

09.24.02

RECEIVED

MAR 04 2010

**EXXON VALDEZ OIL SPILL
TRUSTEE Council**

1 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
2 Public Meeting
3 Friday, February 26, 2010
4 10:00 o'clock a.m.
5 441 West 5th Avenue, Suite 500
6 Anchorage, Alaska
7 TRUSTEE COUNCIL MEMBERS PRESENT:
8 U.S. DEPARTMENT OF INTERIOR: MR. PATRICK POURCHOT
9 (CHAIR) MR. KIM ELTON
10 Senior Advisor
11 STATE OF ALASKA - DEC: MR. LARRY HARTIG
12 Commissioner
13 STATE OF ALASKA - DEPARTMENT MR. TOM BROOKOVER for
14 OF FISH AND GAME: Commissioner Lloyd
15 STATE OF ALASKA - MR. CRAIG TILLERY for
16 DEPARTMENT OF LAW: MR. DANIEL SULLIVAN
17 (TELEPHONICALLY)
18 U.S. DEPARTMENT OF COMMERCE, MR. CRAIG O'CONNOR for
19 National Marine Fisheries Svc: MR. JAMES W. BALSIGER
20 Administrator, AK Region
21 U.S. DEPARTMENT OF AGRICULTURE, MR. STEVE ZEMKE for
22 U.S. FOREST SERVICE MR. JOE MEADE, Supervisor
23 Proceedings electronically recorded, then transcribed by:
24 Computer Matrix Court Reporters, LLC, 135 Christensen Dr.,
25 Suite 2, Anchorage, AK 99501 - 243-0668

1 STAFF PRESENT:

2 ELISE HSIEH	Executive Director
3 CHERRI WOMAC	Associate Coordinator
4 CATHERINE BOERNER	Science Coordinator
5 MICHAEL SCHLEI	Data Systems Manager
6 LINDA KILBOURNE	Administrative Specialist
7 CARRIE HOLBA	ARLIS Librarian
8 CAROL FRIES	DNR
9	(TELEPHONICALLY)
10 DEDE BOHM	USGS
11 DAWN COLLINGSWORTH	USDA
12 LAUREL JENNINGS	NOAA

1	TABLE OF CONTENTS	.
2	Call to Order	03
3	Approval of Agenda	04
4	Approval of January 13, 2010 Minutes	07
5	Public Advisory Committee Comments	
6	PUBLIC COMMENT	
7	KENNETH ADAMS	07
8	Executive Directors Report	12
9	Modification of Lease Space	13
10	Comments on NEPA Meetings by Mr. O'Connor	16
11	Projects 10100750 and 10100808 Amendments	17
12	Habitat Protection Projects	23
13	Adjournment	30

1 P R O C E E D I N G S
2 (Anchorage, Alaska - 2/26/2010)
3 (On record - 10:00 a.m.)
4 CHAIRMAN POURCHOT: So why don't we come to
5 order and I think we have a quorum. Maybe the people on
6 the teleconference could introduce themselves as to who's
7 there.
8 MR. ZEMKE: Yeah, this is Steve Zemke, U.S.
9 Department of Agriculture, Chugach National Forrest
10 Trustee.
11 MR. O'CONNOR: Craig O'Connor from NOAA and
12 I have Laurel Jennings with me.
13 MS. COLLINSWORTH: This is Dawn
14 Collinsworth, USDA General Counsel's Office.
15 CHAIRMAN POURCHOT: And here in Anchorage
16 this is Pat Pourchot, I'm the official alternate for Kim
17 Elton with the Department of Interior Secretary's office.
18 MR. HARTIG: Larry Hartig, Department of
19 Environmental Conservation.
20 MR. TILLERY: And Craig Tillery, Department
21 of Law.
22 MR. BROOKOVER: And Tom Brookover with
23 Department of Fish and Game.
24 CHAIRMAN POURCHOT: Well, we do have an
25 agenda and I guess I would first ask if there were any

1 additions or corrections to the agenda. If that order
2 meets with the desires of the council.

3 MR. HARTIG: I'll move to approve the
4 agenda as presented.

5 MR. ZEMKE: I had -- this is Steve Zemke.
6 I had one question. Normally we have Public Advisory
7 Committee comments on the agenda and I didn't see them this
8 time.

9 MS. HSIEH: I believe we only have the
10 Public Advisory Committee comments when we've had a Public
11 Advisory Committee meeting, which we haven't had in the
12 interim since our last meeting.

