

11.11.08

8-10

11.11.03

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178



## AGENDA

### EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL MEETING

**July 5, 2000 @ 10:30 a.m.**  
645 G STREET, ANCHORAGE

**6/23/00**

**4:09 pm**

**DRAFT**

#### Trustee Council Members:

BRUCE BOTELHO/CRAIG TILLERY  
Attorney General/Trustee  
State of Alaska/Representative

MICHELE BROWN  
Commissioner  
Alaska Department of Environmental  
Conservation

MARILYN HEIMAN  
Special Assistant to the Secretary  
for Alaska  
U.S. Department of the Interior

DAVE GIBBONS  
Trustee Representative  
U.S. Department of Agriculture  
Forest Service

JAMES W. BALSIGER  
Director, Alaska Region  
National Marine Fisheries Service

FRANK RUE  
Commissioner  
Alaska Department of Fish & Game

#### State Chair

1. Call to Order 10:30 a.m.
  - Approval of Agenda
  - Approval of May 22, 2000 meeting notes
2. Executive Director's Report - Molly McCammon
  - Administrative Issues
  - Financial Report
  - Trustee Council Final Report
  - NRC review of GEM
3. Public Comment Period 10:45 a.m.
4. Small Parcel Program July 1, 2000 - September 30, 2002\*
5. Kodiak Tax/Larsen Bay Shareholder Parcels\*

#### Federal Trustees

U.S. Department of the Interior  
U.S. Department of Agriculture  
National Oceanic and Atmospheric Administration

#### State Trustees

Alaska Department of Fish and Game  
Alaska Department of Environmental Conservation  
Alaska Department of Law

6. 1:30 p.m. Joint Trust Funds Investment Management\*

- Draft resolution  
Molly McCammon
- Presentation by Alaska Department of Revenue  
Neil Slotnick, Deputy Commissioner  
John Jenks, Chief Investment Officer
- Investment Working Group Perspectives -  
Bob Storer, Executive Director, AK Permanent Fund Corp.  
Peter Bushre, Financial Consultant
- Attorney General's opinion on Investment of EVOS Joint Trust Funds in a  
State Account  
Craig Tillery
- Court order  
Gina Belt

Adjourn - 4:00 p.m.

\* indicates tentative action items

Frank - to work w/ <sup>staff</sup> Molly to explore rest. on damaged  
lands, private and public.





# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178



## TRUSTEE COUNCIL MEETING ACTIONS

**May 22, 2000 @ 10:00 a.m.**

By Molly McCammon  
Executive Director

### Trustee Council Members Present:

Dave Gibbons, USFS  
● Marilyn Heiman, USDOJ  
\* Steve Pennoyer, NMFS

● Rob Bosworth, ADF&G  
● Michele Brown, ADEC  
● Craig Tillery, ADOL

#### \* Chair

In Anchorage: Gibbons, Heiman, Pennoyer, Bosworth, Brown, Tillery, See

In Juneau: Rue

In Washington D.C.: Roth

#### ● Alternates:

Barry Roth served as an alternate for Marilyn Heiman until the public hearing began.  
Rob Bosworth served as an alternate for Frank Rue for the entire meeting, Frank Rue on line from 1:05 p.m. to 1:30. p.m.

Marianne See served as an alternate for Michele Brown from 10:10 a.m. until approximately 10:30 a.m, then again from approximately 11:30 a.m. until 2:35 p.m.

Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

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Meeting convened at 10:10 a.m.

#### 1. Approval of the Agenda as modified

**APPROVED MOTION:** Approved the Agenda. Motion by See, second by Tillery.

#### 2. Approval of the Meeting Minutes

**APPROVED MOTION:** Approved April 24, 2000. Trustee Council meeting notes. Motion by See, second by Tillery.

#### 3. Extension of Public Advisory Group Term

**APPROVED MOTION:** Adopted a resolution extending the term of service of the Public Advisory Group from January 2002 to September 30, 2002 (Attachment A). Motion by Tillery, second by Brown.

**Public comments received from three individuals from Larsen Bay, Homer and Karluk.**

BREAK      Off Record (11:02 a.m.)  
                 On Record (11:11 a.m.)

**4. Tatitlek small parcels**

**APPROVED MOTION:** Adopted a resolution to approve \$180,000 to purchase 13 Tatitlek homesites (Attachment B), as outlined in the Restoration Benefits Report/PWS 296-308 (Attachment C), and contingent on an overall plan being brought forth by the Forest Service at the next Trustee Council meeting showing the availability of funds and the process to acquire the remaining parcels. Motion by Heiman, second by Brown.

**5. Executive Session**

**APPROVED MOTION:** To adjourn into Executive Session to discuss the Koniag acquisition and Tatitlek small parcels. Motion by Tillery, second by Brown.

BREAK      Off Record (11:35 a.m.)  
                 On Record (1:01 p.m.)

**Public comments received from two individuals from Koniag and Larsen Bay.**

**6. Koniag Large Parcel**

**APPROVED MOTION:** Approved a Motion (Attachment D) to direct negotiators to proceed with Koniag negotiations as generally described in the draft Proposal Framework (Attachment E) and Camp Island Operations and Facility Framework documents (Attachment F). Once the details of the purchase agreement and proposed conveyance documents have been resolved, the negotiators and the Executive Director are to submit them to the Trustee Council for review, together with a proposed resolution for approval of funding. Motion by Heiman, second by See.

## 7. Investments, Payout Rule

**APPROVED MOTION:** Adopted a resolution (Attachment G) relating to disbursement from the Joint Trust Fund for long-term research, monitoring and general restoration. Total amount to be disbursed for research, monitoring and general restoration including restoration costs, shall be based on the following schedule (Attachment H).

Fiscal Year 2001	Costs shall not exceed \$7,500,000
Fiscal Year 2002	Costs shall not exceed \$6,500,000
Fiscal Year 2003	Costs shall not exceed \$6,000,000
Fiscal Year 2004	Costs shall not exceed \$6,000,000

In Fiscal Year 2005, the annual work plan and administrative costs shall not exceed 4.5 percent of the average market value over the past three years of the Joint Trust Fund earmarked for long-term research, monitoring and general restoration. In Fiscal year 2006, costs shall not exceed 4.5 percent of the average market value over the past four years. Beginning in Fiscal Year 2007 and in the years following, costs shall not exceed 4.5 percent over the past five years.

Meeting adjourned at 2:35 p.m.

## Financial Report

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178



## MEMORANDUM

**TO:** Trustee Council

**THROUGH:** Molly McCammon  
Executive Director

**FROM:** Traci Cramer  
Administrative Officer

**DATE:** June 15, 2000

**RE:** Financial Report as of May 31, 2000

Attached is the Statement of Revenue, Disbursements and Fees, and accompanying notes for the *Exxon Valdez* Joint Trust Fund for the settlement period ending September 30, 2002, as of May 31, 2000. The following is a summary of the information incorporated in the notes and contained on the statement.

Liquidity Account Balance	\$59,140,010	
Plus: Other Adjustments (Note 5)	8,499,065	
Less: Restoration Reserve Adjustment (Note 6)	<u>-58,818,011</u>	
Liquidity Fund Balance		\$8,821,064

Restoration Reserve Accrued Value	\$39,645,482	
Plus: Liquidity Fund Adjustment (Note 6)	<u>58,818,011</u>	
Restoration Reserve Balance		\$98,463,493

<b>Joint Trust Fund as of May 31, 2000</b>		<b>\$107,284,557</b>
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Plus: Future Exxon Payments (Note 1)	\$140,000,000	
Less: Reimbursements (Note 3)	-7,500,000	
Less: Commitments (Note 7)	<u>-79,862,567</u>	
Uncommitted Balance		\$52,637,433

<b>Joint Trust Fund as of September 30, 2002</b>		<b>\$159,921,990</b>
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Attachments

cc: Agency Liaisons  
Bob Baldauf

#### Federal Trustees

U.S. Department of the Interior  
U.S. Department of Agriculture  
National Oceanic and Atmospheric Administration

#### State Trustees

Alaska Department of Fish and Game  
Alaska Department of Environmental Conservation  
Alaska Department of Law

NOTES TO THE STATEMENT OF REVENUE, DISBURSEMENTS AND FEES  
FOR THE *EXXON VALDEZ* JOINT TRUST FUND  
FOR THE SETTLEMENT PERIOD ENDING SEPTEMBER 30, 2002  
As of May 31, 2000

1. Contributions - Pursuant to the agreement Exxon is to pay a total of \$900,000,000.

Received to Date	\$760,000,000
Future Payments	\$140,000,000

2. Interest Income - In accordance with the MOA, the funds are deposited in the United States District Court, Court Registry Investment System (CRIS). All deposits with CRIS are maintained in United States government treasury securities with maturities of 100 days or less. Total earned since the last report is \$264,679.
3. Reimbursement of Past Costs - Under the terms of the agreement, the United States and the State are reimbursed for expenses associated with the spill. The remaining reimbursements represent that amount due the State of Alaska.
4. Fees – CRIS charges a fee of 5% of earnings for cash management services. Total paid since the last report is \$13,234.
5. Other Adjustments - Under terms of the Agreement, both interest earned on previous disbursements and prior years unobligated funding or lapse are deducted from future court requests. Unreported interest and estimated lapse is summarized below.

	Interest	Lapse
United States	\$811,906	\$3,128,914
State of Alaska	\$2,220,388	\$2,337,857

6. Restoration Reserve/Liquidity Fund Adjustment – Includes the \$12,000,000 transfer approved for Fiscal Year 1998, plus \$1,625,000 in interest accrued since September 15, 1997, the \$12,000,000 transfer approved for Fiscal Year 1999, plus \$1,025,000 in interest accrued since September 15, 1998, and \$12,000,000 transfer approved for Fiscal Year 2000, plus \$425,000 in interest accrued since September 15, 1999. The proceeds from the securities that matured on November 15, 1998 and November 15, 1999 were deposited to the Liquidity Fund have also been included. This includes \$18,627,865, plus \$886,040 in interest, less \$54,983 in fees. Also included is \$284,088 for fees that were assessed against the Restoration Reserve prematurely and deposited in the Liquidity Fund.
7. Commitments - Includes \$2,531,000 for the Archaeological Repository and the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Afognak Joint Venture	\$23,025,833	October 2000
Eyak	\$18,000,000	September 2000 through 2002
Shuyak	\$8,000,000	October 2000 through 2001
Shuyak	\$11,805,734	October 2002
Koniag, Incorporated	\$16,500,000	September 2002

**STATEMENT OF REVENUE, DISBURSEMENT, AND FEES**  
**EXXON VALDEZ OIL SPILL JOINT TRUST FUND**  
As of May 31, 2000

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>To Date 2000</u>	<u>Cumulative Total</u>
<b>REVENUE:</b>					
Contributions: (Note 1)					
Contributions from Exxon Corporation	70,000,000	70,000,000	70,000,000	0	760,000,000
Less: Credit to Exxon Corporation for Deposit of Maturing Securities			9,095,002	9,532,863	(39,913,688) 18,627,865
Total Contributions	<u>70,000,000</u>	<u>70,000,000</u>	<u>79,095,002</u>	<u>9,532,863</u>	<u>738,714,177</u>
Interest Income: (Note 2)					
Exxon Corporation escrow account					831,233
Joint Trust Fund Account	2,971,070	2,673,585	2,124,921	1,915,225	25,064,541
Total Interest	<u>2,971,070</u>	<u>2,673,585</u>	<u>2,124,921</u>	<u>1,915,225</u>	<u>25,895,774</u>
<b>Total Revenue</b>	<b><u>72,971,070</u></b>	<b><u>72,673,585</u></b>	<b><u>81,219,923</u></b>	<b><u>11,448,088</u></b>	<b><u>764,609,951</u></b>
<b>DISBURSEMENTS:</b>					
Reimbursement of Past Costs: (Note 3)					
State of Alaska	5,000,000	3,750,000	3,750,000	0	99,059,288
United States	0	0	0	0	69,812,045
Total Reimbursements	<u>5,000,000</u>	<u>3,750,000</u>	<u>3,750,000</u>	<u>0</u>	<u>168,871,333</u>
Disbursements from Liquidity Account:					
State of Alaska	17,846,130	15,686,600	62,457,990	1,502,800	252,438,718
United States	60,101,802	39,468,461	32,676,850	639,854	233,389,487
Transfer to the Restoration Reserve	12,449,552				48,445,783
Total Disbursements	<u>90,397,484</u>	<u>55,155,061</u>	<u>95,134,840</u>	<u>2,142,654</u>	<u>534,273,988</u>
<b>FEES:</b>					
U.S. Court Fees - Liquidity Account (Note	254,221	199,946	250,528	95,761	2,324,620
<b>Total Disbursements and Fees</b>	<b><u>95,651,705</u></b>	<b><u>59,105,007</u></b>	<b><u>99,135,368</u></b>	<b><u>2,238,415</u></b>	<b><u>705,469,941</u></b>
<b>Increase (decrease) in Liquidity Account</b>	<b><u>(22,680,635)</u></b>	<b><u>13,568,578</u></b>	<b><u>(17,915,445)</u></b>	<b><u>9,209,673</u></b>	<b><u>59,140,010</u></b>
Liquidity Account Balance, beginning balance	76,957,839	54,277,204	67,845,782	49,930,337	
Liquidity Account Balance, end of period	54,277,204	67,845,782	49,930,337	59,140,010	
Other Adjustments: (Note 5)					8,499,065
Restoration Reserve Adjustment: (Note 6)					(58,818,011)
Liquidity Fund Balance					8,821,064
Restoration Reserve Balance					98,463,493
<b>Joint Trust Fund as of June 30, 1999</b>					<b><u>107,284,557</u></b>
Future Exxon Payments (Note 1)					140,000,000
Reimbursements (Note 3)					(7,500,000)
Commitments: (Note 7)					(79,862,567)
<b>Joint Trust Fund as of September 30, 2002</b>					<b><u>159,921,990</u></b>

Small Parcel



# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178



## MEMORANDUM

TO: Trustee Council

FROM: Molly McCann  
Executive Director

RE: Small Parcel Program: Possible Reallocation of Funds

DATE: June 26, 2000

The Trustee Council, at its January 31, 2000 meeting, specified that all funds designated for specific small parcel purchases through 2002 would be undesignated effective June 15, 2000 and available for reallocation. Attached is the status of each small parcel for which funds had been designated. You will see that of the \$6,314,900 originally designated, a total of \$4,450,900 remains unspent.

A possible scenario for allocating the unspent funds is attached. The scenario includes continuing the allocation to some of the originally designated parcels, allocating funds to a few new parcels, and allocating funds to a non-profit for a pilot acquisition program. For the most part, the new parcels to which funds would be allocated are agency choices that have lower intrinsic habitat values and are important primarily for management reasons. In general, the parcels that have the highest habitat values and which have been high priorities of the Trustee Council -- for example, the Lesnoi lands (Termination Point and Long Island), lands along the lower Karluk River, and additional high priority lands along the Kenai River -- are unavailable at this time.

Another option would be to simply save the unspent funds. Rather than allocating the funds to specific parcels at this time, the funds would continue to be earmarked for habitat generally, and available for allocation should a high priority parcel become available in the next two years.

Without further Trustee Council action, any funds not obligated as of October 1, 2002 will automatically transfer to the long-term research and monitoring program (GEM). This is consistent with the Council's March 1, 1999 resolution on the Restoration Reserve.

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#### Federal Trustees

U.S. Department of the Interior  
U.S. Department of Agriculture  
National Oceanic and Atmospheric Administration

#### State Trustees

Alaska Department of Fish and Game  
Alaska Department of Environmental Conservation  
Alaska Department of Law

# SMALL PARCEL PROGRAM -- STATUS OF FUNDS

June 19, 2000

**Amount of funds designated for small parcels through 2002:** **\$6,314,900**

Per TC's 3/1/99 resolution (includes \$500,000 for support costs).

This amount ("\$6.32 million") is also specified in Senator Murkowski's investment legislation.

**Portion already spent:** **\$1,864,000**

PWS 1056 / Blondeau	626.8
KAP 95 / Inga	84.0
KAP 126 / Christiansei	72.0
KAP 134 / Ignatin	72.3
KAP 220 / Ayakulik	80.0
KAP 226 / Karluk Lag.	240.0
KAP 1090-93, 1095-97, 1099, 2001-02, 2004-05, 2007, 2024 / all LBS	214.0
KEN 1052 / Salamatof	33.5
KEN 1084 / Morris	38.0 (includes \$2.3 from KIB Tax Parcel pot)
Support costs FY 00	373.5
Eyak support costs	29.9

**Total unspent:** **\$4,450,900**

The \$4,450,900 unspent balance is currently designated as follows. At its 1/31/00 meeting, the TC decided that any of these funds still unspent as of 6/15/00 would be undesignated. The TC will then decide whether to redesignate the funds for the same or other parcels, or for some other purpose.

Purchase agreements signed but deals not closed:	<b>TOTAL</b>	<b>\$73.0</b>
KAP 1094 / LBS Brown's Lagoon		\$15.0
KAP 1098 / LBS Amook Bay		\$14.0
KAP 2000 / LBS Amook Bay		\$15.0
KAP 2003 / LBS Uyak Bay		\$16.0
KAP 2006 / LBS Uyak Bay		\$13.0

Offers made but purchase agreements not yet signed:	<b>TOTAL</b>	<b>\$300.0</b>
PWS 296-308 / 13 Tatitlek homesites		\$180.0
PWS 1028 / Valdez Duck Flats		\$120.0

Offers expired:	<b>TOTAL</b>	<b>\$1,992.0</b>
KAP 145 / Termination Point		\$1,865.0
KAP 1089 / LBS Christensen		\$13.0
KAP 2008-11,13,15,17 / 7 KIB tax parcels		\$102.0
KAP 2012 / KIB Brown's Lagoon		\$12.0

Funds earmarked but no offers made:	<b>TOTAL</b>	<b>\$2,085.9</b>
PWS 05,06,1010 / Duck Flats & Jack Bay		\$880.0
KEN 1086 / Stariski Creek		\$500.0
Larsen Bay Shareholder (LBS) balance		\$345.0
Kodiak Island Borough (KIB) Tax balance		\$238.7
Tatitlek homesites (balance)		\$25.6
Support costs balance (FY 01 & 02)		\$96.6

**D R A F T**  
**EXECUTIVE DIRECTOR'S PRELIMINARY RECOMMENDATION**  
**Small Parcels: June 15 Allocation of Funds**

*approved  
Carries*

**1. Parcels for which purchase agreements have been signed  
UNSPENT BALANCE \$73,000**

- (A) 5 Larsen Bay Shareholder 10-acre parcels (KAP1094,1098,2000,2003,2006)  
Do not reallocate funds; DOI work to close deals.

*approved  
Carries*

**2. Parcels for which purchase agreements have not been signed  
UNSPENT BALANCE \$300,000**

- ok as is*
- (A) 13 Tatitlek homesites (\$180,000)  
Do not reallocate funds; USFS work to close deals. TC made offer May 22, 2000; will expire September 1, 2001.
- (B) PWS 1028 / one of the Valdez Duck Flats parcels (\$120,000)  
Do not reallocate funds; work to close deal. TC made offer August 9, 1999; will expire September 1, 2001. Offer has been accepted but purchase agreement not signed pending resolution of title issue (expected soon).

**3. Parcels for which offers have expired or for which funds have been  
earmarked but no offers made  
UNSPENT BALANCE \$3,981,300**

- (A) KAP 145 / Termination Point (\$1,865,000)  
Reallocate funds. Parcel remains a priority and protection should be pursued, but purchase at this time seems unlikely. Original offer has expired and recent appraisal (May 2000) valued lower than previous appraisal (now at \$1.5 million) and title issue remains. See #5 below for proposed reallocation of funds.
- (B) Larsen Bay Shareholder/Kodiak Island Borough parcels (\$710,700)  
Do not reallocate funds. USFWS has submitted a request for TC approval at July 5 meeting to spend \$659,800 of these funds for 46 Larsen Bay Shareholder/Kodiak Island Borough parcels. Two additional parcels have been identified for the balance of the funds; these will be submitted for TC consideration at a later date.
- (C) PWS 05 / Valdez Duck Flats (USS 448) (Total \$880,000)  
PWS 06 / Valdez Duck Flats (USS 447)  
PWS 1010 / Jack Bay  
Reallocate funds. Parcels remain a priority. The recommendation is for the pilot program grantee (see #5 below) to continue purchase negotiations for these

parcels. [NOTE: Current appraised values sum to \$748,000 -- PWS 05 \$48,000, PWS 06 \$100,000, PWS 1010 \$600,000. PWS 05 and PWS 1010 would be acquired by USFS; PWS 06 would be acquired by ADF&G.]

- (D) KEN 1086 / Stariski Creek (\$500,000)  
Reallocate funds. Parcel remains a priority and protection should be pursued, but purchase at this time seems unlikely. Wide difference between estimated value (\$500,000) and landowner expectation (\$1.8 million). See #5 below for proposed reallocation of funds.

- (E) Tatitlek Homesites (\$25,600)  
Do not reallocate funds; use for additional offers.

4. **Support costs**

**UNSPENT BALANCE \$96,600**

Do not reallocate funds. Disburse over next two years (FY 01 & 02) through Project /126. Additional funds may need to be allocated for this purpose.

5. **Reallocate funds as follows**

**BALANCE \$3,245,000**

- (A) ~~Koniag conservation easement (large parcel)~~ ~~\$300,000~~ *Delete: use of these funds is contrary to statute. = interim payment*  
~~Extension of conservation easement from December 15, 2001 to October 15, 2002 requires \$300,000 payment on December 15, 2001.~~

- (B) Trustee agency activities  
NOTE: These would be considered tentative earmarkings. Actual costs may be more than what is estimated here, in which case there may not be enough funding to purchase all parcels listed. Funds within this category would be allocated on a first come, first served basis.

- USFS: maximum of \$200,000  
Tatitlek homesites  
Estimated cost of purchasing all homesites is roughly \$1.6 million. Additional funds will add to the \$205,600 already allocated to this purpose (see #2A & 3E above). USFS has indicated \$200,000-300,000 in federal restitution funds will be used for this purpose -- together with TC contribution, this should provide a substantial start to the homesite acquisition effort. USFS has also indicated a land exchange may be sought for the corporation-owned parcels.

- DOI: \$300,000 - \$400,000
  - \* KAP 281 Shugak (3 Saints Bay, Kodiak NWR)
  - \* KEN 283 Metrokin (Chiniak Bay, AK Maritime NWR)
  - \* KAP 285 Carlson (Hook Bay, AK Peninsula NWR)
  - KAP 288 Russian Church (Portage Bay, Becharof NWR)



KAP 289 Russian Ch. (Wide Bay, AK Peninsula NWR)  
KAP 290 Russian Ch. (Mitrofan Bay, AK Peninsula NWR)  
KAP 291 Russian Ch. (Cape Kuyuyukak, AK Peninsula NWR)  
DOI has requested these be designated Parcels Meriting Special Consideration. [NOTE: DOI requested one additional parcel be designated a Parcel Meriting Special Consideration. KAP 118 (Cusack/ Sturgeon River) is being purchased by Conservation Fund and will be gifted to the government.]

ADNR: \$150,000 - \$500,000  
ADNR has requested that KEN 146/Hopkins (Kachemak Bay) be designated a Parcel Meriting Special Consideration and is expected to make a similar request for two parcels on the Ninilchik River (KEN 309 / Icicle Seafoods and KEN 310 / Swartzes Enterprises).

ADF&G: \$250,000 - \$300,000

- \* KEN 293 Yager (Anchor River)
- \* KEN 294 Elliot (Anchor River)
- \* KEN 295 Brookwood (Anchor River)

ADF&G has requested these be designated Parcels Meriting Special Consideration.

Support costs

cost \$ ?

The unspent balance of \$96,600 (see #4 above) is likely not adequate to cover appraisal, title search, and other costs on the acquisitions listed in this section. Once TC decides on reallocation of funds, the agencies will be asked to submit 2-year budgets (FY 01 & FY 02) that specify the costs of completing purchase of each parcel.

- (C) Grant to Conservation Fund/Nature Conservancy of \$1.5 million for pilot program to take effect probably October 2000. Draft grant agreement, specifying purpose of funds, acquisition process, and reporting requirements will be reviewed and approved by TC over next few months. Pilot effort will be to acquire the following parcels on behalf of the agencies. Purpose of pilot will be to work through the acquisition process with each federal agency and the state in order to assess feasibility and efficiency. TC will approve any offers. [NOTE: If a grant agreement cannot be reached by mid-October 2000, the TC will reconsider how these funds will be used.]

- USFS:  
PWS 05 / Valdez Duck Flats (USS 448) cost roughly \$ 50,000  
PWS 1010 / Jack Bay cost roughly \$600,000

- DOI:  
KAP 286 Pedersen (Hook Bay, AK Peninsula NWR)

*1 be part  
of grant pilot  
(pilot Hopkins)*

*these three  
proceed to  
appraisal  
as parcel  
meriting  
special  
attention  
PST priority  
of 8 total  
to appraisal*

DOI has requested this be designated a Parcel Meriting Special Consideration.

- State:  
PWS 06 / Valdez Duck Flats (USS 447) cost roughly \$100,000  
One other of the state's parcels from #5B above

Although protection of the following parcels may be longer-term projects, the grantee should also pursue them:

- Lesnoi properties (Termination Point, Long Island)
- KEN 1086 / Stariski Creek
- Karluk Village Council package  
Karluk Village Council has hired Walt Ebell to begin discussions of protection of approximately 1,200 acres of Village Council lands, including the weir site (KAP 150). An additional 660 acres of Village Council lands around Sturgeon, Grant, and Halibut lagoons, much of which is within the Kodiak National Wildlife Refuge, might also be considered as part of this package. TC authorized ADNR to proceed with appraisal, hazardous materials survey, and title search March 16, 2000.
- Any other parcels TC might add to the list. For example, DOI has expressed interest in Flat Island (owned by English Bay Corporation) and Rocky Bay Island (owned by Port Graham Corporation). These parcels have not yet been evaluated by the Habitat Review Group. ADNR would like to pursue some of the 8-10 inholdings in the Kiliuda Bay area if the state/Old Harbor Native Corporation land exchange is completed (including KAP 1087/Chokwak, KAP 1256/Erickson, KAP 2027/Capjohn).

6. **All unspent small parcel funds remain committed to habitat protection until September 30, 2002.** On October 1, 2002, if the amount in the long-term research and monitoring fund (GEM) is less than \$125 million, the unspent small parcel funds will be transferred to the GEM fund, to bring the total in the fund to \$125 million. Any remaining small parcel funds above \$125 million will be transferred to the long-term habitat protection fund.

juneedr2



**RESOLUTION OF THE  
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL  
REGARDING CERTAIN KODIAK ISLAND BOROUGH AND ADDITIONAL  
10-ACRE PARCELS**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council"), after extensive review and after consideration of the views of the public, find as follows:

1.a. In its resolution of December 11, 1995, the Council agreed to provide funding of up to \$1,000,000 for the acquisition of lands held by the Kodiak Island Borough at key waterfront locations along Uyak Bay within the Kodiak National Wildlife Refuge as a result of forfeitures for tax delinquency. On June 8, 1998, the Council by motion designated these inholdings as parcels meriting special consideration by virtue of their location within the boundaries of a large parcel of land purchased from Koniag Inc. with Council funding.

b. In its motion of June 8, 1998, the Council also agreed to authorize funding of up to \$645,000 from the previously dedicated \$1,000,000 for the purchase of privately owned approximately 10-acre parcels conveyed by the Larsen Bay Tribal Council to tribal members. This motion designated these inholdings as parcels meriting special consideration by virtue of their location within and adjacent to the boundaries of a large parcel acquisition of land purchased from Koniag, Inc. with Council funding.

c. Subject to funding by the Council, the present owners of certain parcels formerly conveyed by the Tribal Council to various of its members, and the U.S. Fish and Wildlife Service are negotiating agreements to sell and purchase, respectively, 46 such parcels. These parcels and their respective approved appraised values are identified as follows:



EVOS Parcel KAP# Owner	Legal Description Twp, Rng, Sec-Lot	Size	Appraised Value
1089 Christensen, Randy	31S, 28W, 05-02	8.13 acres	13,000
2008 Kodiak Island Bor.	30S, 28W, 20-05	9.80 acres	12,000
2009 Kodiak Island Bor.	30S, 28W, 28-04	9.85 acres	16,000
2010 Kodiak Island Bor.	30S, 28W, 28-08	4.68 acres	16,000
2011 Kodiak Island Bor.	30S, 28W, 30-02	13.44 acres	18,000
2012 Kodiak Island Bor.	31S, 28W, 05-11	10.00 acres	9,000
2013 Kodiak Island Bor.	31S, 28W, 20-01	10.00 acres	18,000
2014 Kodiak Island Bor.	31S, 28W, 29-02	10.38 acres	19,000
2015 Kodiak Island Bor.	31S, 28W, 29-06	11.06 acres	12,000
2016 Kodiak Island Bor.	32S, 28W, 19-01	6.00 acres	18,000
2017 Kodiak Island Bor.	32S, 29W, 13-05	7.85 acres	18,000
2019 Christensen, Randy	30S, 28W, 28-02	10.00 acres	12,000
2020 Aga, Brad	30S, 28W, 28-05	11.67 acres	22,000
2022 Stager, Fredrick	31S, 28W, 05-04	10.25 acres	21,000
2035 Kaneshiro, Stanley	30S, 28W, 28-01	~10 acres	8,000
2036 Penkusky, James	30S, 28W, 18-07	~10 acres	22,000
2037 Smith, Leslie	31S, 28W, 32-02	~10 acres	12,000
2038 Johnson, Glen	31S, 29W, 22-02	~10 acres	18,000
2039 Penwarden, Richard	31S, 29W, 22-04	~10 acres	18,000
2040 Abston, Patricia	30S, 28W, 19-02	~10 acres	11,000
2041 Lorange, Dexter	30S, 28W, 18-x	~10 acres	11,500
2042 Abston, David	30S, 28W, 19-14	~10 acres	15,000
2043 Jager, Russell	30S, 30W, 34-07	~10 acres	12,000
2044 Antonsen, Julie	30S, 30W, 26-03	~10 acres	22,800
2045 Antonsen, Julie	30S, 30W, 35-01	~10 acres	incl above
2046 Abston, Virginia	30S, 28W, 19-03	~10 acres	15,000
2047 Becker, et al	30S, 28W, 18-13	~10 acres	17,000
2048 Kodiak Island Bor.	31S, 29W, 03-01	~10 acres	12,000
2049 Kodiak Island Bor.	31S, 29W, 15-02	~10 acres	12,000
2050 Kodiak Island Bor.	31S, 29W, 22-01	~10 acres	11,000
2051 Kodiak Island Bor.	31S, 29W, 22-05	~10 acres	16,000
2052 Kodiak Island Bor.	30S, 28W, 18-10	~10 acres	15,000
2053 Kodiak Island Bor.	30S, 28W, 19-06	~10 acres	9,000
2054 Kodiak Island Bor.	30S, 28W, 19-09	~10 acres	9,000
2055 Kodiak Island Bor.	30S, 28W, 20-01	~10 acres	18,000
2056 Kodiak Island Bor.	30S, 30W, 34-06	~10 acres	12,000
2057 Kodiak Island Bor.	30S, 30W, 34-02	~10 acres	14,000
2058 Kodiak Island Bor.	30S, 30W, 34-09	~10 acres	17,000
2059 Kodiak Island Bor.	30S, 30W, 34-05	~10 acres	12,000
2060 Glenn, Fred	30S, 28W, 19-07	~10 acres	17,000
2061 Danilesky, Pete	31S, 29W, 10-01	~10 acres	22,000
2062 Johnson, Darlene	31S, 28W, 5-x	~10 acres	11,500
2063 Johnson, Janissa	30S, 30W, 26-01	10 acres	10,500
2064 Johnson, Noreen	30S, 30W, 26-02	10 acres	10,500
2065 Patricia Hester	31S, 28, 32-05	~10 acres	13,500
2066 Johnson, Jackie	30S, 30W, 35-02	~10 acres	11,500
46 Parcels		453 acres	\$659,800

d. Appraisals totaling \$659,800 for these 46 parcels comprising about 453 acres have been approved by the State and federal review appraisers.

e. As set forth in Attachment A, if acquired, these parcels have attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including providing habitat for bird species for which significant injury resulting from the spill has been documented, providing key marine access for subsistence and recreational uses on the surrounding public lands.

2. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammals Protection Act, are intended, under normal circumstances, to protect resources from serious adverse affects from logging and other development activities. However, restoration, replacement and enhancement of resources injured by the *Exxon Valdez* oil spill present a unique situation. Without passing on the adequacy or inadequacy of existing law and regulation to protect natural resources and service, biologists, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill affected area to levels above and beyond that provided by existing law and regulation will have a beneficial effect on the recovery of injured resources and lost or diminished services provided by these resources;

3. There has been widespread public support for the protection of small parcels; and

4. The purchase of small parcels is an appropriate means to restore a portion of the injured resources and services in the oil spill area.

THEREFORE, we resolve to provide funds for the United States Fish and Wildlife Service to offer to purchase and, if the offer is accepted, to purchase all of each seller's rights and interests in the 46 parcels; <sup>and</sup> ~~and to provide funds necessary for closing costs recommended by the Executive Director of the Trustee Council ("Executive Director") and approved by the Trustee Council and~~ pursuant to the following conditions:

(a) the amount of funds (hereinafter referred to as the "Purchase Price") to be provided by

the Trustee Council to the United States shall be the final approved appraised value of the respective parcels, as identified above, totaling \$659,800;

(b) authorization for funding for any of the foregoing acquisitions shall terminate if the respective purchase agreement is not executed by June 30, 2001;

(c) disbursement of these funds by the District Court;

(d) a title search satisfactory to the United States and the State of Alaska is completed by the acquiring government and the Seller is willing and able to convey fee simple title by warranty deed, or by limited warranty deed acceptable to the U.S. Department of Justice and the Alaska Department of Law;

(e) no timber harvesting, road development or any alteration of the land is to be initiated on the land without the express agreement of the acquiring government prior to purchase;

(f) a hazardous materials survey satisfactory to the United States and the State of Alaska is completed;

(g) compliance with the National Environmental Policy Act; and

(h) a conservation easement satisfactory to the U.S. Departments of Justice and the Interior and the Alaska Department of Law shall be conveyed by the seller to the State of Alaska.

It is the intent of the Trustee Council that any facilities or other development on the foregoing small parcels after acquisition shall be of limited impact and in keeping with the goals of restoration and that there shall be no commercial timber harvest nor any other commercial use of the small parcels excepting such limited commercial use as may be consistent with applicable state or federal law and the goals of restoration to prefill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services as described in the Memorandum of Agreement and Consent Decree between the United States and

the State of Alaska entered August 28, 1991 ("MOA") and the Restoration Plan as approved by the Trustee Council ("Restoration Plan").

By unanimous consent and upon execution of various of the purchase agreements and written notice from the United States Fish and Wildlife Service and the Executive Director that the terms and conditions set forth herein and in the purchase agreements have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the U.S. Department of Justice to petition the District Court for withdrawal of the Purchase Price ~~and any such additional costs related to closing as are recommended by the Executive Director and approved by the Trustee Council~~ for the 46 above referenced parcels from the District Court Registry account established as a result of the Governments' settlement to be paid at the time of closing. These amounts represent the only amounts due under this resolution to the Sellers by the United States from the joint funds ~~in the District Court Registry~~ and no additional amounts or interest are herein authorized to be paid to the Sellers from such joint funds.

trust

or to take  
such other  
steps as may  
be necessary

or any  
outside  
account

trust

Dated this 5<sup>th</sup> day in July, 2000, in Anchorage, Alaska.

