

09.18.03

1 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
2 Friday, May 14, 2004 -- 8:30 o'clock a.m.
3 EVOS Office
4 TRUSTEE COUNCIL MEMBERS PRESENT:
5 STATE OF ALASKA - MR. CRAIG TILLERY for
6 DEPARTMENT OF LAW: MR. GREGG RENKES
7 Attorney General - SOA
8 TRUSTEE COUNCIL MEMBERS PRESENT TELEPHONICALLY:
9 U.S. DEPARTMENT OF INTERIOR: MS. DRUE PEARCE
10 (CHAIR) Senior Advisor to the
11 Secretary for Alaskan
12 Affairs, DOI
13 U.S. DEPARTMENT OF COMMERCE, MR. JAMES W. BALSIGER
14 National Marine Fisheries Svc: Administrator, AK Region
15 STATE OF ALASKA - DEPARTMENT MR. KEVIN DUFFY
16 OF FISH AND GAME: Commissioner
17 U.S. DEPARTMENT OF AGRICULTURE, MS. MARIA LISOWSKI for
18 U.S. FOREST SERVICE MR. JOE MEADE
19 Forest Supervisor
20 STATE OF ALASKA - DEPARTMENT MR. KURT FREDIKSSON for
21 OF ENVIRONMENTAL CONSERVATION: MS. ERNESTA BALLARD
22 Commissioner
23 Proceedings electronically recorded, then transcribed by:
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25 Anchorage, AK 99517 - 243-0668

1 TRUSTEE COUNCIL STAFF PRESENT:

2 DR. PHIL MUNDY	Science Director
3 MS. CHERRI WOMAC	Administrative Assistant
4 MS. PAULA BANKS	Administrative Assistant
5 MS. BRENDA RAMOS	Administrative Assistant
6 MS. GINA BELT	Department of Justice
7 MS. DEDE BOHN	U.S. Geological Service
8 MR. BRETT HUBER	ADF&G

9 TRUSTEE COUNCIL STAFF PRESENT TELEPHONICALLY:

10 MS. GAIL PHILLIPS	Executive Director
11 MR. PETER HAGEN	NOAA
12 MR. MICHAEL BAFFREY	Department of Interior
13 MR. STEVE ZEMKE	U.S. Forest Service
14 MR. DAVE IRONS	U.S. Geological Service
15 MR. RON KLEIN	AK Department Environmental
16	Conservation
17 MR. LARRY DIETRICK	AK Department Environmental
18	Conservation

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P R O C E E D I N G S

(On record - 8:34 a.m.)

CHAIRWOMAN PEARCE: I will call the Exxon Valdez Oil Spill Trustee Council meeting to order. It's May 14th, 2004 and we've already gone through who is here. First is the approval of the agenda. And it's my understanding that all of the Trustees are on line; is that correct, Gail?

MS. PHILLIPS: Either all the Trustees or their representatives, yes.

CHAIRWOMAN PEARCE: But we don't have anybody there in Anchorage at the office?

MS. WOMAC: Just Craig.

CHAIRWOMAN PEARCE: Craig. Oh, okay. Fine, then I would ask for a motion to approve the agenda.

MR. DUFFY: This is Kevin, I move to approve the agenda.

MS. PHILLIPS: Madam Chainman, before the agenda is approved, I would like to request one change in the agenda and that is the issue of the number 5, Scientific and Technical Advisory Committee member. Dr. Gerster is the Chairman of the nomination committee, he's on call today, and if we could take up that order of business first, then he will be able to stay with us until that is through.

1 CHAIRWOMAN PEARCE: Mr. Duffy, would you
2 please move the adoption of the agenda with that change?
3 MR. DUFFY: Moved as suggested by the
4 Executive Director.
5 CHAIRWOMAN PEARCE: Is there a second?
6 MS. LISOWSKI: Second.
7 CHAIRWOMAN PEARCE: Is anyone opposed?
8 (No audible response)
9 CHAIRWOMAN PEARCE: The agenda is adopted.
10 Gail, do you want to go to that before we do public
11 comment?
12 MS. PHILLIPS: We can take -- it doesn't
13 sound like there's anybody -- that there are many people in
14 the public that want to make comment, so why don't we go
15 ahead and take that first.
16 CHAIRWOMAN PEARCE: Okay. Then we'll open
17 the public comment. Since I can't see who's there in the
18 room, is there anyone there at the Trustee Council offices
19 in Anchorage who would like to comment?
20 MS. WOMAC: There is no one here.
21 CHAIRWOMAN PEARCE: Okay. Is there anyone
22 on line who would like to give public comment to the
23 Trustee Council?
24 (No audible response)
25 CHAIRWOMAN PEARCE: Hearing none, we will

1 close the public comment at this time. If we hear the beep
2 that means someone else has come on line, we will double
3 check and provide an opportunity since most people will
4 probably be shocked that we're nearly on time.

5 That would take us then to number 5 on the
6 agenda, the discussion and approval of the STAC member.
7 Dr. Bill Seitz, USGS, is once again saying he's going to
8 retire, he's telling us this time it's real and so we had
9 an opening on the STAC and the nominating committee has
10 come forward with recommendations.

11 Gail, do you want to just give this to
12 Dr. Gerster or do you have any comments?

13 MS. PHILLIPS: I would like to turn it over
14 to Dr. Gerster, first.

15 CHAIRWOMAN PEARCE: Dr. Gerster.

16 DR. GERSTER: Thank you very much, Gail and
17 Drue. I'm Chair of the STAC Nominating Committee and we
18 met on May 4th to consider nomination for the STAC vacancy.
19 Gail, I believe you passed out packets, a memorandum from
20 our committee, and resumes from those we recommended.

21 MS. PHILLIPS: That is correct.

22 DR. GERSTER: The STAC Committee received
23 12 resumes to consider, of which one was recused, because
24 he is interested in applying for a grant and he removed
25 himself from consideration. In the EVOS documents program

1 process for providing scientific and technical advice and
2 peer review the STAC Nominating Committee may suggest names
3 of persons not nominated if there are gaps in desired
4 expertise among the nominees provided to us. I think I
5 quoted that right.

6 Our committee found all nominees to be
7 qualified and so we did not see it necessary to search for
8 additional candidates. We reviewed the resumes, I called
9 references and read selected publications on the Internet.
10 Our panel also carefully considered all the qualifications
11 of the nominated applicants.

12 My first choice, which was first suggested
13 by Brett, was Dr. Holland-Bartels, who is Director of the
14 Upper-MidWest Environmental Sciences Center, which is a
15 USGS program in LaCrosse, Wisconsin. It was interesting to
16 all of us that the rest of the panel had independently come
17 to the same conclusion and the vote was unanimous.
18 Dr. Holland-Bartels has supervised a budget of 60 million
19 dollars annually and worked extensively with State and
20 Federal agencies.

21 We were particularly intrigued with her
22 experience in large river science, invasive species and
23 monitoring programs, which our panel felt were high
24 priority items in the GEM Program. She also has a
25 particular interest in Alaska and has served on the faculty

1 of UAF and has a number of excellent peer reviewed
2 publications.