13 CHAIRMAN POURCHOT: Other questions on the
14 agenda? Is there any discussion on the motion to approve
15 the agenda?

16 MS. HSIEH: I believe Carol Fries may be
17 giving, if anything, a brief briefing on habitat, but I
18 don't believe she'll have any action items for today.

19 CHAIRMAN POURCHOT: So would that fall
20 under any habitat matters?

21 MS. HSIEH: Yes.

22 CHAIRMAN POURCHOT: Okay. Well, we'll
23 expect maybe a report from Carol then?

24 MS. HSIEH: I -- possibly.

25 CHAIRMAN POURCHOT: Okay. Oh, hi Carol.

1 Are we expecting a report from you?

2 MS. FRIES: Just a very brief -- I'll
3 provide you with a brief update of where we are.

4 CHAIRMAN POURCHOT: Great. Other --
5 further questions, additions? If -- any objections to the
6 agenda? If not, the agenda is approved.

7 MR. O'CONNOR: No objections.

8 CHAIRMAN POURCHOT: Thanks so much. The
9 first item is the authorization to increase lease remodel
10 costs. Oh, I'm sorry. Maybe I better get on the right
11 agenda. Yeah.

12 MR. ADAMS: Hello?

13 CHAIRMAN POURCHOT: Okay. So we are.....

14 MR. ADAMS: Hello?

15 CHAIRMAN POURCHOT: Hello. Yes, go.....

16 MR. ADAMS: Is there a public comment
17 today?

18 CHAIRMAN POURCHOT: Yes. We are at that
19 stage for -- well, yeah. What about the approval of the
20 minutes from the last -- did people get.....

21 MR. TILLERY: Mr. Chairman, I move that we
22 approve the meetings notes from January 13th.

23 MR. BROOKOVER: Second.

24 CHAIRMAN POURCHOT: It's been moved and
25 seconded for the approval of the minutes. I think those

1 are in the packet. Any comments or additions to the
2 minutes? Any discussion of the motion to approve the
3 minutes?

4 (No audible responses)

5 CHAIRMAN POURCHOT: If not, if there's no
6 objections, the minutes for January 13th, they're approved.
7 I guess that does bring us to the public comment period.
8 Are there members of the public that wanted to comment on
9 anything before the council?

10 MS. HSIEH: I think there's someone on the
11 telephone.

12 MR. ADAMS: Hello? Sir?

13 CHAIRMAN POURCHOT: Yes, anybody online?

14 MR. ADAMS: Yes, sir. My name is Kenneth
15 Adams. I'm in Cordova. I would like to make some
16 comments.

17 CHAIRMAN POURCHOT: Yes, please proceed.
18 Yes, sir.

19 MR. ADAMS: I'm sorry, I didn't hear what
20 you said.

21 CHAIRMAN POURCHOT: Yeah, we would welcome
22 your comments at this time.

23 MR. ADAMS: Okay. I'm the only one from
24 the public?

25 CHAIRMAN POURCHOT: Yes, sir.

1 MR. ADAMS: Wow, this is a great honor.
2 Well, any case, I want to wish you a good morning to all.
3 My name is Kenneth Adams, I'm a fisherman and resident of
4 Cordova and I want to thank the council for the opportunity
5 to comment at the meeting of the Trustee Council
6 representative and his staff that was held in Cordova on
7 the 18th of this month. The topic of the Trustee Council
8 future is of much importance to those of us who were
9 impacted by EVOS and we take this matter seriously. I'd
10 like to refer to those comments this morning and also
11 present them to you in hard copy format. Nothing like
12 having a hard copy to refer to.

13 I'd like to call to the attention of the
14 council that I and a partner, Mr. Ross Mullins, along with
15 our scientist collaborators have had extensive experience
16 with the Trustee Council. Beginning in the year 2002 and
17 ending in 2006, we submitted a series of five consecutive
18 proposals that was supported by the council. Our intention
19 was to utilize the results of the Sound Ecosystem
20 Assessment, the SEA project that was funded by the council,
21 and to work to improve the status of the Prince William
22 Sound fisheries. You may recall in your 1994 Restoration
23 Plan the importance of restoration of the oil spill
24 impacted fisheries was acknowledged.

25 I bring this to your attention to emphasize

1 the fact that we are not newcomers and our more than five
2 years of experience has granted some insight into the
3 Trustee Council process. And I'll present a brief list of
4 topics that I believe merit some attention.

