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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Public Meeting

Friday, February 11, 2011

10:00 o'clock a.m.

441 West 5th Avenue, Suite 500

Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

U.S. DEPARTMENT OF INTERIOR: MR. KIM ELTON

ATTORNEY GENERAL, DEPART OF LAW MS. JEN SCHORR

AK DEPARTMENT OF FISH & GAME MS. CORA CAMPBELL

U.S. FOREST SERVICE MR. STEVE ZEMKE

AK DEPT OF ENVIRO CONSERVATION MR. LARRY HARTIG

NOAA MR. CRAIG O'CONNOR

Proceedings electronically recorded, then transcribed by:

Computer Matrix Court Reporters, LLC, 135 Christensen Dr.,

Suite 2, Anchorage, AK 99501 - 243-0668

ELISE HSIEH

SAMANTHA CARROLL DNR

TERRI MARCERON USFWS

BARAT LAPORTE Patton Boggs

CHERRI WOMAC EVOS Staff

LINDA KILBOURNE EVOS Staff

JIM BALSIGER

MAX MERTZ Elgee Rehfeld & Mertz

CATHERINE BOERNER NATURA CONSULT.

DEDE BOHN USGS

KIRSTEN BIXLER OREGON STATE UNIVERSITY

DAVID IRONS USFWS

KEN ADAMS PWSFRAP

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P R O C E E D I N G S

(Anchorage, Alaska - 2/11/2011)

(On record)

CHAIRMAN ELTON: Okay. We're going to call a meeting, the EVOS Trustee Council Meeting for February 11th -- on Friday, February 11th to order. Elise, can you do a roll call for us?

MS. HSIEH: Cherri, did you do you want to do roll call? No? Okay. Craig O'Connor, are you on the line?

MR. O'CONNOR: Yes, I'm on the line.

MS. HSIEH: Good morning. Nice to hear your voice. Cora Campbell? Is Cora Campbell on the line?

CHAIRMAN ELTON: She.....

UNIDENTIFIED SPEAKER: She just said yes.

CHAIRMAN ELTON: No, there she is.

MS. HSIEH: Oh, okay. Thank you. We have Steve Zemke here in person. Larry Hartig and Kim Elton and Jen Schorr for the Department of Law.

CHAIRMAN ELTON: Okay. Item number two. This is Kim Elton by the way and I came in early so Elise tapped me as the federal chair today. Next item on the agenda is a consent agenda. Do we have a -- do we need a motion to approve the agenda? Okay. Can we get a motion to approve today's agenda?

MR. HARTIG: I'll move to approve.

MR. ZEMKE: Second.

MR. O'CONNOR: I'll second that, Mr. Chair.

CHAIRMAN ELTON: Okay. Thank you. Moved and seconded.

Is there any objection?

(No audible responses)

CHAIRMAN ELTON: Hearing no objection, the agenda is approved. Can we get a motion for approval of the minutes for November 2010?

MR. HARTIG: I'll move to approve.

MS. SCHORR: Second.

CHAIRMAN ELTON: Moved and seconded. Any objection?

(No audible responses)

CHAIRMAN ELTON: Hearing none, approval of the minutes has been approved. We're now on item number three of the agenda, public comment. Is there anybody in the audience that is here to comment publicly?

(No audible responses)

CHAIRMAN ELTON: Seeing none, is there anybody online?

MR. ADAMS: Just a moment, please. Just a moment, please. I'm a member of the public.

CHAIRMAN ELTON: Okay. I was just going to ask if there's anybody online.

MR. ADAMS: Yes, I'm online.

CHAIRMAN ELTON: Okay. Do you have a comment during public comment?

MR. ADAMS: Well, I have a question first.

CHAIRMAN ELTON: Yeah, can you identify yourself and your affiliation?

MR. ADAMS: Yes, I'm a former co-creator of an organization called PWSFRAP, P-W-S-F-R-A-P. That's Prince William Sound Fisheries Research Applications and Planning. and my collaborators, scientists and stakeholders collaborators formed that organization. And we have five years in experience dealing with the Trustee Council.

CHAIRMAN ELTON: I hate to interrupt. This is always awkward with teleconference, but your name is?

MR. ADAMS: My name is Kenneth Adams.

CHAIRMAN ELTON: Okay. Thanks, Kenneth. Go ahead.

MR. ADAMS: I'm just -- I've been away from the Trustee Council, to be honest. I've been about five years away, but we've had five years of experience and we learn something from our experience. And I just -- I don't know what your protocol is today regarding comment from the public. Is comment just restricted to the beginning of the meeting or at the end as well?

CHAIRMAN ELTON: The public comment -- the agenda that was just approved, Kenneth, is for public comment. At this point in time, our agenda says 10:15, but we're moving rather quickly. So we're a little bit ahead of schedule. So yes, this is the time for public comment.

MR. ADAMS: It's the only time?

CHAIRMAN ELTON: It's the only time.

MR. ADAMS: Okay. I'm not familiar with your agenda. So let me just make a brief comment, a very brief one. In '06 there was a movement within the state side representatives of the Trustee Council. And the intention was to (indiscernible) apart the Trustee Council, to make the monies in the restoration reserve and divide them between the state and the federal government. And (indiscernible) was attorney General Marquez, who was the attorney general under Frank Murkowski. He was going around and explaining a number of questions concerning the reopener clause and restoration fisheries, future restoration fisheries. In any case, there was such a strong turnout from Cordova, the Cordovans, the people who were mostly affected by the oil spill back in '89. And still we remain injured in terms of the herrings, which haven't recovered. So what the -- what transpired was a change in the pension of the Trustee Council in favor of restoration, a restoration type of -- for the herring. Putting pretty much all the eggs in that one basket. And some progress was being made in developing this plan, a restoration plan. And in that plan there were agency scientists, there were staff people from the Trustee Council and there were also stakeholders, people who knew Prince William Sound and the fisheries. And we made a good start in terms of developing a plan, a restoration plan. But there was also sort of a negative aspect of it and it

seemed like agency people, one particular agency, wanted to pull the strings. And the prospect of getting stakeholders involved, directly involved, that was eliminated. And I recall that even the executive director at the time, who was really in favor of participating with the public, with the stakeholders, that individual was squeezed and life was made difficult and that guy was -- that guy resigned. And there were other people and there was just sort of a bad attitude that went on in the Trustee Council. And it was basically top down decisions made without a fair participation from stakeholders. And I just bring that to your attention because the stakeholders are not being brought into the picture. And it may be just a continuation of the top down powers, quote/unquote, brought upon us by agency personnel. And that's -- and this is a big story here. It's a long story. And there's not anywhere near time to tell the whole thing. But I just want to bring this to your attention, that there is a place, there should be a place where stakeholder participation can develop in any program, any plan, especially restoration of resources that people here in this area depend for their livelihoods. And that's the basis of what I wanted to say.

CHAIRMAN ELTON: Kenneth, thank you very much. I'm going to not respond to the history, especially the history that predates me as a council member, but I would encourage you -- there has been a very public process that the council has

gone through on herring, reviewing herring and the herring restoration program. And if you email the staff here at the council I'm sure they be more than happy to share that with you. It went through a very public process including review by the science advisory folks. And so if you email them I'm sure they can get to you that herring study.

MR. ADAMS: Okay. Now let me just backtrack a little bit here. Who would I send comment to?

CHAIRMAN ELTON: The -- we may be getting a little bit ahead of ourselves. Why don't we send you the herring study and then you can determine whether or not you have comment on it. And I would say that that study has been thoroughly reviewed including a public review. So the comment period is done. But you can at least see what the product was.

MR. ADAMS: Yeah. I know that there is a plan. And I think it's about 270 pages long. Is that what you're referring to?

CHAIRMAN ELTON: I don't think it's 270 pages, because I would have remembered reading that many pages, but.....

MS. HSIEH: Chairman Elton?

CHAIRMAN ELTON: Pardon me?

MS. HSIEH: Ken, do you want me to respond to that?

CHAIRMAN ELTON: Yeah. Go ahead. Kenneth, we're going to have Elise read, you know, give you a few more details and maybe she can give you the email address or something.

MS. HSIEH: Yeah, Ken, you can go to our website and actually see our federal fiscal year 12 invitation which has attached to it the Integrated Herring Restoration Plan which is part of a long term 20-year herring program which is -- the proposals are due at March 1st. In addition, the Trustee Council in the last two years, there's one by year funding, funded over 13 million dollars based out of the Prince William Sound Science Center in Cordova for Herring Research. And the integrated herring restoration plan, which is appended to the invitation, was product out of the herring group that you speak of back around 2006. There's been many, many public meetings and discussion about that product and about the different restoration options and what the council was interested in pursuing in that area. And so you can take a look, all of those documents are on our website. You are also free to email myself or Cherri Womac and we can email the individual documents to you if that would assist you in your review.

MR. ADAMS: Excuse me.....

MS. HSIEH: Oh, mail.

MR. ADAMS: I just wanted.....

MS. HSIEH: Cherri's telling me that we usually mail you things in the mail.

MR. ADAMS: I just wanted to say that my reception.....

MS. HSIEH: So yeah.

MR. ADAMS: My reception on this end is very poor. And

if someone just give me an address, and address or a name that I can contact to follow up with this topic I would be -- I'd be -- I'd be content.

MS. HSIEH: We'll have Cherri Womac mail Ken Adams some materials. We're familiar with.....

CHAIRMAN ELTON: Did you hear that? Did you hear that, Kenneth?

MR. ADAMS: Yes, I heard Shirley [sic] Womac.