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DAVE GIBBONS

Trustee Representative  
Alaska Region  
USDA Forest Service

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BRUCE M. BOTELHO

Attorney General  
State of Alaska

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MARILYN HEIMAN

Special Assistant to the Secretary  
for Alaska  
U.S. Department of the Interior

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JAMES W. BALSIGER

Director, Alaska Region  
National Marine Fisheries Service

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FRANK RUE

Commissioner  
Alaska Department of  
Fish and Game

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MICHELE BROWN

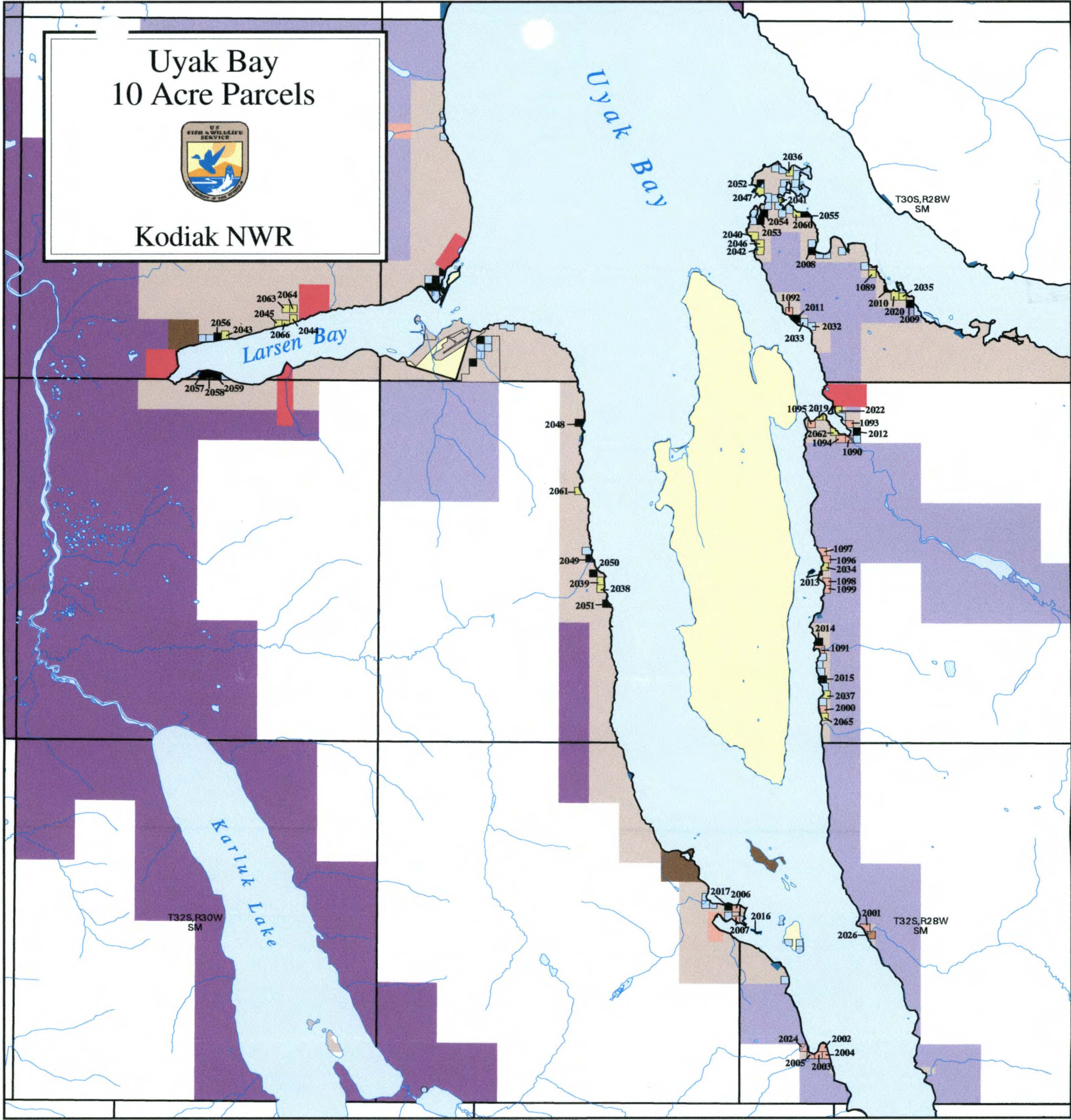
Commissioner  
Alaska Department of  
Environmental Conservation



# Uyak Bay 10 Acre Parcels

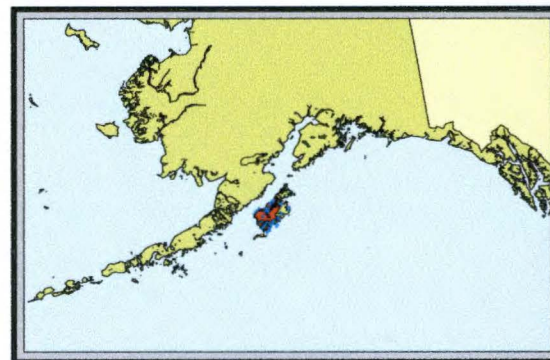


Kodiak NWR



## Legend

- |                            |  |                        |
|----------------------------|--|------------------------|
| Native Corporation Owned   | US Acquired Native Allotments                              | Lands Off Kodiak NWR   |
| Other Private              | US Acquired With CE to State                               | Private - EVOS Funding |
| Other Federal              | US Acquired Other Private                                  |                        |
| Conveyed Native Allotments | US Acquired from Koniag With CE to State                   |                        |
| KIB Owned                  | Koniag Owned/US Non Development Easement Expires 12/2/2001 |                        |
| 10 Acre Parcels            |  |                        |





**Parcel ID: Randy Christiansen 10-acre parcel**  
**EVOS Parcel Number KAP 1089**  
**USFWS Parcel Number 121**

**Rank:** N/A      **Acreage:** 8.13      **Agency Sponsor:** USFWS

**Estimated Value:** \$13,000

**Location:** Browns Lagoon, Kodiak Island, Alaska  
N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$  and NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 5, T. 31 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Randy Christiansen

**Address:** P.O. Box 102  
Larsen Bay, Alaska 99624

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the southern entrance to Browns Lagoon, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the southwest by another privately owned 10-acre parcel being considered for purchase by the United States with EVOS restoration funding. It is bounded on the north by Uyak Bay, and on the south and east by lands retained by LBTC. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

Browns Lagoon provides important habitat for a number of wildlife species. Although no bald eagle nests have been documented on this parcel, there is a nest within  $\frac{1}{2}$  mile. The lagoon also provides important eagle foraging habitat. High densities of pigeon guillemots use the lagoon year round, and nest in the small hillsides along the lagoon. Large numbers of black oystercatchers are use the shoreline of the parcel. A variety of sea ducks including golden eye, harlequin ducks, and surf scoters also commonly use the lagoon .

There are numerous cabins and developments on lands throughout Uyak Bay, and at least one cabin located in Brown's Lagoon. These developments are generally cabins used for recreational

and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in Uyak Bay, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

This parcel was previously approved for acquisition by the EVOS Trustee Council, and due to a number of circumstances, reconsideration of that approval is necessary. Due to title problems on the parcel, even though the landowner signed an agreement for purchase by the United States, the United States was unable to take title to the land. Those title problems have been resolved. Secondly, the appraisal is over one year old and has expired, requiring a reappraisal of the property. That reappraisal has been completed, and it is currently being reviewed for adequacy. Also, the time period mandated by the Trustee Council's resolution expired without the completion of the acquisition, which necessitated the council readdress the acquisition.



**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2008**  
**USFWS Parcel Number 106**

**Rank:** N/A      **Acreage:** 9.80      **Agency Sponsor:** USFWS

**Estimated Value:** \$12,000

**Location:** Zachar Bay  
NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec.20, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the south shore of Zachar Bay, about seven miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by a privately owned 10-acre parcel not being considered for acquisition at this time, and on the south and west by lands retained by Koniag which are included in negotiations for Kodiak Phase II. It is bounded on the east by Zachar Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along this portion of Zachar Bay are biologically rich and provide very high value habitat for fish and wildlife. The area is heavily used by pigeon guillemots, harlequin ducks, and a variety of other sea ducks throughout the year. The site is also important for marine mammals, with seals using a variety of bars and offshore rocks for haul outs. Black oystercatchers are abundant along the shorelines and offshore rocks. The area and

the waters to the north around Carlsen Point support strong populations of sea otters. There is a bald eagle nest located on or immediately adjacent to this parcel, and another nest within ½ mile of the property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2009**  
**USFWS Parcel Number 107**

**Rank: N/A**                      **Acreage:**     9.85                      **Agency Sponsor:**     USFWS

**Estimated Value:**     \$14,000

**Location:**                      Zachar Bay  
   SW¼NE¼SE¼ Sec.28, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:**     Kodiak Island Borough

**Address:**                      710 Mill Bay Road  
   Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the south shore of Zachar Bay, about eight miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south by land purchased from Koniag by the United States with EVOS restoration funds, and on the north and west by lands retained by Koniag which are included in negotiations for Kodiak Phase II. It is bounded on the east by Zachar Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along this portion of Zachar Bay are biologically rich and provide very high value habitat for fish and wildlife. The area is heavily used by pigeon guillemots, harlequin ducks, and a variety of other sea ducks throughout the year. The site is also important for marine mammals, with seals using a variety of bars and offshore rocks for haul outs. Black oystercatchers are abundant along the shorelines and offshore rocks. The area and

the waters to the north around Carlsen Point support strong populations of sea otters. There is a bald eagle nest located on or immediately adjacent to this parcel.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2010**  
**USFWS Parcel Number 108**

**Rank:** N/A      **Acreage:** 4.68      **Agency Sponsor:** USFWS

**Estimated Value:** \$14,000

**Location:** Zachar Bay  
SE¼SE¼NW¼ Sec.28, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the south shore of Zachar Bay, about seven miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south and west by lands retained by Koniag which are included in negotiations for Kodiak-Phase II. It is bounded on the north and east by Zachar Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along this portion of Zachar Bay are biologically rich and provide very high value habitat for fish and wildlife. The area is heavily used by pigeon guillemots, harlequin ducks, and a variety of other sea ducks throughout the year. The site is also important for marine mammals, with seals using a variety of bars and offshore rocks for haul outs. Black oystercatchers are abundant along the shorelines and offshore rocks. The area and the waters to the north around Carlsen Point support strong populations of sea otters. There are

no known bald eagle nest sites on this parcel, but a nest is located within ½ mile of the property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2011**  
**USFWS Parcel Number 109**

**Rank:** N/A      **Acreage:** 12      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Amook Pass  
S½SE¼SE¼ Sec. 30, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the east shore of Amook Pass, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south and northeast by lands retained by Koniag which are included in negotiations for Kodiak Phase II. It is bounded on the west by Uyak Bay. It is bounded on the southeast and on the northwest by privately-owned 10-acre parcels also being considered for acquisition by the United States with EVOS restoration funds. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along this portion of Uyak Bay are biologically rich and provide very high value habitat for fish and wildlife. Large numbers of harlequin ducks forage in the near shore waters, and may also nest along the shoreline habitats. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. The area is very heavy use by

golden eye and surf scoters. The site is also important for marine mammals, with heavy use by sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There is one bald eagle nest located on or immediately adjacent to this parcel, and several other nests within ½ mile.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2012**  
**USFWS Parcel Number 110**

**Rank:** N/A      **Acreage:** 10.00      **Agency Sponsor:** USFWS

**Estimated Value:** \$9,000

**Location:** Browns Lagoon  
NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 5, T. 31 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the east shore of Amook Pass, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south and west by 10-acre parcels not under consideration for acquisition at this time. It is bounded on the north by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the west by Kodiak NWR lands. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

Browns Lagoon provides important habitat for a number of wildlife species. Although no bald eagle nests have been documented on this parcel, there is a nest within  $\frac{1}{2}$  mile. The lagoon also provides important eagle foraging habitat. High densities of pigeon guillemots use the lagoon year round, and nest in the small hillsides along the lagoon. Large numbers of black oystercatchers are use the shoreline of the parcel. A variety of sea ducks including golden eye, harlequin ducks, and surf scoters also commonly use the lagoon .

There are numerous cabins and developments on lands throughout Uyak Bay, and at least one cabin located in Brown's Lagoon. These developments are generally cabins used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in Uyak Bay, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2013**  
**USFWS Parcel Number 111**

**Rank:** N/A      **Acreage:** 10.00      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Amook Pass  
SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$  and NW $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 20, T. 31 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the east shore of Amook Pass, including a small island, about eight miles southeast of the village of Larsen Bay on western Kodiak Island. The portion of the parcel located on Kodiak Island proper is bounded on the south and east by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the west by Uyak Bay. The island is wholly owned by KIB and is surrounded by the waters of Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The shallow waters and intertidal lands surrounding this parcel provide valuable habitat for a many sea ducks, most notably harlequin ducks, surf scoters, and golden eye. Harlequin ducks may nest along the estuarine shorelines. Pigeon guillemots are found in large numbers throughout the shallow waters of Uyak Bay. There are two known bald eagle nests located on

this parcel or the lands immediately adjacent.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2014**  
**USFWS Parcel Number 112**

**Rank:** N/A      **Acreage:** 10.38      **Agency Sponsor:** USFWS

**Estimated Value:** \$17,000

**Location:** Amook Pass  
NW¼SE¼NW¼ and NE¼SW¼NW¼ Sec. 29, T. 31 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the east shore of Amook Pass, including a small island, about ten miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south a 10-acre parcel acquired by the United States with EVOS restoration funds. It is bounded on the north and east by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the west by Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The shallow waters and intertidal lands surrounding this parcel provide valuable habitat for a many sea ducks, most notably harlequin ducks, surf scoters, and golden eye. Pigeon guillemots are found in large numbers throughout the shallow waters of Uyak Bay. There are no known bald eagle nests located on this parcel, but there is at least on nest within ½ mile, and eagles may

nest in the area in the future. Eagles undoubtedly forage in the area. The small stream which runs through the parcel supports a small anadromous fish run, primarily pink salmon.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2015**  
**USFWS Parcel Number 113**

**Rank:** N/A      **Acreage:** 11.06      **Agency Sponsor:** USFWS

**Estimated Value:** \$12,000

**Location:** Amook Pass  
W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$  and SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 29, T. 31 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the east shore of Amook Pass about ten miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north and south by other privately owned 10-acre parcels not being considered for acquisition by the United States at this time. It is bounded on the east by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the west by Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The shallow waters and intertidal lands surrounding this parcel provide valuable habitat for a many sea ducks, most notably harlequin ducks, surf scoters, and golden eye. Pigeon guillemots are found in large numbers throughout the shallow waters of Uyak Bay. There are no known bald eagle nests located on this parcel, but there is at least one nest within  $\frac{1}{2}$  mile of this parcel,

and eagles may nest in the area in the future. Eagles undoubtedly forage in the area.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2016**  
**USFWS Parcel Number 114**

**Rank: N/A**                      **Acreage: 6.00**                      **Agency Sponsor: USFWS**

**Estimated Value: \$11,000**

**Location:**                      South Uyak Bay  
NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , and SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$  (an island)  
Sec. 19, T. 32 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:**                      710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is a small island located near the west shore of Uyak Bay, about ten miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel, located immediately west of Aleut Island is surrounded by the waters of Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The shallow waters and intertidal lands surrounding this parcel provide valuable habitat for a many sea ducks, most notably harlequin ducks, surf scoters, and golden eye. Pigeon guillemots are found in large numbers throughout the shallow waters of Uyak Bay. It is unlikely that eagles would nest on this parcel, but they undoubtedly forage in the area.

There are camps and cabins scattered throughout the southern part of Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for

expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number 2017**  
**USFWS Parcel Number 115**

**Rank:** N/A      **Acreage:** 7.85      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** South Uyak Bay  
SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , and N $\frac{1}{2}$ N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$   
Sec. 13, T. 32 S., R. 29 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the west shore of Uyak Bay, about ten miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the east by another privately owned 10-acre parcel being acquired by the United States with EVOS restoration funds. It is bounded on the south and west by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the north by Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The shallow waters and intertidal lands surrounding this parcel provide valuable habitat for a many sea ducks, most notably harlequin ducks, surf scoters, and golden eye. Pigeon guillemots are found in large numbers throughout the shallow waters of Uyak Bay. There are no documented bald eagle nest sites on this parcel, the area may be used for nesting in the future.

Eagles undoubtedly forage in the vicinity of the parcel.

There are camps and cabins scattered throughout the southern part of Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Randy Christiansen 10-acre parcel**  
**EVOS Parcel Number KAP 2019**  
**USFWS Parcel Number 120**

**Rank: N/A**      **Acreage: 10.00**      **Agency Sponsor: USFWS**

**Estimated Value: \$12,000**

**Location:**      Zachar Bay, Kodiak Island, Alaska  
SE¼NW¼NW¼ Sec. 28, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent: Randy Christiansen**

**Address:**      P.O. Box 102  
Larsen Bay, Alaska 99624

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the southern shore of Zachar Bay, about seven miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the northwest by another privately owned 10-acre parcel not being considered for at this time. It is bounded on the north, east and west by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the south by lands purchased by the United States from Koniag with EVOS restoration funding. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The waters and intertidal habitat along this portion of Zachar Bay are biologically rich and provide very high value habitat for fish and wildlife. The area is heavily used by pigeon guillemots, harlequin ducks, and a variety of other sea ducks throughout the year. The site is also important for marine mammals, with seals using a variety of bars and offshore rocks for haul outs. Black oystercatchers are abundant along the shorelines and offshore rocks. The area and the waters to the north around Carlsen Point support strong populations of sea otters. There is a bald eagle nest located on or immediately adjacent to this parcel, and another nest within ½ mile of the property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

This parcel was previously approved for acquisition by the EVOS Trustee Council, and due to a number of circumstances, reconsideration of that approval is necessary. Due to title problems on the parcel, even though the landowner signed an agreement for purchase by the United States, the United States was unable to take title to the land. Those title problems have been resolved. Secondly, the appraisal is over one year old and has expired, requiring a reappraisal of the property. That reappraisal has been completed, and it is currently being reviewed for adequacy. Also, the time period mandated by the Trustee Council's resolution expired without the completion of the acquisition, which necessitated the council readdress the acquisition.

**Parcel ID:** Brad Aga 10-acre parcel  
**EVOS Parcel Number** KAP 2020  
**USFWS Parcel Number** 122

**Rank:** N/A      **Acreage:** 11.67      **Agency Sponsor:** USFWS

**Estimated Value:** \$18,000

**Location:** Zachar Bay  
S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , and NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$   
Sec. 28, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Brad Aga

**Address:** P.O. Box 7  
Larsen Bay, Alaska 99624

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the southern shore of Zachar Bay, about eight miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the east by another privately owned 10-acre currently being considered for acquisition with EVOS restoration funds. It is bounded on the south and west by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the north by Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The waters and intertidal habitat along this portion of Zachar Bay are biologically rich and provide very high value habitat for fish and wildlife. The area is heavily used by pigeon guillemots, harlequin ducks, and a variety of other sea ducks throughout the year. The site is also important for marine mammals. The area and the waters to the north around Carlsen Point support strong populations of sea otters. There is a bald eagle nest located on or immediately adjacent to this parcel.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: Fred Stager 10-acre parcel**  
**EVOS Parcel Number KAP 2022**  
**USFWS Parcel Number 126**

**Rank:** N/A      **Acreage:** ~20      **Agency Sponsor:** USFWS

**Estimated Value:** \$20,000

**Location:** Browns Lagoon  
W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , and  
SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 5, T. 31 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Frederick Stager

**Address:** P.O. Box 8243  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property straddles both the northern and southern entrances to Brown's Lagoon, about seven miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by a certificated Native allotment. It is bounded on the east by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the south by another privately-owned 10 acre parcel not under consideration for acquisition at this time. The western boundary is another privately-owned 10-acre parcel that is under consideration for acquisition using EVOS restoration funds. Brown's Lagoon divides the parcel with the majority of the parcel being on the east side, including the peninsula extending from that eastern portion of the property. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

Browns Lagoon provides important habitat for a number of wildlife species. A bald eagle nest is located within or directly adjacent to this parcel, and the lagoon provides important eagle foraging habitat. High densities of pigeon guillemots use the lagoon year round, and nest in the small hillsides along the lagoon. Large numbers of black oystercatchers are use the shoreline of

the parcel. A variety of sea ducks including golden eye, harlequin ducks, and surf scoters also commonly use the lagoon .

There is a cabin on at least one of the adjacent parcels, and numerous other cabins and developments on lands throughout Uyak Bay. These developments are generally cabins used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in Uyak Bay, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Stanley Kaneshiro 10-acre parcel**  
**EVOS Parcel Number KAP-2035**  
**USFWS Parcel Number KO-182**

**Rank: N/A**                      **Acreage: 10**                      **Agency Sponsor: USFWS**

**Estimated Value: \$10,000**

**Location:**                      Zachar Bay  
NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 28, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent: Stanley Kaneshiro**

**Address:**                      302 Evergreen Street #1  
Kenai, Alaska 99611

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the southern shore of Zachar Bay, about eight miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by another privately owned 10-acre parcel not being considered for acquisition at this time, and on the west by a privately owned 10-acre parcel currently being considered for acquisition with EVOS restoration funds. It is bounded on the south by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the east by Lands retained by LBTC. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The waters and intertidal habitat along this portion of Zachar Bay are biologically rich and provide very high value habitat for fish and wildlife. The area is heavily used by pigeon guillemots, harlequin ducks, and a variety of other sea ducks throughout the year. The site is also important for marine mammals. The area and the waters to the north around Carlsen Point support strong populations of sea otters. There is a bald eagle nest located on or immediately adjacent to this parcel.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: James Penkusky 10-acre parcel**  
**EVOS Parcel Number KAP-2036**  
**USFWS Parcel Number KO-183**

**Rank: N/A**      **Acreage: ~10**      **Agency Sponsor: USFWS**

**Estimated Value: \$18,000**

**Location:**      Carlsen Point  
SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$  and N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 18, T. 30 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** James and Kathleen Penkusky

**Address:**      6109 Huntclub Road  
Elkridge, Maryland 21075

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located on the northern shore of Carlsen Point, about seven miles northeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by Uyak Bay. It is bounded on the northeast and south by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the west and southeast by other privately-owned 10 acre parcels not under consideration for acquisition at this time. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The waters and intertidal habitat along Carlsen Point are biologically rich and provide very high value habitat for fish and wildlife. The cove on this property serves as a molting site for large numbers of harlequin ducks. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. Between 20 and 40 black oystercatchers use the shorelands along this parcel. The site is also important for marine mammals. The entire area around Carlsen Point supports strong populations of sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There are several bald eagle nest sites on Carlsen Point, most within  $\frac{1}{2}$  mile of this

parcel, although currently there are no known nests actually on the parcel property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Leslie Smith 10-acre parcel**  
**EVOS Parcel Number KAP-2037**  
**USFWS Parcel Number KO-184**

**Rank:** N/A      **Acreage:** ~ 9      **Agency Sponsor:** USFWS

**Estimated Value:** \$12,000

**Location:** Amook Pass, Kodiak Island, Alaska  
SE¼NE¼NW¼ Sec. 32, T. 31 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Leslie Smith

**Address:** P.O. Box 2922  
Kodiak, AK 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the eastern shore of Uyak Bay, about eight miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north and south by other privately owned 10-acre parcels not currently being considered for purchase. It is bounded on the west by Uyak Bay, and on the east by lands purchased from Koniag by the United States using EVOS restoration funds. It is encompassed by lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. It would provide physical and legal access to Kodiak Refuge.

The shallow waters and intertidal lands surrounding this parcel provide valuable habitat for a many sea ducks, most notably harlequin ducks, surf scoters, and golden eye. Pigeon guillemots are found in large numbers throughout the shallow waters of Uyak Bay. There are no known bald eagle nests located on this parcel, but there is at least on nest within ½ mile of this parcel, and eagles may nest in the area in the future. Eagles undoubtedly forage in the area.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive

development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID:** Glen Johnson 10-acre parcel  
**EVOS Parcel Number** KAP-2038  
**USFWS Parcel Number** KO-185

**Rank:** N/A      **Acreage:** ~ 9      **Agency Sponsor:** USFWS

**Estimated Value:** \$16,000

**Location:** Uyak Bay, Kodiak Island, Alaska  
SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$  and SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 22, T. 31 S., R. 29 W.,  
Seward Meridian

**Landowner/Agent:** Glen Johnson

**Address:** P.O. Box 7070  
Nikiski, AK 99635

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the western shore of Uyak Bay, about five miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by another privately owned 10-acre parcel currently being considered for purchase with EVOS restitution funds. It is bounded on the east by Uyak Bay, and on the south and west by lands retained by Koniag included in negotiations for Koniag Phase II acquisition. It is in the vicinity of lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The near shore waters and intertidal lands along this portion of Uyak Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There is one bald eagle nest site on this parcel or immediately adjacent.

There are camps and cabins scattered throughout Uyak Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more

intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID:** Richard Penwarden 10-acre parcel  
EVOS Parcel Number KAP-2039  
USFWS Parcel Number KO-186

**Rank:** N/A      **Acreage:** ~ 9      **Agency Sponsor:** USFWS

**Estimated Value:** \$16,000

**Location:** Uyak Bay, Kodiak Island, Alaska  
NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$  and NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 22, T. 31 S., R. 29 W.,  
Seward Meridian

**Landowner/Agent:** Richard Penwarden

**Address:** P.O. Box 115  
Hachita, NM 88040

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the western shore of Uyak Bay, about five miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south by another privately owned 10-acre parcel currently being considered for purchase with EVOS restoration funds. It is bounded on the east by Uyak Bay, and on the north by lands retained by LBTC. It is bounded on the west by lands retained by Koniag included in negotiations for Koniag Phase II acquisition. It is in the vicinity of lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The near shore waters and intertidal lands along this portion of Uyak Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within  $\frac{1}{2}$  mile radius.

There are camps and cabins scattered throughout Uyak Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more

intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID:** Patricia Abston 10-acre parcel  
**EVOS Parcel Number** KAP-2040  
**USFWS Parcel Number** KO-187

**Rank:** N/A      **Acreage:** ~ 10      **Agency Sponsor:** USFWS

**Estimated Value:** \$11,000

**Location:** Uyak Bay, Kodiak Island, Alaska  
W $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$  and N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 19, T. 30 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Patricia Abston

**Address:** P.O. Box 294  
Kodiak, AK 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the western shore of Carlsen Point which separates Uyak Bay from Zachar Bay, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the southeast by other privately owned 10-acre parcels also being considered for purchase at this time. It is bounded on the west by Uyak Bay. It is bounded on the north, east and southwest by lands retained by Koniag included in negotiations for Koniag Phase II acquisition. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The waters and intertidal habitat along this portion of Uyak Bay are biologically rich and provide very high value habitat for fish and wildlife. Large numbers of harlequin ducks forage in the near shore waters, and may also nest along the shoreline habitats. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. The area is very heavy use by golden eye and surf scoters. There are also 20-40 black oystercatchers using the shorelines adjacent to this parcel. The site is also important for marine mammals, with heavy use by sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There is one bald eagle nest located on or immediately adjacent to this parcel, and several other nests within  $\frac{1}{2}$  mile.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID:** Dexter Lorange 10-acre parcel  
**EVOS Parcel Number** KAP-2041  
**USFWS Parcel Number** KO-188

**Rank:** N/A      **Acreage:** ~4      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Carlsen Point  
NW¼SE¼SE¼ Sec. 18, T. 30 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Dexter Lorange

**Address:** 1201 W. 75<sup>th</sup> Ave.  
Anchorage, Alaska 99518

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located on the eastern shore of Carlsen Point in an unnamed cove, about seven miles northeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the east by Uyak Bay. It is bounded on the west by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the north and south by other privately-owned 10 acre parcels not under consideration for acquisition at this time. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The waters and intertidal habitat along Carlsen Point are biologically rich and provide very high value habitat for fish and wildlife. The cove on this property serves as a molting site for large numbers of harlequin ducks. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. Between 20 and 40 black oystercatchers use the shorelands along this parcel. The site is also important for marine mammals. The entire area around Carlsen Point supports strong populations of sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There are several bald eagle nest sites on Carlsen Point, most within ½ mile of this parcel, although currently there are no known nests actually on the parcel property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: David Abston 10-acre parcel**  
**EVOS Parcel Number KAP-2042**  
**USFWS Parcel Number KO-189**

**Rank: N/A**      **Acreage: ~ 10**      **Agency Sponsor: USFWS**

**Estimated Value: \$15,000**

**Location:**      Uyak Bay, Kodiak Island, Alaska  
NW¼SE¼SW¼ Sec. 19, T. 30 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Virginia Abston, as heir to David Abston

**Address:**      P.O. Box 294  
Kodiak, AK 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the western shore of Carlsen Point which separates Uyak Bay from Zachar Bay, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by other privately owned 10-acre parcels also being considered for purchase at this time. It is bounded on the west by Uyak Bay. It is bounded on the east and south by lands retained by Koniag included in negotiations for Koniag Phase II acquisition. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The waters and intertidal habitat along this portion of Uyak Bay are biologically rich and provide very high value habitat for fish and wildlife. Large numbers of harlequin ducks forage in the near shore waters, and may also nest along the shoreline habitats. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. The area is very heavily used by golden eye and surf scoters. There are also 20-40 black oystercatchers using the shorelines adjacent to this parcel. The site is also important for marine mammals, with heavy use by sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There is one bald eagle nest located on or immediately adjacent to this parcel, and several other nests within ½ mile.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Russell Jager 10-Acre Parcel**  
**EVOS Parcel Number KAP-2043**  
**USFWS Parcel Number KO-190**

**Rank: N/A**      **Acreage: 10**      **Agency Sponsor: USFWS**

**Estimated Value: \$12,000**

**Location:**      Larsen Bay  
NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$  and S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 34, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Russell Jager

**Address:**      4512 Reka Drive  
Anchorage, Alaska 99508

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This tax property is located along the northern shore of Larsen Bay, about three miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north, and east by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The southern boundary is comprised of Uyak Bay. It is bounded on the west by a tax parcel also being considered for acquisition with EVOS restoration funds. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within  $\frac{1}{2}$  mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence

hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Julie Antonsen 10-Acre Parcel**  
**EVOS Parcel Number KAP-2044**  
**USFWS Parcel Number KO-191**

**Rank:** N/A      **Acreage:** 10      **Agency Sponsor:** USFWS  
**Estimated Value:** \$22,800

**Location:** Larsen Bay  
S½S½SW¼SW¼SE¼ Section 26,  
NW¼NW¼NE¼ Sec. 35, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Julie Antonsen

**Address:** 1285½ 1<sup>st</sup> Avenue South  
Burian, Washington 98168

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the northern shore of Larsen Bay, about two miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north and east by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The southern boundary is comprised of Uyak Bay. It is bounded on the west by another private 10-acre parcel also being considered for acquisition at this time using restoration funds. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no

known bald eagle nest sites on this property or within ½ mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Julie Antonsen 10-Acre Parcel**  
**EVOS Parcel Number KAP-2045**  
**USFWS Parcel Number KO-191a**

**Rank:** N/A      **Acreage:** 8      **Agency Sponsor:** USFWS

**Estimated Value:** See KAP-2044/KO191

**Location:** Larsen Bay  
NW¼NE¼NW¼, Sec. 35, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Julie Antonsen

**Address:** 12852½ 1<sup>st</sup> Avenue South  
Burian, Washington 98168

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the northern shore of Larsen Bay, about two miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north and west by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The southern boundary is comprised of Uyak Bay. It is bounded on the east by another private 10-acre parcel also being considered for acquisition at this time using restoration funds. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within ½ mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID:** Virginia Abston 10-acre parcel  
**EVOS Parcel Number** KAP-2046  
**USFWS Parcel Number** KO-192

**Rank:** N/A      **Acreage:** ~ 15      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Uyak Bay, Kodiak Island, Alaska  
SW¼NE¼SW¼ Sec. 19, T. 30 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Virginia Abston

**Address:** P.O. Box 294  
Kodiak, AK 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the western shore of Carlsen Point which separates Uyak Bay from Zachar Bay, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south and northwest by other privately owned 10-acre parcels also being considered for purchase at this time. It is bounded on the west by Uyak Bay. It is bounded on the east and northeast by lands retained by Koniag included in negotiations for Koniag Phase II acquisition. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The waters and intertidal habitat along this portion of Uyak Bay are biologically rich and provide very high value habitat for fish and wildlife. Large numbers of harlequin ducks forage in the near shore waters, and may also nest along the shoreline habitats. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. The area is very heavy use by golden eye and surf scoters. There are also 20-40 black oystercatchers using the shorelines adjacent to this parcel. The site is also important for marine mammals, with heavy use by sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There is one bald eagle nest located on or immediately adjacent to this parcel, and several other nests within ½ mile.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID:** John Becker, et al 10-acre parcel  
EVOS Parcel Number KAP-2047  
USFWS Parcel Number KO-193

**Rank:** N/A      **Acreage:** ~ 12      **Agency Sponsor:** USFWS

**Estimated Value:** \$16,000

**Location:** Carlsen Point, Kodiak Island, Alaska  
W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$  and NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 18, T. 30 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** John Becker, et al.

**Address:** P.O. Box 4205  
Kodiak, AK 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the northern shore of Carlsen Point, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by a 10-acre parcel owned by Kodiak Island Borough currently being considered for purchase. It is bounded on the south and west by Uyak Bay, and on the east by lands included in the Koniag Phase II negotiations. It is encompassed by lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff.

The waters and intertidal habitat along this portion of Uyak Bay are biologically rich and provide very high value habitat for fish and wildlife. Large numbers of harlequin ducks forage in the near shore waters, and may also nest along the shoreline habitats. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. The area is very heavily used by golden eye and surf scoters. The site is also important for marine mammals, with heavy use by sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There are several bald eagle nests located within  $\frac{1}{2}$  mile of this parcel, although there is not currently a known nest site on the property.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2048**  
**USFWS Parcel Number KO-194**

**Rank:** N/A      **Acreage:** 13      **Agency Sponsor:** USFWS

**Estimated Value:** \$20,000

**Location:** Uyak Bay  
SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec. 3, T. 31 S., R. 29 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the western shore of Uyak Bay, about three miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north, west, and south by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The eastern boundary is comprised of Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The intertidal waters adjacent to this parcel are shallow making ideal habitat for harlequins and other sea ducks such as surf scoters, golden eye and merganzers. Harlequins may nest along the estuary shorelines and small streams adjacent to the bay. There are no known bald eagle nest sites in the vicinity of this parcel. Although there is no specific information for other wildlife species using this parcel, the bay as a whole provides some very valuable habitat for many

wildlife species.

People continue to develop small land tracts throughout Uyak Bay, usually constructing new cabins used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate at various locations within the bay, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2049**  
**USFWS Parcel Number KO-195**

**Rank: N/A**                      **Acreage: 11**                      **Agency Sponsor: USFWS**

**Estimated Value: \$12,000**

**Location:**                      Western shore Uyak Bay  
SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec.15, T. 31 S., R. 29 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:**                      710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the western shore of Uyak Bay near, about five miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south and west by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. It is bounded on the east by Uyak Bay and on the north by a privately owned 10-acre parcel not currently under consideration for acquisition. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands along this portion of Uyak Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary

shorelines and banks of the stream which crosses through the property. There are no known bald eagle nest sites on this property or within ½ mile radius.

There are camps and cabins scattered throughout Uyak Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2050**  
**USFWS Parcel Number KO-196**

**Rank: N/A**      **Acreage: 10**      **Agency Sponsor: USFWS**

**Estimated Value: \$11,000**

**Location:**      Uyak Bay  
SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 22, T. 31 S., R. 29 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:**      710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the western shore of Uyak Bay near, about five miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north, south, southeast and west by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. It is bounded on the northeast by Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands along this portion of Uyak Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within  $\frac{1}{2}$  mile radius.

There are camps and cabins scattered throughout Uyak Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2051**  
**USFWS Parcel Number KO-197**

**Rank:** N/A      **Acreage:** 11      **Agency Sponsor:** USFWS

**Estimated Value:** \$14,000

**Location:** Uyak Bay  
SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec. 22, T. 31 S., R. 29 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the western shore of Uyak Bay near, about five miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north, south, and west by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. It is bounded on the east by Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands along this portion of Uyak Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within  $\frac{1}{2}$  mile radius.

There are camps and cabins scattered throughout Uyak Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2052**  
**USFWS Parcel Number KO-198**

**Rank: N/A**                      **Acreage: 10**                      **Agency Sponsor: USFWS**

**Estimated Value: \$13,000**

**Location:**                      Carlsen Point  
   SW¼NE¼SW¼ Sec.18, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:**                      710 Mill Bay Road  
   Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the eastern shore of Uyak Bay near Carlsen Point, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the southwest by Uyak Bay, and on the north and east by lands retained by Koniag which are included in negotiations for Kodiak Phase II. It is bounded on the west by land retained by LBTC, and on the south by a privately owned parcel also under consideration for acquisition with EVOS restoration funding. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along Carlsen Point are biologically rich and provide very high value habitat for fish and wildlife. The cove on this property serves as a molting site for large numbers of harlequin ducks. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. Between 20 and 40 black oystercatchers use the shorelands along this

parcel. The site is also important for marine mammals. The entire area around Carlsen Point supports strong populations of sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There are several bald eagle nest sites on Carlsen Point, most within ½ mile of this parcel, although currently there are no known nests actually on the parcel property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2053**  
**USFWS Parcel Number KO-199**

**Rank:** N/A      **Acreage:** 10      **Agency Sponsor:** USFWS

**Estimated Value:** \$9,000

**Location:** Carlsen Point  
NW¼SE¼NW¼ Sec.19, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the eastern shore of Uyak Bay near Carlsen Point at the head of a small unnamed cove, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by Uyak Bay and another parcel owned by KIB under consideration for purchase with EVOS restoration funds, and on the south and east by lands retained by Koniag which are included in negotiations for Kodiak Phase II. It is bounded on the west by a privately-owned 10-acre parcel not under consideration for acquisition at this time. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along Carlsen Point are biologically rich and provide very high value habitat for fish and wildlife. The cove on this property serves as a molting site for large numbers of harlequin ducks. Large numbers of pigeon guillemots and a variety of sea ducks use

the area year round. Between 20 and 40 black oystercatchers use the shorelands along this parcel. The site is also important for marine mammals. The entire area around Carlsen Point supports strong populations of sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There are several bald eagle nest sites on Carlsen Point, most within ½ mile of this parcel, although currently there are no known nests actually on the parcel property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2054**  
**USFWS Parcel Number KO-200**

**Rank:** N/A      **Acreage:** 12      **Agency Sponsor:** USFWS

**Estimated Value:** \$9,000

**Location:** Carlsen Point  
W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , and  
E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 19, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the eastern shore of Uyak Bay near Carlsen Point and is bisected by a small unnamed cove, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north and west by privately owned 10-acre parcels not currently under consideration for acquisition. It is bounded on the southwest by another parcel owned by KIB under consideration for purchase with EVOS restoration funds, and on the east and southeast by lands retained by Koniag which are included in negotiations for Kodiak Phase II. Uyak Bay cuts through the center of the parcel providing shoreline and access to both portions of the parcel. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along Carlsen Point are biologically rich and provide very high

value habitat for fish and wildlife. The cove on this property serves as a molting site for large numbers of harlequin ducks. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. Between 20 and 40 black oystercatchers use the shorelands along this parcel. The site is also important for marine mammals. The entire area around Carlsen Point supports strong populations of sea otters, and harbor seals haul out on the sand bars adjacent to the parcel. There are several bald eagle nest sites on Carlsen Point, most within ½ mile of this parcel, although currently there are no known nests actually on the parcel property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2055**  
**USFWS Parcel Number KO-201**

**Rank:** N/A                      **Acreage:** 13                      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Zachar Bay  
S½NW¼NW¼ Sec.20, T. 30 S., R. 28 W., Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the south shore of Zachar Bay near Carlsen Point, about six miles east of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north and east by Zachar Bay, and on the south by lands retained by Koniag which are included in negotiations for Kodiak Phase II. It is bounded on the west by a privately owned 10-acre parcel also being considered for acquisition with EVOS restoration funds. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The waters and intertidal habitat along this portion of Zachar Bay are biologically rich and provide very high value habitat for fish and wildlife. The area is heavily used by pigeon guillemots, harlequin ducks, and a variety of other sea ducks throughout the year. The site is also important for marine mammals, with seals using a variety of bars and offshore rocks for haul

outs. Black oystercatchers are abundant along the shorelines and offshore rocks. The area and the waters to the north around Carlsen Point support strong populations of sea otters. There is a bald eagle nest located on or immediately adjacent to this parcel, and another nest within ½ mile of the property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2056**  
**USFWS Parcel Number KO-202**

**Rank: N/A**                      **Acreage: 10**                      **Agency Sponsor: USFWS**

**Estimated Value: \$15,000**

**Location:**                      Larsen Bay  
NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 34, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:**                      710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the northern shore of Larsen Bay, about three miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The southern boundary is comprised of Uyak Bay. It is bounded on the east by a privately-owned 10-acre parcel currently being considered for acquisition with EVOS restoration funds, and on the west by a privately-owned 10-acre parcel not being considered for acquisition at this time. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks,

surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within ½ mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2057**  
**USFWS Parcel Number KO-203**

**Rank:** N/A      **Acreage:** 10      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Larsen Bay  
SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec. 34, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:** 710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the southern shore of Larsen Bay, about three miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south and west by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The northwest corner lies along Uyak Bay. It is bounded on the east by another 10-acre tax parcel also being considered for acquisition with EVOS restoration funds, and on the north by lands retained by LBTC. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions

of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within ½ mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2058**  
**USFWS Parcel Number KO-204**

**Rank: N/A**                      **Acreage: 10**                      **Agency Sponsor: USFWS**

**Estimated Value: \$15,000**

**Location:**                      Larsen Bay  
NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
Sec. 34, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:**                      710 Mill Bay Road  
Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the southern shore of Larsen Bay, about three miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The north boundary is comprised of Uyak Bay. It is bounded on the east and west by other 10-acre tax parcels also being considered for acquisition with EVOS restoration funds. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks,

surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within ½ mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Kodiak Island Borough Tax Parcels**  
**EVOS Parcel Number KAP-2059**  
**USFWS Parcel Number KO-205**

**Rank: N/A**                      **Acreage: 10**                      **Agency Sponsor: USFWS**

**Estimated Value: \$15,000**

**Location:**                      Larsen Bay  
   SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec. 34, T. 30 S., R. 30 W.,  
   Seward Meridian

**Landowner/Agent:** Kodiak Island Borough

**Address:**                      710 Mill Bay Road  
   Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. Subsequently, a number of Tribal members were unable to pay their assessed property taxes and the Kodiak Island Borough took title to these lands for nonpayment of property taxes. The Borough then voted to declare the lands as Conservation/Public Purpose lands which protected them from resale unless to a conservation entity.