5 Number one -- and I'll be brief. I won't
6 drag on with this very long. But number one topic is
7 lingering oil. Despite the ongoing lack of recovery of
8 some species impacted by EVOS, the presence of oil remains
9 in beaches at Prince William Sound and the reopener claim
10 submitted to Exxon is worthy of their funding. Exxon
11 should bear the burden, not the Trustee Council's reserve.
12 There are other topics that should be addressed with the
13 restoration reserve account.

14 Number two, the Trustee Council
15 administration costs. This cost has reportedly been as
16 high as two million dollars annually. I believe this is
17 too expensive and other usages of the restoration reserve
18 is more worthy.

19 Topic number three, the perceived Trustee
20 Council phase-out. I agree with this intention and we
21 discussed this at the Cordova meeting. The Trustee Council
22 over the years has accomplished a variety of results; some
23 good and some not so good. The council has been
24 inconsistent at times and at times very clearly politically
25 driven. And we feel that a new entity needs to be created

1 or adopted to manage the ongoing restoration needs.

2 Item number four. Item number four is long
3 term monitoring. In various -- (coughs) -- excuse me. In
4 various council reports there have been references to the
5 lack of an ongoing ecosystem database to distinguish
6 between natural and anthropogenic causes of change. I
7 believe a mini-GEM program should be undertaken to address
8 this longed for but not accomplished goal. I especially
9 believe an ongoing zooplankton monitoring program in Prince
10 William Sound would be of value, much value regarding
11 improvement of our understanding of the ecosystem function
12 of Prince William Sound and also an aid to fisheries
13 management and recovery, salmon and herring especially.

14 Number five, regional concerns. I believe
15 Prince William Sound should be the main focus of future
16 monitoring, research and restoration activities. PWS was
17 the -- was -- and this region's stakeholders were the most
18 directly impacted of any region by EVOS. Every outgoing
19 crude oil tanker continues to threaten Prince William Sound
20 and potential oil spills.

21 And lastly, just a comment about herring
22 restoration. This topic is of much importance to the
23 Prince William Sound ecosystem and of course the fishermen
24 and communities dependent upon the harvests of the species.
25 An ongoing herring restoration program is worthy of funding

1 but should not be the sole usage of restoration reserve
2 revenues as mentioned above.

3 I thank you for the opportunity to present
4 these comments. This is a matter of great importance, I
5 think, to us. And even though we don't have many members
6 of the public, I think the sentiment is still strongly in
7 support of having a monitoring and restoration program,
8 especially here in Prince William Sound. So I thank you
9 again for the opportunity to comment and I'll sign off.
10 Thank you very much.

11 CHAIRMAN POURCHOT: Mr. Adams, thank you
12 for your comments. Are there any questions by council
13 members?

14 (No audible responses)

15 CHAIRMAN POURCHOT: If not, thank you
16 again. And we do have copies of your written testimony
17 before us. Anybody else in the audience? I'm sorry.
18 Anybody else in the audience here wishing to testify before
19 the council?

20 (No audible responses)

21 CHAIRMAN POURCHOT: Well, thank you. Elise
22 and.....

23 MR. ADAMS: Thank you, Mr. Chairman and
24 council members. I'll be clear.

25 CHAIRMAN POURCHOT: Thank you very much.

1 MR. ADAMS: Good day. Thank you.

2 CHAIRMAN POURCHOT: Thank you. Elise,
3 Executive Director Report.

4 MS. HSIEH: We -- Craig O'Connor, Linda
5 Kilbourne from our office, Laurel Jennings with NOAA and I
6 attended three public meetings last week in Anchorage and
7 Cordova and Homer. I believe Craig O'Connor is going to
8 give a brief summary of those meetings. And also, in case
9 anyone -- I also have typed up each of the public comment.
10 They were -- there was about four people in Homer, maybe 15
11 -- up to 15 people here in Anchorage and maybe 20, 25
12 people in Cordova. The people who attended are -- were
13 mostly people who have had experience with EVOS as PIs,
14 people interested in funding, received funding in the past,
15 currently receiving funding. And very helpful comments
16 regarding support for the five focus areas for long term
17 monitoring, some different discussions about the use of the
18 funds. And Craig O'Connor I think will briefly touch on
19 that as well.

20 CHAIRMAN POURCHOT: Questions? Anybody
21 online, questions for the Executive Director?

22 (No audible responses)

23

24 CHAIRMAN POURCHOT: Okay. Thank you.

25 Before we get to that, are we then going to the lease

1 remodel?