CHAIRMAN ELTON: Cherri Wo -- yeah, Cherri Womac.....

MS. HSIEH: Yeah, Che.....

CHAIRMAN ELTON:will -- will get the materials to you.

MS. HSIEH: Yeah, we will mail you some materials, Ken.

CHAIRMAN ELTON: Thank you, Ken. Ken.....

MR. ADAMS: Okay. Thank you very much.

MS. HSIEH: Thank you.

CHAIRMAN ELTON: Thank you, Ken, for your -- for your comments. Is there anybody else online from the public that wants to speak during the public comment portion of the agenda?

(No audible responses)

CHAIRMAN ELTON: Hearing none, we'll move on to agenda item number four, the executive director's report. Elise.

MS. HSIEH: I just wanted to extend a welcome to Cora Campbell, who will be sitting as a trustee for the Alaska Department of Fish & Game. Welcome, Cora. And also to Jen

Schorr, who will be the alternate for the attorney general John Burns. So welcome to both. And again, as I just mentioned, the next Trustee Council meeting should be around mid-April. You'll be receiving the federal fiscal year 12 proposals in around March 1st and at that next Trustee Council meeting the council would be reviewing who the preferred proposers are for the staff to then work with the final funding decisions in the fall of 2011. And that's just kind of a little forecast. That's it. Thanks.

CHAIRMAN ELTON: Are there any questions of Elise?
Cora or Craig?

MR. O'CONNOR: Who's going to take Jen's place as your deputy executive director?

MS. HSIEH: We -- Jen's been heavily involved in the habitat program and she'll continue those activities. So we actually won't really have a gap in her services. It'll just be transferred to the Department of Law which it has been in the Department of Law in the past as well with Alex Swiderski, so we're sort of going back to the -- back to the way it was.

MR. O'CONNOR: Okay.

MR. ZEMKE: This is Steve Zemke. I'd like to introduce Terri Marceron, our new forest supervisor in the Chugach National Forest and when we get official letter of delegation I'm sure she'll be happy to be sitting up in front of this table as the Department of Agriculture trustee.

CHAIRMAN ELTON: For Cora and Craig, she has a better smile than Steve does. Are -- are -- Cora, did you have any questions of Elise?

MS. CAMPBELL: No, sir.

CHAIRMAN ELTON: Any further questions here?

(No audible responses)

CHAIRMAN ELTON: No. We'll move on to agenda item number five, the 2010 agreed upon con -- services contract. Is -- Elise, is Max online?

MS. HSIEH: I.....

MR. MERTZ: Larry [sic], I'm here.

CHAIRMAN ELTON: Okay. Thanks, Max. Elise you want to kick this part of the agenda item off? Everybody has in their packet the letter of agreement that I think was prepared by Max and Elgee Rehfeld.

CHAIRMAN ELTON: We have -- at the last Trustee Council meeting, the Trustee Council authorized the transition from a standard audit to an agreed upon procedures contract with Elgee Rehfeld Mertz, which has been our auditor for many years based on a competitive bid process. They also requested the firm to produce a letter of engagement and an outline of the services for accepting a contract. That's what they had forwarded to us. The cost of the contract billed at 80 percent of their standard rates comes in under \$15,000. It looks at state and federal procedures for disbursement, unspent portions of the

projects and the process regarding timely return of those funds. Those are the areas that were identified by the staff and Trustee Council agency staff as needing additional review and this agreed upon procedures contract should review and target those transactions that need review the most and should be an efficient way to do that. So thank you, Max.

CHAIRMAN ELTON: Max, did you have any prepared comments on this before we open it up to questions?

MR. MERTZ: Maybe I'll just -- a couple of really brief things. When we met in the fall or when we were on the phone in the fall, a plan was laid out then. And I -- this plan isn't really any different from that. What we've done is just added some specificity to it and then tried to identify how much time we thought it would take and what the fee would be. In summary, we're looking at the flow of funds based on what you guys approved, the flow of funds out to the federal agency and the state agency and then the tracking of those dollars, those unspent dollars and returning those dollars that are unspent or at least using those to offset future disbursements. So the plan is that we'll start -- assuming you guys want to go forward with this on March 1 and we'll have this no -- done no later than June 30th, and hopefully earlier. And that's really all I had, Larry [sic].

CHAIRMAN ELTON: Is there -- are there -- let's start here in the room. Are there any questions for either Elise or

Max? Steve?

MR. ZEMKE: No, not at this time.

CHAIRMAN ELTON: Okay. Cora or Craig, any questions or comments?

MR. O'CONNOR: No, sir. Not from me.

CHAIRMAN ELTON: Cora?

MS. CAMPBELL: No, not from me.

CHAIRMAN ELTON: Okay. Thanks. Does this mean that we're prepared for a motion?

MR. ZEMKE: Okay. I'll move to approve entering into a agreed upon procedures contract for the 2010 audit with Elgee Rehfeld & Mertz for the amount of -- not to exceed \$60,187, which includes the nine percent general administration.

MR. HARTIG: I'll second.

CHAIRMAN ELTON: Moved and seconded. Is there any objection to the motion?

(No audible responses)

CHAIRMAN ELTON: Hearing none, the motion's adopted. Thank you, Max. I don't think we need you anymore.

MR. MERTZ: Well, you don't. Thank you, Larry [sic]. We'll talk to you later.

CHAIRMAN ELTON: We don't need you until March 1st anyway. Thanks, Max.

MR. MERTZ: All right. Bye-bye.

CHAIRMAN ELTON: We're to agenda item number six, a

review of the federal fiscal year 2011 lingering oil proposals.
And is Catherine going to be giving.....

MS. HSIEH: Catherine Boerner, I believe, is on the --
online. She can give a quick.....

MS. BOERNER: I am.

MS. HSIEH:summary of this -- a quick nutshell of
the three lingering oil projects in response to our federal
fiscal year 11 invitation.

CHAIRMAN ELTON: Catherine, it's -- you've got the
floor.

MS. BOERNER: Okay. Good morning. As Elise said, we
received three proposals in response to our FY-11 invitation.
I'm going to provide just a very brief summary of each of the
three proposals as well as funding recommendations. And I'm
going to do these alphabetically. So we'll start with Boufadel
Michel project. This proposal builds on four years of council
funded work to determine the limiting factors for degradation
of oil in the subsurface. Their original project evaluated the
delivery of oxygen and nutrient pollution into the beach and
subsurface for tracer studies. The results of the studies
indicated that oxygen and nutrient limitations are occurring.
So this proposal comes forward with a pilot study to determine
the actual rate of bio-degradation in the field when the
subsurface is provided with sufficient oxygen and nutrients.
Pollution of hydrogen peroxide and nutrients will be delivered

into the subsurface and sediment samples will be obtained from various locations and analyzed for oil confirmation. This project is request is \$1,580,785 all in fiscal year 11. And this project was recommended for funding by members of the science panel, myself and the executive director.

CHAIRMAN ELTON: You know, I think it's probably easier for council members to take them one at a time. And so does anybody have any questions at all about project number 1, the Boufadel project? Larry?

MR. HARTIG: Yeah, a couple of general questions here. One thing that comes to mind immediately is -- putting my regulator hat on is, you know, the -- they're putting the peroxide and other things into the beach, are they looking at any kind of permitting requirements or anything they need to do this activity? And I just put that as a question. I don't need an answer right now. I'm just curious, you know. Normally we wouldn't let somebody go out in the beach and just started pumping things into it. But the second question is I recall it said something like 800 kilometers of oiled beaches. And so when we're looking at going out with this study and it's costing what it is, and it seems like a fairly large amount to me, the 1.5 million, are we going to end up with something that may be technically feasible but not economically feasible? You know, and so as we look at doing this work, are we considering whether it really has practical application given what we got

in Prince William Sound and if we're not looking at that now, you know, what -- you know, how are we going to integrate that into our thinking? I don't want to be just doing research for research's sake. Although I really want this research. I want to say that. But I also would like to have a feeling for -- before we keep spending a million here, a million there, whether it's something that's going to -- we're going to be able to use. Well, actually, I just was curious about, you know, whether you or Elise have any thoughts on the amount of this, because it does seem -- again, 1.5 million is quite a bit, you know, for this project. And I don't -- and I can't go through -- I don't have the expertise to go through it and try to scrutinize the cost with this, but I just want to get more comfort that you all have and are comfortable with it. So those are my three basic comments at this point.

CHAIRMAN ELTON: Should -- should we start with the cost one first? And I'm looking at Elise, but Elise, you can kick this to Catherine too.

MS. HSIEH: With regard to costs, we've worked with these researchers over the last what, four years, Catherine, I think? And.....

MS. BOERNER: Four years.

MS. HSIEH:they've done a fantastic.....

MS. BOERNER: Yes.

MS. HSIEH:job. They've squarely sort of

answered -- progressing towards additional answers, this lingering oil area for the Trustee Council. And we're very appreciative of that work. At the same time the overhead, you know, has been high and -- and there's been some discussion about that. I think that the Trustee Council ends up engaging in additional lingering oil remediation on the beaches. The practicality, the feasibility and the cost and the overhead, all those things in that context in the future will be discussed. But for these targeted pilot projects with them coming up with the technology and lending, you know, heavy expertise at this stage is probably appropriate. If we -- if it ends up being -- using those mechanisms which, you know, in a wider spread area or something to that effect, then we'll have to reassess the costs in that context and see what we can do.

MR. HARTIG: I mean, but -- this is Larry again. Do you have any feel at all right now whether this would be an economically feasible immediate -- mediation option?