This tax property is located along the southern shore of Larsen Bay, about three miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the south by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The northeast corner lies along Uyak Bay. It is bounded on the west by another 10-acre tax parcel also being considered for acquisition with EVOS restoration funds, and on the east by another privately-owned 10-acre parcel not being considered for acquisition at this time. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

{Biological writeup}

{ Any changes to Development writeup? }

People continue to develop small land tracts throughout Uyak Bay, usually constructing new cabins used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate at various locations within the bay, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID:** Fred Glenn 10-acre parcel  
**EVOS Parcel Number** KAP-2060  
**USFWS Parcel Number** KO-206

**Rank:** N/A      **Acreage:** ~4      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Carlsen Point  
SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$  and N $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 19, T. 30 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Fred Glenn

**Address:** 2116 HDR#2  
Sitka, Alaska 99835

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located on the eastern shore of Carlsen Point in an unnamed cove, about seven miles northeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by Zachar Bay. It is bounded on the south and southwest by lands retained by Koniag which are included in negotiations for the Koniag Phase II acquisition, and on the northwest by another privately-owned 10 acre parcel not under consideration for acquisition at this time. It is bounded on the east by a 10-acre tax parcel also under consideration for acquisition with EVOS restoration funds. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

The waters and intertidal habitat along Carlsen Point are biologically rich and provide very high value habitat for fish and wildlife. The cove on this property serves as a molting site for large numbers of harlequin ducks. Large numbers of pigeon guillemots and a variety of sea ducks use the area year round. Between 20 and 40 black oystercatchers use the shorelands along this parcel. The site is also important for marine mammals. The entire area around Carlsen Point supports strong populations of sea otters, and harbor seals haul out on the sand bars adjacent to

the parcel. There are several bald eagle nest sites on Carlsen Point, most within ½ mile of this parcel, although currently there are no known nests actually on the parcel property.

There are camps and cabins scattered throughout Uyak and Zachar bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Pete Danilesky 10-Acre Parcel**  
**EVOS Parcel Number KAP-2061**  
**USFWS Parcel Number KO-207**

**Rank: N/A**                      **Acreage: 7**                      **Agency Sponsor: USFWS**

**Estimated Value: \$15,000**

**Location:**                      Uyak Bay  
   NW¼NE¼SW¼, Sec. 10, T. 31 S., R. 29 W.,  
   Seward Meridian

**Landowner/Agent: Pete Danilesky**

**Address:**                      P.O. Box 2333  
   Kodiak, Alaska 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This tax property is located along the western shore of Uyak Bay, about four miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north, west, and south by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The eastern boundary is comprised of Uyak Bay. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The intertidal waters adjacent to this parcel are shallow making ideal habitat for harlequins and other sea ducks such as surf scoters, golden eye and mergansers. Harlequins may nest along the estuary shorelines and small streams adjacent to the bay. There are no known bald eagle nest sites in the vicinity of this parcel. Although there is no specific information for other wildlife species using this parcel, the bay as a whole provides some very valuable habitat for many wildlife species.

People continue to develop small land tracts throughout Uyak Bay, usually constructing new cabins used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate at various locations within the bay, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID: Darlene Johnson 10-acre parcel**  
**EVOS Parcel Number KAP ~~2062~~**  
**USFWS Parcel Number 214**

**Rank: N/A**      **Acreage: 10**      **Agency Sponsor: USFWS**

**Estimated Value: \$15,000**

**Location:**      Browns Lagoon  
NW¼SW¼SE¼, Sec. 5, T. 31 S., R. 28 W., Seward Meridian

**Landowner/Agent: Darlene Johnson**

**Address:**      P.O. Box 16  
Larsen Bay, Alaska 99624

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property lies along the western shore of Brown's Lagoon, about seven miles east of the village of Larsen Bay on western Kodiak Island. It is bounded on the east by Uyak Bay, and on the north by another privately-owned 10 acre parcel also under consideration for acquisition with EVOS restoration funds. It is bounded on the west and south by lands retained by LBTC. It is encompassed within lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. The lands have excellent access from Uyak Bay.

Browns Lagoon provides important habitat for a number of wildlife species. A bald eagle nest is located within or directly adjacent to this parcel, and the lagoon provides important eagle foraging habitat. High densities of pigeon guillemots use the lagoon year round, and nest in the small hillsides along the lagoon. Large numbers of black oystercatchers are use the shoreline of the parcel. A variety of sea ducks including golden eye, harlequin ducks, and surf scoters also commonly use the lagoon .

There is a cabin on at least one of the adjacent parcels, and numerous other cabins and developments on lands throughout Uyak Bay. These developments are generally cabins used for

recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in Uyak Bay, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID: Janissa Johnson 10-Acre Parcel**

EVOS Parcel Number KAP-~~205~~5

USFWS Parcel Number KO-215

**Rank:** N/A      **Acreage:** 8      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Larsen Bay  
NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec. 26, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Janissa Johnson

**Address:** P.O. Box 16  
Larsen Bay, AK 99624

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located north of Larsen Bay, about two miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north, south, and west by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. It is bounded on the east by a private 10-acre parcel also being considered for acquisition at this time with EVOS restoration funds. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within  $\frac{1}{2}$  mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID:** Noreen Johnson 10-Acre Parcel  
**EVOS Parcel Number** KAP-~~206~~7  
**USFWS Parcel Number** KO-216

**Rank:** N/A      **Acreage:** 8      **Agency Sponsor:** USFWS

**Estimated Value:** \$15,000

**Location:** Larsen Bay  
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec. 26, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Noreen Johnson

**Address:** P.O. Box 16  
Larsen Bay, AK 99624

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located north of Larsen Bay, about two miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north, south, and east by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. It is bounded on the west by a private 10-acre parcel also being considered for acquisition at this time with EVOS restoration funds. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within  $\frac{1}{2}$  mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

**Parcel ID:** Patricia Hester 10-acre parcel

**EVOS Parcel Number** KAP-~~266~~5

**USFWS Parcel Number** KO-218

**Rank:** N/A      **Acreage:** ~ 10      **Agency Sponsor:** USFWS

**Estimated Value:** \$12,000

**Location:** Amook Pass, Kodiak Island, Alaska  
W $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , and NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$   
Sec. 32, T. 31 S., R. 28 W., Seward Meridian    Sec. 32, T. 31 S., R. 28 W.,  
Seward Meridian

**Landowner/Agent:** Patricia Hester

**Address:** P.O. Box 3104  
Kodiak, AK 99615

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the eastern shore of Uyak Bay, about eight miles southeast of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by another privately owned 10-acre parcels already approved for purchase with restoration funds. It is bounded on the west by Uyak Bay, and on the east and south by lands purchased from Koniag by the United States using EVOS restoration funds. It is encompassed by lands purchased from Koniag by the USFWS in September 1998 as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. It would provide physical and legal access to Kodiak Refuge.

The shallow waters and intertidal lands surrounding this parcel provide valuable habitat for a many sea ducks, most notably harlequin ducks, surf scoters, and golden eye. Pigeon guillemots are found in large numbers throughout the shallow waters of Uyak Bay. There are no known bald eagle nests located on this parcel, but there is at least on nest within  $\frac{1}{2}$  mile of this parcel, and eagles may nest in the area in the future. Eagles undoubtedly forage in the area.

There are camps and cabins scattered throughout Uyak Bay used for recreational and subsistence

hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate throughout Uyak Bay providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.



**Parcel ID:** Jackie Johnson 10-Acre Parcel  
**EVOS Parcel Number** KAP- 266  
**USFWS Parcel Number** KO- 219

**Rank:** N/A      **Acreage:** ~10      **Agency Sponsor:** USFWS

**Estimated Value:**

**Location:** Larsen Bay  
S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec. 26, and  
NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 35, T. 30 S., R. 30 W.,  
Seward Meridian

**Landowner/Agent:** Jackie Johnson

**Address:** P.O. Box 16  
Larsen Bay, Alaska 99624

Pursuant to the Alaska Native Claims Settlement Act, certain regional and village Native corporations were organized under Alaska law, including the village corporation for Larsen Bay, Nu-Nachk-Pit, Inc., and the regional corporation, Koniag, Inc. In October 1980, these corporations, among others signed a plan of merger which provided that the corporations would merge into Koniag, Inc., and Koniag would receive all the village corporation real estate selection rights and conveyances. Pursuant to the Plan of Merger, Koniag quit claimed its interest in certain lands to Larsen Bay Tribal Council for the benefit of Tribal members. Subsequently, LBTC deeded lands in small parcels of about 10 acres each to individual tribal members. This conveyance removed the lands from the tax protected status of Tribal or Native corporate lands. A number of these private owners have now indicated their interest in selling their land at appraised fair market value.

This property is located along the northern shore of Larsen Bay, about two miles west of the village of Larsen Bay on western Kodiak Island. The parcel is bounded on the north by lands retained by Koniag and included in negotiations for Koniag Phase II acquisition. The southern boundary is comprised of Uyak Bay. It is bounded on the east and west by private 10-acre parcels also being considered for acquisition using restoration funds. It is encompassed within lands purchased from Koniag by the USFWS as part of the Koniag large parcel acquisition funded by the Exxon Valdez Oil Spill Trustee Council, which was classified as "High" value by the EVOS staff. This parcel has good access from the beach, and will provide key marine access to the surrounding lands to become part of the Kodiak National Wildlife Refuge.

The near shore waters and intertidal lands of Larson Bay are important fish and wildlife habitats. The shallow waters along this shoreline are used heavily by pigeon guillemots, harlequin ducks, surf scoters, and golden eye throughout the year. Pigeon guillemots nest along the steep portions of the shoreline, and harlequin ducks may also nest along the estuary shorelines. There are no known bald eagle nest sites on this property or within  $\frac{1}{2}$  mile radius.

There are camps and cabins scattered through Larson Bays used for recreational and subsistence hunting and fishing. These sites have significant potential for expansion into more intrusive development. Several commercial lodges operate in the Larson and Uyak bays providing their clients opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism. Continued development in this area could further adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wildlife, habitat, wilderness, recreational, and subsistence restoration benefits of the surrounding Koniag large parcel acquisitions and enhance sound natural resource management.

Parcels Meriting  
Special Consideration

**ADFG**

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME


OFFICE OF THE COMMISSIONER

KEN 293, 294, 295

TONY KNOWLES, GOVERNOR

P.O. BOX 25526  
JUNEAU, ALASKA 99802-5526  
PHONE: (907) 465-4100  
FACSIMILE: (907) 465-2332

To: Molly McCammon, Executive Director  
EVOS Trustee Council

From: Frank Rue, Commissioner   
Alaska Department of Fish and Game

Date: June 7, 2000

Subject: KEN- 293, 294, 295

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Pending resolution of designated funds for small parcel acquisitions, the Alaska Department of Fish and Game (ADF&G) nominates KEN-293, -294 and -295 as Parcels Meriting Special Consideration. These parcels are located on the South Fork of the Anchor River and offer a unique opportunity to secure much needed habitat protection and recreational access along a river corridor highly threatened by development. Similar to the Kenai River, much of the lower Anchor River is in private ownership. Acquisition of these parcels will benefit Exxon Valdez Oil Spill (EVOS) restoration goals and facilitate agency management of fish and wildlife populations on the lower Kenai Peninsula.

cc: L. Trasky  
C. Slater

## SMALL PARCEL NOMINATION FORM

KEN 293

## EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Please Print or Type

## Part 1: Landowner Information

Landowner: TERRY YAGER Phone: 235-6183 W  
235-0699 H  
Address: 412 E. PIONEER AVE. Fax: 235-0699  
HOMER, ALASKA 99603  
Co-owner: JOUNIE SMITH-YAGER  
Other contacts/agents: \_\_\_\_\_  
Subsurface owner: UNKN

## Part 2: Parcel Information

Legal description of property: (township, range, section) LOTS 5 & 6 BLOCK 2  
ANCHOR VALLEY ESTATES  
PTN. SEC'S 11, 12 & 13 T5S R15W S.M.  
HOMER RECORDING DISTRICT

General description of property: SUBJECT PROPERTIES FRONT ON THE  
STERLING HWY AND BOTH SIDES OF THE  
ANCHOR RIVER. BOTH LOTS ARE NOT  
IN THE WETLANDS

Is your property located within or adjacent to a State or Federal Park, Refuge or National Forest or other public land unit? If so, which one? STATE OF ALASKA LAND.

Approximate acreage: 9.67 acres

Are there any developments on the site: LAND HAS BEEN CLEARED AND  
DRIVEWAY HAS BEEN INSTALLED partially.

Are there any hazardous materials on the property? (waste oil, mine tailings, dump)

(Y/N/Unknown)

NONE KNOWN

Please provide the following if available: surveys, photos, maps, copy of deed, etc.:

WITH NOMINATION FORM.

INCLUDED

## SMALL PARCEL NOMINATION FORM

## Part 3: Threshold Criteria:

Are you willing to sell your property at fair market value?

(Y/N)

YES

Is the parcel within the Oil Spill area?(see attached map)

(Y/N)

YES

Do you grant permission for Trustee Council staff to inspect your property?

(Y/N)

YES

\*Describe or list any injured resources/services that occur on or are affected by your property:

INJURED SERVICES { PINK SALMON, DOLLY VARDEN, BALD EAGLE NESTING,  
HARLEQUIN DUCK ARE ON THIS PROPERTY AT  
VARIOUS TIMES OF THE YEAR.

SERVICES { RECREATION

Tell us how acquisition of your property will benefit restoration:

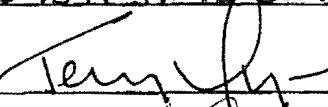
IT IS MY UNDERSTANDING  
THAT THE WATERSHED ECO-RIVER SYSTEM IS  
VERY SENSITIVE ON THE SUBJECT PROPERTY AND  
THE ADJACENT STATE LAND. THIS SECTION OF THE  
ANCHOR RIVER IS A HEAVY SALMON/STEELHEAD  
SPAWNING AREA AS WELL AS AN BALD EAGLE  
NESTING AREA.

General comments:

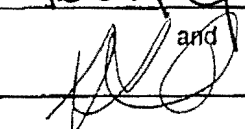
IT IS THE OWNERS INTENT TO CO-OPERATE  
WITH HABITAT PROTECTION PROCESS IF WE CAN BE  
COMPENSATED IN A MANNER THAT WILL ALLOW US  
TO RELOCATE OUR PROJECT TO ANOTHER LOCATION.  
OWNER IS A STATE OF ALASKA LICENSED REAL ESTATE AGENT.

## Part 4:

Signature of landowner:

Date: 3-4-00

Signature of co-owner:

Date: 3/4/00

Signature of co-owner:

Date: \_\_\_\_\_

A nomination does not bind you to sell your property, nor does it bind the Trustee Council to buy your lands.

Please submit each nomination on a separate nomination form.

\*A list of all injured species/services is included.

If you need additional space please use additional sheets.

INCOMPLETE NOMINATION FORMS WILL NOT BE CONSIDERED

# SMALL PARCEL SCORING

KEN 293

2000

PARCEL NUMBER	KEN 293	done 4/17/00							SCORE	12
REGION	Kenai	A/QC								
SPONSOR AGENCY	ADF&G									
EXPERT CONTACT:	Yager									
EXPERT REVIEWER:										
LOCATION REF.	Anchor River, T5S, R15W, S 11, 12, 13, Lots 5 & 6 Block 2 Anchor Valley Estates									
ACREAGE	9.67									
		(Y=1, N=0)								
THRESHOLD CRITERIA										
1. The parcel is within the oil spill area.		1								
2. There is a willing seller of the property.		1								
3. Sell at fair market value.		1								
4. Incorporated into public land management.		1								
5. The parcel is linked to restoration.		1								
	Qualify Threshold	1								
EVALUATION CRITERIA										
	I. Linkage				II. Risk				III. Management	
	IA	IB	IC	ID	IIA	IIB	IIC	IID	IIIA	IIIB
Pink Salmon	1		1		1				1	
Sockeye Salmon										
Cutthroat Trout										
Dolly Varden	1		1		1				1	
Pacific Herring										
Bald Eagle										
Black Oystercatcher										
Common Murre										
Harbor Seal										
Harlequin Duck										
Intertidal/Subtidal										
Marbled Murrelet										
Pigeon Guillemot										
River Otter										
Sea Otter										
Recreation/Tourism	1		1							
Wilderness										
Cultural Resources										
Subsistence										
Total	3	0	3	0	2	0	0	0	2	0
>=1, total	1	0	1	0	1	0	0	0	1	0
Total	3				2				2	
TOTAL SCORE	12									

DRAFT



KEN 294

## SMALL PARCEL NOMINATION FORM

## EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Please Print or Type

## Part 1: Landowner Information

Landowner: PATRICK ELLIOTT Phone: (623) 214-9870  
Address: 14105 W. KIOWA TRAIL Fax: (623) 214-9887  
SUPRISE, AZ. 88374  
Co-owner: DONNA ELLIOTT  
Other contacts/agents: TERRY YAGER (235-6183 W)  
412 E. PIONEER AVE HOMER, ALASKA 99603  
Subsurface owner: WUKU

## Part 2: Parcel Information

Legal description of property: (township, range, section) LOTS 7, 8, 10, 11, 13 & 14  
BLOCK 2 ANCHOR VALLEY ESTATES  
PTN. SEC'S 11, 12, & 13, T5S, R15W S.M.  
HOMER RECORDING DISTRICT  
General description of property: SUBJECT PROPERTIES FRONT ON THE  
STERLING HWY AND A GRAVEL ROAD LOCATED  
AT MILE 160 STERLING HWY (DEDICATED ROAD  
KATHRYN AVE ACCESSES LOTS 11, 12 & 14.) ALL  
LOTS FRONT THE ANCHOR RIVER.

Is your property located within or adjacent to a State or Federal Park, Refuge or National Forest or other public land unit? If so, which one? STATE LAND & BOROUGH LAND

Approximate acreage: 19.84 acres

Are there any developments on the site: NONE

Are there any hazardous materials on the property? (waste oil, mine tailings, dump)

(Y/N/Unknown)

NONE KNOWN

Please provide the following if available: surveys, photos, maps, copy of deed, etc.:

INCLUDED

WITH NOMINATION FORM

Apr 04 00 02:49p

Terry Yager

9072350699

p.3

HPR-03-00 MON 10:44 AM DEPT. OF FISH &amp; GAME

FHA NO. 2012404

11 04

## SMALL PARCEL NOMINATION FORM

## Part 3: Threshold Criteria:

Are you willing to sell your property at fair market value?

(Y/N)

YES

Is the parcel within the Oil Spill area?(see attached map)

(Y/N)

YES

Do you grant permission for Trustee Council staff to inspect your property?

(Y/N)

YES

\*Describe or list any injured resources/services that occur on or are affected by your property:

INJURED  
SERVICESPINK SALMON, DOLLY VARDEN, BALD EAGLE AND  
HARLEQUIN DUCK ARE ON THESE PARCELS AT  
VARIOUS TIMES OF THE YEAR.

SERVICES

RECREATION

Tell us how acquisition of your property will benefit restoration:

IT IS MY UNDERSTANDING  
THAT THE WATERSHED ECO-RIVER SYSTEM IS VERY SENSITIVE  
ON THE SUBJECT PROPERTY AND THE ADJACENT STATE  
AND BOROUGH LAND. THIS SECTION OF THE ANCHOR  
RIVER IS A HEAVY SALMON/STEELHEAD SPAWNING  
AREA AS WELL AS A BALD EAGLE NESTING AREA.

General comments:

IT IS THE OWNERS INTENT TO CO-OPERATE  
WITH THE HABITAT PROTECTION PROCESS IF WE CAN  
BE COMPENSATED IN A MANNER THAT WILL ALLOW  
US TO RELOCATE OUR PROPERTY TO ANOTHER LOCATION.  
CONTACT/AGENT IS A STATE OF ALASKA LICENSED REAL ESTATE AGENT.

Part 4:

Signature of landowner:

X Date: 4 Apr 00

Signature of co-owner:

X Date: 4-APR-00

Signature of co-owner:

Date: \_\_\_\_\_

A nomination does not bind you to sell your property, nor does it bind the Trustee Council to buy your lands.

Please submit each nomination on a separate nomination form.

\*A list of all injured species/services is included.

If you need additional space please use additional sheets.

INCOMPLETE NOMINATION FORMS WILL NOT BE CONSIDERED

# SMALL PARCEL SCORING

KEN 294

2001

PARCEL NUMBER	KEN 294	done 4/17/00							SCORE	12
REGION	Kenai	A/QC								
SPONSOR AGENCY	ADF&G									
EXPERT CONTACT:	Elliot									
EXPERT REVIEWER:										
LOCATION REF.	Anchor River, T5S, R15W, S 11, 12, 13, Lots 7, 8, 10, 11, 13, 14, Block 2,									
ACREAGE	19.84					Anchoe Valley Estates				
		(Y=1, N=0)								
THRESHOLD CRITERIA										
1. The parcel is within the oil spill area.		1								
2. There is a willing seller of the property.		1								
3. Sell at fair market value.		1								
4. Incorporated into public land management.		1								
5. The parcel is linked to restoration.		1								
	Qualify Threshold	1								
EVALUATION CRITERIA										
	I. Linkage				II. Risk				III. Management	
	IA	IB	IC	ID	IIA	IIB	IIC	IID	IIIA	IIIB
Pink Salmon	1		1		1				1	
Sockeye Salmon										
Cutthroat Trout										
Dolly Varden	1		1		1				1	
Pacific Herring										
Bald Eagle										
Black Oystercatcher										
Common Murre										
Harbor Seal										
Harlequin Duck										
Intertidal/Subtidal										
Marbled Murrelet										
Pigeon Guillemot										
River Otter										
Sea Otter										
Recreation/Tourism	1		1							
Wilderness										
Cultural Resources										
Subsistence										
Total	3	0	3	0	2	0	0	0	2	0
>=1, total	1	0	1	0	1	0	0	0	1	0
Total	3				2				2	
TOTAL SCORE	12									

DRAFT

**Parcels Meriting Special Consideration  
KEN 293 & KEN 294**

**Rank:** Low

**Acreage:** 30

**Agency Sponsor:** ADF&G

**Location:** Anchor River

**Landowner:** Terry Yager/Patrick Elliot

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The Alaska Department of Fish and Game (ADF&G) requests EVOS Trustee Council approval to acquire five parcels of land on the Anchor River totaling approximately 30 acres. The department is nominating the Yager/Elliot parcels as Parcels Meriting Special Consideration under the EVOS Small Parcel Acquisition Process. The Habitat Protection Work Group has evaluated these parcels and assigned them a relative ranking score of 12.

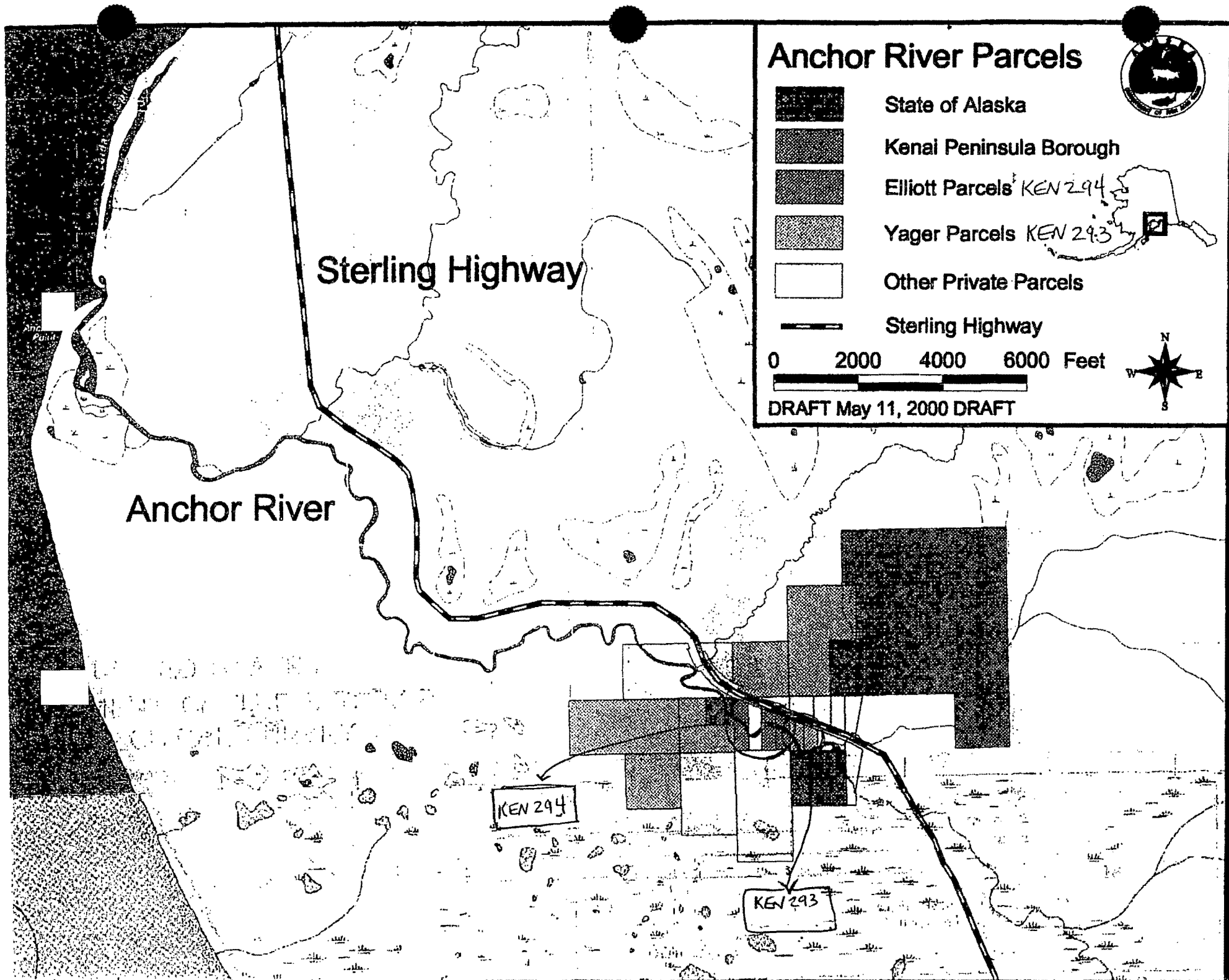
The Yager/Elliot properties are contiguous parcels located along the lower Anchor River. They contain riparian and upland habitats of varying slope that support vegetative species such as, willow, alder, spruce, birch and cottonwood trees. These terrestrial habitats provide structure to the riverbank and cover for the river, thereby protecting streambed substrates and the hydrological properties most important to high quality fish habitat. The river corridor in this area provides habitat essential to the production of Pacific salmon, steelhead trout and anadromous Dolly Varden. This section is particularly important to rearing juvenile fish of all species throughout the year, and over wintering adult steelhead trout and Dolly Varden, as well as spawning chinook salmon. This area also serves as a major migratory corridor each year for thousands of adults of all species attempting to reach upstream spawning grounds. Additionally, maintenance of quality habitat at Anchor River is important to anadromous Dolly Varden throughout the Lower Kenai Peninsula. Tagging studies have demonstrated that spawning and rearing Anchor River Dolly Varden are highly migratory and contribute to populations that inhabit Deep Creek, Ninilchik River, and other Kachemak Bay tributaries. In sum, this section is considered to currently possess fish habitat of exceptional quality that is important to the life cycle requirements of all fish species indigenous to the Anchor River. The fish species mentioned above support fisheries that are important to the Kenai Peninsula. The Anchor River supports an average of approximately 28,000 angler days of fishing effort each year. The parcels being considered are adjacent to or near the Sterling Highway and therefore possess high recreational value. Population growth and changes in land use activities on the Lower Kenai Peninsula has lead to increased stream-side development. Consequently, the overall value of these parcels on the Anchor River are important to maintaining quality fish habitat and recreational opportunity on the Kenai Peninsula.

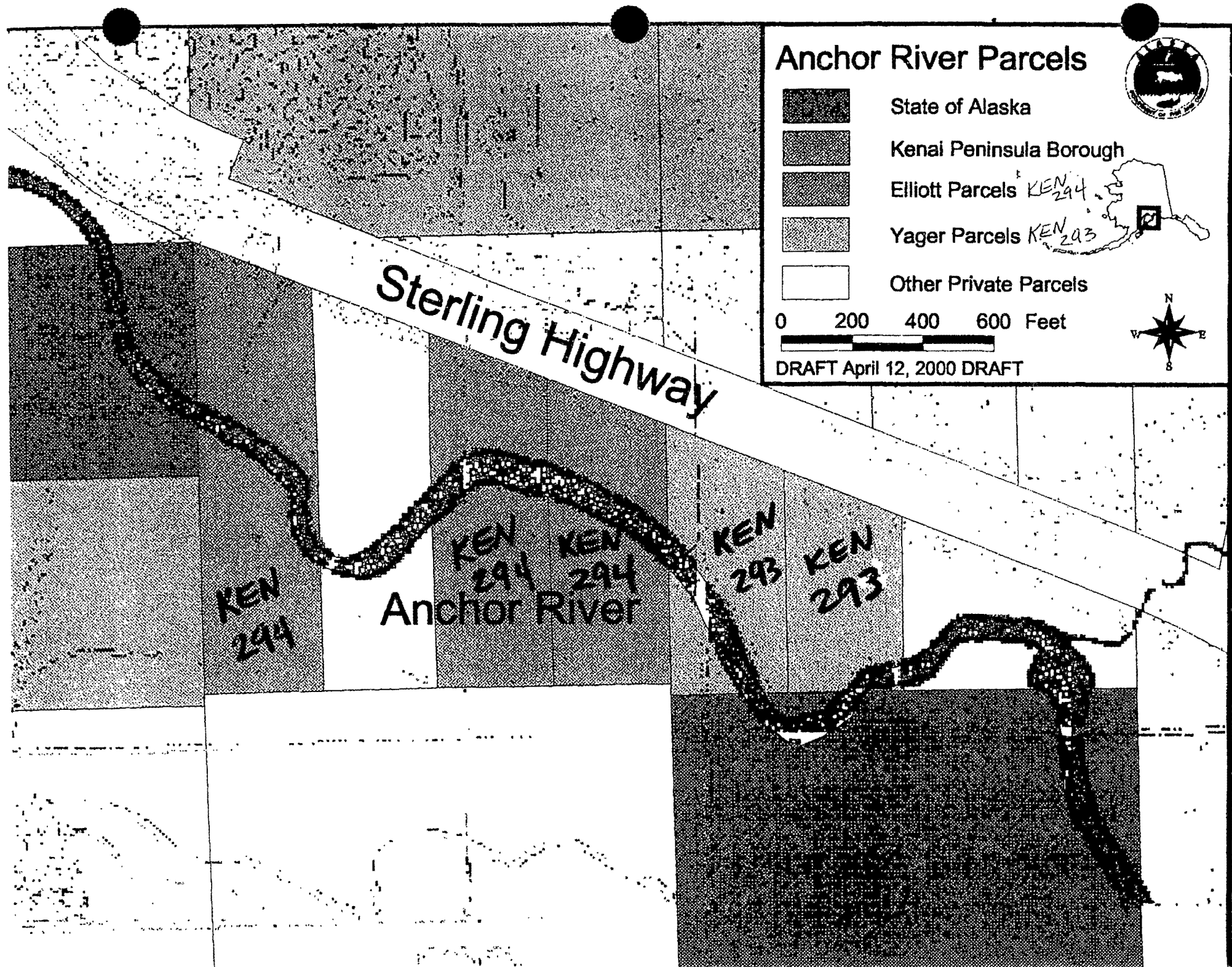
In addition to fish values, the subject property was recently discussed by the Moose Mitigation Trust as a priority for acquisition because of it's value to wildlife, especially moose.

The Anchor River provides important habitat for several species of wildlife. Waterfowl like Mallards, Harlequins, mergansers and teal all use the Anchor River. Most if not all wildlife that occur on the lower peninsula utilize this riparian area. Mink, river otter, and beaver are common residents of this area. Black and brown bears migrate through in search of salmon or other foods. Generally the dense understory provide secure cover for travel and protection from human disturbance.

By far the most visible of species on the Anchor River is the moose. Moose occur throughout the region and especially in the riparian areas year round. During spring, summer and fall moose utilize riparian areas for feeding, rearing young and thermal protection from hot summer days. During winter moose concentrate to the riparian areas because of the available browse and relatively lower snow depth. During winters with deep snow moose tend to congregate in higher densities on the lower stretches of this river. For example, in 1992 a late winter survey showed that this section of river contained over 14 moose per square mile.

Another reason the department places a high value on these parcels is public access. On the South Fork of the Anchor River, small private parcels comprise nearly all of the land from the vicinity of the North and South Forks confluence at approximately MP 157 on the Sterling Highway upstream to about MP 164. Enclosed is a letter from representatives of Trout Unlimited, Alaska Fly Fishers, and the Alaska Sportfishing Association identifying some of the concerns regarding access in this stretch of the river.





MAY-11-00 THU 09:31 AM  
MAY-05-00 FRI 04:37 PM

DEPT. OF FISH & GAME  
ADP&G HOMER

FAX NO. 2672464  
FAX NO. 307 235 4880

P. 02/08

## SMALL PARCEL NOMINATION FORM

### EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Please Print or Type

#### Part 1: Landowner Information

Landowner: Brookwood, Inc. Phone: 907-235-4880  
Address: P.O. Box 3565, Homer, Alaska, 99603 Fax: 235-4881  
Co-owner: None  
Other contacts/agents: None  
Subsurface owner: None

#### Part 2: Parcel Information

Legal description of property: (township, range, section) T05S R14W S29 HM  
NE $\frac{1}{4}$  SE $\frac{1}{4}$  & E $\frac{1}{2}$  NW $\frac{1}{4}$   
SE $\frac{1}{4}$

General description of property: 60 acres, more or less, Anchor River runs  
through the middle of property. two very nice  
ponds, one with Steelhead Trout in it already.  
Winter moose habitat abound through out it, and  
property is currently being sub-divided.

Is your property located within or adjacent to a State or Federal Park, Refuge or National Forest or other public land unit? If so, which one? Unknown, North Fork Road

Approximate acreage: 60 acres

Are there any developments on the site: Previous gravel pit and bridge.

Are there any hazardous materials on the property? (waste oil, mine tailings, dump)

~~Unknown~~ Some waste oils from the previous owner.

Please provide the following if available: surveys, photos, maps, copy of deed, etc.: \_\_\_\_\_



## SMALL PARCEL NOMINATION FORM

## Part 3: Threshold Criteria:

Are you willing to sell your property at fair market value? "NOTE" (Y/N) Yes  
Is the parcel within the Oil Spill area?(see attached map) (Y/N) Yes  
Do you grant permission for Trustee Council staff to inspect your property? (Y/N) Yes

\*Describe or list any injured resources/services that occur on or are affected by your property:

Resources: King Salmon, Stealhead, Dolly Varden, Eagles,  
Water fowl, Recreational, Wilderness, Pink Salmon,  
Subsistance. Others, unknown.