2 MS. HSIEH: Yeah.

3 CHAIRMAN POURCHOT: So do you want to
4 present that?

5 MS. HSIEH: Yeah. As the trustees know,
6 we've been attempting to cut our office space here in -- I
7 think at least 40 percent reduced. We worked through GSA,
8 Dede Bohn, one of our liaisons, has been very helpful, but
9 it is a very sort of laborious process, which we finally
10 are getting off the ground. Initially the Trustee Council
11 authorized up to \$30,000 for moving and remodeling costs.
12 We've gotten the bids back for the remodeling and they came
13 in at \$30,336, or something to that effect. So in order to
14 go ahead and put those work orders through to the next
15 federal step, which is a bunch of letters which I can't
16 remember, I'm asking today for authorization of up to
17 \$33,000. So that would actually -- includes the \$30,000
18 you already authorized, so it's increasing in \$3,000 to
19 give some flex room for those bids, and the construction,
20 which I'm very much hoping it will take place in the month
21 of March. That still leaves, for the remainder of this
22 lease, which would then be extended, so there would be
23 additional savings that still would create a savings of
24 probably -- well, it was \$65,000, 65 to \$70,000 if it was
25 done by the end of February. So if it's done by the end of

1 March, probably still substantial savings on the remaining
2 term of this lease. And then this lease would then most
3 likely continue on to the end of federal fiscal year 2013,
4 which would mean additional savings as well by cutting our
5 office space down drastically.

6 So that is the resolution and that is what
7 it will cost. Is there any questions?

8 CHAIRMAN POURCHOT: Any questions of the
9 Executive Director or is there a motion to start the
10 discussion of the.....

11 MR. TILLERY: Mr. Chairman.

12 CHAIRMAN POURCHOT: Mr. Tillery.

13 MR. TILLERY: I would move that the council
14 authorize an additional \$3,000 in previously disbursed
15 funds from Project 10100100, the EVOS administrative
16 budget, to be used for the remodeling costs.

17 CHAIRMAN POURCHOT: Is there a second to
18 the motion?

19 MR. HARTIG: I'll second.

20 CHAIRMAN POURCHOT: Mr. Hartig seconds.
21 Discussion on the motion to approve the increase of the
22 authorization for the lease costs? And discussion from
23 those online?

24 (No audible responses)

25 MR. O'CONNOR: I would move its approval,

1 Mr. Chairman.

2 CHAIRMAN POURCHOT: We did a motion for the
3 approval. Do you have roll call votes or voice votes or
4 without objection?

5 MS. HSIEH: I'm going to assume without
6 objection.

7 MR. TILLERY: Without objection unless it's
8 a.....

9 CHAIRMAN POURCHOT: Okay.

10 MR. TILLERY:kind of a bigger.

11 MS. HSIEH: Right.

12 CHAIRMAN POURCHOT: Is there.....

13 MS. HSIEH: There's one last comment.

14 There will be moving costs associated with this shift but
15 we're going to move out a lot of furniture to surplus and
16 break down furniture and also move things to ARLIS. But I
17 believe we can -- we have other line items in our budget
18 that I believe I have the authorization to use those funds
19 for our moving. So I don't believe I have to ask for
20 additional funds at this time for that.

21 CHAIRMAN POURCHOT: Is there any objection
22 to the motion to increase the authorization for the lease
23 costs?

24 (No audible responses)

25 CHAIRMAN POURCHOT: Without objection then,

1 the motion as stated by Mr. Tillery is approved. And I
2 guess now we would return to further comments by Mr.
3 O'Connor on the February NEPA meetings.

4 MR. O'CONNOR: Yeah, thank you, Mr.
5 Chairman. Elise pretty well gave an overview of
6 attendance. I think that I for one was surprised, although
7 I'm not quite sure how to react to the minimal attendance
8 at the meetings. I would say that at this stage at least
9 the general responsiveness of those attending has been
10 positive. Some issues were raised with regard to
11 allocation of money among the various categories that we're
12 looking at for our future focus. But otherwise, I heard
13 certainly -- thus far I've heard no significant objection
14 or suggestions for different courses of action in that
15 which we're proposing. The next gatherings will be the
16 middle of this -- the middle of March. We'll be going to
17 Seward, Valdez and Kodiak. And that will be completing the
18 public hearing process of the NEPA supplemental EIS effort
19 that we're engaged in. And by the end of, I guess April
20 1st is the cutoff for public comments, so any other
21 comments that may come in, that will be the end of it. And
22 we've already begun the process of assimilating those
23 comments as Elise had indicated, working with Laurel in my
24 office. And we will be moving along a pace with the goal
25 in mind, which is not without reason to believe that we

1 won't accomplish it. We're going to get this done by
2 October 1st. So, unless we hit some big bump in the road,
3 and I don't see any at this point. So things are going
4 well. That's the end of my report.