3 So, in summary, we believe she would bring
4 considerable expertise back to benefit Alaska, so our panel
5 nominates Dr. Holland-Bartels to the STAC.

6 However, the STAC Nominating Committee can
7 also forward names of alternates for Trustee approval. And
8 our panel felt that two other candidates stood out and
9 their expertise should not be ignored, but put to good use.
10 And alternate could stand in for a member of the STAC who
11 is not available at a particular time or could serve as a
12 resource that a STAC member could call up and ask for a
13 second opinion.

14 We were intrigued with Dr. Bill Streever,
15 who is the Environmental Studies Leader for BP Alaska. He
16 serves on the National Technical Review Committee which
17 advises the Federal government on the 14 billion dollar
18 massive rehabilitation of Coastal Louisiana. And he's
19 written a number of publications on that and he's editor
20 and chief of Wetlands Ecology and Management.

21 Dr. Douglas Segar is one of the senior
22 oceanographers with an impressive resume, which you have
23 attached, and he's written the definitive undergraduate
24 textbook in oceanography. And we feel that the STAC should
25 be able to call upon his expertise.

1 And so, in summary, the nominating
2 committee strongly recommends Dr. Holland-Bartels as the
3 permanent member of the STAC and that the Trustees approve
4 these two alternates as well.

5 Any comments or questions?

6 CHAIRWOMAN PEARCE: Thank you, Dr. Gerster.
7 I would just add that earlier this week Dr. Holland-Bartels
8 was offered and has accepted the position to replace Bill
9 Seitz at USGS-Alaska, so she will be coming back and so
10 this is kind of -- I don't know that there's such a thing
11 as a perfect replacement for Bill Seitz, but certainly this
12 will provide continuity.

13 DR. GERSTER: And we did not know that at
14 the time of our consideration and that was one of our
15 questions and that solves all of our problems.

16 CHAIRWOMAN PEARCE: Okay. Are there other
17 questions for Dr. Gerster?

18 MR. TILLERY: Madam Chair.

19 CHAIRWOMAN PEARCE: Yes.

20 MR. TILLERY: One question. The procedures
21 mandate that the person to fill a vacancy be selected from
22 among the alternates, can someone confirm that at this
23 point in time there are no alternates?

24 CHAIRWOMAN PEARCE: Oh.

25 DR. GERSTER: It was the recommendation of

1 our committee that we have three applicants that we provide
2 and our preferential choice was Dr. Holland-Bartels and we
3 provided to other alternates and that we would like to see
4 those alternates used as their expertise and not be
5 casually tossed aside and never seen again.

6 MS. PHILLIPS: Plus Bill Seitz' term was up
7 now, so that seat was open.

8 CHAIRWOMAN PEARCE: But I'm not sure that
9 that's the question, the question was did we have
10 alternates to Bill that we were supposed to choose from; is
11 that the question?

12 MR. TILLERY: Yeah, that's the question.
13 The procedures say if there is a vacancy in midterm then
14 you select from among the existing alternates, so my
15 question is, can someone simply confirm that right now we
16 have no alternates from who to select?

17 MS. PHILLIPS: This appointment is not
18 midterm, his term was up.

19 MR. TILLERY: Oh, I thought it was.....

20 DR. GERSTER: It was a two-year term.

21 MR. TILLERY: That says resignation on the
22 memo, I thought that was.....

23 DR. MUNDY: He did resign, but in the time
24 period the -- Madam Chair, if I may? This is Phil Mundy.

25 CHAIRWOMAN PEARCE: Yes, please go ahead,

1 Phil. Dr. Mundy.

2 DR. MUNDY: Both statements are correct,
3 Dr. Seitz did resign, however, during the time period we
4 were deliberating over choosing a successor his term
5 expired.

6 MR. TILLERY: That sounds.....

7 CHAIRWOMAN PEARCE: That was handy.

8 MR. TILLERY: Yeah, that works.

9 DR. MUNDY: And I might also clarify that
10 it's my understanding that the alternates that have been
11 selected in the past have withdrawn, they have changed
12 jobs, circumstances and no longer wish to be considered at
13 this time or unable to be considered at this time.

14 CHAIRWOMAN PEARCE: Thank you, Dr. Mundy.
15 Are there other questions from other Trustees?

16 MR. FREDIKSSON: Gail, this is Kurt
17 Frediksson with Environmental Conversation, just for the
18 sake of clarity. So at this point there really are --
19 there is not an active list of alternates, and as
20 recommended by the group here, we have Mr. Segar and
21 Mr. Streever nominated for that purpose?

22 MS. PHILLIPS: That is correct.

23 DR. GERSTER: That is correct.

24 MR. FREDIKSSON: Okay.

25 MR. BALSIGER: Madam Chair, this is Jim

1 Balsiger.

2 CHAIRWOMAN PEARCE: Yes, Dr. Balsiger.

3 MR. BALSIGER: These two alternates that
4 are not alternates to Holland-Bartels but alternate for the
5 whole committee? In other words, are there alternates for
6 each of the members of the STAC or they the two alternates
7 that are alternates to the entire STAC?

8 DR. MUNDY: Madam Chair.

9 CHAIRWOMAN PEARCE: Yes.

10 DR. MUNDY: This is Phil Mundy speaking
11 again.

12 CHAIRWOMAN PEARCE: Dr. Mundy, please go
13 ahead.

14 DR. MUNDY: Yes. We don't have seats, per
15 se, on the STAC, all the members are equal and, therefore,
16 these alternates could be selected for any vacancy.

17 MR. BALSIGER: Thank you.

18 CHAIRWOMAN PEARCE: Any other questions
19 from Trustees?

20 (No audible response)

21 CHAIRWOMAN PEARCE: Okay. I have a
22 question. What does being an alternates consist of in
23 terms of contractual arrangements with the Council, do we
24 sign something with them? I note that the draft motion
25 talks about contracts.

1 DR. MUNDY: Madam Chair, this if Phil
2 Mundy, if I may?

3 CHAIRWOMAN PEARCE: Dr. Mundy.

4 DR. MUNDY: Yes, we have printed for you in
5 your binder, on the back, and it's labeled at the top of it
6 inside the tab, Appendix C, Scope of Services. This is an
7 example of the kind of a contract that an eligible STAC
8 member would have with the Committee. Now, obviously,
9 government employees are not eligible for this, Holland-
10 Bartels being a government employee, a Federal employee,
11 would not be eligible for this, but this is, in essence,
12 one through six, a list of the duties that the STAC member
13 would have to go through.

14 It's my understanding that we have only an
15 informal arrangement with alternates, we'll send them a
16 letter and inform them that they are alternates, ask them
17 if that's acceptable to them and if they're willing to be
18 considered alternates and to be called on in the future.
19 But I don't -- to my knowledge, I don't believe we ever had
20 a contract with an alternate.

21 CHAIRWOMAN PEARCE: Okay. That answers my
22 question. Are there any further questions?

23 (No audible response)

24 CHAIRWOMAN PEARCE: The draft motion does
25 not, I don't believe, list who the alternates are; is it

1 drafted that way because we think we need two separate
2 motions, Gail?