Tell us how acquisition of your property will benefit restoration: We are sub-dividing  
this property, and the Anchor River runs through the  
middle of it. There will be 23, (Twenty Three) new homes  
built on this river. Displacement of moose will occur  
along with habitat, and bank erosion will be increased  
along with other debris that people normally pile by  
their homes.

General comments: As you know, there are only a few locations to  
own a piece of the Anchor River, Terry Yager, and us.  
We have two presold lots, even before we have finished  
our construction of this sub-division. We have no doubt  
that these will sell very fast, even with the prices

Part 4: we are holding to.

Signature of landowner: [Signature]

Date: MAY 5, 00

and

Signature of co-owner: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of co-owner: \_\_\_\_\_

Date: \_\_\_\_\_

A nomination does not bind you to sell your property, nor does it bind the Trustee Council to buy your lands.  
Please submit each nomination on a separate nomination form.

\*A list of all injured species/services is included.

If you need additional space please use additional sheets.

INCOMPLETE NOMINATION FORMS WILL NOT BE CONSIDERED

"NOTE": Fair market value, we have two presold lots, average prices  
\$35,000.00 and \$39,500.00 = \$37,250.00 x 23 lots.  
We have lived in Alaska over forty, and we understand what  
you are trying to do.

2/23/95

# SMALL PARCEL SCORING

PARCEL NUMBER	KEN 295	done 5/16								SCORE	12
REGION	Kenai	QA/QC									
SPONSOR AGENCY	ADF&G										
EXPERT CONTACT:	Kuwada										
EXPERT REVIEWER:											
LOCATION REF.	T5S, R14W, S29, HM NE1/4, SE1/4 & E1/2, NW1/4, SE1/4, Anchor River										
ACREAGE	60										
		(Y=1, N=0)									
THRESHOLD CRITERIA											
1. The parcel is within the oil spill area.		1									
2. There is a willing seller of the property.		1									
3. Sell at fair market value.		1									
4. Incorporated into public land management.		1									
5. The parcel is linked to restoration.		1									
	Qualify Threshold	1									
EVALUATION CRITERIA											
	I. Linkage				II. Risk				III. Management		
	IA	IB	IC	ID	IIA	IIB	IIC	IID	IIIA	IIIB	
Pink Salmon	1		1		1				1		
Sockeye Salmon											
Cutthroat Trout											
Dolly Varden	1		1		1				1		
Pacific Herring											
Bald Eagle											
Black Oystercatcher											
Common Murre											
Harbor Seal											
Harlequin Duck											
Intertidal/Subtidal											
Marbled Murrelet											
Pigeon Guillemot											
River Otter											
Sea Otter											
Recreation/Tourism	1		1								
Wilderness											
Cultural Resources											
Subsistence											
Total	3	0	3	0	2	0	0	0	2	0	
>=1, total	1	0	1	0	1	0	0	0	1	0	
Total	3				2				2		
TOTAL SCORE	12										

DRAFT

**Parcel Meriting Special Consideration  
KEN 295**

**Rank:** Low

**Acreage:** 60

**Agency Sponsor:** ADF&G

**Location:** Anchor River

**Landowner:** Walt Kurka, Brookwood, Inc.

---

The Alaska Department of Fish and Game (ADF&G) requests EVOS Trustee Council approval to acquire a parcel of land on the Anchor River totaling approximately 60 acres. The department is nominating the Kurka parcel as a Parcel Meriting Special Consideration under the EVOS Small Parcel Acquisition Process. The Habitat Protection Work Group has evaluated this parcel and assigned it a relative ranking score of 12.

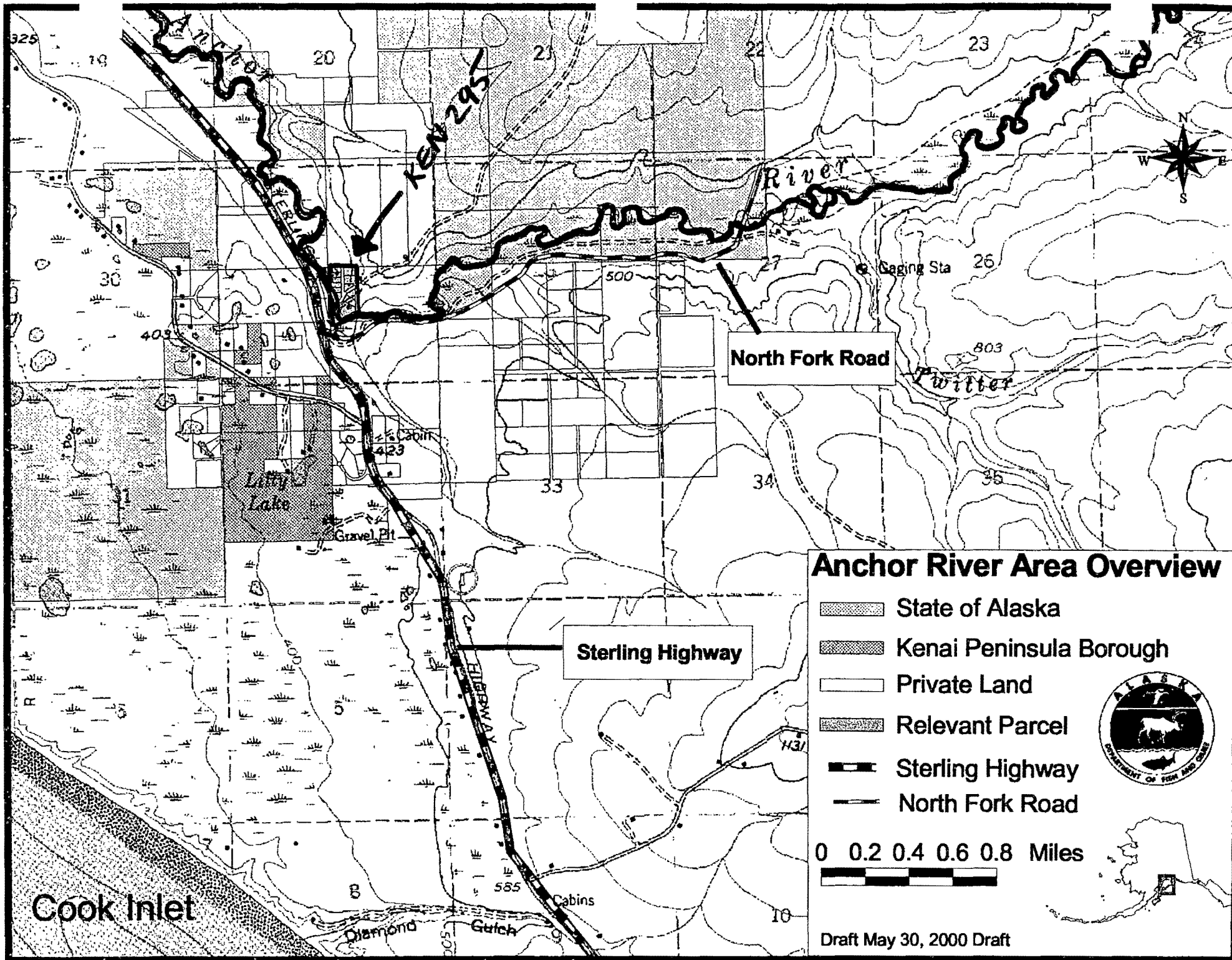
The Kurka property is located along the lower Anchor River, less than a mile upstream of the Sterling Highway. It contains riparian and upland habitats of varying slope that support vegetative species such as willow, alder, spruce, birch and cottonwood trees. These terrestrial habitats provide structure to the riverbank and cover for the river, thereby protecting streambed substrates and the hydrological properties most important to high quality fish habitat. The river corridor in this area provides habitat essential to the production of Pacific salmon, steelhead trout and anadromous Dolly Varden. This section is particularly important to rearing juvenile fish of all species throughout the year, and over wintering adult steelhead trout and Dolly Varden, as well as spawning chinook salmon. This area also serves as a major migratory corridor each year for thousands of adults of all species attempting to reach upstream spawning grounds. Additionally, maintenance of quality habitat at Anchor River is important to anadromous Dolly Varden throughout the Lower Kenai Peninsula. Tagging studies have demonstrated that spawning and rearing Anchor River Dolly Varden are highly migratory and contribute to populations that inhabit Deep Creek, Ninilchik River, and other Kachemak Bay tributaries. In sum, this section is considered to currently possess fish habitat of exceptional quality that is important to the life cycle requirements of all fish species indigenous to the Anchor River.

The Anchor River supports popular salt and freshwater fisheries for a diverse mix of wild game fish species. It boasts the largest freshwater fishery on the Kenai Peninsula south of the Kasilof River. An average of nearly 28,000 angler days of sport fishing effort are directed at chinook, coho and pink salmon, steelhead/rainbow trout and Dolly Varden each year. The South Fork of the Anchor River is one of the most popular wild steelhead/rainbow trout catch and release fisheries in Alaska. It is also popular for Dolly Varden. During 1998, over 7,500 steelhead/rainbow trout were caught and released in the Anchor River. Over 2,000 Dolly Varden were harvested.

The Anchor River provides important habitat for several species of wildlife. Waterfowl like mallards, harlequin ducks, mergansers and teal all use the Anchor River. Most if not all wildlife that occur on the lower peninsula utilize this riparian area. Mink, river otter, and beaver are common residents of this area. Black and brown bears migrate through in search of salmon or other foods. Generally, the dense understory provides secure cover for travel and protection from human disturbance.

Moose occur throughout the region and especially in the riparian areas year round. During spring, summer and fall moose utilize riparian areas for feeding, rearing young and thermal protection from hot summer days. During winter moose concentrate to the riparian areas because of the available browse and relatively lower snow depth. During winters with deep snow moose tend to congregate in higher densities on the lower stretches of this river. For example, in 1992 a late winter survey showed that this section of river contained over 14 moose per square mile.

Another reason the department places a high value on this parcel is public access. On the South Fork of the Anchor River, small private parcels comprise nearly all of the land from the vicinity of the North and South Forks confluence at approximately MP 157 on the Sterling Highway upstream to about MP 164. Development of these private tracts has increased in the past five years diminishing angler access to traditional fishing locations for Dolly Varden and steelhead/rainbow trout. The Kurka property includes one of the most popular reaches for steelhead/rainbow trout fishing. Enclosed is a letter from representatives of Trout Unlimited, Alaska Fly Fishers, and the Alaska Sportfishing Association identifying some of the concerns regarding access in this stretch of the river.

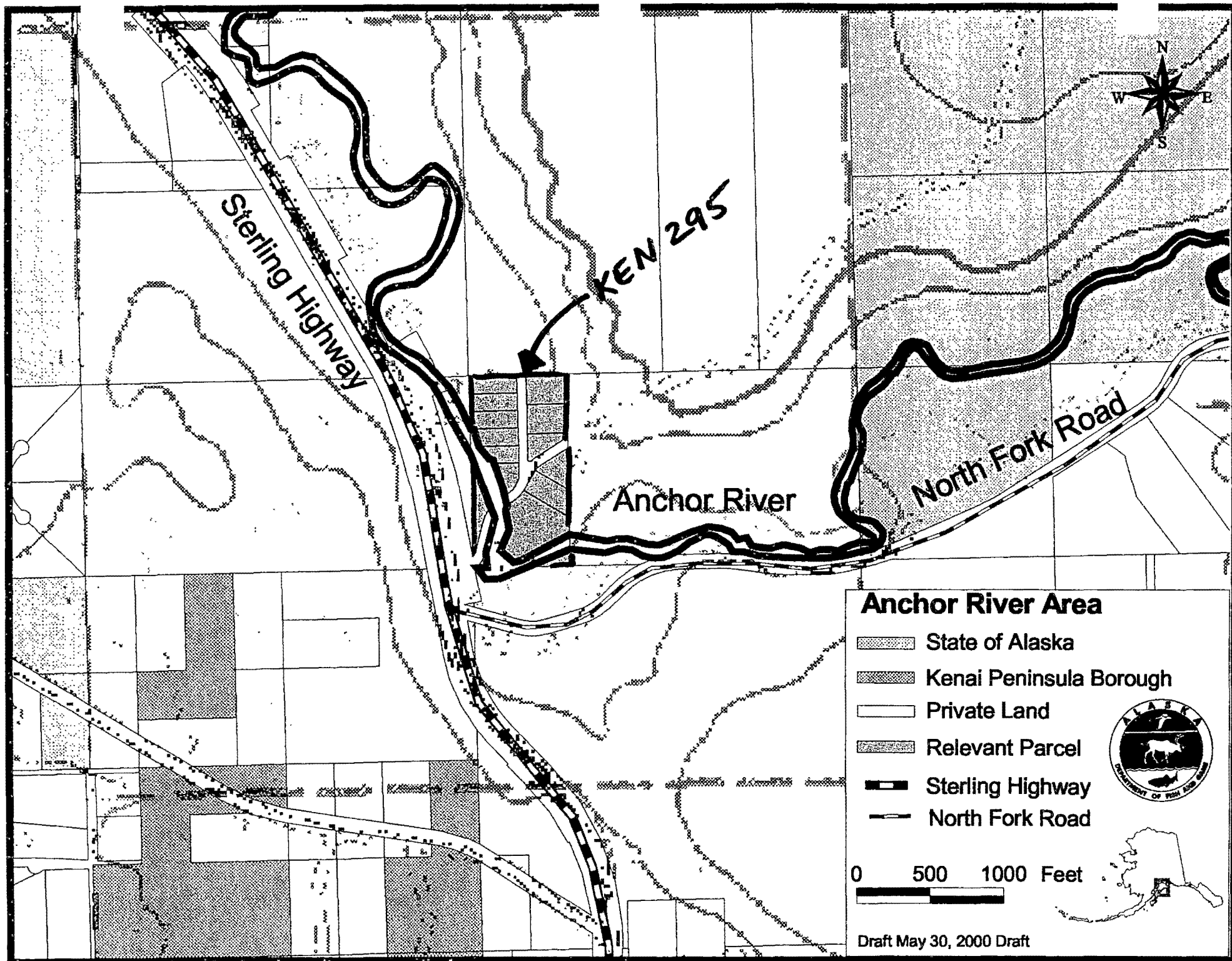


## Anchor River Area Overview

- State of Alaska
- Kenai Peninsula Borough
- Private Land
- Relevant Parcel
- Sterling Highway
- North Fork Road

0 0.2 0.4 0.6 0.8 Miles

Draft May 30, 2000 Draft



### Anchor River Area

- State of Alaska
- Kenai Peninsula Borough
- Private Land
- Relevant Parcel
- Sterling Highway
- North Fork Road

0 500 1000 Feet

Draft May 30, 2000 Draft

April 8, 1997

Frank Rue, Commissioner  
Alaska Department of Fish and Game  
P.O. Box 25326  
Juneau, Alaska 99811-5326

ALASKA DEPT. OF  
FISH & GAME

APR 20 1997

John Shively, Commissioner  
Alaska Department of Natural Resources  
400 Willoughby Avenue  
Juneau, Alaska 99801-1724

REGION II  
HABITAT AND RESTORATION  
DIVISION

Dear Commissioners:

On March 17, the board of the Alaska Fly Fishers, and members of the boards of the Alaska Sportfishing Association and Trout Unlimited, met with Mr. Mike Thompson, of the Alaska Department of Fish & Game, Habitat Division, Mr. Ed Fogel of the Alaska Department of Natural Resources, Division of Lands, and Ms. Laura Bottger of the Alaska Department of Law, Natural Resources Section, to discuss issues arising from the private ownership of most of the lands along the South Fork of the Anchor River, Ninilchik River and Deep Creek on the southern Kenai Peninsula.

Except for the fishing on the lowest reaches of those streams -- which is primarily for salmon and occurs substantially within three small state recreation areas at the mouths of each river -- the fisheries for steelhead, dolly varden, rainbow trout, and some of the salmon fishing, are upstream of those state recreation areas. There, private ownership creates a variety of concerns -- for conservation of fish and wildlife, for public access and for the quality of the fisheries.

We are now asking you to designate staff to participate in further discussions to see if an inter-agency process and program can be devised to address those concerns.

To give an idea of what transpired at the March 17th meeting, the participants discussed the land ownership patterns, navigability law, and options for addressing the above concerns.

Although the land patterns differ along the streams, generally there is almost no public land upstream of the three small recreation areas. Upstream of those areas, the land is generally in small, contiguous, private tracts. In most instances, the owners built on the bluffs and own the bottom lands. The number of tracts is not overwhelming. But some subdividing is occurring, including some bottom land development. And some assertions of trespass apparently have occurred. Most deeds probably rest upon pre-statehood federal patents. On the South Fork Anchor River, small private parcels comprise nearly all land from the vicinity of the confluence of the North and South Forks at about MP 157 on the Sterling Highway upstream to about MP 164. Upstream of there is the Anchor River/Fritz Creek CHA. Ninilchik and Deep Creek are

bounded similarly by small private parcels where those streams parallel Oil Well Road. Upstream, the land is substantially owned by Native village and regional corporations. The local tax assessment maps of the Anchor indicate some surveys go to the middle of the river. That may indicate patents which utilized the pre-Gulkana navigability test, and the deeds may be partially voidable if the Gulkana test were applied. Similar issues may exist on the ANCSA patents if they, too, rest upon pre-Gulkana navigability determinations, but we did not look into that matter.

However, we are not writing to encourage litigation or any adversarial approach.

We encourage quiet, low-key, friendly approaches other than litigation. Although litigation to apply the Gulkana test and thereby to amend many deeds could be worthwhile in some context, such litigation likely would have disadvantages at this point. It would aggravate owners of the deeds and would likely precipitate posting of land, thereby restricting access which currently exists with the generous or tacit consent of nearly every long-term owner. Litigation would be expensive and would be of limited utility. The nature of these fisheries is that the participants utilize trails and engage in a mobile, "hike, walk and wade" fishery, rather than a stationary fishery. The activities are not confined to submerged lands between the ordinary high water marks. Furthermore, such litigation would address neither the habitat issues that arise out of concerns for the riparian corridors or the issues that arise out of a need to maintain the character and quality of these fisheries.

We hope that your agency will participate in further discussions to address other options. We came up with four.

First, we suggest that ADF&G and DNR develop a program to allow and encourage donors of conservation and access easements or fee simple to obtain tax benefits through reductions in appraised values, through the deductibility of charitable contributions from income taxes, through the estate tax system, and through similar devices. We assume DOL might help in designing such a program.

Second, we suggest that the agencies consider whether Exxon Valdez monies under the Trustee Council could address some of the habitat and access issues. We encourage agency staff to consider these lands in terms of restoration/replacement for injuries to resources and active and passive uses. For reasons we can discuss, we suspect these lands merit a high priority, if a goal were to achieve conservation corridors to benefit a variety of resources and active and passive uses. We could support funding by the Council of ADF&G-supported proposals to assess cumulative impacts of timber harvest, timber roads and subdivisions on resources and use values in the Ninilchik and Deep Creek drainages, if such studies can underpin agency actions on timber or decisions by the Council to seek restoration/replacement corridors in the drainages.



Third, we suggest that DNR use the Kenai Area Plan planning process to identify a pool of "trading stock", composed of state land or timber rights where habitat and public use values are low, and that such trading stock be offerable to owners of riparian and adjacent corridor land in exchange for conservation and access.

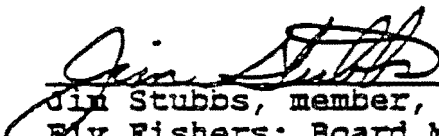
Fourth, we suggest that the Administration prepare legislation to add a surcharge to sport fish licenses to fund acquisition of access and conservation on riparian and corridor lands and that such a fund be a separate account within the Fish and Game Fund.

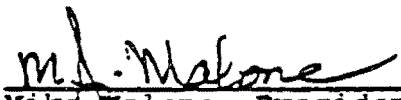
That summarizes our discussions of March 17.

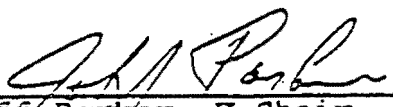
We hope that you see such inter-agency discussions with the public as useful. We hope you will assign a staff person, so that discussions can proceed further. If a program develops, it might be useful to seek broader public support, from entities such as Fish and Game Advisory Committees and the local chambers of commerce, which have been helpful in the past on such matters.

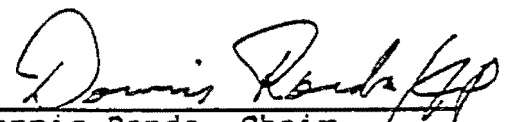
We would appreciate your thoughts. Thank you.

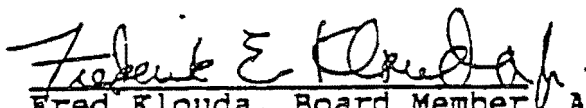
Sincerely yours,


  
Jim Stubbs, member, Alaska  
Fly Fishers; Board Member, Alaska  
Wild Trout Chapter, Trout Unlimited  
3311 Starboard Lane  
Anchorage, Alaska 99516  
(907) 345-6676

  
Mike Malone, President  
ALASKA FLY FISHERS  
P.O. Box 871701  
Wasilla, Alaska 99687  
(907) 746-3474

  
Jeff Barker, V. Chair, Alaska  
State Council of Trout Unlimited;  
Board Member, Alaska Sportfishing  
Assoc.; member, Alaska Fly Fishers  
500 L Street, Suite 502  
Anchorage, Alaska 99501  
(907) 272-6696

  
Dennis Randa, Chair  
ALASKA STATE COUNCIL OF  
TROUT UNLIMITED  
P.O. Box 3055  
Soldotna, Alaska 99669  
(907) 262-5454

  
Fred Klouda, Board Member, Alaska  
Sportfishing Association; member,  
Alaska Fly Fishers  
6324 Air Guard Road  
Anchorage, Alaska 99512  
(907) 243-3216

  
Phil Cutler, President  
ALASKA SPORTFISHING ASSOC.  
P.O. Box 24-1847  
Anchorage, Alaska 99524  
(907) 243-4667

JF

c: Mike Thompson, ADF&G/Habitat  
Ed Fogel, ADNR/Lands  
Laura Bottger, ADOL

cc: Governor Tony Knowles  
Janet Kowalski, Director, ADF&G/Habitat Div.  
Kevin Delaney, Director, ADF&G/Sport Fish Div.  
Jane Angvik, Director, ADNR, Lands  
Molly McCammon, Executive Director, EVOS Trustee Council  
Lance Trasky, Regional Supervisor, ADF&G/Habitat  
Mark Kuwada, ADF&G/Habitat  
Bruce Talbot, ADNR/Lands  
Doug Vincent-Lang, ADF&G/Sport Fish

**DNR**

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### OFFICE OF THE COMMISSIONER

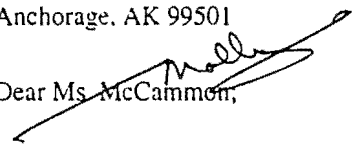
TONY KNOWLES, GOVERNOR

400 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400  
FAX: (907) 465-3886

3601 C STREET, SUITE 1210  
ANCHORAGE, ALASKA 99503-5921  
PHONE: (907) 269-8431  
FAX: (907) 269-8918

550 West 7<sup>th</sup> Ave., Suite 1400  
Anchorage, AK 99501  
November 1, 1999

Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Trustee Council  
645 G Street, Suite 401  
Anchorage, AK 99501

  
Dear Ms. McCammon,

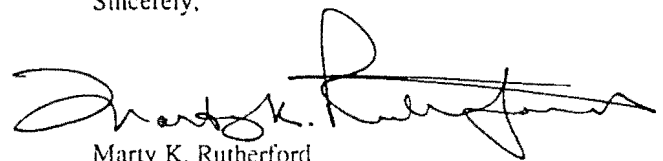
The Department of Natural Resources would like to request that Parcel KEN 146 nominated for consideration by Mr. James Hopkins, be considered by the Trustee Council as a Parcel Meriting Special Consideration. This parcel was evaluated by the Habitat Protection Work Group and scored low.

This parcel is located within Kachemak Bay State Park on the north shore of Kachemak Bay, approximately 14 miles northeast of the base of Homer Spit. The intertidal area of Kachemak Bay adjacent to the property is shallow and extends approximately one mile offshore at low tide. A steep bluff rises approximately 500 feet from the Kachemak Bay shoreline. The parcel provides habitat used by bald eagles and a variety of shorebirds and waterfowl. The parcel could also provide important recreational, interpretive and educational opportunities for the City of Homer. This acquisition is supported by numerous legislators, Dr. George West, Director of the Pratt Museum, and other citizens.

The Department of Natural Resources will manage this parcel consistent with the adjacent sections of Kachemak Bay State Park currently designated as a "Natural Zone" ensuring that the ecological, natural, physical and scenic values of the subject property will be protected in perpetuity for the benefit of fish and wildlife resources and services that were injured in the *Exxon Valdez* oil spill.

DNR would like to move forward with an appraisal of this property. Thank you for your consideration of this parcel.

Sincerely,



Marty K. Rutherford  
Deputy Commissioner

# SMALL PARCEL NOMINATION FORM

PARCEL NUMBER: Ken-146

RECEIVED

JUL 14 1994

## EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

Please Print or Type

### Part 1: Landowner Information

Phone: 346-3160

Landowner: James Donald HOPKINS

Fax: 346-3175

Address: 5140 O'Malley Rd

Anchorage, Ak 99516

Co-owner: Joyce K HOPKINS, Clifford J MATTHISEN, Marilyn B MATTHISEN

Other contacts/agents: None

Subsurface owner: \_\_\_\_\_

### Part 2: Parcel Information

Legal description of property: (township, range, section) Section 9 + 5S, R11W, S.M.,

Gov't lots 4,6,7 CN + G 37.19 acres M/L.

Kachemak Bay View Estates Sub., Tract E,F,G,H

Acres- 38.46 acres in lots. 40 acres total with rightway  
for roads.

General description of property: Land is completely surrounded by Kachemak State  
Park Lands. Gov't lots 4 & 7 are located on Kachemak Bay

Is your property located within or adjacent to a State or Federal Park, Refuge or National Forest or other public land unit? If so, which one? surrounded by Kachemak State Park

Approximate acreage: 80 acres

Are there any developments on the site: No

Are there any hazardous materials on the property? (waste oil, mine tailings, dump)

(Y/N/Unknown) No

Please provide the following if available: surveys, photos, maps, copy of deed, etc.:

enclosed

## SMALL PARCEL NOMINATION FORM

### Part 3: Threshold Criteria:

Are you willing to sell your property at fair market value? (Y/N) Yes \_\_\_\_\_

Is the parcel within the Oil Spill area?(see attached map) (Y/N) Yes \_\_\_\_\_

\*Describe or list any injured resources/services that occur on or are affected by your property:

I have not been on the property since the Oil Spill

Tell us how acquisition of your property will benefit restoration: \_\_\_\_\_

Our parcel is completely surrounded by the Kachemak Bay State Park.

It would be beneficial to the public to have the whole parcel and use it as a State Park. This parcel has no structures on it, it is completely wild. Not only would the public benefit from this, but also all the wildlife who inhabit or use this parcel. \* 1. 2. 3.

General comments: Instead of selling this land to a developer or an individual, (who would build structures and a road through the Park to get to the parcel) we would rather the land stay as it is to benefit the public and the wildlife. \* 1. 2. 3.

\* Footnotes refers to resources in back

### Part 4:

Signature of landowner: [Signature]

Date: 7/13/94

and

Signature of co-owner: [Signature]

Date: 7/13/94

Signature of co-owner: [Signature]

Date: 7-13-94

Joyce R. Wapkins 7/13/94

A nomination does not bind you to sell your property, nor does it bind the Trustee Council to buy your lands.

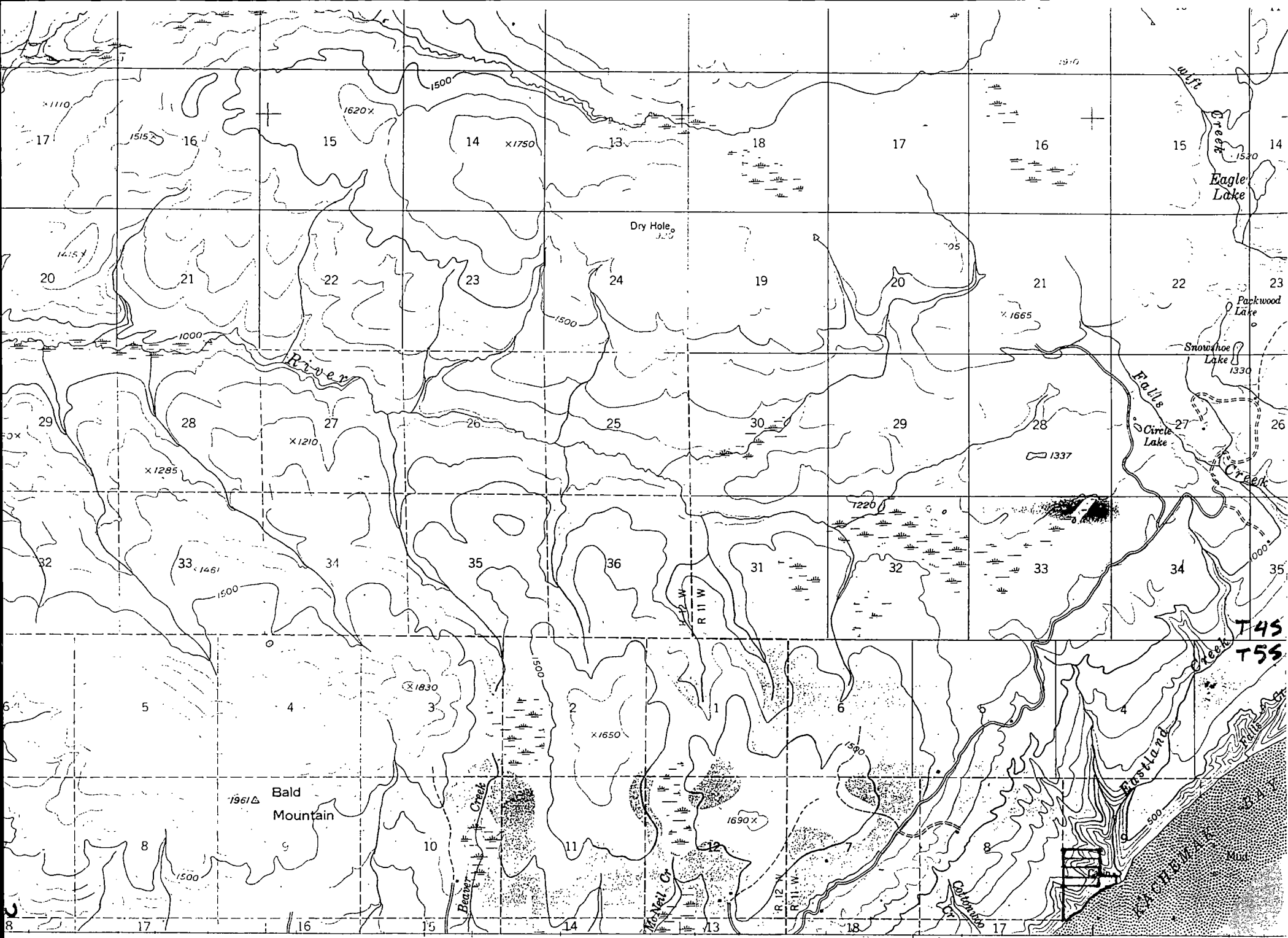
Please submit each nomination on a separate nomination form.

\*A list of all injured species/services is included.

If you need additional space please use additional sheets.

INCOMPLETE NOMINATION FORMS WILL NOT BE CONSIDERED

**NOMINATION DEADLINE JULY 15, 1994**



T4S  
T5S

# SMALL PARCEL SCORING

PARCEL NUMBER	Kenai 146	done 10/11/94							SCORE	3
REGION	Kenai									
SPONSOR AGENCY	ADNR									
EXPERT CONTACT:	George West, PhD									
EXPERT REVIEWER:										
LOCATION REF.	Homer bluffs, Kachemak Bay View Estates									
ACREAGE	80									
		(Y=1, N=0)								
THRESHOLD CRITERIA										
1. The parcel is within the oil spill area.		1								
2. There is a willing seller of the property.		1								
3. Sell at fair market value.		1								
4. Incorporated into public land management.		1								
5. The parcel is linked to restoration.		1								
	Qualify Threshold	1								
EVALUATION CRITERIA										
	I. Linkage				II. Risk				III. Management	
	IA	IB	IC	ID	IIA	IIB	IIC	IID	IIIA	IIIB
Pink Salmon										
Sockeye Salmon										
Cutthroat Trout										
Dolly Varden										
Pacific Herring										
Bald Eagle	1		1							
Black Oystercatcher										
Common Murre										
Harbor Seal										
Harlequin Duck										
Intertidal/Subtidal										
Marbled Murrelet										
Pigeon Guillemot										
River Otter										
Sea Otter										
Recreation/Tourism										
Wilderness										
Cultural Resources										
Subsistence										
Total	1	0	1	0	0	0	0	0	0	0
>=1, total	1	0	1	0	0	0	0	0	0	0
Total	3				1				1	
TOTAL SCORE	3									

NOTE: Kachemak Bay State Park inholding.

DRAFT



**KEN 146: Hopkins Parcel**

**Acreage:** 80      **Rank:** PMSC      **Sponsor:** ADNR      **Appraised Value:** unknown  
**Owner:** James Hopkins  
**Location:** North shore of Kachemak Bay within Kachemak Bay State Park

**Parcel Description.** This parcel is located within Kachemak Bay State Park on the north shore of Kachemak Bay, approximately 14 miles northeast of the base of Homer Spit. The intertidal area of Kachemak Bay adjacent to the property is shallow and extends approximately one mile offshore at low tide. A steep bluff rises approximately 500 feet from the Kachemak Bay shoreline. Sitka or Lutz spruce extend intermittently on the ridges towards the mouth of Eastland Creek and the upper more level portion of the property is partially vegetated with spruce.

**Restoration Benefits.** Public ownership of this parcel would protect habitat for bald eagles, intertidal/subtidal organisms, marbled murrelets, Kittlitz's murrelet, and pigeon guillemots and ensure the continued use of the area for recreation. Habitat values and public use of this parcel are at risk because of potential subdivision of the parcel. Public ownership of the parcel would also allow State Parks to enhance recreational services by providing access to a relatively large contiguous wilderness area near the city of Homer as well as an access point to the shoreline and protect habitat utilized by many species of wildlife.

Key habitat and other attributes of this parcel include the following:

- *Bald eagles* nest on the parcel.
- *Intertidal/subtidal organisms, marbled murrelets, and Kittlitz's murrelets, scoters and other migratory shorebirds.* The productive intertidal area and the adjacent Narrow Strait are important feeding areas for waterfowl, shorebirds, gulls, terns, and seabirds. Gulls commonly seen on park waters include Black-legged kittiwakes, Glaucous-winged gulls, and shearwaters. Shorebirds migrate in great numbers through the area and utilize the bay as an important rest stop during migration. Many of these bird species are dependent on the health, variety and concentration of intertidal life.
- *Recreation/tourism.* The parcel possesses high recreational qualities for the residents of Homer and will help to complete the Eastland Creek section of Kachemak Bay State Park. This will increase the recreational potential of this area for visitors and residents of Homer alike. A trail may connect both sections of Kachemak Bay State Park and could be a welcome recreational asset for this community accessible by the road system.

**Potential Threats.** The owners of this parcel are at a point in time where they will need to liquidate this asset. Sale of the property for residential use is being seriously considered. The owners would prefer that this parcel remain in its natural state and benefit the public and wildlife resources in perpetuity.






**Appraised Value.** The state requests permission to appraise this parcel

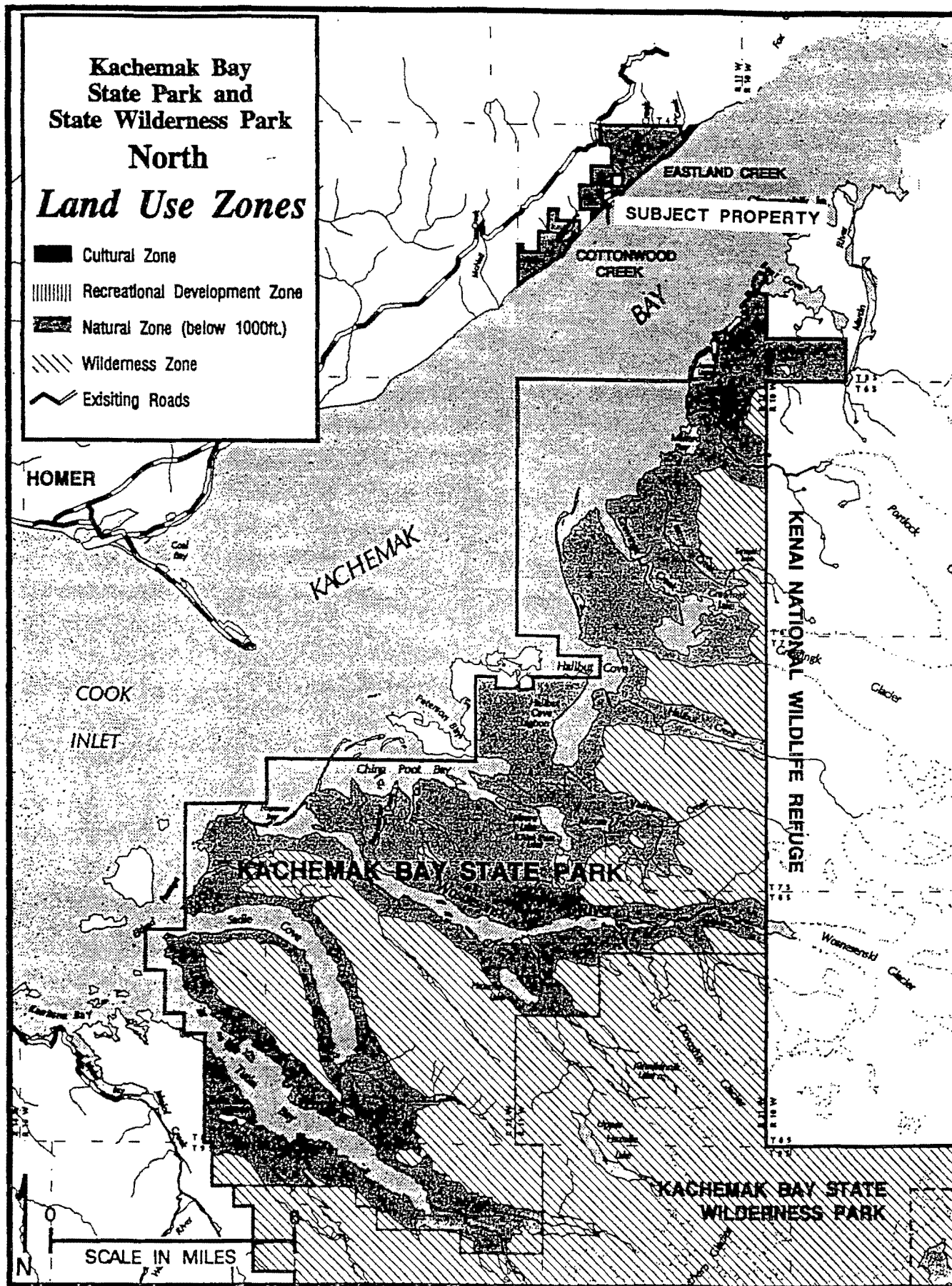
**Proposed Management.** The purpose of acquisition is to preserve and protect in perpetuity the ecological, natural, physical and scenic values of the subject property for the benefit of fish and wildlife resources and services that were injured in the *Exxon Valdez* oil spill. ADNR proposes to manage this parcel as part of Kachemak Bay State Park. In the 1995 Management Plan for Kachemak Bay State Park and Kachemak Bay State Wilderness Park, the area of the park adjacent to this parcel is identified as a "Natural Zone" and this management scenario would apply to this parcel as well.