CHAIRMAN ELTON: Catherine, do you have better insight on if it were to be used in a more widespread manner?

MS. BOERNER: Right. It is a -- it is a comment that was brought up by a member of the science panel as well about the scalability of the work. But then we also recognize that any kind of pilot work is going to have a large amount of up-front cost. You usually have to try multiple scenarios.

You know, you're going out there for the first time. You're not only entirely sure what you're going to encounter once you begin the work. So I believe that we're fairly hopeful that the scalability and the prices will get significantly lower as they come to a conclusion about what system works the best.

MR. HARTIG: And Catherine, have you had somebody that has remediation experience that's looked at that as part of your review group?

MS. BOERNER: Yes.

MR. HARTIG: Okay.

MS. BOERNER: We did, actually. We had team members from -- I'll just say from managing agencies that would have definitely an interest in this kind of work and in permitting that would need to be done for this work. And no concerns were raised.

MR. HARTIG: Okay.

MR. ZEMKE: I guess along with permitting, since it would be along shorelines and probably quite a few project areas, do we have a good idea where those areas are located right now or when we have an identification site so that we can try to minimize -- get our own permitting process in, so it'd be a DOI Forest Service permitting process, make sure that we're not impacting some of our other users, that we have special uses.....

CHAIRMAN ELTON: For.....

MR. ZEMKE:for the area recreational activities.

CHAIRMAN ELTON: For those online, that was Steve Zemke.

MS. BOERNER: They will be returning to the beaches that had they previously studied and they are identified in the proposal. So we do know exactly what -- what beaches we'll be working on in the first year.

CHAIRMAN ELTON: I think if I understood Larry's question corre -- this is Kim. If I understood Larry's question correctly, I mean, I think his question also was trying to get to the issue of have people thought about the permitting process and who they would be getting the permits from for -- for the work that's going to be undertaken in this study.

MS. BOERNER: I guess I'll answer that. I do know that the group has thought about the permitting. It's also been raised that the question of whether or not we would have to engage NEPA analysis in order for this work to begin. I understand we were going to wait until it began if the proposal was funded. And when the proposal began this NEPA review it would be identified whether or not we would have to undertake any type of NEPA analysis.

CHAIRMAN ELTON: That.....

MS. BOERNER: But we're not a discussion of -- on timing if in fact a NEPA analysis is -- is needed?

MS. HSIEH: Pete Hagen.....

MR. O'CONNOR: Mr. Chairman.

MS. HSIEH: Oh.

MR. O'CONNOR: This is Craig.

CHAIRMAN ELTON: Go ahead, Craig.

MR. O'CONNOR: I'm strongly in support of this project and we have worked with Michel and -- well Jack and Michel and Paul in this in the past. And NOAA is prepared to do the NEPA analysis and which would be likely just the environmental assessment. And although this seems like a fairly short time to use, I think it's of critical importance that we move forward on this so that we can -- if -- if it's appropriately permitted and the environmental implications are not such to suggest that we not move forward with this undertaking, I would like to be able to get it in field this summer. Otherwise, waiting for another year, is potentially problematic particularly as well with some of the implications for reopener provisions.

CHAIRMAN ELTON: Elise.

MS. HSIEH: We also have today, if the Trustee Council decides to approve the funding for this project, we have -- we have -- NOAA has \$50,000 which was previously allocated to support the -- let me see. Funded in 2010 with regard to the Trustee Council's NEPA update, that was not spent. So if indeed you do fund this project, then you can also make a

motion to reallocate those funds, to support any NEPA analysis that must be undertaken before the Boufadel project commences.

MR. HARTIG: Yeah, I think there would be more than NEPA. I think there could be some permitting requirements here.

MS. HSIEH: Right.

MR. HARTIG: I think likely there are.

CHAIRMAN ELTON: That -- for those online, that was Larry.

MR. HARTIG: Yeah.

CHAIRMAN ELTON: Is there other discussion?

(No audible responses)

CHAIRMAN ELTON: Hearing none, Elise, I mean, I suspect it might be easier -- easy for us to -- once we finish with one of the projects to do the motions affiliated with those projects. So if nobody has any objections, is there a motion for the Boufadel project?

MR. O'CONNOR: I move its approval, Mr. Chairman. This is Craig.

CHAIRMAN ELTON: Is there a second?

MS. SCHORR: Second.

CHAIRMAN ELTON: Moved and seconded. Is there objection? That -- we should -- we should read the motion. Move to approve funding \$1,586,785, which includes nine percent general administration for project 11100836, Boufadel, pilot

studies of bioremediation of Exxon Valdez oil in Prince William Sound beaches. That was the motion. Is there objection to the motion?

(No audible responses)

CHAIRMAN ELTON: Hearing no objection, the motion is adopted. I think we then need the second motion which reallocates \$50,000 to support Boufadel NEPA. Do I hear.....

MR. HARTIG: Kim, are there permitting limited to.....

CHAIRMAN ELTON: Pardon me?

MR. HARTIG: Is it limited, the regional funding approval, is that limited to NEPA or could it be used for other permitting aspects?

MS. HSIEH: That -- those funds sit at NOAA, so you could tailor it to whatever NOAA could do. But if you're -- so it couldn't be transferred to the PIs for example for additional permitting work. If that's what you're asking. The funds currently sit at NOAA. We'd have to have the returns fund -- you'd have -- if you're trying to get those funds to go somewhere else.

MR. HARTIG: They could only be used for NEPA.....

MS. HSIEH: That's right.

MR. HARTIG:work.

MS. HSIEH: Well, it could only be used by NOAA for whatever you re-authorize it for at this period of time, which I'm assuming would be the NEPA work.

MR. HARTIG: Yeah, they'd go in the NEPA, yeah.

CHAIRMAN ELTON: Any other comments?

MR. O'CONNOR: Well, Mr.....

CHAIRMAN ELTON: Go ahead, Craig.

MR. O'CONNOR: Mr. Chairman, the \$50,000 was the money that you had made available to me and the folks at NOAA to do the update on the programmatic. And we did not expend those so we just want to reserve that 50K so that we're able to move out on the NEPA compliance portion of this project, which may or may not be an appropriate amount. My guess is it's -- it's going to be more than what we need, but we'll do our best.

CHAIRMAN ELTON: Other comments or questions? Larry.

MR. HARTIG: Yeah, a question for you, Craig. This is Larry. Does NOAA need some funding for the EA on this Boufadel project?

MR. O'CONNOR: Yeah, we do. We need that money, Larry.

MR. HARTIG: So -- but could you use the 50,000 or do you need something in addition to that?

MR. O'CONNOR: No, I think the 50,000 at this point is -- is adequate.

MR. HARTIG: Okay.

CHAIRMAN ELTON: Other questions? Comments?

MR. HARTIG: We need a motion now.

CHAIRMAN ELTON: We do. Is there a motion?

MR. HARTIG: I'll make a motion and if I get it wrong

correct me, Elise, but -- oh, we have it here already? Okay.
I move to reallocate the total amount of funds authorized in
resolution 08-10 designating \$50,000 which includes general
administration to fund a NOAA analysis of the 1994 EVOS
Restoration Plan Environment Impact Statement, to fund a NEPA
review of project 11100836, Boufadel pilot studies, the
bioremediation of Exxon Valdez oil in Prince William Sound
beaches.

CHAIRMAN ELTON: Is there a second?

MR. ZEMKE: I'll second.

MR. O'CONNOR: Second.

CHAIRMAN ELTON: Moved and seconded. Is there
objection to the motion?

MR. ZEMKE: I guess in discussion, I think there was
still some questions about the permitting, whether this -- is
NOAA planning to do the permitting or was Michel Boufadel going
to apply for permits?

UNIDENTIFIED SPEAKER: The contractor would.

MR. ZEMKE: So the contractor would.

CHAIRMAN ELTON: So the discussion -- the discussion
here at the table is the contractor would apply for the
necessary permits.

MR. ZEMKE: And that would be included in their 1 --
nearly 1.6 million dollars worth of funding.

CHAIRMAN ELTON: I'm assuming so. I'll -- and

I'll.....

MS. HSIEH: That's my assumption.

CHAIRMAN ELTON: Catherine?

MS. HSIEH: Does Catherine.....

MS. BOERNER: Yeah, I'm just double checking myself.

It is the assumption, however, I don't want to say that for sure. And we could certainly get that information from the PI.

MS. HSIEH: However, if they're going to.....

MS. BOERNER: I do want.....

MS. HSIEH:request additional funds, that wouldn't happen until mid-April. So.....

CHAIRMAN ELTON: Yeah.

MS. HSIEH:they should probably try and figure it out.

CHAIRMAN ELTON: Okay. And I think the discussion on cost of permits, I mean, I -- I'm not sure that -- I'm not sure that's under this motion. This is a NEPA analysis motion. So I think the assumption is there, but it may be worthwhile to follow up on the first motion and whether or not that includes the cost of permits. Any other discussion?

MR. ZEMKE: I guess the other one is I want to make sure that NOAA is in contact with the Chugach Forest since it's adjacent to national forest system lands and probably the state of Alaska as far as moving forward as potential cooperating agencies in the NEPA analysis.

CHAIRMAN ELTON: Craig, you heard that. Any comment?

MR. O'CONNOR: Actually, you know, we'd be happy to give it to you, (indiscernible).

MR. ZEMKE: Along with the 50,000?

MR. O'CONNOR: Yeah. Yeah. You know, we're -- we're aware of that and we'll reach out to you guys in the state.

CHAIRMAN ELTON: Thank you, Craig. Any other discussion?