3 MS. PHILLIPS: Yes, Drue.

4 CHAIRWOMAN PEARCE: Okay.

5 MS. PHILLIPS: The second one can be
6 virtually the same, just to accept the two names as the
7 alternates, if that's what the Trustee Council would
8 prefer.

9 CHAIRWOMAN PEARCE: Okay. Is there a
10 motion on the actual appointment of Dr. Holland-Bartels and
11 the reappointment of Brenda Norcross and Tom Royer?

12 MR. BALSIGER: Madam Chair, this is Jim
13 Balsiger.

14 CHAIRWOMAN PEARCE: Dr. Balsiger.

15 MR. BALSIGER: I would move that we
16 nominate Leslie Holland-Bartels to the STAC and reappoint
17 Dr. Brenda Norcross and Dr. Tom Royer to another term.

18 MS. LISOWSKI: Second.

19 CHAIRWOMAN PEARCE: Okay. We have a motion
20 and a second. Is there discussion?

21 (No audible response)

22 CHAIRWOMAN PEARCE: Because this is a
23 formal appointment and because we are on line, Gail, would
24 you or, Cherri, would you just call the roll, please? I'd
25 like to have it recorded.

1 MS. PHILLIPS: Cherri, would you please do
2 so?
3 MS. WOMAC: Jim Balsiger.
4 MR. BALSIGER: Yes.
5 MS. WOMAC: Kevin Duffy.
6 MR. DUFFY: Yes.
7 MS. WOMAC: Drue Pearce.
8 CHAIRWOMAN PEARCE: Yes.
9 MS. WOMAC: Maria.
10 MS. LISOWSKI: Yes.
11 MS. WOMAC: Craig.
12 MR. TILLERY: Yes.
13 MS. WOMAC: And Kurt.
14 MR. FREDIKSSON: Yes.
15 CHAIRWOMAN PEARCE: Okay, unanimous, 6-0.
16 And do we have a motion on the appointment of the two
17 alternates?
18 MR. DUFFY: This is Kevin, I'll take a shot
19 at it. I'd move to appoint as alternates Dr. Bill Streever
20 and Dr. Douglas Segar.
21 CHAIRWOMAN PEARCE: Is there a second?
22 MR. BALSIGER: I second.
23 CHAIRWOMAN PEARCE: We have a motion and a
24 second; is there discussion?
25 (No audible response)

1 CHAIRWOMAN PEARCE: Are we ready for the
2 question?
3 (No audible response)
4 CHAIRWOMAN PEARCE: Cherri, would you
5 please call the roll again?
6 MS. WOMAC: Jim Balsiger.
7 MR. BALSIGER: Yes.
8 MS. WOMAC: Kevin.
9 MR. DUFFY: Yes.
10 MS. WOMAC: Drue.
11 CHAIRWOMAN PEARCE: Yes.
12 MS. WOMAC: Maria.
13 MS. LISOWSKI: Yes.
14 MS. WOMAC: Craig.
15 MR. TILLERY: Yes.
16 MS. WOMAC: Kurt.
17 MR. FREDIKSSON: Yeah.
18 CHAIRWOMAN PEARCE: Dr. Gerster, do you
19 have any other comments?
20 DR. GERSTER: I really don't. I think this
21 is a good outcome.
22 CHAIRWOMAN PEARCE: Okay. Thank you very
23 much.
24 That would take us back to item three,
25 which is the -- well, let me ask again, has anyone arrived

1 at the Trustee Council offices in Anchorage who wanted to
2 participate in public comment?

3 MS. WOMAC: No.

4 CHAIRWOMAN PEARCE: Is there anyone on line
5 who has arrived since we've been underway who wanted to
6 make a public comment?

7 (No audible response)

8 CHAIRWOMAN PEARCE: Hearing none, we'll go
9 to item three, the Executive Director's report.
10 Ms. Phillips.

11 DR. GERSTER: Madam Chair, this is
12 Dr. Gerster, may I sign off?

13 CHAIRWOMAN PEARCE: You may. Go save
14 lives.

15 DR. GERSTER: Okay. Thank you very much.

16 MS. PHILLIPS: Thanks, John, for your work.

17 DR. GERSTER: Okay, you're welcome.

18 MS. PHILLIPS: Executive Director's report,
19 May 3rd community involvement teleconference. During the
20 time of the teleconference, during the discussion of the
21 teleconference the Trustees that were on line decided that
22 they needed to have more time to make a determination as to
23 what they wanted to see out of community involvement for
24 the Trustees. So we ended the meeting at that time and we
25 will put more work together and get together with the

1 Trustees before we proceed with more public meetings on it.
2 It's still in the forefront, but we just need to have some
3 clarification before we proceed.

4 CHAIRWOMAN PEARCE: Okay. Are you
5 expecting to have -- that we'll have an opportunity,
6 perhaps next week, while people are actually there to have
7 additional discussions or are you expecting it to go beyond
8 the May 19th meeting?

9 MS. PHILLIPS: I would really like for it
10 to be at that meeting if at all possible.

11 CHAIRWOMAN PEARCE: Okay, good.

12 MS. PHILLIPS: Okay. And then on May 19th
13 meeting, which will be a joint meeting, it will be a
14 Trustee meeting, but with PAC Committee invited. We do
15 have quite a few members of the PAC that are going to be
16 there. I think we've got a good agenda put together and
17 they will be a great deal of discussion during that time
18 and I'm really pleased that we have the opportunity, also,
19 to bring back the community involvement part.

20 CHAIRWOMAN PEARCE: And just for
21 clarification, does that meeting begin at nine or at 9:30?

22 MS. WOMAC: 9:30.

23 CHAIRWOMAN PEARCE: Okay. Thank you.

24 MS. PHILLIPS: And that's all I have for
25 right now.

1 CHAIRWOMAN PEARCE: Okay. Any questions to
2 the Executive Director from Council Members?

3 (No audible response)

4 CHAIRWOMAN PEARCE: Hearing none, let's to
5 go to the fiscal year '04 year Work Plan and the Kachemak
6 Bay mapping project. Is that Dr. Mundy, I assume?

7 MS. PHILLIPS: That will be and Dr. Mundy
8 has been working on this with Brett Huber and PI and he
9 will explain it to you. My recommendation is to fund his
10 request.

11 CHAIRWOMAN PEARCE: Dr. Mundy.

12 DR. MUNDY: Yes, thank you, Madam Chair.
13 This proposal from Kachemak Bay Research Reserve, Alaska
14 Department of Fish and Game, is for a small amount of
15 additional funding which is being matched with funds from
16 Alaska Department of Fish and Game for the purpose of
17 completing this important project. I've been following
18 this project since its inception two years ago this month
19 and we're attempting to get a very detailed record of
20 shoreline resources, much more detailed than any existing
21 record, using this particular project. This is certainly
22 justified from a number of different standpoints and has
23 been through the peer review process in the past. So this
24 is just an extra small amount of money for project
25 completion.

1 I'm going to turn it over, with your
2 permission, Madam Chair, to Brett Huber who will explain
3 the circumstances behind this request.