5 CHAIRMAN POURCHOT: Thank you, Mr.
6 O'Connor. Questions by council members? Any questions
7 online?

8 (No audible responses)

9 CHAIRMAN POURCHOT: None. Thank you very
10 much.

11 MR. O'CONNOR: You bet. Thank you.

12 CHAIRMAN POURCHOT: Thank you. And now I
13 guess we have some project amendments. Ms. Bohn or -- is
14 going to present those.

15 MS. BOHN: Yeah, this is Dede Bohn online
16 for the USGS. I have two project amendments for your
17 consideration today. Both of these involve further work to
18 look at what we think is a recent increase in the number of
19 sea otters at Northern Knight Island. That was one of the
20 sites that was heavily oiled from the spill and where we
21 have previously been documenting recovery of sea otters
22 have (indiscernible - phone cut out).

23 So the first amendment request is for
24 Project 10100750, and that's a project which is looking to
25 evaluate recovery and restoration of injured nearshore

1 resources in Prince William Sound. Under this project
2 you've already funded us to provide an estimate of the
3 abundance of sea otters in western Prince William Sound
4 using a single aerial survey. And you funded this for the
5 next three summers. Under this amendment that I'm bringing
6 to you today, we're requesting to add funding this coming
7 summer to perform three to five replicate surveys of sea
8 otters at the heavily oiled Northern Knight Island site.
9 And we want to do this so that we can compare with similar
10 studies we've performed previously under previous years.
11 Because the density of sea otters at the study site is low,
12 we have to do replicate surveys in order to get precise and
13 unbiased estimates of the abundance that would be
14 comparable to previous estimates we obtained using the same
15 methodology. We'd expect to have results of the 2010
16 estimated population numbers to you by December of 2010.
17 And the cost of doing these replicate surveys for this
18 summer and to analyze the data is 20,700. That's our total
19 request. That includes G&A and USGS is going to waive any
20 associated project management fee.

21 Do you have any questions or want to talk
22 about this amendment further or you want me to go on to the
23 second one?

24 CHAIRMAN POURCHOT: Are there any questions
25 at this stage from council members? Mr. Hartig.

1 MR. HARTIG: Yeah. Thank you, Mr.
2 Chairman. Dede, this is Larry Hartig for DEC. I just had
3 a question on whether this is a one-time monitoring effort
4 or would we be looking at additional field surveys needed
5 in the future, or do we know?

6 MS. BOHN: This current request is just for
7 one time to see how it meshes. If we get these results and
8 under our second amendment we'll also have other results,
9 and then we would, if we needed to come back to you and it
10 looked like it warranted going back out there, we would do
11 so.

12 MR. HARTIG: Okay. Thank you.

13 MR. O'CONNOR: And De -- this is Craig, Mr.
14 Chairman, if.....

15 CHAIRMAN POURCHOT: Yes, sir.

16 MR. O'CONNOR: Dede, this is a continuation
17 of the work that we're doing on lingering oil and
18 responsive to recommendations that came out of the summary
19 report on where we stand on lingering oil studies at this
20 point; is that not true?

21 MS. BOHN: That's correct. Yes. This was
22 one of the recommendations.....

23 MR. O'CONNOR: Okay.

24 MS. BOHN:of that report.

25 MR. O'CONNOR: Alrighty. So I would

1 certainly believe it's important to move forward on this
2 particular study as well as the others. We're trying to
3 close -- reach conclusions with regard to some of the trend
4 information that we're getting. We were hoping to get out
5 this summer to keep moving forward on those -- on that
6 subject.

7 CHAIRMAN POURCHOT: Are there any.....

8 MS. BOHN: Okay. Do you want me to go to a
9 second one now?

10 CHAIRMAN POURCHOT: Yeah, I think the -- as
11 long as the -- the motion I think is tied together, so why
12 don't we just go to the second project seeking amendment.