(No audible responses)

CHAIRMAN ELTON: Any objection to the motion?

(No audible responses)

CHAIRMAN ELTON: Hearing no objection, the motion to reallocate the \$50,000 is adopted. Catherine, I think that -- bounces this back to you. Is your next one Irvine?

MS. BOERNER: Yes.

CHAIRMAN ELTON: Okay. Go ahead.

MS. BOERNER: This proposal is the Irvine Mann Carls team. And this project seeks to continue the monitoring of lingering oil at six sites in Katmai National Park and Kenai Fjords National Park. The sites have been monitored for oiling conditions and boulder movement since '94 and the most current survey occurred approximately six years ago. And the persistence of oil at these sites appears to be related to the presence of stable boulder armors. The proposal has three main objectives. Determine the status of oil at the sites today, to

determine how much oil is leaking from beneath the boulders into the environment and to ascertain the stability of the boulder armors. This project is asking for \$178,200 in fiscal year 11 and \$25,600 in fiscal year 12. This project was recommended for funding, the science panel, myself and from the executive director, but I will I guess footnote that with everyone felt that it's one of the two projects in the Boufadel and this project will -- only of them were to be funded in the Boufadel would be the preferred project. However, this project is very scientifically sound and can certainly provide further information.

CHAIRMAN ELTON: Is there discussion?

(No audible responses)

CHAIRMAN ELTON: I hear no discussion. Is somebody prepared to make a motion?

MR. ZEMKE: This is Steve Zemke. I'll move to approve funding 178,200, which includes a nine percent general administration for project 11100112, the Irvine lingering oil on boulder armored beaches.

MR. HARTIG: And I'll second.

CHAIRMAN ELTON: Moved and seconded. Is there discussion of the motion?

(No audible responses)

CHAIRMAN ELTON: Is there objection to the motion?

(No audible responses)

CHAIRMAN ELTON: Hearing no objection, the motion's adopted. Catherine, that bounces it back to you for Robertson, I think.

MS. BOERNER: Yes, this is the last of the three proposals. And this is the Robertson, Higman, Janka proposal. This proposal is hoping to implement a pilot project that would evaluate lingering oil removal methods using only oleophilic geotextiles in combination with sediment washing and reworking. The oiled sediment would be placed into individual bags, the bags that may exposed to wave action and left in the mid -- or mid-tide zone for a period of seven days. During that time they'll be monitored. And then the bags would be emptied back at their original site and the bags would be sent to a laboratory and analyzed to determine the amount of oil captured prior to disposal. The final report would be designed to get the council information if this would be an appropriate method for widespread use for remediation of lingering oil. They're asking for \$226,400 in fiscal year 11. And this project was a do not fund from the science panel themselves and the executive director.

CHAIRMAN ELTON: Are you -- are still there, Catherine, and was that.....

MS. BOERNER: I am.

CHAIRMAN ELTON:the conclusion? Okay. That was the conclusion of your remarks?

MS. BOERNER: Yes.

CHAIRMAN ELTON: Is there -- are there any questions?

MS. SCHORR: I have a question. Catherine, this is Jen. And one of my concerns, and I note that this is raised by the science panel as well, is that perhaps you would have oil that was essentially re-released into the water column. And is there any -- was there any discussion in the science panel about the potential volume of oil that could be released into the water column as a result of this? Is there any way to know that or.....

MS. BOERNER: There wasn't just because this type of technology hasn't been used at this level. It had been used about 20 years ago, but not investigated it. But I think even the science panel had no real understanding of how much could possibly be released.

MS. SCHORR: Okay.

MS. BOERNER: I think their main concern was that the project was so invasive and would have incredibly serious negative impact that they just couldn't recommend it for funding.

MS. SCHORR: Thank you.

CHAIRMAN ELTON: Other questions, more discussion?

MR. ZEMKE: I guess -- this is Steve Zemke. I guess I'd probably tend not to vote for the -- if indeed it moves to a motion, because of the incredibly invasive nature of -- of

turning the beach sediments over just to get the oil out. It seems like that we've moved beyond that approach. And even though this may be an interesting methodology, it probably -- it doesn't fit with large scale oil remediation efforts that we'd undertake actually.

CHAIRMAN ELTON: Larry.

MR. HARTIG: Yeah, I agree with Steve that I wouldn't vote for this proposal.

CHAIRMAN ELTON: We may be able to short circuit -- short circuit this discussion a little bit by me asking the question is anybody prepared to make this motion to fund this study?

(No audible responses)

CHAIRMAN ELTON: Elise, this is a question from the chair. I mean, do we have to make the motion and then defeat it or can we just not make the motion?

MS. HSIEH: Cherri, you've had more years of watching.

MS. WOMAC: I think you have to make the motion and then just vote against it.

CHAIRMAN ELTON: Can I hear a motion to approve the Robertson funds? I don't know if people -- and I don't know if people heard Cherri's comment. Cherri's comment as a longtime observer was a strong suggestion that we make the motion and defeat it so that there is a record on -- of action. And having said that, I'm -- I'm desperately looking around and

listening for a motion.

MR. HARTIG: I'll move -- this is Larry. I'll move to approve funding, \$226,400, which includes nine percent general administration, for project 11100111, Robertson evaluation of polypropylene geotextile-based mechanical removal methods.

CHAIRMAN ELTON: Is there a second?

MR. ZEMKE: I'll second.

CHAIRMAN ELTON: Moved and seconded. Is there further discussion on the motion?

(No audible responses)

CHAIRMAN ELTON: Hearing none, I think -- I think with this motion it might be a good idea to do a roll call.

MS. HSIEH: Craig O'Connor.

MR. O'CONNOR: No.

MS. HSIEH: Jen Schorr.

MS. SCHORR: No.

MS. HSIEH: Kim Elton.

CHAIRMAN ELTON: No.

MS. HSIEH: Larry Hartig.

MR. HARTIG: No.

MS. HSIEH: Steve Zemke.

MR. ZEMKE: No.

MS. HSIEH: Cora Campbell.

MS. CAMPBELL: No.

CHAIRMAN ELTON: The motion is defeated. Catherine, I

think we go back to you. Is this the time that we now take up the Irons study?

MS. BOERNER: It is. It is, but I'm going to -- I believe that Dede Bohn is online to discuss that proposal with you.

CHAIRMAN ELTON: Okay.

MS. BOHN: I am.

CHAIRMAN ELTON: Dede, thanks. And Catherine reminded me that this is agenda item number seven. So we're beyond agenda item number six, which was the lingering oil. Go ahead, Dede.

MS. BOHN: Okay. This is Dede Bohn of the USGS. We're asking you today to fund a proposal to help the direct restoration to the non-recovered pigeon guillemot population of Prince William Sound. This amendment which we're asking for follows a three-year project which incorporated field work and analysis under project 070853, pigeon guillemot restoration. Kirsten Bixler from Oregon State University made this project and she's online for details of findings and recommendations from this work, along with the two principal investigators, Dr. David Irons from the Fish and Wildlife Service, Dan Roby from Oregon State University. After Kirsten speaks, all three of these PIs are available online if you still have questions about the proposal. Such as how do you know the mink (indiscernible)? How do you know it's not feed limitation that

causes the pigeon guillemot population decline? Why would restoring this population on the Naked Island group make much impact on the overall Prince William Sound population which is also declining? How do you know the mink won't come back? Why such an enormous price tag? The proposed work is entitled pigeon guillemot restoration research in Prince William Sound, Alaska, FY-11 amendment and comprises two phases. In the first phase, that would be the (indiscernible) fiscal year 11, that would be the completing the NEPA process to evaluate the proposed action and that costs \$218,000. The U.S. Forest Service is the primary land owner and with the cooperating agency with the U.S. Fish & Wildlife during the NEPA process.

Phase two is warranted by the outcome of the NEPA evaluation. And fiscal year 12 through 16 and it's the direct restoration and monitoring at a cost of \$2,216,218.50. Before phase two would begin, the PI is expected to learn whether they will receive matching funds from the National Fish & Wildlife Foundation, which would reduce their request to the Trustee Council for phase two to \$1,321,109.20. So Kirsten, if you're online, would you please tell us about the proposed project?

MS. BIXLER: This is Kirsten Bixler from the Oregon State University and my name is spelled K-I-R-S-T-E-N B-I-X-L-E-R. Can you hear me okay?

CHAIRMAN ELTON: We can, Kirsten. Please continue.

MS. BIXLER: Okay. This amendment provides an

opportunity for restoration of the pigeon guillemot in Prince William Sound, a species that has failed to recover since damages caused by the Exxon Valdez Oil Spill. The pigeon guillemot is now the only avian species listed as not recovering on Exxon Valdez Oil Spill Trustee Council's 2010 injured resources and (indiscernible) report. We developed this restoration plan for a single location that has the potential to facilitate the recovery of the sound wide population of guillemots. The Naked Island group is the ideal site for this restoration action for two reasons. First, we can make well-informed decisions regarding restoration options because the guillemots have been studied here over the last 30 years. And second, the Naked Island group historically supported a huge number of pigeon guillemots. It has the single largest breeding population of guillemots within the sound, about one-third of the total guillemot population nested there before the spill. And this is important because the Naked Island group contains just two percent of the shoreline within Prince William Sound. At this point the population of pigeon guillemots at the Naked Island group has declined by more than 90 percent. And this is since 1990, after the initial mortality event due to direct oil and caused by the Exxon Valdez oil spill. Residual oils cannot explain the continued population decline because there has been no evidence of exposure to these birds since the year 2000. Food abundance

has been considered a potential limiting factor for guillemots of the Naked Island group, but since the late 1990's while the guillemot population declined continuously, the food supply actually increased. Also, nearly all of the guillemot chick mortality at the Naked Island group is currently due to predation, not starvation as you'd expect is super limited. At nearby mink-free islands, guillemot nesting, we suspect is high, indicating that food supply is not an issue in this area of the sound. The Naked Island group continues to attract a large number of northern seabirds and wooly mammals. These animals would not be there if there wasn't a (indiscernible). Predation by American mink is now the greatest threat to guillemots nesting at the Naked Island group. All evidence indicates that minks were introduced to these islands. There were no minks documented at the Naked Island group before 1984. The genetic structure of minks from the Naked Island group clearly indicate both farm and (indiscernible). The genetic structure also indicates that the founded population was about five pairs in size and that there was a single (indiscernible), this was inconsistent with a natural colonization. During the 1990's the rate of nest predation increased dramatically at the Naked Island group. And in the last six years, while the pigeon guillemot population at the Naked Island group declined drastically, nearby mink-free islands have supported stable populations.