**Public Comment.** Support for acquisition of this parcel has been expressed by George West, Ph.D., Professor of Zoophysiology, Emeritus, University of Alaska Fairbanks, Director of the Pratt Museum, David Cline, Audubon Society, Representative Con Bunde, Representative Gail Phillips, and Senator Steve Rieger. Letters of support are attached. In addition, Dr. West has submitted a detailed letter documenting the use of this parcel by a variety of species including numerous species injured by the oil spill (see attached).

Kachemak Bay  
State Park and  
State Wilderness Park  
North

*Land Use Zones*

-  Cultural Zone
-  Recreational Development Zone
-  Natural Zone (below 1000ft.)
-  Wilderness Zone
-  Existing Roads

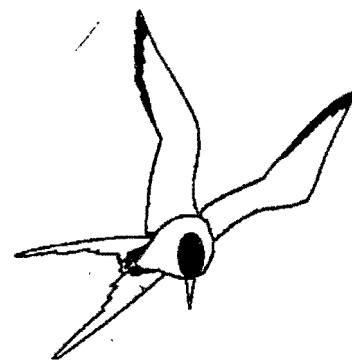


P. O. Box 841

Homer, Alaska 99603

(907) 235-7095

Fax (907)235-4230



June 30, 1994

Exxon Valdez Oil Spill Trustee Council  
Restoration Office  
645 G Street, Suite 401  
Anchorage, Alaska 99501-3451

Dear Trustees:

This letter is in support of the application of **Mr. James Hopkins** for your acquisition of a parcel of land within the Eastland Creek section of Kachemak Bay State Park, and bordering Kachemak Bay, about 14 miles northeast of the base of the Homer Spit.

The parcel is currently "landlocked" within the boundaries of Kachemak Bay State Park (see map). Purchase of this land would help to complete that part of the park on the north shore of Kachemak Bay, an area yet undeveloped, but in a prime location for recreational enhancements and potential access from the road system east of Homer, Alaska. Over half of the subject property appears to be steep bluffs along Kachemak Bay on the southeast, along tributaries of Eastland Creek on the east, and along an unnamed intermittent stream to the southwest. These bluffs rise to 500 feet above the shore of Kachemak Bay and then the property continues to rise another 100 feet at its northwestern extent.

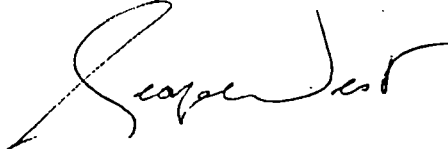
Some of the bluff face is vegetated with alder; there are willows, cottonwoods, and alders in the stream valleys along with herbaceous vegetation. Some Sitka or Lutz spruce extend on ridges towards the mouth of Eastland Creek where there is an active Bald Eagle nest. The upper and more level portion of the property is heavily vegetated with spruce.

The intertidal area of Kachemak Bay adjacent to the subject property is shallow and extends about one mile off shore at low tides. In this shallow intertidal area, silver salmon migrate to the head of the Bay, and many birds and marine mammals feed. We have seen thousands of scoters in this area in early spring and winter. Marbled and Kittlitz's Murrelets feed here with Common Loons, Greater Scaup (in winter), Red-breasted Mergansers, Mew and Glaucous-winged Gulls, Black-legged Kittiwakes, Aleutian and Arctic Terns, Common Murres, Pigeon Guillemots, Sea Otter, Harbor Porpoise, and Harbor Seal. The mud flats at low tide support thousands of spring migrating shorebirds, some of which may use the intertidal areas at the base of the subject property. On the following page is a partial list of bird species that utilize this property.

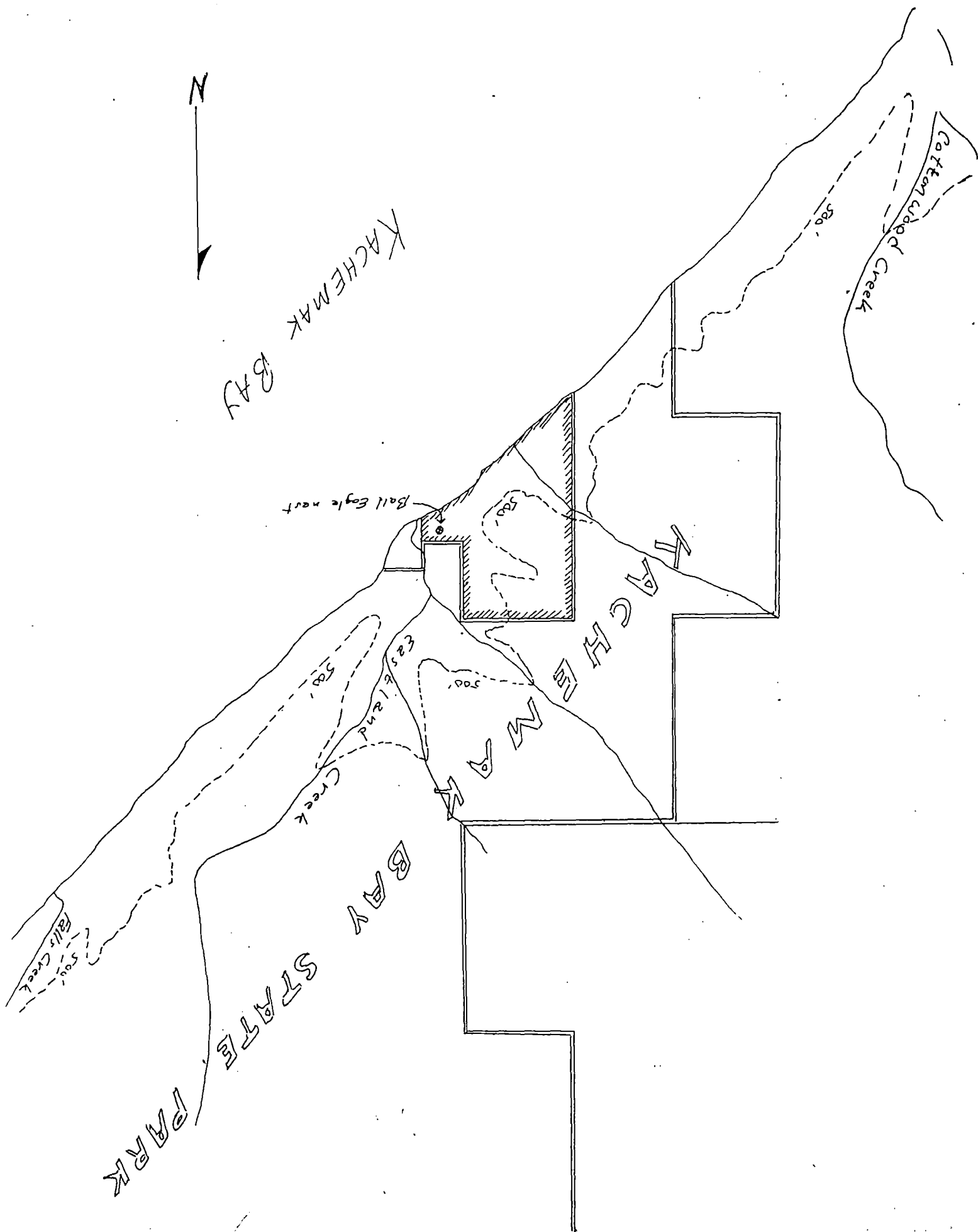
Species	Use	Species	Use
Bald Eagle	nesting	Bank Swallow	probable nesting
Northern Harrier	feeding	Gray Jay	probable nesting
Sharp-shinned Hawk	probable nesting	Steller's Jay	probable nesting
Northern Goshawk	probable nesting	Black-billed Magpie	probable nesting
Western Sandpiper	feeding on intertidal mud	Boreal Chickadee	probable nesting
Dunlin	feeding on intertidal mud	Red-breasted Nuthatch	probable nesting
Short-billed Dowitcher	feeding on intertidal mud	Golden-crowned Kinglet	probable nesting
Mew Gull	feeding on shoreline	Ruby-crowned Kinglet	probable nesting
Glaucous-winged Gull	feeding on shoreline	Hermit Thrush	probable nesting
Black-legged Kittiwake	feeding off shore	Swainson's Thrush	probable nesting
Arctic Tern	feeding off shore	Varied Thrush	probable nesting
Aleutian Tern	feeding off shore	Orange-crowned Warbler	probable nesting
Common Murre	feeding off shore	Yellow-rumped Warbler	probable nesting
Pigeon Guillemot	feeding off shore	Townsend's Warbler	probable nesting
Marbled Murrelet	feeding off shore	Wilson's Warbler	probable nesting
Kittlitz's Murrelet	feeding off shore	Fox Sparrow	probable nesting
Great Horned Owl	probable nesting	Golden-crowned Sparrow	probable nesting
Belted Kingfisher	probable nesting in bluff	White-crowned Sparrow	probable nesting
Three-toed Woodpecker	probable nesting	Dark-eyed Junco	probable nesting
Tree Swallow	feeding	Pine Grosbeak	probable nesting
Violet-green Swallow	feeding	White-winged Crossbill	feeding
		Pine Siskin	probable nesting

I believe that acquiring the subject property to complete the Eastland Creek section of Kachemak Bay State Park will increase the Park's recreational potential for the citizens of Homer and the State of Alaska as well as providing contiguous protected habitat for many species of wild-life.

Sincerely yours,



George C. West, Ph.D.  
Professor of  
Zoophysiology, Emeritus  
University of Alaska Fairbanks



# Alaska State Senate

**SENATOR STEVE RIEGER**  
District I



Senate Finance Committee  
Chair, Senate Transportation Committee

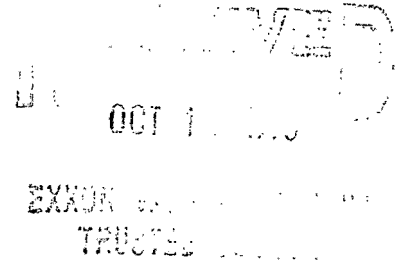
Legislative Budget and Audit Committee  
Administrative Regulation Review Committee  
Legislative Council

*During Session:*  
State Capitol, Room 516  
Juneau, Alaska 99801  
(907) 465-3879

716 West 4th Avenue, Suite 530  
Anchorage, Alaska 99501  
(907) 258-8188

October 9, 1995

Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Trustee Council  
Restoration Office  
645 G Street, #401  
Anchorage, Alaska 99501



Dear Ms. McCammon:

This letter is written in support of James Donald Hopkin's application to sell an 80 acre parcel of land which lies within the Eastland Creek section of Kachemak State Park. The purchase of this parcel would help to round out the north shore portion of the park, as this area is yet undeveloped and would be an excellent addition to the park.

A study of the Hopkins parcel has already been completed by Dr. George C. West, a retired zoophysiology professor from UAF and Executive Director of the Pratt Museum in Homer. The findings of this study should be in your possession.

The acquisition of the Hopkins parcel would greatly enrich the Eastland Creek section of Kachemak State Park by increasing the recreational potential of the park. In addition, it will protect the habitat of many species of wildlife affected by the Exxon Valdez oil spill.

Your attention and consideration of this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve A. Rieger".  
Steve Rieger  
Senator

bcc: Jim Hopkins

# Alaska State Legislature



Official Business  
Fax : (907) 465-3472

Speaker of the House of Representatives

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3720  
(907) 465-2689

November 3, 1995

NOV 3 1995

Ms. Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Trustee Council  
Restoration Office  
645 G Street #401  
Anchorage, AK 99501

Dear Ms. McCammon:

*Molly*

It has been brought to my attention that Mr. James Hopkins owns and is willing to sell an 80 acre parcel within the Eastland Creek section of the Kachemak Bay State Park. Dr. George West, a retired zoo-physiology professor and the current Executive Director of the Homer Pratt Museum, has provided your office a copy of his study of the Hopkins parcel.

The location of Mr. Hopkins's parcel would be an ideal acquisition to complete the north shore section of the park. If the money can be made available for such an acquisition, I believe it will probably be a worthwhile investment. The battle for the park and buy-back was very long and arduous. It would be such a nice way to show your support in this effort.

Sincerely,

*Gail*

Gail/Phillips  
SPEAKER OF THE HOUSE

GP:brg

REPRESENTATIVE CON BUNDE  
CO-CHAIR HEALTH, EDUCATION  
& SOCIAL SERVICES

# Alaska State Legislature



INTERIM:  
716 WEST 4th AVENUE  
ANCHORAGE, AK 99501-2133  
OFFICE: (907)258-8168

House of Representatives

RECEIVED  
AUG 24 1995

August 16, 1995

Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Trustee Council  
Restoration Office  
645 G Street, #401  
Anchorage, Alaska 99501

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

Dear Ms. McCammon:

It has come to my attention that James Donald Hopkins owns an 80 acre parcel of land, within the Eastland Creek section of Kachamak Bay State Park, that he is willing to sell. I support the purchase of this parcel to help round out the north shore portion of the park, an area as yet undeveloped and possessing outstanding park values.

Dr. George C. West, a retired zoophysiology professor from UAF and Executive Director of the Pratt Museum in Homer, has done a complete study of the Hopkins parcel. This report of Dr. West's study should be in your possession.

The acquisition of the Hopkins land would be an asset in completing the Eastland Creek section of Kachamak Bay State Park, increasing the recreational potential of the park. An additional benefit will be the protection of habitat for several species of wildlife affected by the Exxon Valdez oil spill.

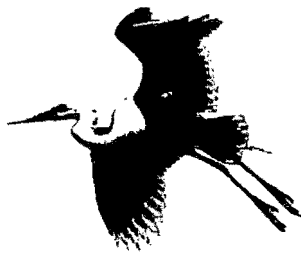
Your attention and careful consideration to this purchase will be greatly appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to be "Con Bunde", written over the word "Sincerely,".

Representative Con Bunde





# National Audubon Society

ALASKA - HAWAII REGIONAL OFFICE  
308 G STREET, SUITE 217 • ANCHORAGE, AK 99501 • (907) 276-7034 • FAX (907) 276-5069

June 16, 1995

Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Trustee Council  
Restoration Office  
645 G Street, #401  
Anchorage, AK 99501

RECEIVED  
JUN 16 1995

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

Dear Ms. McCammon:

This letter is in support of the application of James Donald Hopkins, a willing seller, for the acquisition of an 80 acre parcel of land that he owns within the Eastland Creek section of Kachemak Bay State Park. The property borders Kachemak Bay and is located about 15 miles from the Homer Spit. The purchase of this parcel would help to round out the north shore portion of the park. The area is yet undeveloped and possesses outstanding park values.

A complete study of the Hopkins parcel was done by Dr. George C. West, a retired zoophysiology professor from UAF and Executive Director of the Pratt Museum in Homer. You should have a copy of Dr. West's report in your possession.

Acquiring the Hopkins land will complete the Eastland Creek section of Kachemak Bay State Park, and increase the park's recreational potential. It will also protect habitat for many species of wildlife affected by the Exxon Valdez oil spill.

Your consideration is greatly appreciated.

Sincerely,

David R. Cline  
Regional Vice President



DOI



# United States Department of the Interior

## OFFICE OF THE SECRETARY

1689 C Street, Suite 100  
Anchorage, Alaska 99501-5151

RECEIVED

JUN 16 2000

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

June 16, 2000

Ms. Molly McCammon, Executive Director  
Exxon Valdez Oil Spill Trustee Council  
645 G Street, Suite 401  
Anchorage, Alaska 99501-3451

Dear Ms. McCammon:

The Department of the Interior requests the following parcels be designated as "Parcels Meriting Special Consideration" for acquisition by the United States. These parcels are located in the Alaska Peninsula, Alaska Maritime, Becharof and Kodiak National Wildlife Refuges. The parcels will help restore a variety of EVOS injured species and services as outlined in the habitat benefits reports. Habitat benefit reports and maps are enclosed. There are two mapping issues to note. Parcel KAP-118 is identified as KAP-277 on the map. Parcel Ken-283 is identified as KAP-283 on the map. KEN-283 originally included two islands, Kalsin and Queer. Kalsin Island has been dropped from the parcel.

Parcel	Owner	Location	Size	Refuge	Approx. Value
<del>KAP-118</del>	<del>Cusack</del>	<del>Sturgeon River</del>	<del>159.97 acres</del>	<del>Kodiak</del>	<del>160,000</del>
KAP-281	Shugak	Three Saints Bay	100.34 acres	Kodiak	210,000
KEN-283	Metrokin heir	Chiniak Bay	40.19 acres	Alaska Maritime	40,000
KAP-285	Carlson	Hook Bay	159.98 acres	Alaska Peninsula	200,000
KAP-286	Pedersen	Hook Bay	34.98 acres	Alaska Peninsula	60,000
KAP-288	Russian Ch.	Portage Bay	1.88 acres	Becharof	25,000
KAP-289	Russian Ch.	Wide Bay	2.13 acres	Alaska Peninsula	25,000
KAP-290	Russian Ch.	Mitrofan Bay	2.58 acres	Alaska Peninsula	25,000
KAP-291	Russian Ch.	Cape Kuyuyukak	6.41 acres	Alaska Peninsula	25,000
9 Parcels			508.46 acres		\$770,000

Delete from list,  
per Glenn Ellison  
6-14-00 (e-mail)  
21  
per Glenn Ellison  
6-20-00  
(e-mail)  
21  
\$ 501,000

These parcels have all been evaluated by the Habitat Working Group and ranked "Low". Despite the ranking, we believe they are vitally important properties to acquire for the following reasons:

KAP-118 This small parcel is shown as KAP 277 on the enclosed maps. This former Native allotment controls access at the mouth of the Sturgeon River. The portion of Sturgeon Lagoon immediately offshore is the only consistently usable portion of the lagoon for float plane access. Failure to acquire this parcel will make legal access up the Sturgeon River virtually impossible.

- KAP-281 This current Native allotment is adjacent to land already acquired by the EVOS Trustee Council. It is located on Three Saints Bay, across from the first Russian settlement in Alaska, and is of great cultural importance.
- KEN-283 Queer Island is in Chiniak Bay off the coast of Kodiak Island and within the boundary of the Alaska Maritime National Wildlife Refuge. It provides important nesting habitat for a number of species of seabirds. Its close proximity to the town of Kodiak makes it ripe for private development which would greatly impair the quality of this nesting habitat. This parcel is shown as KAP-283 on the enclosed map. Originally the parcel included Kalsin Island which has been deleted.
- KAP-285,286 These parcels are the only private lands on Hook Bay within the Alaska Peninsula National Wildlife Refuge. Private development of these lands would diminish the values of the refuge in the Hook Bay area with displaced wildlife populations, an impacted salmon spawning stream, and potential contamination.
- KAP-288-91 These tracts are all historic mission sites owned by the Russian Orthodox Church. They include important cultural sites that date back to the 18<sup>th</sup> century and may contain cemetery sites. Private purchase and development of these sites could well cause the permanent loss of these sites and loss of information dating back centuries.

I will be ready to discuss these small parcels at the July 5 meeting of the Trustee Council.

Sincerely,



Marilyn Heiman  
Special Assistant to the Secretary  
for Alaska

Enclosures

**Parcel ID: Irene Shugak Native Allotment**  
**EVOS Parcel Number KAP-281**  
**USFWS Parcel Number KO-211**

<b>Rank:</b> N/A	<b>Acreage:</b> 100.34	<b>Agency Sponsor:</b> USFWS
<b>Estimated Value:</b> \$210,000		
<b>Location:</b>	Three Saints Bay, Kodiak Island U.S. Survey 10771, Lot 1 Sec. 7, T. 35 S., R. 28 W., Seward Meridian	
<b>Landowner:</b>	The Heirs of Irene Shugak	
<b>Address:</b>	C/o The Bureau of Indian Affairs 1675 C Street Anchorage, AK 99501	

This parcel is located on the eastern shoreline of Three Saints Bay within the Kodiak National Wildlife Refuge. The parcel is bounded on the north by lands previously purchased from Old Harbor Native Corporation with EVOS restoration funds. It is bounded on the east by Kodiak NWR lands and on the south by another Native allotment not currently being considered for acquisition. It is bounded on the west by Three Saints Bay. The surrounding land purchased from OHNC was rated as "Moderate" in the EVOS large parcel habitat evaluation.

This parcel would become part of the Kodiak National Wildlife Refuge. The accessibility and natural values of the property give it significant development potential. The parcel has restoration benefits in its own right, though the greatest benefit of this acquisition may well be the elimination of highly developable inholdings with easy access. Development on this inholding would be incompatible with refuge purposes and would markedly detract from the restoration benefits achieved by the major acquisition of the surrounding OHNC lands. The development would create significant natural resource management problems for the Kodiak National Wildlife Refuge.

Access to the parcel is excellent with a gradually sloping beach along much of the western edge. The parcel provides both legal and physical access to Kodiak Refuge lands.

There are no known bald eagle nest sites on this parcel or the adjacent lands, but these areas may provide nest sites in the future. The bay and surrounding lands provide a concentrated food source important for foraging eagles. Moderate numbers of harlequin ducks, and pigeon guillemots use the intertidal lands and near shore waters of Three Saints Bay.

Located on the protected waters of Three Saints Bay, this parcel is one of several native allotments affecting wildlife habitats within the area. Commercial lodges operate at various




locations on the island, providing their clients with opportunities for hunting, fishing, kayaking, wildlife viewing, and other ecotourism activities. Increasing recreational use of the area could adversely affect water quality, and habitat for fish and wildlife species. The acquisition of this parcel will help to preserve the wildlife, habitat, recreational, and subsistence restoration benefits of the surrounding OHNC large parcel acquisitions area, and enhance sound natural resource management.

## Habitat F Section

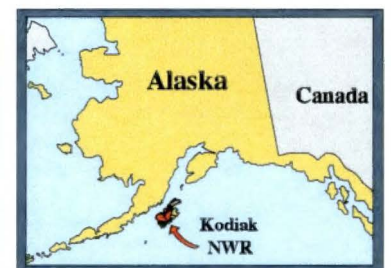
### Small Parcels

### Kodiak Island, Alaska

Parcels : KAP 281

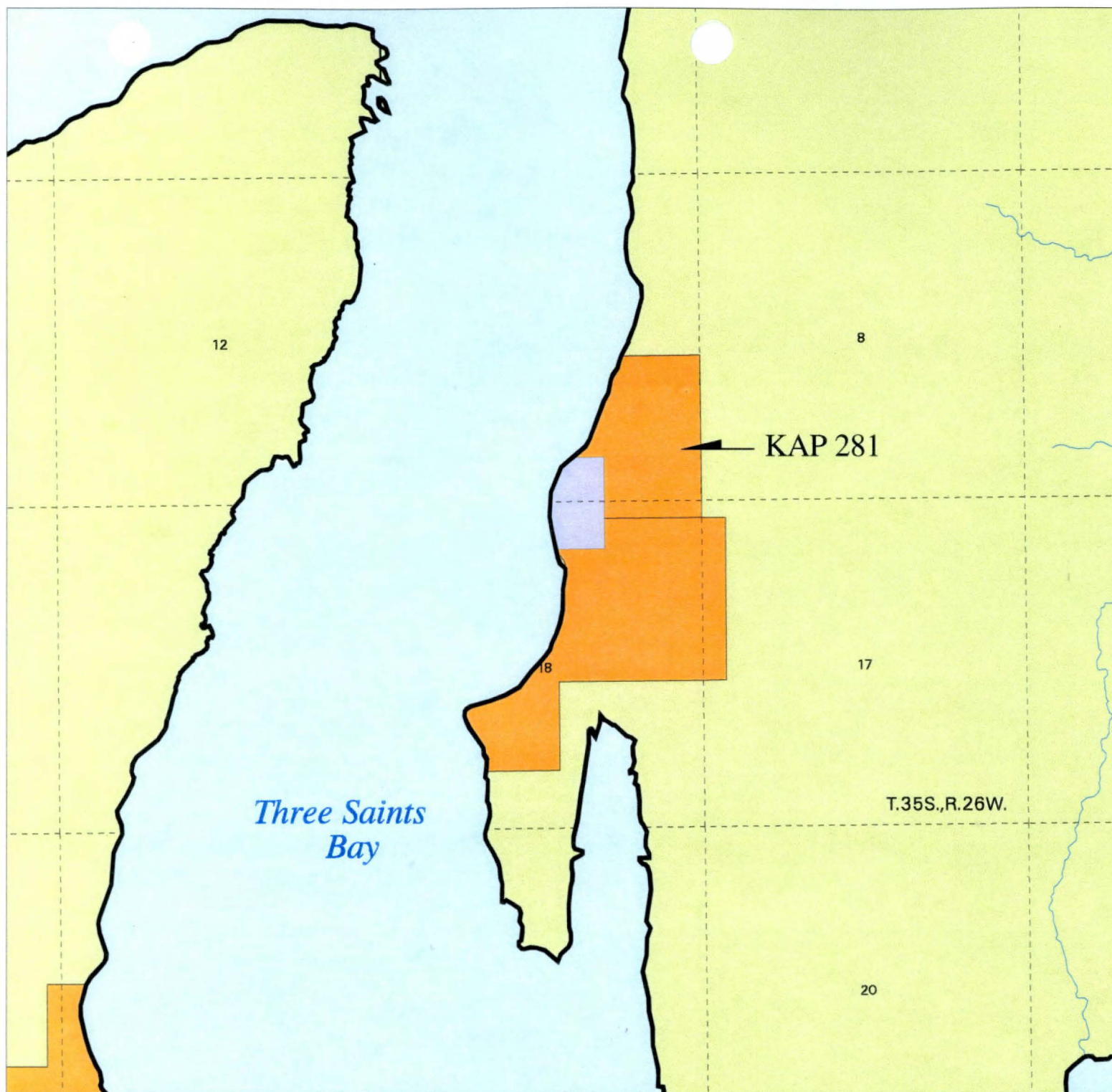
-  Conveyed Native Allotments
-  Other Private
-  Kodiak NWR

- Land status represents USFWS interpretation of BLM records.
- Projected in Albers.



0 Miles .5  
0 Kilometers .8

03/09/00



**Parcel ID:** Metrokin Native Allotment  
EVOS Parcel Number KAP-283  
USFWS Parcel Number AM-20

**Rank:** N/A      **Acreage:** 40.19      **Agency Sponsor:** USFWS

**Estimated Value:** \$40,000

**Location:** Chiniak Bay  
U.S. Survey 5544, Lots 1 and 2  
Kodiak, Alaska

**Landowner/Agent:** The Heirs of Eli Metrokin

**Address:** C/o The Bureau of Indian Affairs  
1675 C Street  
Anchorage, AK 99501

This parcel, Queer Island, is located in outer Kalsin Bay, an offshoot of Chiniak Bay about 10 miles south of the City of Kodiak, within the Alaska Maritime National Wildlife Refuge. The parcels are surrounded by salt water, and they are located southwest of Long Island.

This parcel would become part of the Alaska Maritime National Wildlife Refuge. The location, accessibility and natural values of the property give it significant development potential. The parcels have restoration benefits in their own right, though the greatest benefit of this acquisition may well be protection of this highly developable islands with easy access from the City of Kodiak. Development on this island would be incompatible with refuge purposes. The development would create significant habitat degradation within the Alaska Maritime National Wildlife Refuge.

Queer Island provides important nesting habitat for several species of seabirds. Significant numbers of four species, including pigeon guillemots, were documented nesting on the islands during surveys conducted in 1994 and 1995. Historically, the island also provided nesting habitat for black oystercatchers, red-faced cormorants, and tufted and horned puffins, although these species were not documented during the most recent survey in 1995. The island is important to other bird species as well. Its rocky coastline and associated shallow reefs provide abundant feeding and molting habitat for resident harlequin ducks. Feeding flocks of Steller's eider commonly use the island during the winter season. Although it is unknown whether bald eagles nest on Queer Island, a nest site has been documented on nearby Broad Point, within a mile of Queer Island.

The rocky intertidal zone and large shallow subtidal zone surrounding the island supports various marine invertebrates. Extensive blue mussel beds and kelp forests encircle the island. Sea otters and harbor seals are known to frequent area waters and shoals. Although the island is not presently used as a harbor seal haul-out, an important haul-out site is located only 1.5 miles south of the island.



# Habitat Protection

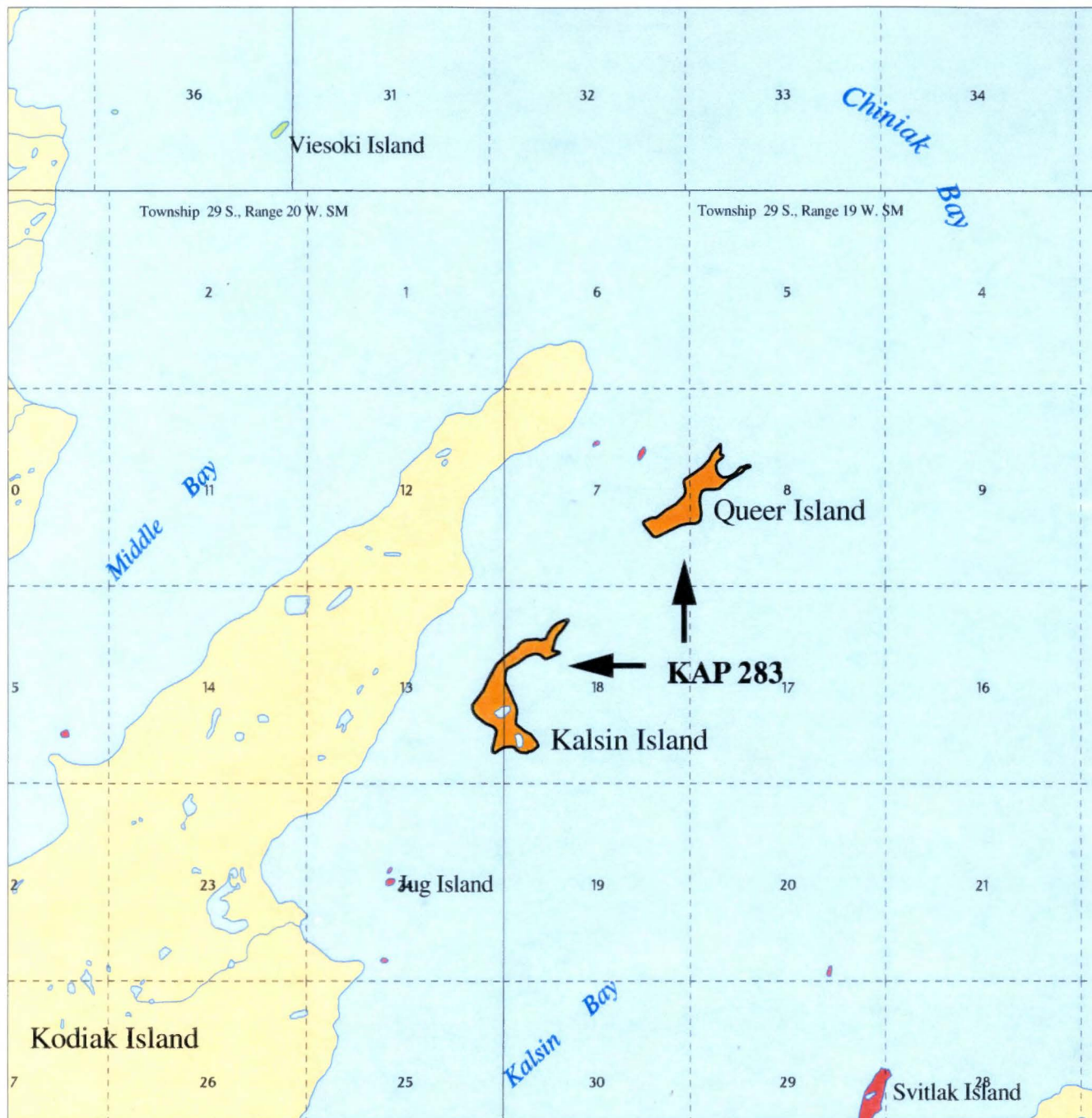
## Small Parcels



Parcel : KAP 283  
110 Acres

- Native Allotment Conveyed
- Native Corporation Conveyed
- Refuge Land
- Outside of Alaska Maritime National Wildlife Refuge

- KAP-283 is within the boundary of the Alaska Maritime NWR.
- Information from BLM Master Title Plats (MTP).
- Map Projected in Albers 153.
- Map date 3/09/2000.



**Parcel ID:** Roderick Carlson Native Allotment  
EVOS Parcel Number KAP-285  
USFWS Parcel Number AP-18

**Rank:** N/A      **Acreage:** 159.98      **Agency Sponsor:** USFWS

**Estimated Value:** \$200,000

**Location:** Hook Bay, Alaska Peninsula  
U.S. Survey 11264, Lot 2  
Sec. 32, T. 42 S., R. 56 W., Seward Meridian

**Landowner:** Roderick Carlson

**Address:** C/o The Bureau of Indian Affairs  
1675 C Street  
Anchorage, AK 99501

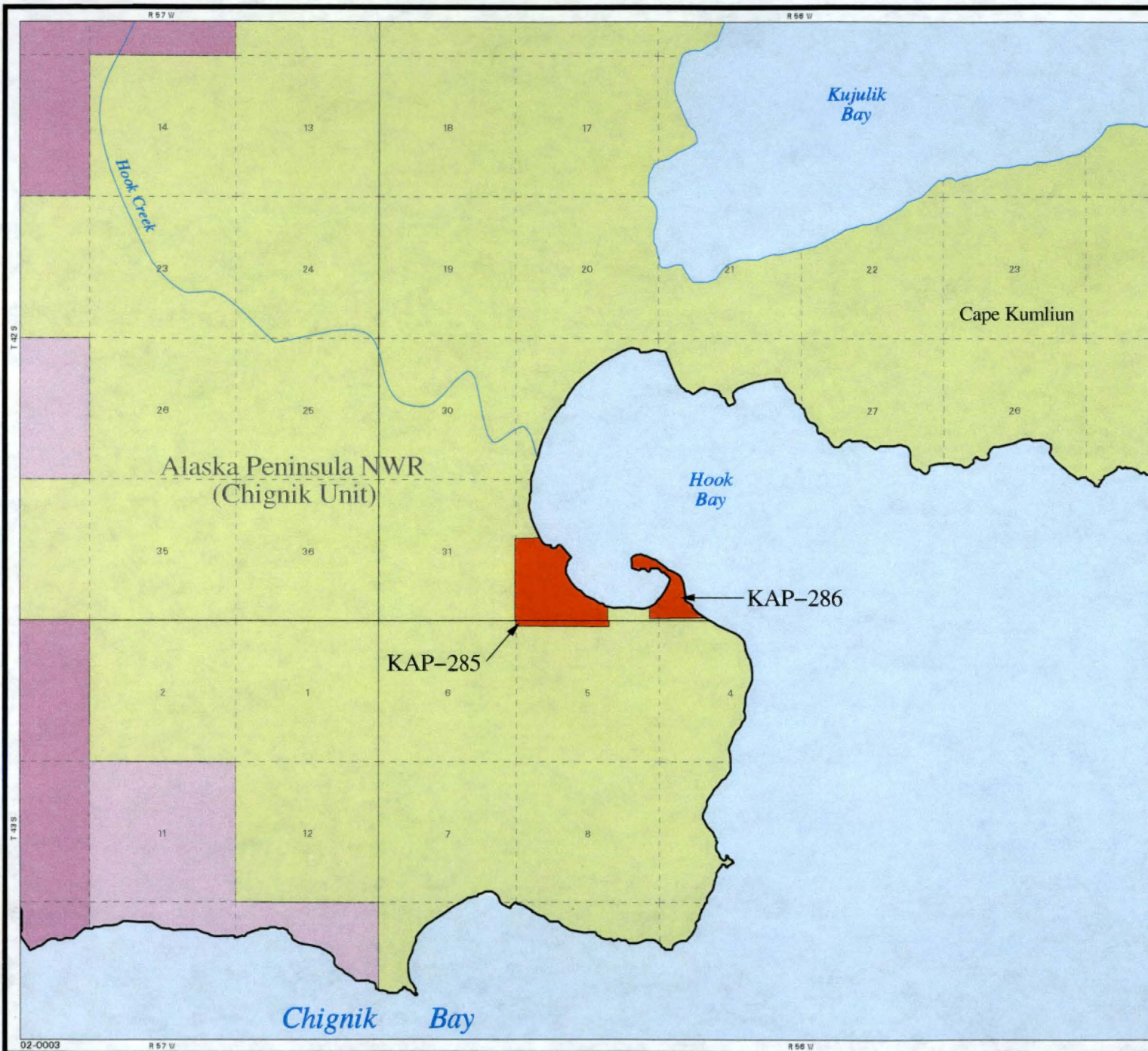
This parcel lies on the western shore of Hook Bay within the Alaska Peninsula National Wildlife Refuge about 18 miles northeast of the village of Chignik Lagoon. The parcel is surrounded on all sides by refuge lands except the northeast where the parcel adjoins Hook Bay. Hook Bay provides a natural anchorage sheltered from winds and tides, making it a likely parcel for development. The only other private land in the area is another Native allotment also under consideration for acquisition by the United States using EVOS restoration funds. The parcel provides both legal and physical access to Alaska Peninsula Refuge.