13 MS. BOHN: The second one is, you know,
14 programmatically tied to the first. I mean, we're
15 basically trying to document or further understand is there
16 really a recent increase at Northern Knight Island in the
17 numbers of sea otters. And like Craig mentioned, this is
18 also a result or in response to a recommendation that was
19 provided to you in the lingering oil status report that you
20 received in January. For the second amendment request, is
21 for Project 10100808, which is the nearshore censuses on
22 sea otters and sea ducks. Under this existing project as
23 it stands now, there's a component for population modeling
24 of sea otters. And we've completed analyses using --
25 producing those model, using data that we've collected

1 through 2005. The data that we input in these models
2 includes things like ages at death, which we get based on
3 recovering carcasses in beach walks that we do a couple
4 times of year. We input ages of live animals and we get
5 that data based on captured otters that we do a number of
6 studies on. And then we also input abundance estimates
7 that we do from the aerial surveys like the ones I talked
8 about on the first amendment.

9 So overall the results of the models that
10 we have now that use data through 2005 show that there is a
11 continued depression of sea otter survival rates. But like
12 I have been mentioning, since 2007 we've noted an apparent
13 increase in the sea otter abundance at Northern Knight
14 Island. And we also now have four years of more recent
15 data like the things I talked about that -- today that we
16 can put into the model. And we're requesting this
17 amendment to rerun the model so we can update the results
18 and see what the more recent data would produce. This
19 would give us the ability to determine if the sea otter
20 survival rates are returning to pre-spill patterns and to
21 find out the factors that would explain the recent increase
22 in otter numbers.

23 For this amendment there is no field work
24 needed. What we're requesting are costs for updated
25 software to rerun the models and about one and a half

1 months of salary to rerun the models, analyze and prepare
2 the write-up of the results. If you fund this today we
3 think we could get a draft final report back to the council
4 by around May 1st. The cost of doing this work is 15,900
5 and that includes G&A. And once again, we're going to
6 waive any associated project management fee. Any questions
7 on this one?

8 CHAIRMAN POURCHOT: Any questions of Ms.
9 Bohn on either project and the amendments? Questions
10 online?

11 (No audible responses)

12 MR. O'CONNOR: I have no questions, Mr.
13 Chairman. This is O'Connor, but I would strongly urge that
14 we move forward in both of these projects that are of
15 critical importance.

16 CHAIRMAN POURCHOT: Is there a motion to
17 adopt? Mr. Tillery.

18 MR. TILLERY: Mr. Chairman, I would move
19 that we adopt Resolution 10-04 for authorization of
20 additional funds for Projects 10100750-A and 10100808 as
21 contained in the packet of materials that we have providing
22 a total of \$36,624 to the USGS in order to carry out those
23 projects.

24 CHAIRMAN POURCHOT: Thank you. Is there a
25 second?

1 MR. O'CONNOR: I second that.

2 CHAIRMAN POURCHOT: And it was seconded.

3 Further discussion on the motion to adopt? Is there any
4 objection to the motion to adopt the resolution as put
5 forward in the packet, Resolution 10-04?

6 (No audible responses)

7 CHAIRMAN POURCHOT: Then without objection,
8 that motion is approved and the resolution is adopted. We
9 now move to the habitat placeholder, I guess. Ms. Fries,
10 were you wanting to give a report?

11 MS. FRIES: Thank you. My name is Carol
12 Fries. I'm with the Department of Natural Resources and
13 I'm just going to provide you with a very brief status
14 report on a variety of the habitat protection projects that
15 are moving forward. Of particular note the Best parcel,
16 which was located in Safety Cove State Marine Park, closed
17 at the end of January, which was quite nice. BLM is
18 continuing to review the closing documents for the Capjohn
19 Native allotment, so that's moving forward. The Valdez
20 duck flats parcel, the closing documents are being reviewed
21 by the Forrest Service solicitor, so that's moved forward
22 another step. The Mutch-Jacobs parcel down on the Kenai
23 Peninsula is moving forward. That's a project that was
24 combined with a National Coastal Wetlands grant that was
25 administered through Fish and Game in partnership with The

1 Nature Conservancy and The Nature Conservancy is updating
2 the appraisal for that so that we can make sure that we
3 address all of the federal grant requirements. And of
4 particular note, we've received a new nomination for a very
5 attractive parcel located on the Kenai River. The
6 Conservation Fund has been working on a parcel located
7 about mile 8.75 on the river. It's composed of --
8 comprised of 45 acres. It has approximately 1400 feet of
9 river frontage. Fifty percent of the parcels are
10 significant wetlands and the rest of the property is
11 uplands and a slope discharge area. The property is one of
12 the few remaining undeveloped tracts of private land along
13 the Kenai River of significant size. And it's located
14 within the Kenai River special management area. So we hope
15 to bring that back to you in April for further
16 consideration.