4 CHAIRWOMAN PEARCE: Okay. Mr. Huber.

5 MR. HUBER: Thank you, Madam Chair.
6 Trustee Council members, you have the backup in your binder
7 that includes a memo from myself to Executive Director
8 Phillips, as well as a cover letter from the PI at Kachemak
9 Bay Research Reserve and then the proposal and budget.
10 This project began with Project 02-0556 and then it was
11 continued in 03-0556. Basically the circumstances that
12 surround this additional request, about 80 percent of the
13 work has actually been done. The database has been build,
14 it's been populated with about 80 percent of the data and
15 the Trustee Council has received that database with the 80
16 percent of the data, as well as a draft final report on
17 those two projects.

18 However, the lead PI on this project,
19 Dr. Schoch, left KBRR and went to a new position in OSRI
20 and during that transition some of the specific expertise
21 he had for the protocols he was employing moved with him.
22 So we kind of undertook at the Department of Fish and Game
23 a project to figure out where we're at and what it would
24 take to complete this. The request you have before you is
25 the result of that.

1 We identified \$15,000 of funds within KBRR,
2 there's also some marshlands that will be mapped that are
3 being done under a separate grant, but this will allow this
4 project to be completed this summer and, basically, bring a
5 project that began in '02 to final completion, with the
6 product then that will aid in the shoreline information
7 that will establish or develop the shoreline or the
8 nearshore monitoring protocols.

9 CHAIRWOMAN PEARCE: Thank you. Are there
10 questions by Council members?

11 (No audible response)

12 CHAIRWOMAN PEARCE: If not, do we have a
13 motion?

14 MR. DUFFY: Drue, this is Kevin, I would
15 move to approve the project titled High Resolution Mapping
16 of the Intertidal and Shallow Subtidal Shores of Kachemak
17 Bay as an addition to the FY04 Work Plan and request the
18 Department of Law and the Assistant Attorney General and
19 the Environmental and Natural Resources Division of the
20 Department of Justice to take such steps as may be
21 necessary to make available for this project the amount of
22 \$15,000 from the appropriate account designated by the
23 Executive Director.

24 CHAIRWOMAN PEARCE: Do we have a second?

25 MS. LISOWSKI: Second.

1 CHAIRWOMAN PEARCE: Is there discussion?

2 MR. BALSIGER: This is Jim Balsiger, just

3 clarification question, I guess, if I could?

4 CHAIRWOMAN PEARCE: Dr. Balsiger.

5 MR. BALSIGER: So, Mr. Duffy, this brings

6 --just for perspective, the total funding for this project

7 then is roughly on the order of \$105,000, so is that the

8 way we'd look at this? Or maybe it's a 120,000 because of

9 the matching. I'm just looking to see how much we're

10 augmenting it to finish it.

11 MR. DUFFY: I think, Jim, and I would like

12 either Phil or Brett to correct me if I'm wrong, I think

13 the augment from the Council is an additional 15,000, which

14 is matched by the Kachemak Bay Research Reserve. All

15 funding resources combined it's a total augmentation of

16 30,000 or 15,000 of Trustee Council funds under this.

17 Do I have that right?

18 DR. MUNDY: Madam Chair, this if Phil

19 Mundy.

20 CHAIRWOMAN PEARCE: Dr. Mundy.

21 DR. MUNDY: Brett Huber has the figures on

22 this.

23 CHAIRWOMAN PEARCE: Mr. Huber.

24 MR. HUBER: Mr. Balsiger, you're correct in

25 that EVOS funding was 62,200 for the FY02 project, 33.6 for

1 the '03 project and this is a request of \$15,000. The
2 \$15,000 match identified for this phase was not the only
3 matching money or other dollars brought to the project
4 previously. There was a substantial match in both the '02
5 and '03 phase as well. But you're correct in that total of
6 that being EVOS Council assistance over time for this
7 project.

8 MR. BALSIGER: Thank you very much. With
9 that explanation, I'd be prepared to support this.

10 CHAIRWOMAN PEARCE: Thank you. We're still
11 under discussion. Commission Duffy.

12 MR. DUFFY: Yes.

13 CHAIRWOMAN PEARCE: Does the Department of
14 Fish and Game have excess receipt authority to receive this
15 money or will you have to go to LBNA? And the second half
16 of that question is, when will the money actually be
17 expended on the project; is that a this season project?

18 MR. DUFFY: Two questions. First one, I
19 believe we probably have -- all receipt authority combined
20 is for the Department, we probably have adequate receipt
21 authority already for this and it wouldn't require going
22 back to LBNA, but I'll double check that.

23 And in terms of the project, as soon as we
24 can get the project approval documents completed we would
25 move forward on this, that's my understanding.

1 CHAIRWOMAN PEARCE: Okay. Thank you. Any
2 other comments?
3 (No audible response)
4 CHAIRWOMAN PEARCE: We have a motion, we
5 have a second, if there's no further discussion, Cherri,
6 would you call the roll again, please?
7 MS. WOMAC: Yes. Jim Balsiger.
8 MR. BALSIGER: Yes.
9 MS. WOMAC: Kevin Duffy.
10 MR. DUFFY: Yes.
11 MS. WOMAC: Drue Pearce.
12 CHAIRWOMAN PEARCE: Yes.
13 MS. WOMAC: Maria Lisowski.
14 MS. LISOWSKI: Yes.
15 MS. WOMAC: Craig Tillery.
16 MR. TILLERY: Yes.
17 MS. WOMAC: Kurt Frediksson.
18 MR. FREDIKSSON: Yes.
19 CHAIRWOMAN PEARCE: The motion carries 6-0.
20 Go get your paperwork, Kevin.
21 Okay. That brings us to item four, which
22 is the fiscal year '04 Work Plan-Phase III, Lingerin Oil
23 Projects. And, Madam Executive Director or Dr. Mundy,
24 whomever wants to speak, go ahead, please.
25 MR. TILLERY: Madam Chair.

1 CHAIRWOMAN PEARCE: Yes.

2 MR. TILLERY: This is Craig Tillery.

3 Because this stuff is arising out of some money that was
4 allocated, sort of, through the Department of Law last
5 time, it might be appropriate for me to give some
6 background on it.

7 CHAIRWOMAN PEARCE: Okay. That's fine
8 then.

9 MR. TILLERY: Okay. At the Trustee Council
10 meeting back in March, the Council approved Dr. Balsiger's
11 motion to establish a contingency fund up to a million and
12 half dollars, allocated through the Department of Law for
13 purposes of funding research to fill in gaps related to
14 lingering oil. And the research plan was to be developed
15 through the coordinated efforts of the EVOS staff,
16 including Science Director, DOJ, NOAA and Integral
17 Consulting.

18 We met as a group with those entities and
19 also Department Fish and Game, Department of Environmental
20 Conversation, Forest Service, USGS, Fish and Wildlife
21 Service. Went over a number of project related to the
22 Council's direction, including those that had been on the,
23 sort of, deferred list or midterm list and the Council had
24 suggested should be funded if appropriate out of this money
25 and came up with a suite of projects totally \$955,750.