CHAIRMAN ELTON: Kirsten, could I interrupt for just a moment?

MS. BIXLER: Sure.

CHAIRMAN ELTON: This is Kim Elton. We've got a good synopsis of the proposal in front of us and so can I just make a suggestion, that you stay on the line, if there is a need to ask questions that you be available for some specific questions?

MS. BIXLER: Sure. Yeah.

CHAIRMAN ELTON: Okay. Thank you very much, Kirsten. Dede? Dede, did you have any other comments?

MS. BOHN: No, not like a question.

CHAIRMAN ELTON: Okay. Are there -- is -- are there any questions or discussion of the proposal? Larry.

MR. HARTIG: Yeah, thanks, Kim. This is Larry Hartig. I'm not sure who to direct this to exactly but one of the things I've been wondering about is for some time we've been hearing that it appears to be the mink predation that's keeping the pigeon guillemot populations down, and I don't see that being really questioned here. So the question that comes up in my mind then is this really becoming more of a management issue, you know, for Fish and Wildlife Service or whatever agency has jurisdiction there rather than a real research need. And so it's kind of -- in my mind the key question is, is this something that EVOS should be doing. You know, is there some

research that we can fund that will help the agency with management responsibilities to carry out those responsibilities. Because this -- it doesn't appear to be -- and I could be wrong on this -- to still be a link to the spill, you know, the problem out there and getting this population to recover. And I am concerned about the population recovering, I just don't know whether this is an EVOS responsibility at this point or an agency responsibility. I don't know who to pose that to, but that's my question.

CHAIRMAN ELTON: This is Kim. I will -- I will try to answer very briefly and within my limited knowledge and then kind of kick it to -- to Dede. I mean, my understanding of what is being requested in the first phase is a NEPA process that tries to get to some of the questions that you have asked but also is to help a species that has not yet recovered. And my understanding is that that's an appropriate function of EVOS dollars. But now, Dede, if I have misspoken or you can say it better or you have additional information, please -- please join the conversation.

MS. BOHN: David Irons, are you online?

MR. IRONS: Yes, I'm here.

MS. BOHN: Why don't you speak for your agency?

MR. IRONS: Okay. This is David Irons with the Fish and Wildlife Service here in Anchorage. And I -- I will say that, as Kim mentioned, that the Trustee Council has been

trying to restore seabirds in the Prince William Sound area for many, many years. The Fish and Wildlife Service is a trust agency for these species of seabirds. And the Fish and Wildlife Service has removed predators from the Aleutian Islands and such and the refuge there. This land is owned by the Forest Service, it's not a refuge island. I would say the Fish and Wildlife Service would very much like to see you make your move to support guillemot populations and other populations there but I don't see that the Fish and Wildlife Service, like many of its other mandates, they don't have money to do all the restoration and management of seabirds that they have across Alaska. So I don't see the Fish and Wildlife Service restoring these seabirds on Mink Island without funding from the Trustee Council.

MR. ELTON: Larry?

MR. HARTIG: Yeah, I appreciate that, but it's kind of like that gets to the heart of my question is, is this an agency that needs funding to carry on its management responsibilities relating to Mink which was not caused by the oil spill, or is it an EVOS responsibility because regardless of whether it's oil, lingering oil or the original impact of the oil on the population that depressed the population, we still have a continuing responsibility to try to restore that population, even if it isn't the oil or the initial impact on the population that's causing the problem with them recovering.

Yeah, now that's....

MR. IRONS: Well, let.....

MR. HARTIG: I know the answer to that. I meant, I'm just asking.....

MR. IRONS: Let me say something else about the impact of the pigeon guillemots. They were certainly impacted by the spill initially. They were also impacted by continuing oil exposure up to 2000. So that impact was negative on the population of these birds and they -- it's never been recovered. They've continued to decline. So there was a slice of this, you know, impact. Now we have impacts from the oil and now we have compounded impacts from the mink, but the oil recovery never occurred, so if you remove the mink, it will take away the impact from the mink and the oil, so we'll be recovering an oiled population that was impacted and has not recovered.

CHAIRMAN ELTON: Elise.

MS. HSIEH: I would say that the Trustee Council is not legally restricted in any way from supporting a species that was injured in the spill and that they feel is crucial to help restore the habitat. For example, herring, the causation of why they have declined isn't a certain. It's definitely not, you know, completely linked to the spill; however, because it's a keystone species of the ecosystem that was damaged by the spill, the Trustee Council has an interest in its restoration

and research regarding herring. It really is a policy decision that the trustees have with regard to which species they're interested in -- in supporting. So it's not a restriction to make that linkage.

Also, I received an email from the Department of Justice attorney noting that in the past the Trustee Council always took a roll call for every single vote. On the phone it might be helpful sometimes to make sure that we get everyone, but I'll leave the formality or informality of that up to your decision on the rest of the motions. For both positive and negative, yay and nay for the motion. You do a roll call for each one.

CHAIRMAN ELTON: I'm looking at Elise now as a kind of a follow up. I mean, I'm just going to assume that if there is no objection a roll call would reflect.....

MS. HSIEH: Okay. And that's -- that is the.....

CHAIRMAN ELTON:six yays.

MS. HSIEH:now more current practice.

CHAIRMAN ELTON: Yes.

MS. HSIEH: Yeah.

CHAIRMAN ELTON: Okay. Further discussion? Questions?

MS. CAMPBELL: Kim, this is Cora.

CHAIRMAN ELTON: Yes, Cora.

MS. CAMPBELL: Going back to the pigeon guillemot question, I wanted to tell you that I consulted with some of

our staff in wildlife conservation and they're in agreement with the tenets of this proposal and the value of it. And regarding, you know, what -- Larry's question as to whether this is an EVOS responsibility or a management responsibility, I guess what I would say about that is that predator/prey relationships are generally somewhat complex, but often if you have an event that reduces prey population to a low level, that can allow a predator to continue to hold that population at a low level, and that might not have otherwise occurred. So I think the linkage to the impact on this population from the oil spill is there and I think that moving forward with the NEPA work on this is something that Fish and Game would support.

CHAIRMAN ELTON: Thank you, Cora. Further discussion? Steve.

MR. ZEMKE: Kind of in that line of certainly -- I'm not saying that I would completely support the proposal as going forward right now into phase two, but as far as looking at the proposal, whether or not it's adequate to -- justification for funding, I think it is. And certainly if you looked maybe comparable at habitat protection, buying habitat parcels for protection, that oil had never been on those and we're buying those for their resource values and their values to produce critical species, particularly those that are on injured resources and services lists, and certainly pigeon guillemots are one of those that are on that list. And so in

that, I think we're being consistent by move -- potentially moving forward on this project.

CHAIRMAN ELTON: Further discussion?

MR. O'CONNOR: Mr. Chairman?

CHAIRMAN ELTON: Craig.

MR. O'CONNOR: Yeah, I'm -- I'm sort of in concert with what Cora said and what I -- what I believe Steve is looking into. I think we should move forward on this in a phased approach. I'm very anxious to hear what the implications are of -- the environmental implications are of the removal of the mink. And I know in the past we've looked at these projects and I thought we even funded a project to do an evaluation of mink removal on Naked Island. I can recall something about that a number of years ago. I would like to know what the impact is going to be and the positive nature hopefully of this undertaking. I think moving first with the NEPA compliance aspect is probably the most appropriate course of action to take and then once we have those results and that analysis look forward to funding mink removal if that -- that comes out to be an appropriate undertaking.

CHAIRMAN ELTON: Thank you, Craig. Further discussion? Questions? Jen.

MS. SCHORR: Yes, I have a question, Dede, and it's actually one of the questions that you foreshadowed, and so I'll let you identify the person who think is most appropriate

to answer the question. But my question regards the potential recolonization of the island by mink and, you know, the proposal indicates that the distance to the next closest group of islands is farther than mink have been demonstrated traveling across open water before. But is that considered to be, you know, a concern that's of issue, and if not, if you could sort of discuss why not in greater detail, I'd appreciate it.

MS. BOHN: Kirsten or David, do you want to handle that?

MR. IRONS: Sure.

MS. BIXLER: I -- I.....

MR. IRONS: Go ahead.