17 The other item of note at this point in
18 time, the Port Graham effort being pursued by the National
19 Park Service has moved forward. The appraisal has been
20 reviewed and approved by the DOI Office of Evaluation
21 Service and the Park Service has presented the appraisal or
22 is in the process of presenting the appraisal and offers to
23 sell to the sellers. This parcel actually has two land
24 owners. The larger portion of this, approximately 2265
25 acres is owned by Port Graham Corporation, but within that

1 footprint, and this would be on the east side of Aialik
2 Bay, there is a five acre in-holding. So the Park Service
3 is working with two land owners. I think if you look at
4 the benefits report that was recently provided to you just
5 for information, I think you can -- the parcels that the
6 Park Service is working with are the two subject parcels on
7 the east side of Aialik Bay. And then the in-holding is in
8 the -- within, contained within the southernmost tract on
9 the east side of Aialik Bay. So the offers to sell are
10 being presented to the land owners and if those offers and
11 the appraised value is acceptable to the land owners, then
12 the Park Service will come back to you and request that the
13 Trustee Council approve and fund the acquisition of those
14 parcels. And we hope to bring this back to you in April.

15 The other project that is ongoing, the
16 discussions and negotiations with Ouzinkie continue to move
17 forward. Rocky Mountain Elk Foundation and American Land
18 Conservancy are working on that project with the state and
19 in coordination with Fish and Wildlife Service. And the
20 appraisal process is moving forward. There are issues that
21 have to be resolved before the appraisal contract is let,
22 but that -- that's moving in a positive direction.

23 CHAIRMAN POURCHOT: Any questions of Ms.
24 Fries? Questions online? Yes, sir.

25 MR. TILLERY: And Natives of Kodiak is on

1 the market then?

2 MS. FRIES: Oh, I'm sorry. Yes. The
3 parcel owned by Natives of Kodiak surrounding Portage Lake
4 that the Trustee Council has passed several resolutions
5 regarding, we have been working with Rocky Mountain Elk
6 Foundation and American Land Conservancy on that parcel.
7 Unfortunately the appraised value of that parcel did not
8 meet the expectations of the sellers and the sellers have
9 decided to place the property with a realtor, put it on the
10 open market and see what kind of a response they get. I
11 think both parties are willing to continue discussions, but
12 I think Natives of Kodiak feel that they have a fiduciary
13 responsibility to their shareholders and felt that they
14 needed to take this step.

15 MR. O'CONNOR: How much is that acquisition
16 going to cost us if it goes through at appraised value?

17 MS. FRIES: It was three million -- I
18 believe it was 3,450,000.

19 MR. O'CONNOR: How important is it to us?

20 MS. FRIES: I think it is -- it's a very
21 desirable piece of property and I think Natives of Kodiak
22 feel that it is a very desirable piece of property. I
23 think the appraisal has been reviewed and approved. It was
24 updated and reviewed and approved. I think there is a
25 fairly high level of confidence in the value that resulted

1 from the appraisal process. That said, I would say it is
2 an important parcel. We also have two federal grants in
3 play in that area. We are constrained to fair market
4 value.

5 CHAIRMAN POURCHOT: Further questions?

6 MR. ZEMKE: This is Steve Zemke. What's
7 the asking price for the parcel that they put up, do you
8 know?

9 MS. FRIES: 7.5 million.

10 CHAIRMAN POURCHOT: So you're close.
11 Further questions?

12 MR. O'CONNOR: I didn't hear Steve's
13 question, Mr. Chairman. What did he ask?

14 CHAIRMAN POURCHOT: Maybe you could repeat
15 that, Steve?

16 MR. ZEMKE: What was the asking price that
17 the Native of Kodiak were asking for the parcel.

18 MS. FRIES: The parcel.....

19 MR. O'CONNOR: And what was your
20 answer.....

21 MS. FRIES: Pardon me?

22 MR. O'CONNOR:Carol? What was your
23 answer, Carol?

24 MS. FRIES: I'm sorry. I believe the
25 parcel has been listed at 7.5 million. During the course

1 of discussions with Natives of Kodiak, I was not a party to
2 those discussions directly but I understand that we were
3 looking -- numbers were ranging between 5.5 and 6 million.
4 So there was still kind of a significant -- it was a
5 significant gap.

6 CHAIRMAN POURCHOT: And then the appraisal
7 again was?

8 MS. FRIES: 3,450,000.

9 MR. O'CONNOR: Well, my inclination would
10 be for us to turn our back on this parcel and look to spend
11 our money in other places.