This parcel would become part of the Alaska Peninsula National Wildlife Refuge. The accessibility and natural values of the property give it significant development potential. The parcel has restoration benefits in its own right, though the greatest benefit of this acquisition may well be the protection of highly developable inholdings with easy access. Development on this inholding would be incompatible with refuge purposes and would create significant natural resource management problems.

There are no known bald eagle nest sites located on the parcel, but the area may be used by foraging eagles. The stream which crosses this parcel supports spawning pink salmon. Harlequin ducks may use the waters of Hook Bay for foraging, but surveys for this species have not been conducted in this area. Both river and sea otters forage in the near shore waters and streams.

This parcel and the Pederson parcel are the only private lands located in Hook Bay. Further development of this parcel could create a source of human disturbance in this sheltered bay. Building cabins or lodges at this site would increase human use along the shore and near shore waters disturbing and displacing wildlife. Development of the site as a destination for commercial guiding activities would have a much greater impact on wildlife. Development would also increase the potential for fuel spills. Acquisition of this parcel for inclusion in the Alaska Peninsula / Becharof Refuge would help insure human disturbance within Wide Bay is minimized, protecting the fish, wildlife, and habitat of the area.





## Habitat Protection

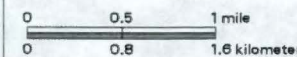
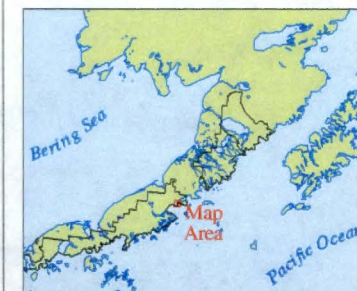
### Small Parcels



### Alaska Peninsula NWR

Parcels: KAP-285  
KAP-286

- Privately owned small parcels
- Native Corporation (conveyed)
- Native Corporation (selected)
- National Wildlife Refuge



**Parcel ID:** Alvin Pederson Native Allotment  
EVOS Parcel Number KAP-286  
USFWS Parcel Number AP-19

**Rank:** N/A      **Acreage:** 34.98      **Agency Sponsor:** USFWS

**Estimated Value:** \$60,000

**Location:** Hook Bay, Alaska Peninsula  
U.S. Survey 11264, Lot 1  
Sec. 32 and 33, T. 42 S., R. 56 W., Seward Meridian

**Landowner:** The Heirs of Alvin Pederson

**Address:** C/o The Bureau of Indian Affairs  
1675 C Street  
Anchorage, AK 99501

This parcel comprises the spit of land separating Hook Bay from the Pacific Ocean within the Alaska Peninsula National Wildlife Refuge about 18 miles northeast of the village of Chignik Lagoon. The parcel is bounded on the south by refuge lands and on all other sides by salt water. The Hook Bay side of the spit provides for a natural anchorage sheltered from winds and tides, making it a likely parcel for development. The only other private land in the area is another Native allotment also under consideration for acquisition by the United States using EVOS restoration funds. The parcel provides both legal and physical access to Alaska Peninsula Refuge lands.

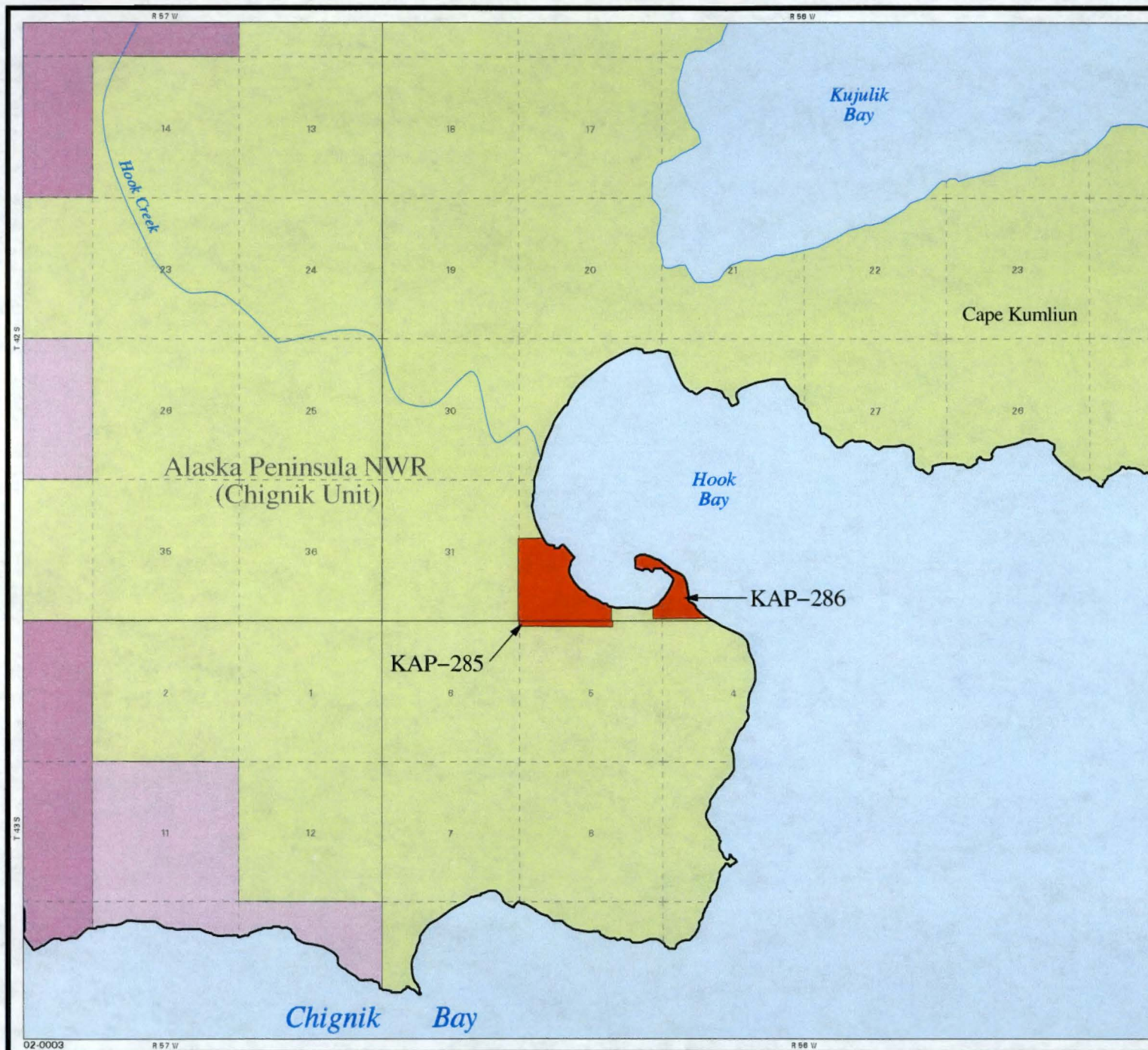
This parcel would become part of the Alaska Peninsula National Wildlife Refuge. The accessibility and natural values of the property give it significant development potential. The parcel has restoration benefits in its own right, though the greatest benefit of this acquisition may well be the protection of highly developable inholdings with easy access. Development on this inholding would be incompatible with refuge purposes and would create significant natural resource management problems.

There are no known bald eagle nest sites located on the parcel, but the area may be used by foraging eagles. The stream which crosses this parcel supports spawning pink salmon. Harlequin ducks may use the waters of Hook Bay for foraging, but surveys for this species have not been conducted in this area. Both river and sea otters forage in the near shore waters and streams.

This parcel and the Carlson parcel are the only private lands located in Hook Bay. Further development of this parcel could create a source of human disturbance in this sheltered bay. Building cabins or lodges at this site would increase human use along the shore and near shore waters disturbing and displacing wildlife. Development of the site as a destination for commercial guiding activities would have a much greater impact on wildlife. Development would also

increase the potential for fuel spills. Acquisition of this parcel for inclusion in the Alaska Peninsula / Becharof Refuge would help insure human disturbance within Wide Bay is minimized, protecting the fish, wildlife, and habitat of the area.





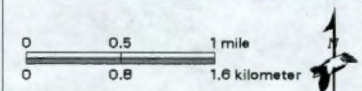
## Habitat Protection Small Parcels



### Alaska Peninsula NWR

Parcels: KAP-285  
KAP-286

- Privately owned small parcels
- Native Corporation (conveyed)
- Native Corporation (selected)
- National Wildlife Refuge



**Parcel ID:** Orthodox Church Portage Bay Property  
EVOS Parcel Number KAP-288  
USFWS Parcel Number AP-21

**Rank:** N/A      **Acreage:** 1.88      **Agency Sponsor:** USFWS

**Estimated Value:** \$25,000

**Location:** Portage Bay, Alaska Peninsula  
U.S. Survey 452  
Sec. 25, T. 30 S., R. 42 W., Seward Meridian

**Landowner:** Russian Orthodox Church

**Address:** P.O. Box 55  
Kodiak, AK 99618

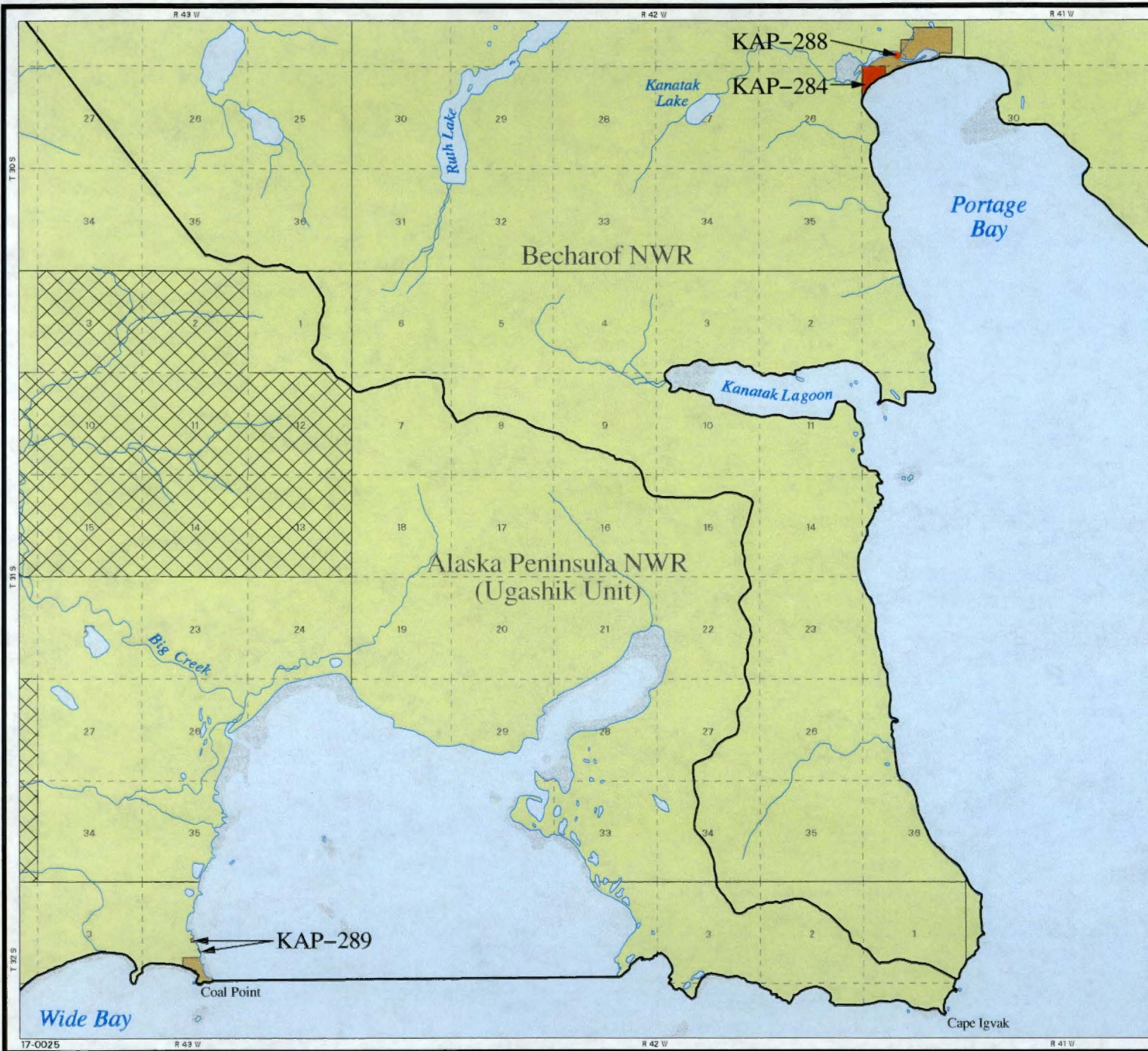
This parcel lies at the head of Portage Bay between the bay and Portage Creek Lagoon within the Becharof National Wildlife Refuge about 55 miles north east of the village of Ugashik. The parcel is bounded on the north and west by refuge lands, on the south by Portage Bay, and is adjacent to other lands being considered for acquisition using EVOS restoration funds. The parcel is an old mission site, located at the abandoned Native village of Kanatak along the trailhead for an overland route from Portage Bay to Becharof Lake. Becharof Lake provided a water route down the Egegik River to Bristol Bay and considerably shortened the travel time from the Shelikoff Strait to Bristol Bay. Kanatak was also the take-off point for oil and gas exploration in the 1920's and 1930's. No oil production occurred and most of the buildings in the old village have been destroyed.

This parcel would become part of the Becharof National Wildlife Refuge. The accessibility and natural values of the property gives it significant development potential. The parcel has restoration benefits in its own right, though the greatest benefit of this acquisition may well be the protection of highly developable inholdings with easy access. Development on this inholding would be incompatible with refuge purposes and would create significant natural resource management problems.

Bald eagles are known to nest on or near this parcel, and the area is also a valuable foraging area. Harlequin ducks are considered likely to use the near shore waters for foraging and may find suitable nesting habitat in the stream which crosses this parcel. Sea otters use the near shore waters adjacent to this parcel, and river otters are found in the streams. The parcel is also located close to a seabird colony which supports nesting cormorant and glaucous-winged gulls. The stream is also considered likely to support spawning pink salmon.

The seabird colonies near this parcel are sensitive to disturbance from human activities. Developments at this site would likely increase human use and disturbance to wildlife species using the parcel and adjacent near shore waters. Increasing human use also increases the potential for fuel spills.





## Habitat Protection Small Parcels



Alaska Peninsula  
and Becharof NWR

Parcels: KAP-284  
KAP-288  
KAP-289

- Privately owned small parcels
- Cemetary Site/Historical Place (selected by regional corp.)
- National Wildlife Refuge
- Regional corporation In-Lieu subsurface selection



0 0.5 1 mile  
0 0.8 1.6 kilometer





**Parcel ID: Orthodox Church Wide Bay Property**  
**EVOS Parcel Number KAP-289**  
**USFWS Parcel Number AP-22**

**Rank:** N/A      **Acreage:** 2.13      **Agency Sponsor:** USFWS

**Estimated Value:** \$25,000

**Location:** Wide Bay, Alaska Peninsula  
U.S. Survey 468  
Sec. 2, T. 32 S., R. 43 W., Seward Meridian

**Landowner:** Russian Orthodox Church

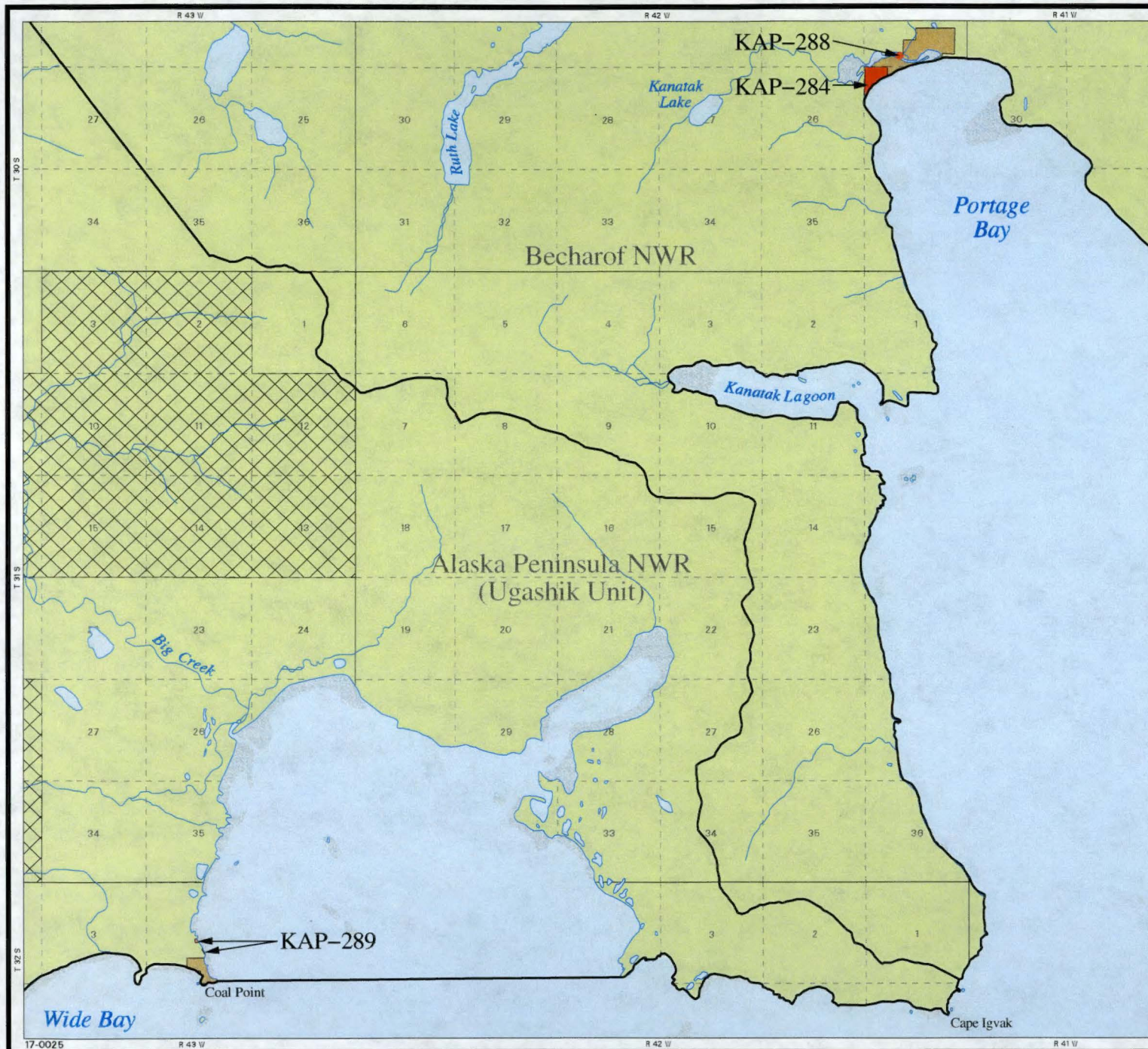
**Address:** P.O. Box 55  
Kodiak, AK 99618

This property consists of two parcels which lie along the western shore of Wide Bay within the Alaska Peninsula National Wildlife Refuge about 45 miles northeast of the village of Ugashik. The parcels easterly boundaries are on Wide Bay and they are otherwise completely surrounded by refuge lands. The parcel is an the old mission site.

This parcel would become part of the Alaska Peninsula National Wildlife Refuge. The accessibility and natural values of the property gives it significant development potential. The parcel has restoration benefits in its own right, though the greatest benefit of this acquisition may well be the protection of highly developable inholdings with easy access. Development on this inholding would be incompatible with refuge purposes and would create significant natural resource management problems.

Wide Bay supports rich esturine and intertidal habitats used by a variety of wildlife species. Pigeon guillemots nest near this parcel on Coal Point, and forage in the near shore waters. There is a bald eagle nest located on one of the rock spines near this parcel, and eagles forage heavily in the area. The north part of the bay supports a rocky intertidal zone and shoreline likely used by black oystercatchers. Sea otters frequent the near shore waters, and wintering emperor geese concentrate in the bay.

Although there are a number of privately owned parcels within Wide Bay, most belong to the University of Alaska and have not been developed. Development of this parcel or other lands within Wide Bay would have negative affects on wildlife in the area. Building cabins or lodges at these sites would increase human use along the shore and near shore waters disturbing and displacing wildlife. Development of these sites as destinations for commercial guiding activities would have a much greater impact on wildlife. Development would also increase the potential for fuel spills. Acquisition of this parcel for inclusion in the Alaska Peninsula / Becharof Refuge would help insure human disturbance within Wide Bay is minimized, protecting the fish, wildlife, and habitat of the area.



## Habitat Protection

### Small Parcels



Alaska Peninsula  
and Becharof NWR

Parcels: KAP-284  
KAP-288  
KAP-289

- Privately owned small parcels
- Cemetary Site/Historical Place  
(selected by regional corp.)
- National Wildlife Refuge
- Regional corporation In-Lieu  
subsurface selection



0 0.5 1 mile  
0 0.8 1.6 kilometer



**Parcel ID: Orthodox Church Mitrofanina Bay Property**  
**EVOS Parcel Number KAP-290**  
**USFWS Parcel Number AP-23**

**Rank:** N/A      **Acreage:** 2.58      **Agency Sponsor:** USFWS

**Estimated Value:** \$25,000

**Location:** Mitrofanina Bay, Alaska Peninsula  
U.S. Survey 776  
Sec. 31, T. 48 S., R. 60 W., Seward Meridian

**Landowner:** Russian Orthodox Church

**Address:** P.O. Box 55  
Kodiak, AK 99618

This parcel lies at the mouth of Mitrofanina Bay within the Alaska Peninsula National Wildlife Refuge about 35 miles northeast of the village of Perryville. The parcel is within a ANCSA 14(h)(1) application, surrounded by refuge lands. The parcel is an the old mission site.

This parcel would become part of the Alaska Peninsula National Wildlife Refuge. The accessibility and natural values of the property give it significant development potential. The parcel has restoration benefits in its own right, though the greatest benefit of this acquisition may be the protection of highly developable inholdings with easy access. Development on this inholding would be incompatible with refuge purposes and would create significant natural resource management problems.

There are no known bald eagle nest sites located on the parcel, but the area may be used by foraging eagles. The stream which crosses this parcel supports both pink and chinook salmon, and steelhead. Harlequin ducks may use the waters of Mitrofanina Bay for foraging, but surveys for this species have not been conducted in this area. Both river and sea otters forage in the near shore waters and streams.

This parcel and the Phillips parcel are the only private lands located in the Ivan / Mitrofanina bay area. Further development of this parcel could create a source of human disturbance in this sheltered bay. Building cabins or lodges at this site would increase human use along the shore and near shore waters disturbing resident wildlife species. Development of the site as a destinations for commercial guiding activities would have a much greater impact on wildlife. Development would also increase the potential for fuel spills. Acquisition of this parcel for inclusion in the Alaska Peninsula / Becharof Refuge would help insure human disturbance within Wide Bay is minimized, protecting the fish, wildlife, and habitat of the area.





## Habitat Protection

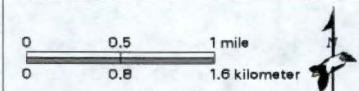
### Small Parcels



Alaska Peninsula NWR

Parcels: KAP-287  
KAP-290

- Privately owned small parcels
- Native Allotment (selected)
- Cemetary Site/Historical Place (selected by regional corp.)
- National Wildlife Refuge



**Parcel ID:** Orthodox Church Kuyuyukak Property  
EVOS Parcel Number KAP-291  
USFWS Parcel Number AP-24

**Rank:** N/A      **Acreage:** 6.41      **Agency Sponsor:** USFWS

**Estimated Value:** \$25,000

**Location:** Cape Kuyuyukak, Alaska Peninsula  
U.S. Survey 467  
Sec. 5, T. 38 S., R. 47 W., Seward Meridian

**Landowner:** Russian Orthodox Church

**Address:** P.O. Box 55  
Kodiak, AK 99618

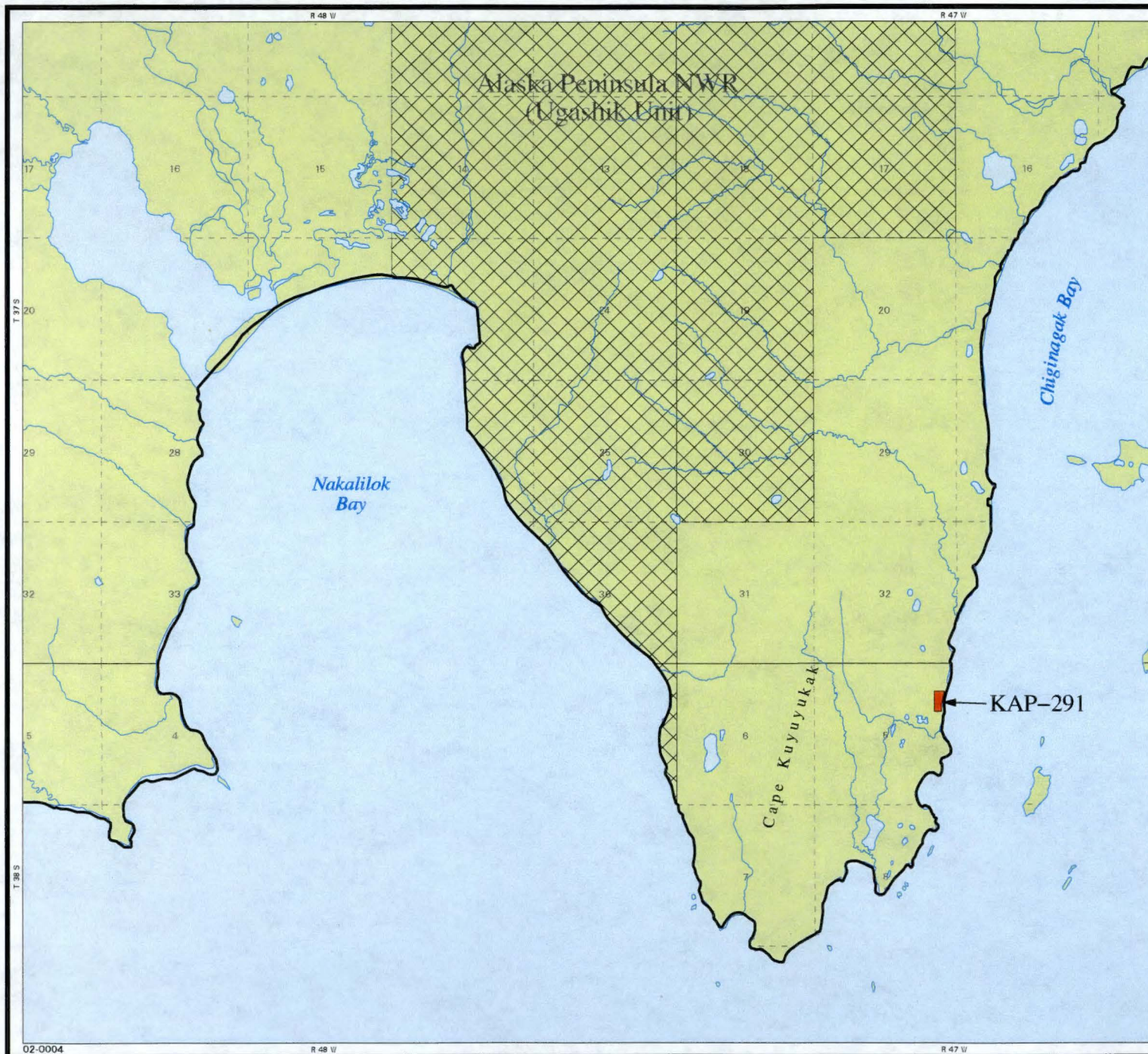
This parcel lies along the eastern shoreline of Cape Kuyuyukak within the Alaska Peninsula National Wildlife Refuge about 50 miles southeast of the village of Ugashik. The parcel is an old mission site. It is surrounded by Refuge lands except for the eastern side with borders the Pacific Ocean.

This parcel would become part of the Alaska Peninsula National Wildlife Refuge. The accessibility and natural values of the property give it significant development potential. The parcel has restoration benefits in its own right, though the greatest benefit of this acquisition may well be protection of highly developable inholdings with easy access. Development on this inholding would be incompatible with refuge purposes and would create significant natural resource management problems for the refuge.

Bald eagles are known to nest on or near this parcel, and the area also provides valuable foraging habitat. The rocky shoreline may be used by black oystercatchers, and sea otters use the near shore waters adjacent to this parcel. Pigeon guillemots may also nest on the rocky shorelands.

This parcel is the only private land located along Cape Kuyuyukak. Further development of this parcel could create a source of human disturbance along a relatively undisturbed coastline. Building cabins or lodges at this site would increase human use along the shore and near shore waters disturbing resident wildlife species. Development of the site as a destinations for commercial guiding activities would have a much greater impact on wildlife. Development would also increase the potential for fuel spills. Acquisition of this parcel for inclusion in the Alaska Peninsula / Becharof Refuge would help insure human disturbance within Wide Bay is minimized, protecting the fish, wildlife, and habitat of the area.





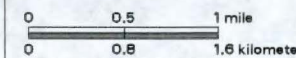
## Habitat Protection Small Parcels



Alaska Peninsula NWR

Parcel: KAP-291

- Privately owned small parcel
- National Wildlife Refuge
- Regional corporation In-Lieu subsurface selection



03/09/00 SM

## Investments

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**RESOLUTION OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL  
PERTAINING TO THE TRANSFER OF THE JOINT TRUST FUNDS AND  
FEES ON THE INVESTMENT FUND**

The *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council" or "Council") is responsible for the management and investment of the *Exxon Valdez* Oil Spill joint trust funds ("joint trust funds"). The joint trust funds are used by the governments for purposes of restoring, replacing, enhancing, rehabilitating or acquiring the equivalent of natural resources and services lost or injured as a result of the oil spill. The joint trust funds were placed in the Court Registry of the United States District Court in Anchorage, Alaska and are invested through the Court Registry Investment System ("CRIS") in Houston, Texas which maintains two accounts on behalf of the federal and state natural resource trustees for the Exxon Valdez Oil Spill – the Exxon Valdez Oil Spill Settlement Account, also known as the Exxon Valdez Liquidity Account, and the CRIS – Exxon Valdez Reserve Fund.

Public Law 106-113 (1999) allows deposit of the joint trust funds in accounts outside the United States Treasury ("outside accounts") upon issuance of an appropriate order by the United States District Court for the District of Alaska. The law limits investments in outside accounts to "income-producing obligations and other instruments or securities that have been determined unanimously by the federal and state natural resource trustees for the Exxon Valdez oil spill ("trustees") to have a high degree of reliability and security".

On February 29, 2000 the Trustee Council adopted Investment Policies to guide investments it might make should it determine to deposit joint trust funds in an Investment Fund. The investment objective for monies deposited in an Investment Fund, as described in the Investment Policies, is to provide adequate liquidity for ongoing restoration purposes and preserve the inflation-adjusted value of the principal, while realizing competitive, total rates of return.

The Council reviewed income producing obligations and other instruments and securities at a meeting on March 16, 2000. At that time, the Council also reviewed capital market returns



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and risk assumptions developed by the Alaska Department of Revenue, Division of Treasury's consultant, Callan Associates (dated January 2000).

In a resolution dated April 24, 2000, the Council unanimously adopted an Asset Allocation for monies deposited in an Investment Fund. The adopted Asset Allocation consists of Domestic Equities, with a target allocation of  $41\% \pm 7\%$ , International Equities, with a target allocation of  $17\% \pm 5\%$ , and Domestic Fixed Income, with a target allocation of  $42\% \pm 7\%$ . The adopted Asset Allocation has a median expected return of 8.25% with a standard deviation/risk of 10.59%.

In a resolution dated April 24, 2000 the Council unanimously agreed to request that the Alaska Attorney General and the Assistant Attorney General of the United States Department of Justice's Environment and Natural Resource Division petition the Court for an amendment to the Second Amended Order for Deposit and Transfer of Settlement Proceeds to allow for the deposit of joint trust funds, or any portion of them, in an Investment Fund or Funds.

At the request of the Council, an independent consultant reviewed the organizational structure, equity and fixed income management practices, asset modeling procedures, and the custody and safekeeping, and the accounting functions of the Alaska State Department of Revenue, Division of Treasury. The report was presented to the Council on May 22, 2000 and concluded that "turning the investment management and custodian/administrative responsibilities over to the Alaska Department of Revenue, Division of Treasury would appear to be a relatively safe and extremely cost effective method of investing the Council's assets."

Under the authority of orders of the United States District Court for the District of Alaska entered on June 7, 2000, the Trustee Council may, by unanimous agreement, select a fund or funds to receive and invest joint trust funds and any interest accrued thereon, received or to be received by the United States or the State of Alaska under the Agreement and Consent Decree between the Governments and Exxon ("Consent Decree"). Upon joint application by the Governments and Order of the United States District Court for the District of Alaska, all or

part of the funds currently in the Exxon Valdez Liquidity Account and the CRIS – Exxon Valdez Reserve Fund shall be transferred and deposited into a specified Investment Fund.

THEREFORE, BE IT RESOLVED THAT the Council unanimously agrees, that in order to have sufficient funds for ongoing restoration purposes and preserve the inflation-adjusted value of the principal, the funds currently in the Exxon Valdez Oil Spill Settlement Account and the CRIS – Exxon Valdez Reserve Fund and funds to be paid by Exxon in the future shall be transferred to and/or deposited in an outside account to be administered by the Alaska Department of Revenue, Division of Treasury.

AND FURTHER THAT the Council requests that a joint application be submitted to the United States District Court for the District of Alaska to transfer all of the funds currently in the Exxon Valdez Oil Spill Settlement Account and the CRIS – Exxon Valdez Reserve Fund to the Alaska Department of Revenue, Division of Treasury.

AND FURTHER THAT the Attorney General for the State of Alaska and the Assistant Attorney General for the Environmental & Natural Resources Division of the United States Department of Justice shall, in future payment instructions to Exxon, notify Exxon that it is to pay to the Alaska Department of Revenue, Division of Treasury all sums required to be paid by Exxon under Paragraph 8 of the Consent Decree.

AND FURTHER THAT the Investment Fund shall be managed consistent with the Investment Policies adopted by the Trustee Council on February 29, 2000.

AND FURTHER THAT the monies shall be invested consistent with the Asset Allocation adopted by the Trustee Council on April 24, 2000.

AND FURTHER THAT the fee on the Investment Fund shall be as follows:

- Custody Safekeeping Fee of \$5,000.
- Custody Transaction Fee equal to 1 basis point (.01%) of the total assets held (at fair value).

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- Investment Management Fee of \$11,222 (based on .5% of Alaska State Department of Revenue, Division of Treasury budgeted personal services).
- Domestic Equity Management Fee equal to 1.3 basis points (.013%) of the domestic equity assets held (at fair value).
- International Equity Management Fee equal to 15 basis points (.15%) of the international equity assets held (at fair value).

AND FURTHER THAT the Executive Director shall work with the Alaska Department of Fish and Game to enter into a Reimbursable Services Agreement with Alaska State Department of Revenue, Division of Treasury to provide custody, investment management and financial reporting services.

DRAFT

Approved by the Council at its meeting of July 5, 2000 as affirmed by our signatures affixed below.

\_\_\_\_\_  
DAVE GIBBONS  
Trustee Representative  
Alaska Region  
USDA Forest Service

Dated \_\_\_\_\_

\_\_\_\_\_  
CRAIG J. TILLERY  
Assistant Attorney General  
State of Alaska

Dated \_\_\_\_\_

\_\_\_\_\_  
MARILYN HEIMAN  
Special Assistant to the  
Secretary for Alaska  
U.S. Department of the Interior

Dated \_\_\_\_\_

\_\_\_\_\_  
JAMES W. BALSIGER  
Director, Alaska Region  
National Marine Fisheries Service

Dated \_\_\_\_\_

\_\_\_\_\_  
FRANK RUE  
Commissioner  
Alaska Department of Fish and Game


Dated \_\_\_\_\_

\_\_\_\_\_  
MICHELE BROWN  
Commissioner  
Alaska Department of Environmental  
Conservation

Dated \_\_\_\_\_

## Wurts Report

999 Third Avenue, Suite 3650  
Seattle, Washington 98104-4021

WURTS  ASSOCIATES

Telephone: 206.622.3700  
Facsimile: 206.622.0548

May 16, 2000

Ms. Molly McCammon  
Exxon Valdez Oil Spill Trustee Council  
645 G Street, Suite 401  
Anchorage, AK 99501-3451

***RE: State of Alaska Department of Revenue – Division of Treasury  
Investment and Custodial Review***

Dear Molly:

Enclosed are six copies of the Investment and Custodial Review for the State of Alaska Department of Revenue – Division of Treasury that we promised to delivery to you.

Please give me a call if you have any questions. I look forward to talking to you soon.