1 Those projects were then reviewed by
2 Dr. Spies and recommended with some suggested changes. For
3 the most part those changes have been incorporated. One of
4 the projects the changes would require an additional sum to
5 be expended of about \$75,000. These projects include work,
6 generally, both in FY04 and FY05.

7 Now, in addition to these projects, we
8 believed that it was very important that there be an
9 independent sort of synthesis and analysis of all of these
10 studies relating to lingering oil, as well as the recovery
11 status of some of the other injured resources, of which
12 there remains questions. And that efforts be made to
13 identify any potential restoration options if there is
14 determined to be an injury that can be addressed.

15 And to accomplish this we recommended that
16 the Department of Law be asked to contract with Integral
17 Consulting. Integral Consulting was the subject of an
18 evaluation process by the State, found to be well qualified
19 for this task, they are already under contract with the
20 Department of Law for similar types of issues and using
21 them will increase the efficiency and the quality of the
22 project.

23 The recommended amount for this project is
24 650,000 for FY04 and FY05. The problem is that this amount
25 combined with the other monies requested for the field

1 studies exceed the one and a half million dollars the
2 Council agreed to provide. It would seem to me that the
3 Council has two options; the Council can either approve
4 somewhat more than the 1.5 million, it would be about 1.6
5 something, and the alternative, if the Council wants to
6 keep that 1.5 cap, our suggestion would be that the
7 difference be taken out of the money allocated for the
8 Integral contract. There are at least two actions on that
9 contract that really are sort of dependent on whether there
10 turns out to be a connected injury and so forth, so it
11 could be done that way. Again, my recommendation is that
12 the Council just go ahead and slightly exceed the 1.5, but
13 if not, rather than cutting the field projects, I suggest
14 that the Integral contract be cut.

15 At the time the Council did this in March,
16 I went back and looked at the transcript and my own
17 recollection and I don't think the Council contemplated
18 that further approval would be necessary. However, that
19 motion did sort of allocate no money to the Department of
20 Law, that creates a logistical financial difficulty in
21 getting the money quickly enough to Federal agencies so
22 that they can use it this field season.

23 And, in addition, just to make this more
24 consistent with past practices, we felt it would be useful
25 once we had identified these projects to come back to the

1 Council and seek approval for all of them. So these are
2 all -- you should have copies -- or you have copies of all
3 of these in your binders and we would ask that the Council
4 do the projects as they're described.

5 CHAIRWOMAN PEARCE: Thank you, Mr. Tillery.
6 Are there questions to Mr. Tillery about the overall
7 proposal and then we'll go to questions about individual
8 projects. Anything about the overall comments that Craig
9 just made?

10 DR. MUNDY: Madam Chairman, if I may, this
11 is Phil Mundy.

12 CHAIRWOMAN PEARCE: Dr. Mundy.

13 DR. MUNDY: Yes, Mr. Tillery is
14 recommending that the overall package be approved as
15 provided. Mr. Tillery, does this include the project that
16 were reviewed by the Lingering Oil Subcommittee?

17 CHAIRWOMAN PEARCE: Mr. Tillery.

18 MR. TILLERY: I don't know what you mean by
19 that.

20 DR. MUNDY: Madam Chair, I would like to do
21 a summary of the proposals, the projects that were reviewed
22 by the Lingering Oil Subcommittee and I do have one item
23 for the consideration of the Council that would involve an
24 increase in the amount of money being recommended for one
25 of the projects. So my question concerns -- I would not

1 advise the Council to approve the project as proposed, I
2 have one minor exception I would like the Council to
3 consider.

4 CHAIRWOMAN PEARCE: Okay. Let me make sure
5 I know, Dr. Mundy, what you mean. What I'm looking at is
6 the Draft Resolution 04-07 regarding the Work Plan - Phase
7 III and on that there are five numbered project plus a
8 contractual arrangement with Integral Consulting. And
9 you're saying that you have a technical change or a minor
10 change to one of the five; is that correct?

11 DR. MUNDY: Yes, that's correct, a minor
12 technical change that would involve a small increment of
13 money to address.

14 CHAIRWOMAN PEARCE: Okay. If you don't
15 mind deferring, Dr. Mundy, just for a moment. Let me go
16 back and ask were there any question by any of the
17 Trustees on the overall comments that Mr. Tillery had?

18 MR. BALSIGER: Madam Chair, it's Jim
19 Balsiger.

20 CHAIRWOMAN PEARCE: Dr. Balsiger.

21 MR. BALSIGER: Thank you, Madam Chair. I
22 made this motion, as Mr. Tillery said, at the last meeting
23 and part of that was to transfer the -- speaking inexactly
24 I'm sure, but was to transfer the funds to the Department
25 of Law. And I thought that was upon the advice -- that

1 wording was part of the advice of our attorney, so I guess
2 I'd like to be clear that -- and, of course, Mr. Tillery is
3 an attorney, so he's probably way ahead of this, but to be
4 sure that that's totally appropriate advice, that's not
5 necessarily part of the advice to transfer it to the
6 Department of Law and rather as he has suggested.

7 CHAIRWOMAN PEARCE: I suspect that them
8 transferring the money from the Department of Law State of
9 Alaska back to, for example, Fish and Wildlife Service for
10 04-0477 is a cumbersome process that won't let them be in
11 the field on the 21st of this month like they want, but,
12 Mr. Tillery, do you want to answer that question?

13 MR. TILLERY: Madam Chair, you're exactly
14 correct. Once we knew the scope of the projects and who
15 would be doing them, in order to get the money into the
16 field, that's really the reason we're back here is so we
17 can just send it directly from the Council to those Federal
18 agencies and bypassing the additional steps required by the
19 Department of Law. We actually did end up getting
20 legislative authority, but it really would take a lot of
21 extra time and probably we'd lose some money along the way.

22 MR. BALSIGER: Thank you, I'm satisfied.

23 CHAIRWOMAN PEARCE: I have a funding
24 question. I remember we set aside a million and a half and
25 this is going to go beyond that million and a half, to the

1 tune of, looks to me, depending on what Dr. Mundy's motion
2 is or recommendation is going to be, 100,000. What's the
3 effect of that on the amount of dollars that we have in
4 that account? I just don't remember the total that was
5 there that we were appropriating from. Gail, do you have a
6 dollar?

7 MS. PHILLIPS: Paula, do you have that
8 figure handy?

9 MS. BANKS: I'm sorry, Madam Chair, could
10 you repeat the question?

11 CHAIRWOMAN PEARCE: The fund source that
12 these dollars come out of, what is our present balance in
13 that account if we go beyond the million and a half that we
14 had already set aside?

15 MS. BANKS: We're already over what we had
16 originally anticipated for allocations for FY04. And as
17 far as what's in the Reserve account, there's about a
18 hundred million in there.

19 CHAIRWOMAN PEARCE: I'm sorry, I can't
20 hear.

21 MS. BANKS: I said as far as what's in --
22 if you're asking what's in the Reserve account there's
23 about a hundred million.

24 CHAIRWOMAN PEARCE: I don't think I'm being
25 very articulate about what I'm asking, because I'm not sure

1 of the right account names to ask about, but for the amount
2 of money that we had to spend for '04 and '05, you're
3 saying that this is going to exceed the amount without
4 going into reserves if we go beyond the million and a half?