MS. BIXLER: So we don't -- we're competent that mink won't come back to the Naked Island group. And this is because really all the evidence indicates that mink did not arrive at the Naked Island group on their own. They were likely introduced there by individuals in order to establish a new trappable population. And a reintroduction by humans is improbable given the low price of mink fur at this point and the high amount fuel required to get to this very isolated island group. It's -- there's no reason -- mink are really very unlikely to get to the Naked Island group in the future, because as we mentioned, the Naked Island group is separated from the nearest island by nearly four miles of open water with

strong tidal currents. And this is much longer than any documented open water crossing by minks.

MS. SCHORR: Thank you.

CHAIRMAN ELTON: Other questions? Discussion?

(No audible responses)

CHAIRMAN ELTON: Hearing none, can I -- is there a motion and a second?

MS. BOERNER: Come on. Come on.

MS. SCHORR: I'll move.

MR. O'CONNOR: Mr. Chairman?

CHAIRMAN ELTON: Craig.

MR. O'CONNOR: This is Craig. I have somewhat of a disadvantage because I don't have the motions in front of me. So I would just cast this as -- I would move that we move forward in an incremental basis funding initially the -- the NEPA compliance work and that amount was 200 and, I think, 18,000 dollars. With a clear understanding that once that has been completed that we are staged to further evaluate additional funding for mink removal.

CHAIRMAN ELTON: But let -- yeah, I think that sounds like a good motion and I -- I mean, I would just note that what your motion doesn't reflect that the draft motion does, Craig, is expenditure of the funds is conditioned upon the executive director approving a letter of agreement among all parties involved in the project. Is -- are you comfortable with that

language being added to your motion?

MR. O'CONNOR: Oh, I -- yeah, I'm sorry, I forgot to add that, yes. Yes.

CHAIRMAN ELTON: Okay.

MR. O'CONNOR: That's exactly what I wanted to say.

CHAIRMAN ELTON: Thank you, Craig. You're brilliant.

MR. O'CONNOR: You bet. You bet.

CHAIRMAN ELTON: Is there a second?

MR. ZEMKE: I'll second.

CHAIRMAN ELTON: The motion has been moved and seconded. I want to make sure, Elise, that we have -- we jotted down Craig's motion with the addition. Okay.

MS. HSIEH: In his exact verbiage?

CHAIRMAN ELTON: In his intent.

MS. HSIEH: Uh, yes.

MR. ZEMKE: This is Steve Zemke. We have the draft 28 -- 2011 package and I would recommend that we actually draft that language as the motion.

MS. HSIEH: I'm sorry, you have the language for?

MR. ZEMKE: Pigeon guillemot project funds, the full motion, which included development of letter of agreement between all of the parties involved.

MS. HSIEH: Yes, I believe Craig O'Connor's motion included the language in your draft motion sheet.....

CHAIRMAN ELTON: Yes.

MS. HSIEH:as well as the understanding that at the completion of this phase one the Trustee Council will then re-analyze phase two. It's not.....

CHAIRMAN ELTON: Yes.

MS. HSIEH:an assumption of funding for phase two.

CHAIRMAN ELTON: That's right. So that is -- that is the new.....

MS. HSIEH: Yes.

CHAIRMAN ELTON: The new component.

UNIDENTIFIED SPEAKER: I guess a discussion of that motion?

CHAIRMAN ELTON: Yes.

UNIDENTIFIED SPEAKER: Are we at that stage.

CHAIRMAN ELTON: First of all, is there a second to the motion?

MS. HSIEH: Steve.

CHAIRMAN ELTON: Did you Steve?

MR. ZEMKE: Uh-huh. (Affirmative)

CHAIRMAN ELTON: You did. Okay. The motion has made and seconded. Go ahead, Steve.

MR. ZEMKE: Discussion of the motion, I would I think would support the motion as amended by adding the additional language. I think the idea of a letter of agreement before moving forward with the NEPA process it would have to be

approved by the executive director. And I think what -- one of the things a letter of agreement will do is define what the roles and responsibilities of the various parties are since this is kind of a multi-agency proposal. We deal with the proposing agency, the Fish and Wildlife Service, the land owner, the Forest Service, and then potentially maybe the Alas -- or the animal health and protection -- plant and protect -- health and protection service aid us. They normally do quite a bit of trapping and they've done that for Fish and Wildlife Service in the previous proposals. But I think the Fish and Wildlife Service has been talking with them and actually working with them if indeed they moved on with the proposal. And then also the state of Alaska has an authority for management of fish and wildlife on -- in Prince William Sound. But also we probably need to get involved with the Southcentral Regional Advisory Council, kind of the federal process, take a look at subsistence opportunities, whether or not they would be impacted. But that -- that would probably be one of the procedural things we need to do. But the letter of agreement should deal with talking about purpose and need, kind of the scope of the project and the roles and responsibilities of the various parties involved. And I think probably looking at maybe developing a work plan or a spending plan since I think there may be certain requirements needed, maybe of the Forest Service and other agencies that may not have funding or have

the current capacity to be able to get that done and they may be able -- need to be able to work with some other parties to be able to provide that needed capacity to get the work done. But with all that, then I would agree that we move forward with the -- will vote the affirmative on the motion.

CHAIRMAN ELTON: Any comments about Steve's comments? I don't -- I didn't -- I mean, I think people sitting here at the table were generally nodding their head in agreement.

MR. ZEMKE: Or not just nodding.....

CHAIRMAN ELTON: Craig and Cora?

MR. O'CONNOR: No comment on Steve's comments.

CHAIRMAN ELTON: You got off lightly, Steve. Okay. I -- instead of breaking the pattern and doing a roll call on this, I mean, I'm comfortable to just ask if there is objection to the motion.

(No audible responses)

CHAIRMAN ELTON: Hearing no objection, the motion is adopted. And -- but having said that, I think, Elise, you know, before the next meeting we might want -- we might want to come to some kind of conclusion on whether or not we should -- we should -- especially on a teleconference, whether or not we should be doing a roll call for each motion instead of making this -- I -- I don't know what Department of Justice's concerns were, but we should maybe have a discussion with them before -- that -- that completes item agenda number 7. We move on to

habitat, item agenda number 8. Samantha Carroll is approaching the microphone. Welcome, Samantha.

MS. CARROLL: Thank you.

CHAIRMAN ELTON: You're it.

MS. CARROLL: I am. I am the new DNR liaison. Thank you. Okay. So we're here to talk about the habitat protection program and we have three parcels that have been nominated. Chair, you had asked to go through those separately with the projects. Do you want to do that here as well or just sort of wrap them all together?

CHAIRMAN ELTON: You know, I think that since the agenda it -- or since the draft motion incorporate all three, I think maybe going through all three.

MS. CARROLL: Okay.

CHAIRMAN ELTON: But it may be helpful if you go through them one by one to just.....

MS. CARROLL: Sure.

CHAIRMAN ELTON:at the end of one just ask if there are any questions.....

MS. CARROLL: Okay.

CHAIRMAN ELTON:about that, that one.

MS. CARROLL: Sounds great. Okay. Well, we have three parcels in front of you today, the Poore, the Silver and the Saltz. I'll start with the Poore. The Poore parcel has been nominated by Virginia Poore. She has a 52 acre parcel at Mile

11 of the Kenai River. The parcel has been appraised at \$1,100,000. The parcel is located near Eagle Rock and has approximately 1250 feet of river footage -- frontage, I'm sorry. It has an existing boat launch facility there; however, it does have 30 acres of undisturbed valuable wetland repairing habitat. That boat launch facility does have parking and restrooms associated with it. There is a small catalog stream that runs through the parcel and it is located across the river from the Eagle Rock state park unit there that's managed by the Division of Parks and Outdoor Recreation. The mineral estate is held by the Mental Health Trust Authority. Some of the linkages that Fish and Game has been able to make with this property are that it supports injured species such as the pink and sockeye salmon, bald eagles and the Barrow's Goldeneye. And it is important to remember that although the -- some of these species are considered recovered that import -- protecting this important habitat is essential to maintaining those recovery objectives.

This is a rare opportunity for habitat values on the lower Kenai, if you guys see that it is deemed for acquisition. It is important -- this area is an important estuary and has intertidal influenced wetlands that support those habitat of injured species. Some of the potential threats here is that the property is up for sale. The property owner would like to -- to sell. It's a highly desirable parcel being that it has the

river frontage there and it's a large tract of land. It also has the boat launch facility that I've already mentioned. And that potential threat is also the opportunity lost of not acquiring the parcel for the habitat values.

The proposed management along the Kenai River is a joint between Fish and Game and the Department of Natural Resources, Division of Parks. And it would also be recommended for addition into the Kenai River special management area. The first blush of the title review don't reveal any concerns with this parcel. I should let you know that it has been discussed in the past, this parcel acquisition, and we find that there is support among sport fish users, guides and private boaters. And one of the great benefits to this, because there has been some public concern, is that although it would be acquisitioned to a new park facility of a launch, it wouldn't add a launch to the river. That has been some concern for the number of people on the river. And that is my presentation on Poore. Do you have any questions?

CHAIRMAN ELTON: Thanks, Samantha. Are there questions about the Poore parcel?

MR. ZEMKE: I have a question. Now you said that they have -- the seller is looking at putting it up on the market. Has it been up for sale.....

MS. CARROLL: It's my understanding.....

MR. ZEMKE:in the past?

MS. CARROLL:that there's been discussions. I haven't found it on any sort of listing service or with a realtor, so I'm not sure about that piece of it. Some of the others that I've -- that I will present on are in fact, yeah.

MR. ZEMKE: So the question would be reflecting to, you know, how imminent is it -- would it be that it's going to sell?

MS. CARROLL: Right. It's not as imminent as some of the other ones that I'll describe later. Yeah.

CHAIRMAN ELTON: Other questions? Larry.