12 MS. FRIES: Well, I think the parties have
13 agreed to let this -- Natives of Kodiak is going to allow
14 the property to be exposed on the open market. I think
15 they've listed it with a realtor who specializes in trophy
16 properties and I think at this point the parties are sort
17 of at different ends of the spectrum.

18 MR. TILLERY: Mr. Chairman.

19 CHAIRMAN POURCHOT: Mr. Tillery.

20 MR. TILLERY: I would say that my
21 inclination is not to turn our backs on this piece of
22 property but to -- as I think Carol is doing -- simply
23 monitor it. We have a price, we have an appraised price.
24 It's been validated by review appraisers, but I think we do
25 need to remain open. This piece of property, it is the

1 connecting point between eastern Northern Afognak and
2 western Northern Afognak, so in that extent is important
3 and, you know, if perhaps when the market will work on this
4 one and there will come a time when we can get closer.

5 CHAIRMAN POURCHOT: Further questions or
6 comments?

7 MR. ZEMKE: Yeah, I guess this probably
8 brings up why we need to maybe take a look more
9 comprehensively at all the available parcels, certainly
10 with, you know, the -- what we've heard today and, you
11 know, several, maybe tens of millions of dollars, even if
12 it's a small suite of projects. And I'm sure there's many
13 more out there, so hopefully the NOAA NOI process will help
14 bring some of that into focus.

15 MS. FRIES: Okay.

16 CHAIRMAN POURCHOT: Ms. Fries, thank you
17 very much.

18 MS. FRIES: Thank you.

19 CHAIRMAN POURCHOT: For the Executive
20 Director, I noticed that there was a star next to habitat
21 for an action item. I'm assuming that if there's actions,
22 it will be brought back in the April meeting. Well, that
23 concludes the regular agenda of this session. Is there
24 anything else by council members to be brought before the
25 council at this time? Anybody online? Any further

1 additions to the.....

2 MR. O'CONNOR: I have nothing, Mr.

3 Chairman.

4 MR. ZEMKE: I also have nothing at this
5 time.

6 CHAIRMAN POURCHOT: Thank you. I note that
7 there was an interest in an executive session. Is there
8 requirements of -- is there continued interest in that or
9 is there a need for a motion to adjourn to executive
10 session or.....

11 MR. TILLERY: Mr. Chairman, I am not aware
12 of a need for an executive session at this time.

13 MR. O'CONNOR: Nor am I, Mr. Chairman.

14 MR. ZEMKE: Nor am I.

15 CHAIRMAN POURCHOT: Very good. Anything
16 else to come before the council today?

17 MR. HARTIG: I move we adjourn.

18 CHAIRMAN POURCHOT: Any objection to -- is
19 there a second to the motion?

20 MR. TILLERY: Second.

21 CHAIRMAN POURCHOT: Any objection to the
22 motion to adjourn at this time?

23 (No audible responses)

24 CHAIRMAN POURCHOT: Without objection, we
25 stand adjourned. Thank you all.

1 (Off record - 10:43 a.m.)

2 (END OF PROCEEDINGS)

C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss.
STATE OF ALASKA)

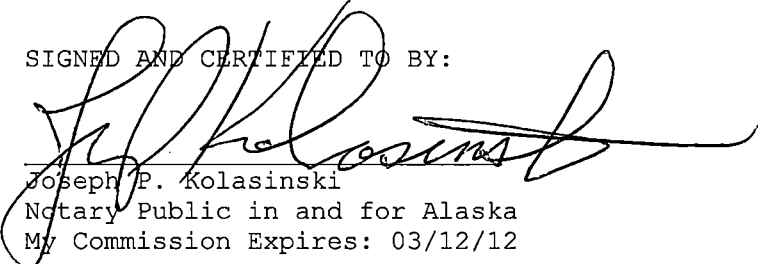
I, Joseph P. Kolasinski, Notary Public in and for
the state of Alaska and reporter for Computer Matrix Court
Reporters, LLC, do hereby certify:

THAT the foregoing pages numbered 4 through 31
contain a full, true and correct transcript of the Exxon
Valdez Oil Spill Trustee Council's Meeting recorded
electronically by Computer Matrix Court Reporters on the
26th day of February 2010, commencing at the hour of 10:00
a.m. and thereafter transcribed under my direction and
reduced to print:

THAT the Transcript has been prepared at the
request of:

EXXON VALDEZ TRUSTEE COUNCIL, 441 W. 5th
Avenue, Suite 500, Anchorage, Alaska 99501;
DATED at Anchorage, Alaska this 3rd day of March
2010.

SIGNED AND CERTIFIED TO BY:


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