5 MS. PHILLIPS: Drue, the money for -- the
6 roughly \$5,000,000 for '04 had already been expended, so we
7 did have to go into the Reserve account for this million
8 and a half or 1.6 already, it was not available in '04
9 funding.

10 CHAIRWOMAN PEARCE: Okay. So this is in
11 addition?

12 MS. PHILLIPS: This is in addition.

13 CHAIRWOMAN PEARCE: This would be from the
14 Reserve account.

15 MR. TILLERY: Yeah, Madam Chair, at that
16 March meeting Dr. Balsiger and I think the Council
17 explicitly recognized that, but indicated that this was an
18 issue that just needed to be resolved before we really move
19 on and got involved in more long-term research type
20 program. And I think that was the reason that it was felt
21 that it was okay or appropriate to go beyond the original
22 allocation for this fiscal year.

23 CHAIRWOMAN PEARCE: And I agree with that,
24 I just think we should have it on the record if we are
25 increasing that amount, which is now the Reserve account.

1 So are there any other general questions
2 before we go to Dr. Mundy's specific recommendation?

3 MS. LISOWSKI: Madam Chairman.

4 CHAIRWOMAN PEARCE: Yes.

5 MS. LISOWSKI: I have one question on the
6 amounts being approved for FY05 for each of these projects,
7 does that mean that for next year's Work Plan those amounts
8 will be coming back to the Council for another look or are
9 we approving that if we go forward with this resolution for
10 FY05 at this time?

11 MS. PHILLIPS: Madam Chairman, this is the
12 Executive Director. It was my understanding by the
13 language in the original motion that this was additional
14 funds, it would not be the Work Plan funds for '04 or '05,
15 it was additional money.

16 CHAIRWOMAN PEARCE: Does that answer your
17 question?

18 MS. LISOWSKI: I think that the answer is
19 no, it will not be coming back to the Council in '05.

20 MS. PHILLIPS: That's correct.

21 MR. BALSIGER: This is Jim Balsiger, Madam
22 Chair.

23 CHAIRWOMAN PEARCE: Dr. Balsiger.

24 MR. BALSIGER: I guess that as we always do
25 when we have multiple year project that there would be some

1 check to make certain that the project is proceeding
2 correctly before the second year goes. So without
3 Dr. Mundy or someone looking at it, they won't get the
4 second increment, they have to prove up on the first year's
5 work.

6 MS. PHILLIPS: Jim, this is Gail. That is
7 absolutely correct. I was just addressing the issue of the
8 money, but all the protocols will still be in place.

9 MR. BALSIGER: Thank you.

10 CHAIRWOMAN PEARCE: Okay. Dr. Balsiger,
11 does that answer your question?

12 MR. BALSIGER: Yes, that's my
13 understanding, that's fine.

14 CHAIRWOMAN PEARCE: Okay. Any other
15 general questions?

16 MR. FREDIKSSON: Yeah, Madam Chair.

17 CHAIRWOMAN PEARCE: If not, Dr. Mundy,
18 would you please.....

19 MR. FREDIKSSON: Madam Chair, can I
20 interrupt just for a second? This is Kurt Frediksson.

21 CHAIRWOMAN PEARCE: Sure.

22 MR. FREDIKSSON: I just wanted to confirm
23 with Craig, back to this March 12th meeting he held with
24 agencies, university, Integral and it looks like Dr. Spies
25 looked at the projects as well. Is my understanding

1 correct that there was general concurrence with those
2 agencies at the meeting that these were worthwhile projects
3 and that Dr. Spies apparently had some suggested changes,
4 but that those were taken care of or adopted?

5 MR. TILLERY: That is correct.

6 MR. FREDIKSSON: Okay, thank you.

7 CHAIRWOMAN PEARCE: Dr. Mundy.

8 DR. MUNDY: Thank you, Madam Chair. What I
9 want to talk about this morning in your notebook, the tab
10 labeled FY04 Work Plan. And if you'll turn in past the
11 second green sheet to where the header line reads "Draft
12 FY2004 Lingering Oil Work Plan", Page 1 of 10. And the
13 footer reads "Work Plan - Phase III Funding
14 Recommendations". It's dated May the 14th, 2004.

15 CHAIRWOMAN PEARCE: Okay.

16 DR. MUNDY: All right. Here we have an
17 explanation of five projects and I need to clarify some of
18 the statements that have been made earlier. These
19 proposals were taken through the Lingering Oil Subcommittee
20 peer review process. Dr. Spies is the chair of that
21 process, however, Dr. Spies was not the only peer reviewer
22 on these projects. These projects were sent out for peer
23 review to a substantial number of people, which is our
24 normal practice, our normal peer review process. So I can
25 assure the Council that these projects that were considered

1 and conceived at the meeting in March, that Mr. Fredriksson
2 referred to, have been vetted through the peer review
3 process and that they are worthy and will provide the
4 information that stated in the work book for the Council.

5 However, four of the projects we were able
6 to work out all of the details of the concerns of the peer
7 reviewers, including Dr. Spies, and in one case we were
8 not. This is not a serious problem, we have been doing
9 this a very, very rapid pace. We have, in essence, done an
10 entire Draft Work Plan in a matter of about three months,
11 we normally take much longer to do that. So we have come
12 almost to closure with this project.

13 So the four projects are the Rice project
14 on oil and fish; Bodkin, that is oil in otters, Ballachey's
15 nearshore vertebrate predator oil study; and Lees bivalve
16 recovery. So Rice, Bodkin, Ballachey and Lees, we've able
17 to negotiate with the contractors and to come to a
18 conclusion. And the four of these I can recommend to you
19 without reservation for funding at the dollar amounts that
20 are listed on the sheets in your book.

21 The fourth [sic] project, the Day proposal
22 is to look at sediments and sediment quality and this is a
23 sediment quality survey of heavily oiled beaches in Prince
24 William Sound. Again, this study is virtually ready to go,
25 we're very, very close, but we couldn't finish this by this

1 morning, it was just too many details.

2 The basic issues we are characterizing the
3 sediments in oiled areas of Prince William Sound and one of
4 the big issue is how variable are those sediments. If all
5 the sediments in the area were exactly the same we could go
6 out and take one sample and analyze it for PAHs and
7 toxicity and so forth and that would be the end of it. But
8 the more variable the sediments are, the more different
9 kinds of sediments we have there and the more different
10 things are as you move away from the beach, the more
11 samples you have to take. It's pretty obvious. So one of
12 the issues we've been trying to work out with the
13 contractor, in conjunction with peer reviewers, who have
14 really intimate knowledge of the variability in these
15 areas, is exactly how many samples need to be taken.

16 And, of course, since the analysis of each
17 sample in this case, since we're dealing with polyaromatic
18 hydrocarbons and other things like that, is quite
19 expensive. So the cost of the project is directly
20 proportional to the number of samples that we have to take.

21 So where we are right now is that we are
22 almost agreed about how many samples need to be taken in
23 order to give snapshot, a good picture of the toxicity of
24 the sediments in the oiled area of the Prince William
25 Sound.