Sincerely,



Wm. W. Wurts  
President

WWW/ks

## **EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL**

### **State of Alaska Department of Revenue – Division of Treasury** **Investment and Custodian Review**

#### **SCOPE OF STUDY**

At the request of the *Exxon Valdez* Oil Spill Trustee Council, we have reviewed the organizational structure, equity and fixed income management practices, asset modeling procedures, and the custody and safekeeping, as well as the accounting functions of the State of Alaska.

By way of background information, Wurts & Associates is the largest independent investment consulting firm located in Seattle, Washington. Our client base includes a number of sizeable West Coast based corporate retirement funds, Taft-Hartley labor management retirement funds, public funds, including the City of Seattle Employees Retirement Trust, and others. Together with our Santa Monica office, our seven Consultants service over 130 client accounts throughout the West Coast. Mr. William Wurts, the President of Wurts & Associates and an investment consultant for over 25 years, conducted this study.

In the process of gathering this information, we held interviews with Ms. Molly McCammon, Executive Director of the *Exxon Valdez* Oil Spill Trustee Council, Traci Cramer, Director of Administration of the *Exxon Valdez* Oil Spill Trustee Council, John Jenks, the recently-appointed Chief Investment Officer of the Department of Revenue, Robert Storer, his predecessor in that position and now the Executive Director of the Alaska Permanent Fund Corporation, Betty Martin, the Controller of the State of Alaska and Tim Davenport, the Assistant Controller.

Given the need to complete this project in a relatively short period of time, this was the extent of the interview process. It did give us, however, a good feeling for how the Department of Revenue operations are conducted and how they might apply to the *Exxon Valdez* Oil Spill Trustee Council investment program.

#### **ORGANIZATION**

The Department of Revenue, Division of Treasury provides custody and investment management services for all of the state funds, as well as some additional assets that are held on behalf of other entities. The ultimate fiduciary responsibility for state funds rests with the Commissioner of Revenue, Mr. Wilson Condon. The Deputy Commissioner of Revenue, Mr. Neal Slotnik, oversees day-to-day operations. The primary sections within the Division of Treasury are Accounting, which is managed by Ms. Betty Martin, Portfolio Management, managed by John Jenks, Debt Management, and Cash Management. In addition, there is a liaison to the Alaska State Pension Investment Board (ASPIB). In this report we will be dealing primarily with the Portfolio Management and, later in the report, the Accounting sections.

Fixed Income investments are managed internally, while domestic equities are invested through State Street Global Advisors, a division of State Street Bank. The latter funds are invested essentially in a combination of a Standard & Poors 500 Index Fund and a smaller capitalization fund which, taken together with the Standard & Poors Index Fund, provides a combined index fund that approximately equals the characteristics and size of the Russell 3000 Index, a broad market index. International equities are managed by Lazard Asset Management of New York.

We will now address each of these investment sectors.

### FIXED INCOME INVESTMENT

The proposed investment vehicle for the *Exxon Valdez* Oil Spill Trustee Council Funds would be the Long-Term Fixed Income Pool, which is run by the Division of Treasury. In the past, this pool (or mutual fund) has been sometimes referred to as the "Unconstrained Fixed Income Pool", although this appears to be somewhat of a misnomer since "unconstrained" in a fixed income sense often means less-than-investment grade and non-U.S. fixed income investments, neither of which are allowed by state policy.

Internal management of fixed income securities seems to have a reasonably extensive history within the Division of Treasury. Michael Cheung, recently departed, along with John Jenks, in the early 90's, managed these assets and produced very competitive results. According to Mr. Jenks, their approach involved a global view of fixed income management and, while their investments were limited to investment grade U.S. fixed income securities, they still spent considerable time taking a top down approach and taking into consideration worldwide events that might be affecting the U.S. markets. In our interview with Mr. Jenks, he indicated that the "Economist" newspaper is required reading within the division, since it had such a global approach to the bond market.

Emphasis has been placed on what is now often referred to as "spread" products within the fixed income markets, i.e., corporates, mortgage-backed securities, asset-back securities, and, in general, non Treasury issues. The investment concept here is that this group of securities, since they are somewhat more complicated to analyze, will always carry a higher yield to maturity, a higher coupon, and, hence, will produce better returns in the long run. This is particularly true for those investors, such as the Division of Treasury, who do not have tremendous concerns about their portfolios' immediate liquidity characteristics.

Under this philosophy, corporate bonds taken as a sector, might be weighted in the portfolio as much as double that of the index, which was the Lehman Government Corporate Bond Index until April 1<sup>st</sup> of this year, and weightings would often end up in the 40% - 50% area vs. closer to 20% for the index. BAA/BBB rated bonds, the lowest general level of investment grade issues, were not overly emphasized in this process since, in the event of a downgrade, their risks were deemed to be too high. Their approach was to stay close to the duration of the Lehman Brothers Government Corporate Bond Index, plus or minus 10%. Hence, the duration (or maturity) "bets" that the managers were making were not large. In general, their maturity spread wound up in the intermediate term phase of the so-called "yield curve" or in the 5 - 12-year maturity range.

While Wall Street research was reviewed extensively by the fixed income investment team, John Jenks estimates that about 75% of the bonds selected for the portfolio came about as a result of internally-generated research. The fixed income investments are managed by a 3-person team that includes the investment officer, a full time fixed income analyst, whose responsibility is to research and produce acceptable ideas for possible purchase, as well as a bond trader.

The above approach, for the most part, was very successful during a good part of the 90's, although in the past 2 years the relative results have fallen off quite extensively. However, the results are still consistent with the overall index. The primary reason for this is that the U.S. Treasury market assumed domination



in the investment world, particularly in the summer and fall of 1998, when the default on the Russian bonds and concern with the Long Term Capital situation caused a considerable flight to quality and, hence, to U.S. Treasuries. Because of their approach, the U.S. Treasury and Agency part of the portfolio is typically underweighted in the Division of Treasury's portfolio, which caused an underperformance during this period and several subsequent quarters. In addition, 1999 was one of the poorest years for absolute bond results in the past decade, and those portfolios that emphasize corporates and, again, so-called "spread" products, generally underperformed, often quite dramatically.

Mr. Jenks did express his strong desire to "stay the course" and continue to pursue this investment approach. Now is not the time to change the investment process, he feels. We would agree with this statement.

Michael Cheung left the Department of Revenue early this year and he has been replaced recently by Mr. Lee Livermore, who has over 20 years of fixed income experience through several insurance companies and bank trust departments located in the mid west, the most recent one being the Royal Neighbors of America. His most significant experience involves 9 years as chief fixed income officer with Anthem Inc., a major Blue Shield/Blue Cross company in the mid west. Mr. Livermore's responsibilities included management of a bond portfolio valued at over \$2 billion. Mr. Livermore is in the process of moving to Juneau and is assuming his responsibilities as this is being written. He will assume responsibilities for all fixed income investments within the division.

Given his lack of firsthand experience with the Division of Treasury and the philosophies described above, Mr. Livermore's arrival does add some uncertainty to the implementation of the investment process in the future. John Jenks does feel that he is a very capable individual and one who will make a strong contribution to the future of the fixed income performance of the division. He also states that his investment approach coincides with that described above. Mr. Livermore himself confirmed that he has a strong belief in the merits of non-Treasury obligations ("spread product") in a managed bond portfolio. In the time allotted, we did not validate Mr. Livermore's past performance record at his previous employer, assuming that one might have been available.

It should be noted that the overall index objective for the division's fixed income total return portfolios has been changed effective the 1<sup>st</sup> of April from the Lehman Brothers Government Corporate Bond Index to the Lehman Aggregate Index. The Lehman Aggregate Index is generally felt to be more representative of the bond market as a whole since it includes mortgage-backed bonds, which the Lehman Brothers Government Corporate Index does not. As a result, it was selected by the Division of Treasury to be a more appropriate index for comparative purposes. Due to the fact that the Index contains over 30% of its weightings in mortgage-related bonds, this switch would put a renewed emphasis on the mortgage-backed sector of the market. Mortgage oriented investments tend to do better in a rising interest rate environment, since they typically return income to the holder on a monthly basis, which can then be reinvested at presumably higher rates. In the last several years, the Lehman Brothers Aggregate has tended to outperform the Lehman Brothers Government Corporate Index, although over a truly long period of time, one would expect the performance of these two broadly based indexes to be approximately the same.

Since the *Exxon Valdez* Oil Spill Trustee Council Funds fixed income performance objective is the Lehman Brothers Aggregate Index, this would appear to be an appropriate fit for the strategy employed by the Division of Treasury.

Here are the performance results for the Long-Term Fixed Income Pool (previously referred to as the "Unconstrained Fixed Income Pool") for the various periods indicated. I have also included the Lehman Brothers Government/Corporate Bond Index and the median (middle) fund performance for the Independent Consultants Cooperative (ICC) database of unconstrained maturity fixed income portfolios, which our firm uses for comparative purposes. This database has over 5,000 portfolios in it, so I feel it is representative of unconstrained fixed income management.

Periods indicated below are for 12/31/99:

	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>	<u>8 yr.</u>	<u>10 yr.</u>
Treasury's Long Term Fixed Income *	-2.4%	+5.5%	+7.6%	+6.8%	+8.0%
Lehman Brothers Govt./Corp. Bond Index	-2.2	+5.5	+7.6	+6.6	+7.7
Median ICC Core Bond Funds	-0.4	+5.8	+7.8	+6.8	+8.1

\* Source: Callan Associates

As you can see from these figures, the underperformance of the last few years has pulled down the longer-term performance to the average to a somewhat below average level. It is important to note in this context that the relative performance for fixed income portfolios does not generally swing the balance fund results, since the difference between "good" and "bad" fixed performance is so small. Please also note, and this is important, that the above database performance is shown on a pre-fee basis and it is my understanding that the State of Alaska fixed income figures are also shown on a pre-fee basis. Note that the fee structure (one basis point) for the Joint Trust Fund would presumably be considerably less than that for the average bond portfolio manager in the ICC database for accounts in the \$100 million total asset range, which typically falls in the 25 - 30 basis point range.

Given the division's proposed fee structure for your account (see fee section which follows in this report), this would add approximately 25 basis points to your results on a relative basis, which would then push the performance results on an after-fee basis very close to the median level for most of the longer time periods under review.

As a result, we would conclude that the fixed income performance, while lagging over the shorter-term, has performed in a respectable manner, particularly when the after-fee results are reviewed. As is typically the case, however, the arrival of the new Fixed Income Investment Officer does add some uncertainty with regard to the future in this asset class. There is simply no way that we can predict the effectiveness of the new management in this regard, except to note that the philosophy and process appear to be sufficiently well entrenched to assure success once the market turns back again to favor the investment approach discussed above.

Based upon the overall process, however, and the fact that John Jenks did himself manage the fixed income portfolio of the State, this does give confidence for the expectation of reasonably competitive results in the future.

## DOMESTIC EQUITY INVESTMENT

The analysis of the Domestic Equity Investment is considerably easier, since all of the funds will be invested in two index funds, as managed by State Street Global Advisors (SSGA), which are designed to replicate the Russell 3000 Index. Located in Boston, State Street is one of the largest investment management firms in the world, presently managing well over \$450 billion in client assets. They also have a very strong reputation in the area of indexed investments.

The Division of Treasury presently has \$1 billion invested with State Street Global Advisors (SSGA). The Russell 3000 Index, which essentially represents the largest 3000 U.S. companies in the market, would appear to us to be a very sensible objective, since it is a broader index than the Standard & Poors 500, which at present is so dominated by its larger component companies. Hence, the true exposure thru the Russell 3000 is to the entire market. The strategy used by the Division of Treasury to gain exposure to the entire market in the past includes investing approximately 75% of the assets in the S & P 500 Index Fund and the remaining approximately 25% would be invested in a fund that is replicated to the approximate performance of the Russell 2000 Index. This latter fund is sometimes referred to as a "completeness" fund, which is designed for investors such as the State, where they decide to replicate the broader market and, in particular, to participate in those stocks not represented in the S & P 500 Index.

Now, we understand, a new arrangement has recently been negotiated with SSGA wherein a new Russell 3000 Fund will be formed directly, without having to use the above combination of funds. This would appear to us to be a more efficient approach and one that will avoid the S & P 500/Russell conflicts that occasionally arise as the indices are reconstituted due to market activity. John Jenks also has stated that the same fee structure (see below) will apply to this new fund. While the Council might be offered both of these options, we would recommend the direct (single) index fund as a more efficient investment, assuming that its initial assets exceed \$1 billion in size.

The fees in this area are estimated at approximately one basis point, since they are calculated at the incremental (or final) dollar on top of the billion dollars already invested by the State of Alaska with SSGA. This schedule would appear to be extremely competitive. The Trustee Council could expect to pay typically 40 to 50 basis points for equity management, given their size of assets, if it were to be invested by an active manager, and 5 to 10 basis points, if the equity funds were to be invested passively. As a result, the one basis point fee figure would appear to be extremely attractive.

Here are the performance results for the State of Alaska's Russell 3000 strategy with SSGA, the Russell 3000 Index and the median fund performance for the Independent Consultants Cooperative (ICC) for domestic equities:

	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>
Treasury's Domestic Equities *	24.0%	27.2%	26.6%
Russell 3000 Index	22.8	27.0	25.9
Median ICC Equity Fund	17.9	22.0	24.3

\* Source: State Street Bank

All returns are on a pre fee basis. Due to the fact that indexing has performed quite well on a relative basis in recent markets, the State of Alaska's equities do outperform the median fund in the ICC database of over 5,000 equity portfolios, which we use for comparative purposes. Hence, the recommendation of this strategy is relatively easy to make. Please also note that on an after-fee basis the difference in relative performance vs. active management would be even higher.

### INTERNATIONAL EQUITIES

The International Equity Program is run by Lazard Asset Management, a substantial international equity firm with offices located in many cities throughout the world and headquartered in New York. In total Lazard manages over \$30 billion in non-U.S. and global equity funds. Lazard has developed a strong reputation over the years as a value style investor, meaning they tend to emphasize equity securities with evaluations, as expressed by price-to-earnings ratio and price-to-book ratios that are often well below that of the market in general.

This has been a good lower risk investment philosophy over the long-term, although during the last year the approach has caused some underperformance, as the world as a whole reacted so enthusiastically to technology and communications stocks that are generally underweighted in Lazard's (and other value style investor's) portfolios.

Here are the performance results for the Division of Treasury's Non-U.S. equities with Lazard, the Europe, Australia, and Far Eastern Index (EAFE), and the median fund performance for Independent Consultants Cooperative (ICC) for Non-U.S. equities :

	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>
Alaska Treasury's Non-U.S. Equities *	25.5	18.0	17.0
EAFE Index	27.0	15.8	12.8
Median ICC Non-U.S. Equity Fund	26.8	15.8	16.9

\* Source: Callan & Associates

Again, all returns are on a pre fee basis. This Fund has tended to perform relatively well, beating both the EAFE Index, as well as the median fund, in the Independent Consultants Cooperative database of over 2,000 non-U.S. equity portfolios over the 3 & 5-year periods.

In addition, as was the case with domestic equities, the fee structure offered by the Division of Treasury for international management is extremely attractive, using the proposal that was made by the division to the Trustee Council of 15 basis points. Most international equity managers charge close to 75 - 100 basis points for their services. 15 basis points is extremely competitive and would simply not be available in the open market to a fund the size of the Council's.

## ASSET ALLOCATION

It is our understanding that the Trustee Council recently adopted an overall asset allocation as follows:

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>	<u>Benchmark</u>
Domestic Equities (Broad Market)	41%	+/-7%	Russell 3000
International Equities	17%	+/-5%	EAFE
Domestic Fixed Income	42%	+/-7%	Lehman Aggregate

This allocation, according to the asset allocation modeling done by the State's consultant, Callan & Associates, should produce a median expected return of 8.25% with a Standard Deviation of 10.59%.

John Jenks produced the Callan-sponsored assumptions that went into this asset allocation modeling. They represent five (5) year market estimates and are as follows:

	<u>Total Return</u>	<u>Yield</u>	<u>Standard Deviation</u>
Domestic Equities (Broad Market)	9.2%	1.2%	16.2%
International Equities	9.75%	1.4%	21.5%
Bond/Aggregate	7.6%	7.6%	5.5%

The assumptions that went into the Division of Treasury's optimization model were provided by Callan & Associates and, along with certain correlation assumptions, produced an "efficient" number of portfolios that varied in their risk and return characteristics. As in any capital markets process, the greater the expected return potential of an efficient mix of assets, the greater the risk as measured by volatility (or standard deviation).

The mix selected is a relatively conservative one and, in our opinion, is also based on relatively conservative input characteristics. As an example, a 9.2% equity return is well below the 50 and 75 year return figures for the broad equity market. It is also less than half of the return earned by the broad market over the past decade, a highly unusual period, admittedly.

In addition, the relative difference in the return projections for the various asset classes are what is significant here. We would be inclined to argue that a 2.5% real return difference in stock vs. bond returns is certainly on the low side. In fact, for all periods ended December 31, 1999 (i.e., 10, 20, 30, 40, 50, and 70 year periods), there is no period where the differential has been this low. We would be inclined to use a higher equity assumption number and are more inclined to base our asset allocation assumptions on historical returns and spreads between asset classes.

Despite this observation, using higher equity assumptions would only serve to create a higher return projection for the presently proposed 41/17/42% allocation. This would represent a 58% investment in equity and 42% investment in fixed income. While this mix is reasonably conservative by today's standards, it still would seem to fit the broad investment policies and low risk taking exposure typically associated with this type of fund.

In addition, the higher percentage in international equity securities (17%) should also serve to dampen the volatility, since the correlation of non-U.S. to U.S. securities has historically been less than 65%. In other words, while international equities may carry more volatility in and of themselves, only 65% of the time are they typically moving in the same direction as U.S. equities. As a result, they tend to be volatility dampeners for the total portfolio, except during those periods of substantial market stress when both categories are heading in the same direction.

In summary, while we might have some quarrel with the equity assumptions used in the modeling process, we feel that the overall conclusion of a portfolio that is 41% invested in U.S., 17% in non-U.S. equity and 42% in domestic fixed income, is both conservative and over time should produce a return that is compatible with the objectives set forth in the Council's Investment Policy.

## **FEES**

The fee structure, as proposed by the Division of Treasury, appears to be extremely attractive. As I understand it from conversations with Traci Cramer and John Jenks, the proposed fee structure is as follows:

<u>Custodian Fees</u>	<u>Estimate on \$100 mn in Assets</u>
- \$5,000 per account per year	\$ 5,000
- 1 basis point on total assets	10,000
Total Custodian Costs	\$15,000
 <u>Fixed Income Management</u>	
- Indirect Personal Services Fee	\$16,500 approx.
 <u>Equity Domestic</u>	
- 1 basis point - approximate (Assets \$41,000,000)	\$4,100
 <u>Equity International (Lazard)</u>	
- 15 basis points - approximate (Assets \$17,000,000)	\$25,500
 <u>Approximate Overall Fee</u>	 \$61,100
 As a percentage of \$100 million in assets:	 6 basis points

The reason for the competitive fee structure is the fact that these assets are being added onto the assets already managed by the Division of Treasury. Hence, they are being charged only the incremental fee schedule.

The above fees would appear to be extremely competitive in nature as previously noted. An important point to keep in mind here is that the only thing that is guaranteed going forward is the fee structure that you are going to pay. Future investment results are, at best, estimates. Hence, the fee structure becomes

important to the extent that it is a certainty and, in our opinion, there is no question about the fact that this is essentially as low a fee as you might expect to find anywhere.

Here are some typical figures, based upon a study that we produced about a year ago, which backup these claims. We are basing them upon an actively-managed fund in the \$100 million asset range, which is approximately that of the Joint Trust Fund:

- Custodial Fees	\$ 30,000 (3 basis points)
- Domestic Equity Fees (\$41 mn in assets)	\$164,000 (40 basis points)
- International Equity Fees (\$17 mn in assets)	\$127,500 (75 basis points)
- Fixed Income Fees (\$42 mn in assets)	<u>\$105,000</u> (25 basis points)
<b>- Total Estimated Fee (including Custodial Fee):</b>	<b>\$426,500 (or 43 basis points)</b>

Please note that we have incorporated the fee structure in this example for an actively-managed account. In our opinion, it is the only reason (i.e., seeking active management) the Council might consider going outside of the services offered by the Division of Treasury, since their fees are so competitive for their package of active and passive management services.

In the event that the assets of the Joint Trust Fund were invested outside the Division of Treasury, with a combination of passively managed investments (Domestic Equities and Fixed Income) and actively managed investments (International Equities), again based on a study that we produced about a year ago, our best estimate of the fees would be:

- Custodial Fees	\$ 20,000 (2 basis points)
- Domestic Equity Fees (\$41 mn in assets)	\$ 41,000 (10 basis points)
- International Equity Fees (\$17 mn in assets)	\$127,500 (75 basis points) *
- Fixed Income Fees (\$42 mn in assets)	<u>\$ 42,000</u> (10 basis points)
<b>- Total Estimated Fee (including Custodial Fee):</b>	<b>\$230,500 (or 23 basis points)</b>

\* The fee shown for International equities assumes that this portion of the portfolio will be actively managed.

As a final note, movement to outside management, either active or passive, would involve a considerable amount of time and expense. A consultant would have to be hired, along with investment advisors for each investment sector i.e. U.S. Domestic Equities, International Equities and Fixed Income. This would require several additional Trustee Council meetings, as well as considerable staff and consultant time. Clearly this is an additional expense that should be taken into consideration.

### ASSET ACCOUNTING/CUSTODIAL SERVICES

We did meet with Betty Martin, Controller of the State of Alaska, and the Assistant Controller, Tim Davenport, with regard to the services offered in both Accounting and the Custodial area to all funds in the State of Alaska's Treasury. We will be reasonably brief in our coverage of this aspect because the assets are essentially held at State Street Bank, the largest of the global custodian providers. State Street does not typically take physical delivery of securities, but rather keeps them in electronic format so the securities can be more efficiently traded as necessary.

It is significant to note that the Division of Treasury currently manages assets on behalf of other entities. Examples include the School Public Trust Fund, the Alaska Children's Trust, and the Alaska Advance

College Tuition Payment Fund. Hence, there are other entities that are presently receiving similar services.

The Exxon Valdez Oil Spill Trustees Council would have similar services provided under the proposed arrangement and would also have some say in the flexibility of the reporting, according to Tim Davenport, who presently does some customization work for these other organizations in the reporting process and indicated a willingness to provide it to the Trustee Council.

State Street provides all of the pricing of securities in the portfolios, including domestic equities, and fixed income investments. The State's contract with SSGA clearly states how SSGA is to price the portfolio securities. The Department of Revenue cannot influence this pricing except to suggest that State Street might go out and check some other sources, if they feel that the State Street price is not accurate, a matter that does occur from time to time on bonds. Betty Martin must approve any dispute in pricing that is not quickly resolved.

KPMG annually audits assets under the authority of the Commissioner of Revenue, as well as the large public employees and teachers retirement funds of the State of Alaska.

In general, according to Betty Martin, the Department makes a practice of adhering to the standards of ERISA, even though they are not legally required to. In other words, all decisions are made to the best interest of the participants of each portfolio.

All reporting is downloaded via the Internet on a daily basis directly from State Street. Indeed, the State of Alaska has been one of the early influences of State Street to request that they go on line to provide this data via the Internet. Hence, if the Trustee Council wanted to review their own reports with very little delay, they can be produced. State Street also provides quarterly performance results for each fund. This would be available to the Trustee Council as well.

With regard to securities lending, the State apparently experimented with their service under the regime of Robert Storer in the early 90's and ran into some potential minor losses in 1994, when interest rates went up dramatically. As a result, there has been a tendency to draw back from a securities lending program and not view this as a source of additional income.

The bottom line to this section is that in the custodial area all assets are held at State Street and their values can be accessed on a daily basis. Each of State Street's pooled funds, which may be used by the State, are audited on an annual basis and subject to very close scrutiny. Hence, the chance for the loss of assets would appear to be slim. The Division of Treasury continues to be satisfied with State Street, despite the fact that, like many custodians, they are experiencing a high personnel turnover these days. We would have no problems about recommending them. In addition, the accounting and internal administrative operations of this division would appear to us to be very adequate for the needs of the Joint Trust Fund.



## CONCLUSIONS AND RECOMMENDATIONS

Our conclusions are that turning the investment management and custodian/administrative responsibilities over to the Department of Revenue, Division of Treasury would appear to be a relatively safe and extremely cost effective method of investing the Council's assets. While the bond performance has suffered somewhat in recent years, the long-term record is reasonably competitive. In addition, the State Street Global Advisors Russell 3000 Fund (Domestic Equities) and the Lazard International (Non-U.S.) Equity performance each appear to be well above average over the long term (3 years and more). Since this is 58% of the portfolio, it should be the dominant factor in future results of the Joint Trust Fund.

Accordingly, we would feel comfortable in recommending the investment management and custodial functions as proposed by the Alaska Department of Revenue, Division of Treasury.

## **Responses to Wurts Report**



ALASKA PERMANENT  
CAPITAL MANAGEMENT COMPANY

900 West Fifth Avenue, Suite 601  
Anchorage, Alaska 99501

Phone: (907) 272-7575

Fax: (907) 272-7574

June 7, 2000

Ms. Molly McCammon  
Exxon Valdez Oil Spill Trustee Council  
645 G Street, Ste. 401  
Anchorage, AK 99501-3451

Dear Ms. McCammon;

Thank you for providing a copy of the Wurts Associates report dated May 16, 2000. As you know, I have expressed great concern over the past year about the prospect of turning Council funds over to the State of Alaska rather than utilizing the private sector. Please allow me a few minutes of your time to more fully explain my concerns.

1. Philosophically, it is hard to understand why the Trustee Council would expand great efforts to remove the jurisdiction for fund management and custodianship from a governmental organization (the Court) in favor of turning the same custodianship and management to the control of just another governmental entity. There is no guarantee that the State of Alaska would necessarily provide the Trustees a greater amount of control, management and better reporting of asset management functions. It appears that by delegating the management of these funds to the State of Alaska the Trustees are simply substituting one governmental entity for another.
2. Most institutional investors clearly separate the custody and investment management functions. Institutional investors have custodians report directly to them. They control, through contract, the ability to hire and fire a custodian at will and to take possession of their assets. Most institutional investors do not place the investment and accounting functions under a single entity.
3. Most institutional investors prefer to have their cash and securities in their own name to facilitate the control of cash and assets at all times without having to ask permission or go through a third party such as the State of Alaska. The Council should make sure, under any arrangement, that it holds the securities and cash in its name rather than some other nominee. The Council should have the ability without asking for any other acknowledgment or permission, to change custodian, draw funds and to control its custody reports. Custody reports should be sent directly to the Council. Similarly, the

investment manager should issue concurrent reports, which should be reconciled and match the custody reports. This is an essential check and balance required by almost all sophisticated institutional investors.

4. The Wurts report refers to a Long-term Investment Pool. The Council should assure itself that funds in this Pool are not co-mingled to the extent that they can be temporarily borrowed by the State of Alaska in pursuit of a more even State cash flow. It is possible that the State of Alaska seeks the ability to manage Council fund's in a self-serving mode so that it can temporarily use funds to even out its cash flow requirements. Even though funds may be borrowed from the pool and later replaced at prevailing interest rates, it is possible that the investment program can be contorted to facilitate State cash flow rather than in the sole and best interest of its client, the Council.

5. I was surprised that the Wurts report did not talk a little bit more about the stability of the State Treasury. You may have been told that the State Treasury has undergone substantial difficulty in retaining personnel. In any event, the turnover has been substantial. I assume that you have been advised that the State Treasury has found it necessary to move many billions of dollars to State Street, on a temporary basis, on behalf of ASPIB, solely because of unfilled investment management positions. I was surprised that the Council would seriously consider turning its assets over to a new organization replacing one which has had demonstrated personnel instability and may turn over again within two years as the Knowles Administration phases out.

6. The Wurts report does not deal with the frequency and nature of reports that will be rendered to the Trustee Council. Institutional investors usually receive reports both from a custodian and from the investment manager. Reports from the investment manager contain an asset appraisal which sets forth all of the assets held by the account. It delineates between different investment sectors and provides detailed information such as cost and market value, current yield and percent of each investment and sector in the portfolio. The second formal report is a chronological report of all transactions in the account. This sets forth interest received, purchases, sales and other transactional data on a day-by-day basis. The third report generally sets forth realized capital gains and losses. This reflects the purchase, the sale price and the gain or loss sustained on each transaction. The fourth report in the standard monthly package is a report of cash reconciliation which sets forth the opening cash balance in the account, the transactions against cash and reconciles to a final cash balance. A fifth report usually involves monthly and cumulative performance. Six, is a general narrative which indicates what activity has taken place in the portfolio during the prior month and what action is expected to be taken in the next reporting period. Finally, there is generally a narrative report, which sets forth the investment manager's view, in general, of the equity and bond markets. The Wurts report did not capture any information regarding the periodic reports, which will be submitted by the investment manager; State of Alaska. The Trustee Council should be very specific about the reports rendered, their reconciliation to the custodian report and how exceptions between the two reports will be dealt with.

7. It is clear that the State contemplates charging a low incremental fee for services it expects to render to the Council. You should know that when incremental fees are charged to new clients, the older clients bear some of the base cost. If you sign up with the State Treasury you are a new client until it finds another. We are not sure that incremental based fees are the correct way to treat old and new clients fairly.

8. The Council should be aware that not only is the State Treasury competing against folks like us who exist in the private sector, but do so without the stringent reporting to the Securities and Exchange Commission or the submission to Securities and Exchange Commission Audits. The State Treasury should not be in the funds management business as it is not regulated or licensed. It may make any representation, but it may or may not make all of your funds available to you at any time you need them. If you subject yourself to bureaucratic and unregulated control when such control can be avoided, you would be well advised to take a more difficult and more proper (fiduciary) role of managing and controlling your own destiny rather than delegating it to an ever-changing governmental agency.


9. You should be aware that current State policy and practice precludes the use of Alaska brokerage firms for the purchase and sale of marketable debt securities. The State Treasury conducts billions of dollars worth of purchases and sales of marketable debt (bills, bonds and notes) and does not involve the Alaska brokerage community in any of this business. When you sign on to do business with the State of Alaska as your investment manager, you perpetuate the practice of going "Outside" rather than to the local Merrill Lynch or other brokerage houses. In addition to exclusively sending all of the marketable debt securities business outside of Alaska, the State Treasury does not bother to engage Alaska banks for the purchase of a limited amount of certificates of deposit on either a collateralized or uncollateralized basis. By utilizing the State of Alaska for investment management services, the Council will not only be eliminating firms like ours who wish to compete for your business but also eliminate other ancillary Alaska businesses like banks and brokerages which would also like to have an opportunity to compete for some of your business.

10. We note that the Wurts report discusses fees extensively. We agree that if the State is allowed to manage Council money, it can probably do so at a low cost. Lowest cost does not necessarily mean that you will be provided the audit trails, internal controls and extensive reporting that is required to manage and control an endowment in excess of a hundred million dollars. Essentially, you'll receive value for what you pay. Lowest cost should not be the overriding or overwhelming consideration in the spectrum. You should be looking at stability of personnel, reporting, internal controls and many of the other items that I've tried to lay out in this letter to you.

Please accept the above as positive, rather than critical comments. The Trustees have a serious fiduciary responsibility. It should be clear that the Trustees must exercise continued and active oversight of its investment program. I have attached some alternative investment organizational concepts for your consideration at Tab A.

I would be pleased to meet with you and discusses these items at your upcoming meeting.

Sincerely

A handwritten signature in cursive script, appearing to read "David A. Rose", written in dark ink.

David A. Rose  
Chairman

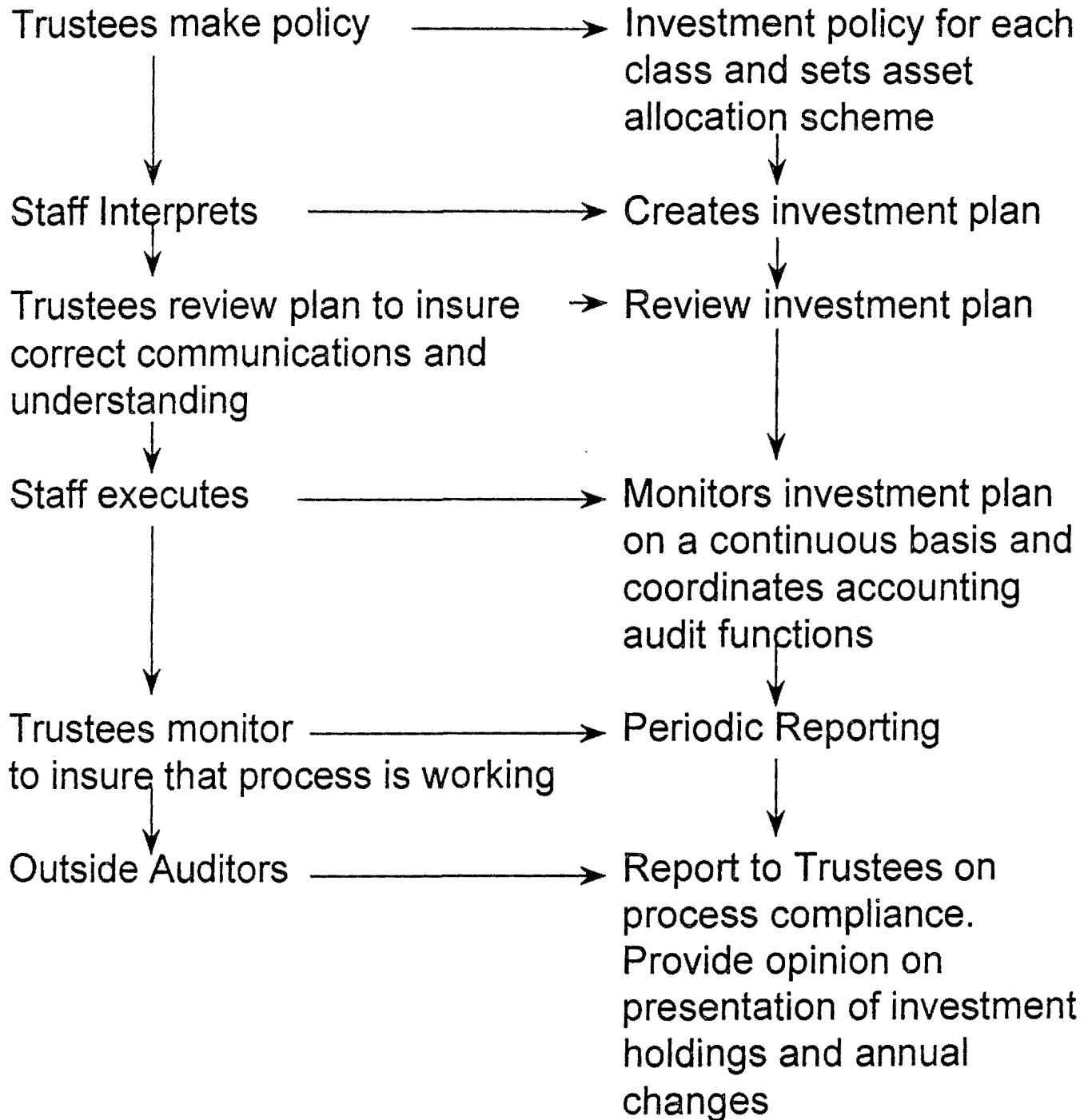
## **TAB A**

### **Trustee Council Oversight and Exercise of Fiduciary Responsibilities.**

- Choose a "system" or "process" for implementation of the investment program.
- Review the operation of the entire process in a timely manner.
- Make changes (or review) in investment policy, asset allocation, custodians and managers on a periodic basis.
- Never get involved in the direct acquisition or disposition of individual assets. Do not assume a level of expertise you may not have. You are protected as a fiduciary if you have a good process and you review its performance.

The following chart sets forth the various responsibilities of staff, Trustees and contractors:

# Investment Planning - The Process





Upon review of the preceding chart you have an option with respect to staff responsibilities. You may hire internal staff and support or you may contract for a "Supervisory Investment Advisor" who is an extension to staff, which provides continuous oversight of the custodian, investment managers, reporting, performance and audit. The above, internal fiduciary functions must be exercised by staff or a contractual extension of staff. While the Trustees may delegate some responsibility and authority, they must retain accountability.

Adherence to the above-described process should protect Trustees from individual and collective liability for failure to properly execute fiduciary responsibilities.

JUN-14-00 WED 05:26 PM AK PERMANENT CAPITAL

FAX NO. 907 272-7574



# ALASKA PERMANENT CAPITAL MANAGEMENT COMPANY

900 West Fifth Avenue, Suite 601  
Anchorage, Alaska 99501

Phone: (907) 272-7575

Fax: (907) 272-7574

June 14, 2000

The Honorable Tony Knowles  
Governor, State of Alaska  
State Capital  
Juneau, Alaska, 99801

Dear Governor Knowles, *Tony*

I have been advised that the Exxon Valdez Trustee Counsel staff has been working closely with the State Treasury staff and is recommending that Exxon Valdez trust funds be invested and placed under the custody of the State Treasury.

The Counsel should not support the staff recommendation because:

The State should not compete with the private sector in this endeavor.

Treasury does not engage Alaska investment firms, banks, and brokerage houses. No Business activity will occur in-State.

The State Treasury is not registered as an investment adviser nor is it regulated in its investment representations and performance. It is not audited by either bank regulators or by the Securities and Exchange Commission.

This is a sole-source procurement with Alaska firms given no opportunity to compete.

Treasury staff has been devastated by a number of resignations this year. This has:

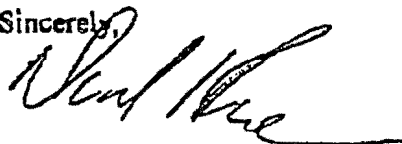
- Required the State to engage State Street Bank in Boston and New York to manage about \$3 billion on an emergency, temporary basis. It appears that it is hard pressed to manage its current assets let alone solicit additional work.
- Rendered the stability of the Treasury somewhat questionable.