MR. HARTIG: Yes, maybe I missed it, you said it was one point something million dollars was -- do you have an estimated.....

MS. CARROLL: There is an appraisal that we have.....

MR. HARTIG: Okay.

MS. CARROLL:and it's \$1,100,000, is the appraised value.

MR. HARTIG: Yeah, I'm just trying to figure out how, if this becomes then part of the Kenai River special management area and becomes a boat launch, you know, for the public use, you know, how that plays out and -- and in terms of -- it might be nice for DNR and Fish and Game to have this -- manage this way, but again, what the restoration value is and how to try to quantify that. And I'm thinking here that the one point whatever million dollars is a fair sum of money, but on the

other hand -- and I'm kind of wondering about what kind of restoration we get for the 1.1 million. From an EVOS trustee's perspective, that maybe there would be a multiplier there because it would remove use, you know, somewhere else, you know, by the public that would have other impacts. And so I just don't get a feel for this one and how important this one is to us, but.....

MS. CARROLL: Okay.

MR. HARTIG:and it doesn't necessarily preclude me from voting for, you know, going forward with some due diligence, it's just that it's unclear to me, you know, what the restoration value is here.

MS. CARROLL: Sure. Okay.

MR. HARTIG: And that's always the situation with these kind of parcels.

MS. CARROLL: I can understand that, yeah.

MR. HARTIG: Yeah.

MS. CARROLL: There is 30 acres of undisturbed wetland habitat there, so that might -- and I -- it's my understanding, at least my initial discussions with the Division of Parks, they're going to try and keep that as it is existing now. So there wouldn't be necessarily growth of the developed area.

MR. HARTIG: Right. But 30 acres just in itself doesn't tell me, you know, what that does for.....

MS. CARROLL: Sure.

MR. HARTIG:you know, just any kind of.....

MS. CARROLL: The support that.....

MR. HARTIG: And it doesn't look like there's any, you know, species that are still non-recovered or recovery is not complete that are involved here. But anyway, we can.....

MS. CARROLL: Sure.

MR. HARTIG:we can deal with that later, it's just.....

MS. CARROLL: Right.

MR. HARTIG:I had some concerns about it.

MS. CARROLL: Okay. Yes. I guess you could also look at the fact that there is that stream that does meander through the parcel that supports the salmon species.

CHAIRMAN ELTON: Other questions? Discussion?

(No audible responses)

CHAIRMAN ELTON: Hearing none, Samantha, the -- is the next project the Silver parcel?

MS. CARROLL: It is.

CHAIRMAN ELTON: Okay.

MS. CARROLL: Yes. Okay. So, Silver. The owners have nominated this parcel. It is a four-acre parcel adjacent to the Big Eddy state recreation area and a BLM parcel. It is accessible by road and is adjacent to several subdivisions on the Big Eddy ox bow of the river. It does possess lowland wetlands characteristic of the lower river. There is a

man-made canal that runs adjacent to it that now supports coho rearing habitat. It is a forested parcel with black spruce and an understory of shrubs and grasses. And the mineral estate is owned by the state of Alaska. The injured species on this parcel will benefit our bald eagles and Barrow's Goldeneye. It also, like I said, supports coho salmon spawning. The Barrow's Goldeneye is known to use the Kenai River corridor, how -- during the spring, summer and fall, however we don't know exactly where they nest, although it is suspected that this parcel has habitat that supports nesting needs.

This acquisition would create sort of a contiguous wetland habitat connection with those adjoining federal and state lands. It's approximately, if my estimation is -- about 46 acres, would make that connection there. There's high recreational opportunities for bird watching as well as habitat cover for recovering salmon and (indiscernible) of the river. Sort of the potential threats here, again, it's -- it's adjacent to subdivisions, so there's a high potential for development, as you see in that pattern. The loss of the habitat values that we could have from the addition of this parcel and -- and of course, I mean, it's the development that's the major threat there.

Again, this is -- proposed management would be joint between the two departments, DNR and Fish and Game, with recommendation for addition into the KRSMA, the Kenai River

Special Management Area. The initial review of the title did not review -- reveal any concerns, except for there are some back taxes that are needed on this parcel from 2009. And that -- that's the Silver.

CHAIRMAN ELTON: Questions?

(No audible responses)

CHAIRMAN ELTON: Hearing none, Samantha, Saltz.

MS. CARROLL: Great. Thank you. All right. The Saltz is a 1.85 acre island at Mile 15 of the Kenai River. It is a partially treed island and has an understory of scrubs and grasses. There is 1293 feet of shoreline habitat for this island. It's located within a half mile of previous acquisitions to that this group has done, the Tall Timbers and the Kobylarz parcel -- I think I'm saying that right. It is essentially an undeveloped island although it does have the remnants of an old homesteader's cabin upon the parcel.

The mineral estate is owned by the state of Alaska. Injured species that would benefit from the parcel acquisition would be pink and sockeye salmon, dolly varden and bald eagles. It provides habitat for rearing and migration and overwintering habitat for resident fish. It also supports a recreational fishery. And with all of these parcel acquisitions, the habitat downstream, it will support the commercial fisheries of the Cook Inlet. Potential threats. This parcel is listed. I've found it on several listings. The current price is

\$795,000. This again is a rare opportunity to acquire habitat along this essential section of the river, the lower river. And again, a lot -- what we're seeing is sort of a pattern along some of these islands and adjacent to this island on the mainland along the river is subdividing. We see various small parcels, it's apparent that they're able to attain variances from the 50 foot setback for habitat protection, and so the area is being highly impacted where this parcel is. Management proposed is the same as I've explained with the other two parcels, and however, the title review on this parcel is not as favorable. We would want to have potentially some contingencies put into place. I have seen several liens and back taxes that are owed on this one. So that might be a little bit of an issue for us. So, and that is Saltz for you. And I believe that you all have maps within your packets that were provided to you so you can see sort of relatively where these parcels are located. So with that, if you would -- if it's the will of this body to proceed with due diligence activities, to look at these a little bit closer, we do have a funding request before you.

CHAIRMAN ELTON: Okay. Any questions on Saltz or either of the other two parcels?

MR. ZEMKE: This is Steve Zemke. Would the -- on the Saltz parcel, is the -- my understanding it's a low-lying island. Would the due diligence determine whether or not

there's develop-able on the island?

MS. CARROLL: In some regards I guess maybe the appraisal would do that. I'm not exactly sure, but that could definitely be something that we could look at, yeah. I would imagine, Steve, that the other islands are about the same level and -- that are surrounding this area that have been developed, and I imagine that developers would put fill and that sort of activities in there to make it attractive and so you can build upon it, yeah.

MS. HSIEH: Except I'm not sure we can make -- draw the assumption that what we see currently on the Kenai River as to what would happen in the future.

MS. CARROLL: That's true.

MS. HSIEH: Many of these are grandfathered in and permits are no longer allowed. So I'm not saying that is or isn't the case with this island, but I think we can make that.....

MS. CARROLL: That jump there.

MS. HSIEH: Yeah.

MS. CARROLL: Uh-huh. Okay.

MR. ZEMKE: Thank you.

CHAIRMAN ELTON: Larry.

MR. HARTIG: Yeah, and this is a question for Elise. I'm still struggling a bit here because on all three of these parcels -- it kind of goes back to the original questions I had

about, you know, how -- how are we going to be able to evaluate the restoration value of, you know, any of these three parcels, you know, when they come back to us, you know, assuming the due diligence, you know, shows that this is something that we could go forward with, with title and whatever else. And I -- and I'm thinking here, you know, what criteria would we apply and whether I think it's likely that these would warrant, you know, spending more trustee funds. And I -- kind of Jason Brune's comments, you know, in there that, you know, here we are going after more private land and, you know, and there's a policy there kind of embedded in it. You know, should we just be out there buying a bunch of private land where it's not clear there's a restoration objection that can be achieved. So I have serious concerns about that, you know, and I'd be willing to say go ahead and do the due diligence, but I'd like to know that, you know, there'd be a further discussion on that and more information about what really is the restoration objective we have here and how that's going to help -- these parcel -- acquisition parcels might help us achieve those.

MS. HSIEH: I think maybe, for example, if the due diligence is funded and then these parcels are discussed again, perhaps Samantha can give us a brief presentation on the history of the parcels that we have purchased. We've been purchasing parcels in the Kenai corridor to support a particular species. Actually, I asked the same question of

Samantha and we had a discussion last week about it, so perhaps we could have additional information about that.

MR. HARTIG: Yeah, and that's another kind of question I was thinking about here as Samantha was doing her presentation, which was a good presentation, it's just, you know, looking at it kind of in total of what has been acquired in the Kenai River area, is that enough? Why do we need more? You know, I mean, because these are kind of -- a bit scattered and it's not being managed specifically for its restoration values. Maybe. I don't think so.

MS. CARROLL: I think that.....

MR. HARTIG: It didn't sound like it was being.....

MS. CARROLL: I think the parcels that we have been involved in are managed for both the restoration and recreational values.

MR. HARTIG: Well, that's what I was going to say.

MS. CARROLL: (Indiscernible).

MR. HARTIG: And the recreational values. And, you know, that was more the theme when it's -- at least that first parcel, you know, the recreation value kind of stood out more with the boat launch than, you know, the habitat restoration value. Anyway, I think, you know, if I'd vote for the motion it would be with some trepidation and understanding that, you know, there's a higher hurdle coming back before any of the money would be spent. And that I do appreciate the question,

you know, how does this fit in with our overall view of what's needed on the Kenai River for -- to achieve our restoration objectives.