1 And so I would recommend that this study be
2 funded, be funded contingent on working out the final
3 details, as we often do, and I would recommend that it be
4 funded at these levels. Now, these levels that I'm going
5 to give you are not the levels that are listed in your
6 book, so please bear that in mind. I'm going to read
7 these. For FY04 I would recommend that the project be
8 funded at the level of \$151,000, for FY05 I would recommend
9 that the project be funded at the level of \$57,000. The
10 total amount of recommended funding in order to do the work
11 that's described here in a fashion that will us good value
12 for our money is \$208,000.

13 That's my report, Madam Chair, I'll take
14 questions.

15 CHAIRWOMAN PEARCE: Okay. Are there
16 questions?

17 (No audible response)

18 CHAIRWOMAN PEARCE: Hearing none, that then
19 would change the resolution and Project 04-0772 would now
20 be 151,000 for fiscal year '04 and 57,000 for fiscal year
21 '05; is that correct?

22 DR. MUNDY: That is correct, Madam Chair.

23 MR. FREDIKSSON: Madam Chair, this is Kurt
24 Frediksson, if I might ask a few questions?

25 CHAIRWOMAN PEARCE: Yes, Mr. Frediksson,

1 you have the floor.

2 MR. FREDIKSSON: Yeah, Dr. Mundy, I'm
3 curious in terms of what -- we see the 136,250 in our book,
4 was that their original estimate or has that been modified
5 over time? That's one question. And then the second
6 question I have and final question is, in terms of
7 reconciling the ultimate number of sample sites, how would
8 that be neg -- who would be the party subject to that
9 negotiation and final agreement?

10 DR. MUNDY: Madam Chair, if I may?

11 CHAIRWOMAN PEARCE: Yes, Dr. Mundy.

12 DR. MUNDY: Okay. The answer your first
13 questions, Dr. Frediksson, is yes, the FY05 amount has not
14 changed. The FY04 amount originally was \$77,000, I'm
15 rounding to the nearest thousand, it was originally
16 \$77,000. In response to peer reviewer comments the author
17 of the proposal did a rewrite on both the narrative and the
18 budget, mostly the sampling design, which was very good,
19 very highly responsive to the peer reviewer comments and it
20 was very easy to work Integral Consulting on this.

21 However, on sending it back out through the
22 peer review group -- again, these are people who really
23 understand variability and sediments, they spotted a couple
24 of things, three items that needed -- okay, so the amount
25 was bumped up to \$136,000 on the first round of peer

1 review. Then the peer reviewers in the second round of
2 peer review said, okay, the sampling design is almost
3 right, but there are a few extra -- instead of combining
4 the sample, as has been proposed here, we need to leave
5 them separate and that will lead to additional costs in
6 terms of sampling those separated samples. In other words,
7 in essence, more samples.

8 So we sat down and we said all right, we're
9 getting down to a Trustee Council meeting where the money
10 will be allocated, will be voted, we need to know exactly
11 what you mean by this, we need to have those samples costed
12 out, we want to know what it's going to cost to do that.
13 And so we got an estimate from a company that does this and
14 that number increased by \$15,000, so we went from \$77,000
15 to \$136,000 to \$151,000 as a result of the peer review
16 process. However, we do not have a contract in hand that
17 addresses the \$151,000 in costs for FY04, the contract we
18 have in hand addresses only \$136,000 in anticipated FY04
19 costs.

20 So to get to your second question, that
21 would be worked out between me, as the Science Director,
22 and the contractor. The details of that, I will be advised
23 by Dr. Spies and by the Lingering Oil Subcommittee in the
24 matter of the sampling design. I would stress that the
25 relations with the contractor in this case are completely

1 amicable, we are working out details. We're providing
2 information to them, they're responding to the information,
3 so everything is going well here, we just need some more
4 money.

5 MR. FREDIKSSON: Thank you, Phil.

6 CHAIRWOMAN PEARCE: I have just a numerical
7 question. I look at the project description and your
8 number for fiscal year '04 was 76,679, which you want to
9 increase to 151,000. And I look back at the resolution
10 page and the number for fiscal year '04 was 79,679, which
11 of those two number is the correct number for what we had?

12 DR. MUNDY: Madam Chair, I'll turn that
13 over to Paula Banks.

14 MS. BANKS: It was 79,000, Madam Chair.

15 DR. MUNDY: Seventy-nine thousand, so
16 apparently there was a typo in the -- but I did check the
17 numbers this morning and the number in the contract that we
18 have in hand, the revised contract, is \$136,000 and to that
19 we want to add 15.

20 MS. LISOWSKI: Madam Chairman.

21 CHAIRWOMAN PEARCE: Yes, you have the
22 floor.

23 MS. LISOWSKI: I'm having trouble tracking
24 how the increases that Dr. Mundy is proposing relate to the
25 additional amounts that Mr. Tillery indicated he was

1 proposing in addition for the sediment analysis. Is this
2 something in addition to the \$75,000 that he discussed in
3 his introduction regarding the Department of Law
4 recommendation?

5 MR. TILLERY: Madam Chair, this is Craig.

6 CHAIRWOMAN PEARCE: Mr. Tillery.

7 MR. TILLERY: Dr. Mundy is simply providing
8 us a detailed and a more precise statement of what I said
9 generally, so his numbers are correct. And I've talked to
10 the contractor also and they're comfortable with this.

11 CHAIRWOMAN PEARCE: Okay. But in terms of
12 actual numbers, as I understand the original resolution,
13 before Dr. Mundy making this proposed change, the original
14 resolution would have us allocating or expending or
15 disbursing 1,677,500 and then he is now asking us to add an
16 additional amount of 71,750, am I correct?

17 DR. MUNDY: Madam Chair, I believe the
18 additional amount relative to the amount that's in the
19 resolution should be \$90,000. The first increment was
20 approximately \$75,000 and the second increment was \$15,000,
21 so the increment here would be roughly \$90,000. So those
22 are the additional requirements relative to the comments of
23 the peer reviewers.

24 MR. BALSIGER: Madam Chair, this is Jim
25 Balsiger.

1 CHAIRWOMAN PEARCE: Dr. Balsiger.

2 MR. BALSIGER: I thought I was following
3 this exactly, but if the resolution has 79,600 and we get
4 an additional 90,000, I thought we were only getting to
5 151,000 for that first year, so somehow I've gone from -- I
6 don't track your 90,000, I thought we only needed about
7 71,000 or so. I must have missed something in there.

8 CHAIRWOMAN PEARCE: Dr. Mundy.

9 DR. MUNDY: Yes, Madam Chair, I'm at the
10 moment doing some of the back of the envelope arithmetic
11 here. Again, I'm working with the -- these are the figures
12 that I'm working with. The original FY04 for the 772
13 proposal was approximately \$80,000, and that's from the
14 resolution and not from my sheet. My sheet has a typo or a
15 mistake in it. Paula Banks confirms that the original
16 contract request from Day for FY04 was for 79,679 as it
17 states in the resolution, okay?

