: Electronically.

17 CHAIRMAN DUFFY: Sure. By e-mail.

18 MS. WOMAC: I will draft and send it,
19 probably Monday.

20 CHAIRMAN DUFFY: That's excellent, thank
21 you.

22 MR. BALSIGER: This is Jim Balsiger, I'm
23 going to be on leave through late Thursday, so I'll either
24 pick it up on Friday or -- I'll contact you how I'm going
25 to do it, Cherri.

1 MS. WOMAC: Okay.

2 MS. BALLARD: Jim, this is Ernesta, you
3 could have the last line to be, or the signature block to
4 be, Kevin Duffy for the two of you.

5 MR. BALSIGER: That would suit me just
6 fine.

7 MR. MEADE: Or just for the Trustee Board
8 as a whole.

9 MS. BALLARD: Yeah.

10 CHAIRMAN DUFFY: For the Trustee Council,
11 yeah.

12 MS. BALLARD: And then it's taken care of
13 with one signature.

14 CHAIRMAN DUFFY: Yeah. Okay.

15 MS. BALLARD: Kevin, I move we adjourn.

16 CHAIRMAN DUFFY: It's been moved by Ernesta
17 Ballard to adjourn the Trustee Council meeting, is there a
18 second?

19 MS. PEARCE: This is Drue, I'll second.

20 CHAIRMAN DUFFY: Thank you. Seconded by
21 Drue Pearce. Hearing no objection, so moved that the
22 Trustee Council meeting is concluded at 4:20 p.m., July
23 25th, 2003.

24 (Off record - 4:20 p.m.)

25 (END OF PROCEEDINGS)

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I, Joseph P. Kolasinski, Notary Public in and for the state of Alaska and reporter for Computer Matrix Court Reporters, LLC, do hereby certify:

THAT the foregoing pages numbered 4 through 38 contain a full, true and correct transcript of the Exxon Valdez Oil Spill Trustee Council's Meeting recorded electronically by me on the 24th and teleconference on the 25th day of July 2003, commencing at the hour of 9:00 a.m. and 4:00 p.m. respectfully, and thereafter transcribed by me to the best of my knowledge and ability.

EXXON VALDEZ TRUSTEE COUNCIL, 451 W. 5th
Avenue, Suite 500, Anchorage, Alaska 99501;

DATED at Anchorage, Alaska this 2nd day of August
2003.

SIGNED AND CERTIFIED TO BY:

Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 04/17/04