MS. BERGER (PH): I just wanted to make a quick comment in response. I guess specifically to the Poore parcel -- oh, sorry, this is Jan Berger on the phone. One of the things to me that is attractive about this parcel is because it's a larger parcel. It provides for restoration benefits, as Sam mentioned, the 30 acres of wetlands habitat, as well as the recreational habitats, and I think that's -- you know, as far as remaining undeveloped habitat on the lower Kenai River, which is my understanding is becoming limited, this parcel specifically provides an opportunity to provide, you know, to sort of meet both of those.....

MR. HARTIG: Yeah, but again, 30 acres doesn't mean anything to me. I mean, it's -- if you say it's a wildlife corridor, it's nesting habitat, you know, or something, you know, that tells me that that 30 acres, why it's particularly important.

MS. HSIEH: Well, actually -- I actually asked the same question a couple of weeks ago, Larry, and I asked Sam and I talked to Catherine Boerner as well about the nesting habits of the Barrow's -- was it Barrow's Goldeneye?

MS. CARROLL: Uh-huh. Yes.

MS. HSIEH: Because they're open -- they forage in open

waters, we sort of had this discussion and I think -- Sam, did you want to give a brief -- you -- you wrote back to me and.....

MS. CARROLL: Well, yes.....

MS. HSIEH:talked about the.....

MS. CARROLL:it's my understanding from the Department of Fish and Game that it's known that the Barrow's Goldeneyes use the corridor of the Kenai River for summer, spring and fall. And it's suspected that it is for nesting habitat or for nesting reasons, although they winter in Prince William Sound.

MS. HSIEH: So they're migrating to these areas so we've been trying to link the wetlands. This Poore parcel in particular will be developed if it's not conserved. You know, it's prime for development. So I -- I was sort of -- I was skeptical as well a couple of weeks ago and asked for more information, biological information about the species that were using these wetlands. And Sam was very helpful in forwarding this information to me.

MR. HARTIG: I understand if you come back.....

MS. CARROLL: But I could.....

MR. HARTIG:that's what -- if you do come back for funding.....

MS. HSIEH: Yes.

MR. HARTIG:that's what I'd like to see.

MS. HSIEH: Yeah.

MS. CARROLL: I can spend some more time with the Department of Fish and Game understanding those aspects better.

MR. HARTIG: Thank you.

MS. CARROLL: - Yeah. Yeah.

CHAIRMAN ELTON: Other questions? Steve.

MR. ZEMKE: These probably fall within our small parcel and habitat acquisition process. You know, there has been a paper developed for that and certainly fitting within those -- what it doesn't -- what we don't really have is any kind of strategic vision of what parcels are critical within the Kenai River and we just basically deal with them as -- as they come up basis. And I think one of the reasons we do that is that there is an imminent threat of development and I think the threat that -- some -- at least some argument is that if there was development on the area you lose the natural resources that we're trying to protect within the Kenai area and also other areas. Now whether these are the most critical parcels, I really don't know.

MR. HARTIG: Or when we have enough.

MR. ZEMKE: Yeah, but in that -- because of that I think the due diligence probably -- at least I probably intend to vote for and if moving forward on due diligence but I think again, how are we going to determine what's enough. That may be something for further discussion at a later time.

MS. HSIEH: Also, the Trustee Council in past, we have discussed, you know, should we strategize habitat purchases, what are your -- you know, do you want to identify the parcels you're interested in. And due to the nature of property negotiation, it's not really effective for the Trustee Council to spend a lot of time coming up with parcels that aren't on the table that they think they want. It will affect the values, it will affect the negotiations for those parcels. So inherent in our habitat program has been, you know, they're sort of like eggs hatching, where a parcel -- the property owner is ready to sell, it's presented to the Trustee Council or -- and then we sort of work it out the minute it hits the Trustee Council. It's not sort of an orderly progression where we sort of outline a map and -- and can move forward with regard to these small parcels. So there was discussion among the Trustee Council and the PAC with regard to this small parcel eggs hatching progression a couple of years ago as well and we sort of looked at the whole program. Does that make sense, Kim?

CHAIRMAN ELTON: It did to me.

MS. HSIEH: Okay. It's just a reminder.

CHAIRMAN ELTON: I assume you're asking because I'm the slowest one on the council.

MS. HSIEH: No, no. It was just a reminder of how -- you know, why there's always this sort, well, here's this

parcel here and this parcel here. It's the nature of the property transactions themselves and how they become available.

MR. ZEMKE: In looking at the PAC comments, there were two comments by two PAC members and they're diametrically opposed. One completely supported a habitat acquisition program, the other one was questioning whether or not we needed to move forward or not.

MS. HSIEH: In addition, the Trustee Council discussed a couple of years ago when -- when they looked at the entire Trustee Council program whether to remove the investment fund accounts from the Department of Revenue's investments, which have been very productive financially and -- but which is authorized by federal legislation which creates the habitat account and the research account is separate. In order to transfer the habitat funds into research you would have to move the funds from that fairly lucrative investment structure. And at the time, two years ago, it was discussed both by the PAC and the Trustee Council, the decision was made at that time with the remaining funds of habitat, it wasn't advisable to remove them and mix them up.

CHAIRMAN ELTON: More discussion? Questions?

(No audible responses)

CHAIRMAN ELTON: Hearing none, I just have a quick question and this gets -- this is process question. It gets to

the issue of what due diligence means to me. I mean, as I was reading this I noticed references to low-lying wetlands. And so I guess the question for me is, during the due diligence process, I mean, is there an assessment of whether or not wetlands will realistically be developed either because of permitting challenges to a potential developer or because of cost? For example, of what it may take to remediate some of the wetlands issues. So does due diligence get to that level?

MS. CARROLL: I don't think it really does. Maybe Elise or Jen could help with that a little bit. I mean, unless it's explicitly expressed that that's what is needed, I don't think that it's typical outside sort of an appraisal review of that aspect.

CHAIRMAN ELTON: Okay. Because I think the issue for me -- and I'm prepared to vote for this motion to begin due diligence -- but for me the issue -- I mean, a question that comes up is, are you buying something that cannot be developed anyway?

MS. CARROLL: Right.

CHAIRMAN ELTON: And so.....

MR. HARTIG: Or paying the full value for it.

CHAIRMAN ELTON: Right.

MS. SCHORR: I would just note that any appraisal takes those factors into account. So your question about does due diligence specifically look at things like permitting

requirements for development or fill of wetlands, things like that, the answer to that is no. But as an appraisal goes through, those are factors that are considered in reaching the appraised value.

CHAIRMAN ELTON: Okay. So it took follow up and -- to help me in this learning process. I mean, does the appraisal get to the issue -- and I'll use the Poore parcel as an example. Does the appraisal get to the issue of, okay, it's worth 1.1 million dollars? That's the value of the boat launch and the potential value out in the future to whoever the owner of one of the few boat launches in the region. And how much of that value is allocated to the 30 acres of wetlands, for example.

MS. SCHORR: Right. And to be frank, I don't know. I have not had the opportunity to review the Poore parcel in detail yet and I don't know whether it addresses the economic impacts of the boat ramp. I'm not even sure what the fees are for use of that boat ramp. But we can certainly look into that and let you know.

CHAIRMAN ELTON: Yeah, I think the questions that have come up here, you know, will probably be helpful after the due diligence is done for council members as they make a decision on whether or not to proceed. All right. Any other discussion?

(No audible responses)

CHAIRMAN ELTON: Do I hear a motion?

MR. HARTIG: This is Larry. I'll move to authorize funding of \$43,600, which includes nine percent general administration, for due diligence expenses consistent with state and Trustee Council requirements in the support of Kenai River habitat protection efforts for three small parcels: Saltz' Island, KEN 3008; Silver parcel, KEN 3008; and Poore, KEN 3010.

CHAIRMAN ELTON: Is there a second?

MS. SCHORR: Second.

CHAIRMAN ELTON: Motion has been made and seconded. Is there objection to the motion -- is there discussion on the motion?

(No audible responses)

CHAIRMAN ELTON: Hearing no discussion, is there objection to the motion?

(No audible responses)

CHAIRMAN ELTON: Hearing no objection.....

MR. O'CONNOR: I do not object to the motion.

CHAIRMAN ELTON: Thanks. You listened to the Department of Justice discussion, didn't you, Craig? Thank you.

MR. O'CONNOR: Yes.

CHAIRMAN ELTON: Hearing no objection, the motion is adopted. That brings us to agenda item number 9, executive

session as needed. I've heard no indication that there is an executive session needed. And unless I hear objection, I guess I would entertain the motion to adjourn. MR. HARTIG: I'd move to adjourn.

MR. O'CONNOR: I second that.

CHAIRMAN ELTON: Thank you, Craig. Hearing no objection, we're adjourned. Thank you, Craig. It's good to hear your voice. And Cora, I haven't met -- I haven't seen you personally to congratulate you, but congratulations.

MR. HARTIG: Yeah, welcome back, Craig. It's Larry.

MR. O'CONNOR: Thank you. Thank you. Appreciate it very much.

MR. ZEMKE: Good to hear you, Craig, it's -- you sound well.

(Off record)

(END OF PROCEEDINGS)

C E R T I F I C A T E

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STATE OF ALASKA)

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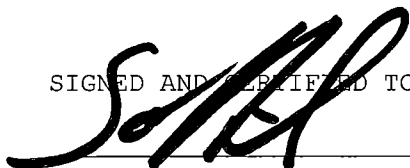
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Notary Public, State of Alaska

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