18 Now, in response to peer reviewer comments
19 Integral Consulting came back and said that they needed
20 approximately, and again I'm working from the figures that
21 I negotiated with the contractor, I'm not looking at their
22 budget at this time, so they came back and they said they
23 needed approximately \$75,000 in addition.

24 On the second round of peer review they
25 said they -- we decided that it was an additional \$15,000

1 in sampling costs, sampling analysis costs, would be added.
2 So from that I have 80,000, 75,000 and 15,000 for FY04,
3 which makes \$170,000. If you add to the \$170,000, \$57,000
4 you get \$227,000, which is substantially different from the
5 numbers that I earlier gave you.

6 MR. BALSIGER: (Phone cut out) thousand
7 dollar difference, but I.....

8 DR. MUNDY: Okay. And I have no -- okay.
9 I'm checking through the -- and it may be that simply the
10 -- Paula has gone to check on this, but it may be that the
11 number, the \$75,000 number, that I have from my discussions
12 with the contractor -- okay, so we have some better
13 information now, Madam Chair. May I call on Mr. Huber?

14 CHAIRWOMAN PEARCE: Yes. Mr. Huber,
15 please.

16 MR. HUBER: Madam Chairman, the original
17 submission from Integral for the Project 772 was 79,679.
18 After the first round of peer review their proposed FY04
19 budget went up to 136,000, so it's an increment of 56,300.

20 DR. MUNDY: Okay.

21 MR. HUBER: After the second round now
22 Dr. Mundy is suggesting another 15,000, added to the
23 \$56,000, so it would take a total allocation for '04 and
24 05, for the entire resolution, if it's approved as
25 suggested, would be \$1,677,700.

1 DR. MUNDY: Okay. Madam Chair, so the
2 problem was my memory and that's the \$75,000 figure, then
3 the numbers that I did give you, the 136 for FY04, the 57
4 for FY05 and the 208 for the total, those numbers are
5 correct.

6 CHAIRWOMAN PEARCE: Okay. Mr. Huber, I was
7 with you all the way through the 1,677,000 and then I had
8 500 you had 700, but I think it's probably not worth
9 quibbling over.

10 MR. BALSIGER: I had 500 as well.

11 CHAIRWOMAN PEARCE: So then we have a
12 motion where we would on 04-0772 the '04 amount would
13 change to 151,000 and the '05 amount would change to 57,000
14 and all the other numbers on that resolution stay the same;
15 is that correct? Other than the total funding numbers at
16 bottom will have to be adjusted.

17 MR. TILLERY: Madam Chair, this is Craig
18 Tillery. Yeah, I think if we make -- and, Brett, tell me
19 are those the right numbers to put in for that project?

20 MR. HUBER: One fifty-one.....

21 MR. TILLERY: And 57?

22 MR. HUBER:and 57.

23 MR. TILLERY: Okay. If we make those two
24 changes, and I think you could just make the motion,
25 without having to go through the math here, that the

1 numbers on the distribution would be adjusted accordingly,
2 because that's simply sort of a mathematical exercise.

3 CHAIRWOMAN PEARCE: Okay. Fine. Are there
4 any questions about any of the actual projects, not so much
5 the numbers, but the projects themselves that we're
6 approving, for Dr. Mundy?

7 (No audible response)

8 CHAIRWOMAN PEARCE: Okay. Is there any
9 questions at all?

10 (No audible response)

11 CHAIRWOMAN PEARCE: If not, do we have a
12 motion?

13 MR. FREDIKSSON: Madam Chairman, this is
14 Kurt Frediksson at Environmental Conservation, I'd move
15 resolution 04-07 with the correct for Project 04-0772, such
16 that for FY04 the amount would be 151,000 and for FY05 the
17 amount be 57,000 and then total through the resolution be
18 adjusted accordingly.

19 CHAIRWOMAN PEARCE: Is there a second?

20 MR. DUFFY: Second. This is Kevin.

21 CHAIRWOMAN PEARCE: We have a motion.....

22 MR. TILLERY: Madam Chair.

23 CHAIRWOMAN PEARCE:we have a second;
24 is there discussion?

25 MR. TILLERY: Madam Chair, this is Craig

1 Tillery.

2 CHAIRWOMAN PEARCE: Mr. Tillery.

3 MR. TILLERY: One other change to the
4 version that you have in your packet. At the very bottom
5 when it talks about the contract to Integral Consulting, it
6 says FY04, due to the fact that the fast track legislative
7 budget got on the siding for a while, that needs to be
8 FY04-05. We're still not signed.

9 CHAIRWOMAN PEARCE: Mr. Fredriksson, would
10 you accept that as a friendly amendment?

11 MR. FREDIKSSON: I would, thank you.

12 CHAIRWOMAN PEARCE: Is there any other
13 discussion?

14 (No audible response)

15 CHAIRWOMAN PEARCE: If not, Cherri, would
16 you please call the roll?

17 MS. WOMAC: Jim Balsiger.

18 MR. BALSIGER: Yes.

19 MS. WOMAC: Kevin Duffy.

20 MR. DUFFY: Yes.

21 MS. WOMAC: Drue Pearce.

22 CHAIRWOMAN PEARCE: Yes.

23 MS. WOMAC: Maria Lisowski.

24 MS. LISOWSKI: Yes.

25 MS. WOMAC: Craig Tillery.

1 MR. TILLERY: Yes.

2 MS. WOMAC: Kurt Frediksson.

3 MR. FREDIKSSON: Yes.

4 CHAIRWOMAN PEARCE: The fiscal year '04

5 Work Plan - Phase III projects have been approved, the

6 money has been allocated.

7 That brings us to the end of the agenda.

8 Are there any additional items to come before us?

9 (No audible response)

10 CHAIRWOMAN PEARCE: Executive Director.

11 MS. PHILLIPS: Thank you, no, Madam

12 Chairman, but I appreciate everybody being on line and look

13 forward to hearing and seeing you on the meeting on the

14 19th.

15 CHAIRWOMAN PEARCE: Any additional comments

16 by any of the Trustees?

17 (No audible response)

18 CHAIRWOMAN PEARCE: If not, I would

19 entertain a motion to adjourn.

20 MR. DUFFY: This is Kevin, motion to

21 adjourn.

22 MS. LISOWSKI: Second.

23 CHAIRWOMAN PEARCE: We have a motion, we

24 have a second, hearing no opposition, we are adjourned.

25 Thank you, everybody.

1

(Off record - 9:34 a.m.)

1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)

3) ss.

4 STATE OF ALASKA)

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

8 THAT the foregoing pages numbered 4 through 49
9 contain a full, true and correct transcript of the Exxon
10 Valdez Oil Spill Trustee Council's Meeting recorded
11 electronically by me on the 14th day of May 2004,
12 commencing at the hour of 8:34 a.m. and thereafter
13 transcribed by me to the best of my knowledge and ability.

14 THAT the Transcript has been prepared at the
15 request of:

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

18 DATED at Anchorage, Alaska this 17th day of May
19 2004.

20 SIGNED AND CERTIFIED TO BY:

21

22

23 Joseph P. Kolasinski
24 Notary Public in and for Alaska
25 My Commission Expires: 03/12/08