- The team that has created the Treasury's track record has left. Past performance is not indicative of future results when there has been acute personnel turnover.

I suggest that Alaska banks be offered the opportunity to compete for custodianship; that our firm be permitted to compete for funds management; and that Alaska brokerage houses be permitted to compete for purchase and sale orders.

Please request that trustees appointed by the State discuss these concerns and support traditional management of this account by the engagement of private sector firms who are properly registered and regulated to do this work. Trustees, in executing their individual and collective fiduciary responsibilities should adhere to the principles of separate custodianship and funds management. Alternatively, request Treasury to recede from its pursuits in this matter.

Sincerely,



David A. Rose  
Chairman



June 12, 2000

State of Alaska  
Office of the Governor  
Governor Tony Knowles  
PO Box 110001  
Juneau, AK 99811-0001

Dear Governor Knowles:

I have been advised that the Exxon Valdez Oil Spill Trustee Council is in the process of transferring approximately \$100 million of trust funds to the State of Alaska Treasury Division, Department of Revenue.

It is unfortunate that the Treasury has decided to compete with the private sector and has actively solicited the management and trusteeship of these funds. Banks, brokerages and investment managers in Alaska's private sector are able to do this work.

Since the Treasury does not engage Alaska banks, brokerages or Alaska investment advisers, it is apparent that these funds will simply be moved from the Court in Texas to other "outside" entities.

I earnestly request that you personally review the propriety of the proposed sole source procurement of investment management and custodian functions. Alaska entities should have the opportunity to compete for this work.

Best personal regards,

Marc Langland  
Chairman, Northrim Bank

**First National Bank**  
of Anchorage

Betsy Lawer  
Vice Chair & Chief Operating Officer

June 13, 2000

Governor Tony Knowles  
Office of the Governor  
P. O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Knowles:

For what reason I cannot fathom, current State policy and practice precludes the use of Alaskan firms for the purchase and sale of marketable debt securities. The State Treasury conducts billions of dollars worth of purchases and sales of marketable debt (bills, bonds and notes) and does not involve Alaskans in any of this business.

In addition, the Exxon Valdez Oil Spill Trustee Council is in the process of transferring approximately \$100 million of trust funds to the State of Alaska Treasury Division, Department of Revenue.

Since the Treasury does not engage Alaska banks, brokerages or investment advisers, apparently these funds will simply be moved from the Court in Texas to other "outside" entities. These entities do not employ Alaskans, donate to Alaskan non-profit organizations, volunteer to serve on community boards or coach children's extra curricular activities. Those "outside" entities provide no value added service to Alaska.

How ironic that these funds, generated to compensate Alaskans for the Exxon Valdez tragedy, will be managed by "outsiders" -- particularly when there are capable businesses right here in Alaska.

Our economy is essentially flat. No, not essentially, it *is* flat. Right now, State government should be in the business of diversifying and pumping up our Alaskan economy as much as possible. And one way to foster a healthy economy is to be an advocate of Alaskans and Alaskan businesses.

Our team back in Washington, DC is doing just that. And they have made a significant difference in our State at a time when the resources that built Alaska -- fishing, timber and mining -- are suffering.

So, I ask you, what good does it do Alaskans for State government to compete with private enterprise to manage the Exxon Valdez Oil Spill Trustee Funds and then turn the management of those funds over to an "outside" entity?

Sincerely,

Betsy Lawer  
Vice Chair & Chief Operating Officer

cc: Senator Ted Stevens  
Senator Frank Murkowski  
Representative Don Young  
Ms. Molly McCammon

P.O. Box 100600

**Alaska Bankers Association**  
Anchorage, Alaska 99510-0600

RECEIVED  
JUN 15 1997 265-2920  
EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

June 13, 2000

Governor Tony Knowles  
120 4th Street  
PO Box 110001  
Juneau, AK 99811-0001

Dear Governor Knowles:

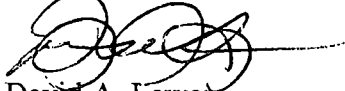
I have been given to understand that the Exxon Valdez Oil Spill Trustee Council at the instance of the State government proposes to transfer some \$100 million of trust funds to the State of Alaska, Department of Revenue to be invested and administered in the same manner as funds of the State. Since current State policy and practice is to use the services offered by other than Alaska enterprises for the State's own investment and money management purposes, I expect that means no Alaska bank, investment broker, or investment adviser will be considered to perform such services. That scheme is misguided..

There are Alaska banks, investment brokers, and investment advisors whose qualifications to perform the required services are equal to those of the non-Alaska firms engaged by the State. Moreover, Alaskans are equally adept at performing those services. Where the Alaskan banks and firms shine through, however, is in the taxes they pay to the State, the Alaskans that they employ, the charitable donations they make to benefit Alaskans, and the other benefits they contribute to the commonweal of Alaska.

Why your administration and the trustees would even consider an arrangement to keep money intended to benefit all Alaskans under administration of people in other states who will use the income they generate from their services to benefit non-Alaskans is a mystery. But more so at this time in the history of our State, when any economic growth in Alaska will be hard-won.

Alaska businesses, including those in the financial services sector, are trying to make up for the diminishing returns from natural resource development in Alaska. Each member of the State's Congressional Delegation is working equally hard to benefit the Alaskan economy. Why not the State government and the Trustee Council too?

Very truly yours,

A handwritten signature in dark ink, appearing to read 'David A. Lawer', with a long horizontal flourish extending to the right.

David A. Lawer  
President

cc;     Senator Ted Stevens  
         Senator Frank Murkowski  
         Representative Don Young  
         Molly McCammon

One Sealaska Plaza, Suite 301  
Juneau, Alaska 99801-1293  
907 586 4103  
800 770 7293  
FAX 907 856 4184



June 13, 2000

Exxon Valdez Oil Spill Trustee Council  
645 G Street, Suite 401  
Anchorage, AK 99501

Dear Ms McCammon:

Thank you for your letter of May 31, 2000 requesting that I review and comment on the Wurtz May 16<sup>th</sup>, 2000 report that examined the State of Alaska Department of Revenue, Division of Treasury, investment and custodial capabilities for the Exxon Valdez Oil Spill fund "Fund".

A brief background of my experience and association with the Treasury division would be appropriate before I embark on my discussion. I was hired as comptroller of the Treasury division in 1983. I held that position until 1991, at which time I was appointed to Deputy Commissioner of Revenue with direct responsibility for the Treasury Division. In January of 1994, I left the State to pursue the opening of a Merrill Lynch office in Juneau.

Before I proceed with this discussion, I would like to make the following caveat. Since I have not attended any of the Council's meetings dealing with the subject matter, my knowledge is fairly limited as to the previous decisions of the Council, so I apologize if my discussion suggests certain actions that may have already been considered.

Several sections of the May 16<sup>th</sup> report should raise specific concerns. First, it appears that the Council has been presented a fairly limited spectrum of custody and investment solutions. It is widely accepted as a trustee's fiduciary responsibility to seek out a broad range of options based on the need of the Trust, then to select the strategy that is in the best interests of the Fund. That decision process should be driven solely by the Fund's investment policies and investment needs, not by adapting to another organization's offerings or by selecting what is convenient. Wurtz's statement in the Fees section of his report that the use of external investment management "would involve a considerable amount of time and expense" may or may not be true. In any event, we concur with his last statement of that paragraph that such expense should be taken into consideration. In other words, the trustees have a due diligence responsibility to review, document and select an appropriate solution for investment management of the Fund. Three approaches present themselves: a) Retain complete control and oversight by managing the Fund in-house; b) Use the services that the Treasury Division is offering, including their custodial



relationships and investment choices; c) Examine the efficacy of retaining external advisors and managers whose fiduciary obligation is to the Trust, not the State and whose investment strategies are predicated upon the Trust's policies, not someone else's. It would be reasonable for the Trustees to consider all three options and there can be various combinations of these approaches. Yes, it might involve more time and expense, but with a Fund of this size, consideration of these alternative are important.

Other solutions aside, we would like to address some specific comments in Wurtz's report. In the operational section of the report, he states that, "The ultimate fiduciary responsibility of the for (sic) State funds rests with the Commissioner of Revenue, Mr. Wilson Condon". This statement is incorrect, in that the fiduciary responsibility for the State's Public and Teacher's retirement system's funds (PRS and TRS) resides with the Alaska State Pension Investment Board. The change was made in 1992. If I were a trustee and fiduciary, I would want my investment manager(s) to acknowledge fiduciary responsibility directly to the Fund.

There are several concerns in regard to the use of the "Unconstrained Fixed Income Pool". Wurtz's report doesn't address the identity and liquidity requirements of various participants of the Pool, but mixing of various funds into a pool environment may have hidden disadvantages. The major factor is the differing liquidity requirements of the participants, which may adversely impact the performance of the Fund. The State's general fund has a different maturity and liquidity requirements than an endowment, and other participants' behavior may effect the appropriateness of the Pool. Another concern is the implication that the Treasury Division has changed its policy towards allowing external non-statutory funds to be managed by Treasury. It used to be the policy of the Treasury not to accept investment management of an external portfolio without statutory authority. An opinion from the attorney general's office should be sought. Another aspect of a trustee's duty is to review timely performance reports and qualitative information about their investment managers. This is normally provided by a third party, not the management team itself. Wurtz's report does not address this critical element in fulfilling fiduciary responsibility.

In the fixed income section, we share Wurtz's concerns about management stability. Over the years, there have been many management changes within the investment section of the Treasury Division. The tenure of the chief investment officers has not been very long with multiple changes in the last several years. The lack of rationale for changing the fixed income objective from the Lehman Brother's Government/Corporate Bond index to the Lehman Brother's Aggregate Index is bothersome. Wurtz's report implies that the change was made to accommodate a portfolio of securities that has drifted away from its initial mandate. As a trustee, this action would not give me a high level of comfort.

It is interesting to note that the investment allocation for the Fund has both passive and actively managed approaches. Wurtz is correct that a passively managed equity index portfolio has recently performed better than a majority of active managers. However, there are equity portfolio managers that have consistently provided excessive returns for

the past 1,3,5 and 10 years over their relative benchmarks, net of fees. Wurtz is correct in his statement that the only real constant in portfolio management is the management fees, but we have to point out that poor performance at any price is still poor performance. As an example, Lazard, as an active international manager, has added significant value for clients (higher returns) on a **net** basis. To not seek better returns for the sake of convenience seems to be a less-than-optimal approach.

We do agree with Wurtz's comments in the asset allocation section that questions Callan's low total return assumption on domestic equities. But even more bothersome is the apparent simplicity of the allocation modeling provided to the Fund. There is a significant void as to how the suggested portfolio compares with other multi-asset portfolio allocations. Usually, an investment consultant uses sophisticated tools and analytical methods to suggest different asset mixes that seek the highest return versus risk for a client's specific needs. Due to the tremendous importance of this step in the decision making process, we question whether the trustees are well-served with such an overly-simplified asset allocation. It is hard to over-emphasize the importance of the asset allocation decision, and we believe the trustees deserve a more sophisticated effort. The trustees of the Fund are held by Alaskan Statutes to a prudent investor standard. This standard dictates a level of responsibility that involves a high degree of due diligence.

The Wurtz conclusion suggests that placing the Fund under Treasury's management is an acceptable solution. It does not say that it is the **best** solution. Potential conflicts of interest, lack of accountability, acceptance of median rates of return, and unsophisticated asset allocation assumptions seem to be high prices to pay for convenience and a fixation on fee structure. Remember, the **net** return to the Trust is the important criteria, and we believe that examining these critical questions will prove to be of long-term benefit to the Fund and help the Trustees properly fulfill their fiduciary responsibilities. My partner and I stand ready at any time to meet with the Council (at our expense) to clarify and discuss these concerns.

Sincerely,



Brian C. Andrews  
Resident Manager, Assistant Vice President



Steven J. Brantner  
Vice President

Private Client Group

3601 C Street  
Penthouse Suite West  
Anchorage, Alaska 99503-5996  
907 561 4433  
800 770 7000  
907 562 5789 FAX



June 21, 2000

Ms. Molly McKammon  
Exxon Valdez Oil Spill Trustee Council  
645 G Street, Suite 401  
Anchorage, Ak. 99501-3451

Re: Investment selection process

Dear Molly:

I appreciate the invitation and the opportunity to comment on the process involved for selecting custodial and investment management services. There is no question that the Department of Revenue for the State of Alaska is qualified to address these issues. Unfortunately, the non-governmental financial services sector within the state of Alaska has had virtually no input prior to the comment period that I am aware of. It is this expertise within the Alaskan financial community that is missing from the scope of the study of the Wurts Associates report, an out of state consultant. The recommendations within the report virtually assure that no future transactional, management, nor custodial business will directly flow back through Alaskans. There is no requirement nor a mandate that I am aware of to use an "outside consultant" to both recommend and validate the exportation of financial services.

Regarding the report, there are a number of issues that would lead the reader to come to a conclusion that is in fact controversial. A reader could assume that the State's domestic equity allocation is all passively managed when in fact the State has a number of actively managed domestic equity portfolio managers including an Alaskan portfolio manager, Mckinley Capital Management. I wonder if the 1, 3, & 5 year returns for Mckinley Capital Management were even considered when recommending a passively managed portfolio for the Trust. By not involving the private sector of the Alaska financial community, other viable Alaskan options are stifled. As another example, what is the cost/benefit of a passively managed portfolio consisting of S & P Depository Receipts with custody at Merrill Lynch as opposed to the recommendation of the Wurts Associates report with custody at State Street Bank. If the committee desires and is being encouraged for passive management of domestic equities, was there any thought of using a combination of the Nasdaq 100 Index and the S & P 500 Index? I find it interesting the report also failed to mention that the State also uses portfolio managers for fixed income management as well. One of those managers is Alaska Permanent Capital Management, an Alaskan portfolio manager. The State justified using external managers for fixed income for reasons that should be explored by the committee.

In closing, I hope the decision making process is not over. If there is no follow through for those of us within the Alaskan financial community to have the same opportunity for dialogue and discussion that the State had with you, then the purpose for inviting our comments is futile. The real story is Alaskan relationships and responsible citizenship. Thank you Molly and I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "David Young".

David Young  
Vice President  
Specialized Institutional group

RECEIVED

JUN 23 2000

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

The information set forth herein was obtained from sources which we believe reliable, but we do not guarantee its accuracy. Neither the information, nor any opinion expressed, constitutes a solicitation by us of the purchase or sale of any securities or commodities. Printed in USA.

**AK Department of  
Revenue response**

# MEMORANDUM

## State of Alaska


Department of Revenue  
Office of the Commissioner

TO: Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Trustee  
Council

DATE: June 26, 2000

TELEPHONE NO: 465-2300

FAX NUMBER: 465-2389

  
FROM: Wilson Condon  
Commissioner of Revenue

SUBJECT: Management of EVOS  
Assets through the  
Treasury Division of the  
Department of Revenue

This memorandum follows up our telephone conversation of the afternoon of June 19 and is intended to provide you with a response to some — but not all — of the financial community's comments regarding your investment management consultant (Bill Wurts) report to the Council. At the outset, I would like to briefly review my understanding of the process the Council undertook in preparing to invest the bulk of its remaining trust funds, and to explain why I will not respond to all of the comments you received.

I understand the Council has spent considerable time and research evaluating its investment options. The Council for a long time has wanted to move management of its funds from the U.S. District Court in Dallas (Court Registry Investment System) because the Court invests funds very conservatively at high fees, and the Council believes the public interest would be better served by earning a higher rate of return with lower fees. The Council knew it does not have the expertise or authority to invest this money on its own. As a governmental entity, consisting of both state and federal trustees, the Trustee Council examined other government financial entities to see if they could meet the Council's interests and needs. The U.S. Department of Interior's Natural Resources Damage and Restoration Fund was not acceptable because it can only invest in U.S. Treasury securities. The Council then approached the Alaska Department of Revenue and asked the department to describe the services it could offer.

I understand that in addressing this question, the Council focused on my department's Treasury Division as an appropriate entity. Unlike the Court and the Natural Resources Damage and Restoration Fund, the Treasury Division could offer the Council a broad spectrum of investment asset classes from which to choose, including those identified by the Trustee Council in its asset allocation policy. Given that Treasury provides management

services for many government funds — including other trust funds — it also is able to provide for custody and an independent third-party audit. Of course, before making any decision to move the money to Treasury, the Council has to meet its fiduciary duty and take a hard look at Treasury's ability to perform the tasks.

In scrutinizing Treasury's capabilities, the Council is examining how we perform different roles in the management of government funds. First, it is looking at how we contract with private entities for services, including brokerage and custody services, and management of the equity portfolio. The Council is also reviewing Treasury's selection process for procuring services from private entities, the performance of these entities, and Treasury's ability to obtain low fees for the services.

A second role we play is much different: Rather than contract out management of the fixed-income portfolio, we manage it ourselves in-house. In-house management of this portfolio provides many benefits to the state, including lower costs and greater control. It also allows us to employ a professional staff that is at all times current with the latest market information. Given that some of the Council's money would be invested in fixed-income securities, the Council needs to be satisfied with our expertise in this role.

Finally, the Council must be aware of the limitations on our services. For example, Treasury does not offer the Council the ability to select active management of a domestic equity portfolio, nor to invest in the real estate asset class.

To analyze Treasury's ability to perform the necessary tasks, you, on behalf of the Council, requested Mr. Wurts undertake an intensive scrutiny of Treasury. After receiving Mr. Wurts' report, you sent a copy to several knowledgeable Alaskans, including Dave Rose and Brian Andrews, seeking comment on the assessment provided in the report. The report was then passed on to some members of Alaska's banking industry. As a result, you and Governor Knowles received six letters questioning this proposed movement of money to the Treasury Division.

It strikes me as entirely appropriate for the Council to ask another governmental agency to implement the Council's investment policy through a reimbursable services agreement (RSA). In much the same way, for example, my department enters into an RSA with the Department of Law when we need legal services. Law uses its expertise to hire a private attorney, do the work in-house, or combine in-house with outside services. Similarly, Treasury can implement the Council's investment policy by providing internal management or expertise in procuring outside services as needed.

The Council does not have independent contracting authority. Any services it acquires must be done through a state or federal agency that has the appropriate statutory authority. If the Council determines that the services provided by Treasury are insufficient, it has the option of securing these same services from a third party.

I am interested in the comments regarding the issue of the "local hire" practices at the Treasury Division. However, I will follow up directly with the individuals who raised them since I believe this is a specific Department of Revenue issue.

I will now briefly address comments in the six letters pertaining to Treasury's ability to perform the tasks required by the Council. If you or your consultant, Bill Wurts, have additional questions, the Treasury Division and I will do our best to answer them.

A. David A. Rose's June 7, 2000, letter to Executive Director McCammon

The following numbered paragraphs correspond to the numbered paragraphs in Mr. Rose's letter:

1. In his first paragraph, Mr. Rose raises what he calls the "philosophical" issue of whether the Council would be better served by moving money from the court to the Treasury Division. The issues raised in paragraph 1 are mostly policy issues on which the Council must make its own best judgments. The Council has retained the key elements of fiduciary control — the asset allocation decision and the right to withdraw. We believe our reporting will be adequate and clearly superior to the reports you currently receive from the Court Registry Investment System.
2. We agree with Mr. Rose's second point, that separation of custody, investment and accounting is critically important. That is why we keep these functions separated internally and one of the reasons we contract for an independent third-party custodian and an independent third-party auditor. As your staff knows, we have arranged for our third-part custodian, currently State Street Bank and Trust, to report directly to the Council. It is true that the Council cannot fire our custodian, but, by investing through our Treasury Division, the Council will receive custodian services at a small fraction of what it would cost to contract separately for those services.
3. We also agree that — all other things being equal — most institutional investors prefer to hold cash and securities in their own names. However, institutional investors often forgo this preference due to reasons of cost, administrative convenience, legal restrictions, diversification or access to market opportunities that would not otherwise be available. For example, the Public Employees Retirement Fund, Teachers Retirement Fund, Judicial Retirement Fund and National Guard and Naval Militia Retirement Fund jointly pool all of their assets. More to the point, these pooled retirement system assets are in turn pooled in several instances with the assets of other institutional investors. In another example, 36 Alaska municipalities pool assets in the Alaska Municipal League Investment Pool managed and held in custody by KeyBank in Cleveland, Ohio, under the advice of Mr. Rose's firm, Alaska Permanent Capital Management.
4. I was surprised Mr. Rose would be concerned about the possibility that Treasury might "borrow" Trust money "to facilitate State cash flow." It's clear from a reading of our Treasury Division's detailed investment policies that we would never borrow from our Long-Term Investment Pool (better named the Broad-Market Fixed-Income Investment Pool) to cover cash flow requirements. On two occasions we have supplied Mr. Rose with copies of those policies and solicited his critical review of those policies. In addition, Assistant Attorney General Craig Tillery's June 2, 2000, memorandum to Environmental Conservation

Commissioner Michele Brown concludes that such borrowing would be illegal. We intend to follow the law.

5. Mr. Rose comments on the fact that our investment staff, after years of no change among senior management, has had some turnover recently. The Council knew about — and discussed with us — our staff situation as it reviewed its management options. Senior management positions are now fully staffed. In my view, the professional staff of the portfolio management section of the Treasury Division can provide excellent service to the Council. Others concur. For example, just this past session, the Legislature created a \$400 million subaccount of the Constitutional Budget Reserve and, after considering moving the money to the Permanent Fund Corporation, decided to leave management with the Treasury Division. The Legislature also voted to direct the Treasury Division to manage the new \$170 million Power Cost Equalization Endowment Fund. Obviously, the Council needs to reassure itself on an ongoing basis that our Treasury Division is doing and can continue to do an acceptable job. Finally, regarding the action taken by the Alaska State Pension Investment Board to temporarily move management of the fixed-income portfolio to an outside steward, the Board voted unanimously on June 22 to have Treasury resume active, in-house management of this portfolio.
6. Mr. Rose comments extensively on the Council's need for adequate reports from Treasury. We will provide the Council with the reports it needs. Our staffs are currently working together to decide on the reports you will require.
7. Mr. Rose avers that "the State contemplates charging a low incremental fee for services it expects to render to the Council." The department's fees for our non-retirement system accounts, however, are averaged, not incremental. Our fees are relatively low because of the economies of scale achieved from the large size of the total assets under management.
8. In addition to mistakenly asserting that the Treasury Division is competing with his firm, Mr. Rose implies that the Treasury does not have the authority to manage the Trust's money. The Treasury Division is authorized to manage and invest public money. It is not authorized to manage and invest private money except in some very specific circumstances (e.g., the Alaska Advanced College Tuition Program).
9. This paragraph raises the "local hire" issue. None of the issues relating to the fact that Treasury does not purchase certificates of deposit pertains in any way to the Council's proposed investment program.
10. Again, Mr. Rose seems to be concerned that Treasury is competing with private firms. The test is whether the Council thinks Treasury can perform. The Council has reviewed our Treasury Division thoroughly, and the Council will certainly want to read the letters it has received and this response carefully.

**B. David A. Rose's June 14, 2000, letter to Governor Knowles**



The response to Mr. Rose's June 7 letter in the previous section of this memorandum covers the important issues in his June 14 letter to Governor Knowles.

- C. Marc Langland's June 12 letter to Governor Knowles; Betsy Lawer's June 13 letter to Governor Knowles; and David A. Lawer's June 13 letter to Governor Knowles

These letters from prominent members of the banking industry raise the issues of private placement and local hire that I discussed above. I will contact these individuals to discuss their concerns.

- D. Brian C. Andrews and Steven J. Brantner's June 13 letter to Executive Director McCammon

In the last paragraph on Page 1 (fourth paragraph of the letter), Messrs. Andrews and Brantner raise concerns that "the Council has been presented a fairly limited spectrum of custody and investment solutions." It is apparent that Messrs. Andrews and Brantner were not fully informed about either the Council's process or the specific assignment you gave to Bill Wurts.

With respect to the first full paragraph in Page 2 regarding Mr. Wurts' characterization of my fiduciary responsibilities, I am the fiduciary of the funds in the state treasury. In reading the full paragraph from which the sentence was quoted, I don't think Mr. Wurts was referring to the retirement funds. But it's a point of no relevance to the Council's deliberations.

The next paragraph focuses on pooling, legal authority and third-party reporting. I've covered pooling above. You have the Attorney General's assurance on the authority question. Third-party reporting by our custodian (currently State Street Bank) is also covered above.

The next to the last paragraph on Page 2 focuses on the stability and quality of our staff and on our decision to modify the benchmark for our Broad-Market Fixed-Income Investment Fund from the Lehman Brothers Government Corporate Index to the Lehman Brothers Aggregate Index. The Council must make its own judgment about the quality of our staff, however, the Andrews/Brantner assertion that "the tenure of the Chief Investment Officers has not been very long with multiple changes in the last several years" is wrong. We've hired only one new Chief Investment Officer in seven and one half years. The benchmark change was made at the same time by both the Alaska State Pension Investment Board for the retirement systems and by the Department of Revenue for the Broad-Market Fixed-Income Investment Fund after months of careful review and deliberation. All of that is well documented, and we would be happy to share that documentation with you.

The last paragraph of Page 2 of the letter focuses on the issue of active vs. passive investment in both the U.S. and non-U.S. equity markets. From what I know, I believe the Council has carefully reviewed the competing considerations. In addition, we have explained our own reasoning for investing the treasury funds as we do.

I want to respond to one item in the Andrews/Brantner letter's next to the last paragraph — the paragraph regarding asset allocation. They're right: It is important. But I believe they are mistaken when they tell you the Council didn't look at the issue in all its complexities. As you know, the Council had access to a sophisticated asset-allocation optimizer and used it extensively. Andrews/Brantner have seen only the final product and have assumed that the Council did not look at a wide range of alternatives.

This concludes my review of the comments in the letters. Thank you for asking me to respond to these comments. Please let me know if I can be of any further assistance.

**Attorney General's  
Opinion**

# MEMORANDUM

State Of Alaska

Department of Law

To: Michele Brown  
Commissioner  
Dept. of Environmental Conservation

Date: June 2, 2000

Tel. No.: 269-5274

From: Craig Tillery  
Assistant Attorney General  
Environmental - Anchorage

Subject: Investment of Exxon Valdez Oil  
Spill Joint Trust Funds in a State  
Account

The Exxon Valdez Oil Spill Trustee Council is evaluating whether to ask the Alaska Department of Revenue, Treasury Division to hold and invest natural resource damage recoveries from the oil spill. As a part of that evaluation, you ask that we clarify the effect of having the joint trust fund money invested in a state account. Specifically, you ask, if joint trust funds are deposited with the State in an agency fund:

- 1) Could the money be appropriated or expended by the State without the express authorization of the Trustee Council? *No*
- 2) Could the State prevent the Trustee Council, upon the unanimous agreement of its members, from withdrawing all or part of the money from the account at any time? *No*
- 3) Could the State use the joint trust fund monies as collateral without the express authorization of the Trustee Council? *No*
- 4) Could the State direct the investment of the joint trust fund monies into particular investments or types of investments different from those desired by the Trustee Council? *No*
- 5) Would the agency fund be a "state fund" as that term is used in AS 37.10.071 *Yes* and, if so, how would the provisions of that statute be applied to the Trustee Council?
- 6) May the Trustee Council take into account social issues in making its investment decisions? *No*

These issues will be addressed seriatim.

## Introduction

The Memorandum of Agreement and Consent Decree in United States v. Alaska, A91-081 CV (August 28, 1991) ("MOA") provides that the United States and the

State of Alaska ("the Governments") shall establish a joint trust fund to receive, hold, disburse and manage all natural resource damage recoveries obtained by the Governments under the Clean Water Act ("CWA"), arising out of the Exxon Valdez oil spill ("EVOS"). Under the MOA the joint trust fund is to be established in the Registry of the United States District Court for the District of Alaska "or as otherwise determined by stipulation of the governments and order of the court." MOA at 10. Pursuant to a series of orders entered by the District Court for the District of Alaska, the joint trust fund monies are currently held in the Court Registry Investment System ("CRIS") in Houston, Texas. Monies held in the CRIS are limited to investments in Treasury securities and incur high fees.

At the time of the settlement the United States took the position that, under federal law, the joint trust funds must be held in either the United States Treasury or the federal court registry. Although the validity of this legal position was questioned by the State of Alaska, the federal trustees determined that based upon this legal advice they were unable to agree to invest the joint trust funds outside of these depositories in the absence of explicit federal statutory authority. Any decision on the investment of joint trust funds requires the unanimous agreement of the federal and state trustees. In 1999 Congress passed Public Law No. 106-113, the Consolidated Appropriations Act, 2000, which contains a provision (section 350 of H.R. 3423, which appears as an appendix to Public Law No. 106-113) allowing the EVOS joint trust funds to be deposited in a federal account within the Department of the Interior or in other accounts outside the United States Treasury ("outside accounts"). The purpose of this legislation was to allow the EVOS Trustee Council, which administers the joint trust funds, more latitude in their investment choices and the opportunity to reduce fees.

To carry out its responsibility with respect to its administration of the joint trust funds, the Trustee Council is currently evaluating whether to utilize the statutory authority provided by Congress in Public Law No. 106-113 to invest the funds outside the United States Treasury. Although the Trustee Council has not made a final decision on whether to deposit the monies in an outside account, it has received investment advice recommending that the money be deposited with the State of Alaska for investment by the Department of Revenue, Treasury Division. If deposited with the State of Alaska, the monies would be placed in an agency fund held by the Treasury Division. The Trustee Council wishes to be assured that if it deposits joint trust fund monies with the State, the money will remain under the control of the Trustee Council and not subject to expenditure or control by the State of Alaska except to the extent that an expenditure from the joint trust funds is authorized by the Trustee Council.

#### **Nature of the Joint Trust Nature Funds**

To understand the effect of depositing the joint trust funds with the State for investment, it is important to first understand the nature of these monies. The natural

resource damage recoveries in the Exxon Valdez litigation are to be used "jointly" by the Governments for restoration purposes. MOA at sec. VI.A. The governments are to "establish standards and procedures governing joint use and administration of all such natural resource damage recoveries." *Id.* The provisions in the MOA do not differentiate between the money owed to either government for natural resource damages. Indeed, the District Court noted that it knew "of no means by which the natural resource damage recoveries could be divided between the federal and state trustees." *United States v. Exxon Corp.*, No. A91-0082-CV, Order of January 17, 1997 at 5 (D. Alaska). The Court went on to state that a "significant feature of the federal/state consent decree was that there be no such allocation." *Id.* Thus the court described the money in the CRIS account as "held for the joint benefit of the United States and the State of Alaska, and concluded that "[b]oth the United States and the State of Alaska have undivided interests in the entire amount of the account." *Id.* at 6 (emphasis added).

In an opinion relating to the application of the National Environmental Policy Act ("NEPA") to Exxon Valdez natural resource restoration, counsel for the United States Departments of Commerce, Agriculture and the Interior reached a similar conclusion. *See* Application of NEPA to Exxon Valdez Natural Resource Restoration, U.S. Depts. of Commerce, Agriculture and the Interior (November 30, 1993). The United States concluded that the "settlement fund administered by the Trustee Council is the jointly owned property of the State of Alaska and the United States." *Id.* at 4. Therefore it found that for NEPA purposes, "each commitment of joint settlement funds constitutes in significant proportion, federal funding." *Id.*

During the approval process for the EVOS settlement, the State of Alaska took a similar position on the indivisible, joint nature of the recoveries. Attorney General Charlie Cole addressed the issue of whether the executive branch had the authority to negotiate and agree to a settlement of this nature. *See* 1999 Inf. Op. Att'y Gen. File No. 221-89-0818 (Jan. 1, 1999). The opinion noted that in "framing that issue, it is critical to understand that the Trust Fund monies are not monies to be received by or belong to either the State or the Federal government." *Id.* at 4 (emphasis in original). Rather, "under the Settlement Agreement, those monies comprise a trust res, as to which neither government has sole ownership or control ...." *Id.* Thus there is a consensus among the governments and the court that the joint trust funds belong indivisibly to both governments and solely to neither. With this background we will turn to the specific questions which you have posed.

### **Appropriation or Expenditure of the Joint Trust Funds by the State**

The legislature's appropriation power does not extend to monies that are not public revenues or assets of the State and can not be placed in the State Treasury. 1999

Inf. Op. Att'y Gen. File No. 221-89-0818 at 5 (Jan. 1, 1999); *Thomas v. Bailey*, 595 P.2d 1, 4-9 (Alaska 1979). The EVOS joint trust fund monies are not assets belonging to the State, but rather are assets of a joint federal/state trust fund not subject to sole State ownership or control. 1999 Inf. Op. Att'y Gen. File No. 221-89-0818 at 6 n.6 (Jan. 1). As such the monies are not subject to appropriation. The Alaska Legislature implicitly recognized this distinction with passage of legislation recognizing and governing the EVOS trust funds. In AS 37.14.405 the legislature specifically addresses those situations where appropriations of the trust funds are required. In enacting this bill the legislature recognized the existence of the trust but did not attempt to assert the right or ability to appropriate the trust funds generally. Rather, the legislature stated only that an appropriation was required prior to expenditure by a state agency of monies received from the trust by a state agency. AS 37.14.405. Thus, by its nature, the Joint Trust Fund is not subject to appropriation.

Recent federal legislation clarified this status. As described above, Public Law No. 106-113 provides the authority for the Joint Trust Fund to be invested in an outside account. That statute also makes it clear that joint trust funds deposited in an outside account, such as is contemplated here, must be transferred promptly from the account to the appropriate government upon the unanimous approval of the Federal and State natural resource trustees for the Exxon Valdez oil spill ("Trustees") and the joint request of the governments. *Id.* The statute does not permit an appropriation of the joint trust funds by the state legislature.

Compliance by the State with the terms of Public Law No. 106-113 is a condition of acceptance of the deposit. Absent compliance with the terms of the federal law, authority to invest the money with the State does not exist. *Cf. Flick v. Liberty Mutual*, 2000 WL 155899 (9<sup>th</sup> Cir. (Cal.)). To the extent state law conflicts with a federal mandate, state law must yield. *Gade v. Nat'l Solid Wastes Management Assoc.*, 112 S. Ct. 2374, 2385, 2388 (1992) ("any state law, however clearly within a state's acknowledged power, which interferes with or is contrary to federal law, must yield"); *Air Line Pilots Assoc. v. UAL Corp.*, et al., 874 F.2d 439, 445 (7<sup>th</sup> Cir. 1989)("[i]f a federal and a state statute create inconsistent duties [or if the state statute would stand in the way of federal objectives], the state statute must of course give way; the supremacy clause requires no less"); *Nedd v. United Mine Workers of America*, 556 F.2d 190, 205 n. 30 (3<sup>rd</sup> Cir. 1977)(although fund exists as hybrid creature of both state and federal law and state law traditionally governs trusts, state law does not preempt federal law where both apply to a subject of federal legislation).

It is similarly clear that the state may not simply expend Joint Trust Fund monies invested by the Treasury Division absent the agreement of the EVOS Trustee Council. The MOA specifically provides that all decisions relating to the expenditure of trust monies must be made by the unanimous agreement of the Trustees. More recently,

Public Law No. 106-113 acknowledges the need for unanimous agreement for expenditure and provides for the transfer of funds only upon the joint request of the governments.

### **Authority of the State Regarding the Withdrawal of Funds**

Public Law No. 106-113 states that joint trust funds deposited in an "outside account" such as the Treasury Division, and approved for expenditure by the Trustees "shall be transferred promptly from the account to the appropriate government upon the joint request of the governments." As described above, State compliance with the requirements of Public Law No. 106-113 is a condition of acceptance of the deposit. To the extent state law conflicts with a federal mandate, state law must give way. Thus the State may not prevent the prompt withdrawal of all or part of Joint Trust Fund money invested by the Treasury Division when the steps outlined above have been completed.

### **Use of Joint Trust Fund Monies by the State as Collateral**

The State may not use Joint Trust Fund monies as collateral except as expressly authorized by the EVOS Trustee Council. The Joint Trust Fund is held jointly by the governments. The "trust" created by a recovery under the CWA is similar to a public or charitable trust and basic principles applicable to private trusts may be applied. *Cf. Lassen v. Arizona*, 385 U.S. 458 (1967); *Brooks v. Wright*, 971 P.2d 1025 (Alaska 1999) (applied basic principles of trust law to public land trusts); *see also State v. Weiss*, 706 P.2d 681, 683 n.3 (Alaska 1985). The use of trust funds for collateral by one holding the funds constitutes the use of trust monies for a benefit unrelated to the trust. Under basic trust principles, a person or entity acting as a joint owner or trustee may not use the res of the trust fund for his own benefit. *See In re Cornelius*, 520 P.2d 76, 85 (Alaska 1974); *Pino v. W.J. Budwine*, 568 P.2d 586, 588 (N.Mex. 1977) (trustee breached duty of loyalty to trust by using beneficiaries' shares of stock to secure his personal loan at bank); *Tyler v. Citizens Home Bank of Greenfield*, 670 S.W.2d 964, 956 (1984) (Co-trustees breach duty of loyalty to trust if they borrow money from a bank using trust corpus as security to pay a debt owed by them to the bank, for which the beneficiary was in no way liable).

In addition, the terms of the MOA and Public Law No. 106-113 prevent use by either government of the Joint Trust Fund money for any purpose without the unanimous agreement of the Trustees and the joint request of the governments. This precludes the unilateral use of the funds as collateral.

### **Authority of the State to Direct Investment of the Joint Trust Funds**



### **Other Than as Determined by the Trustees**

The terms of Public Law No. 106-113 make it clear that investments in an "outside account" are limited to those that "have been determined unanimously by the [Trustees] to have a high degree of reliability and security." This does not mean that the Trustees are required to approve each purchase and sale of a stock or bond, though they may if they wish. Rather, the Trustees are required to make a determination of the appropriate asset class allocation of investments with appropriate benchmarks. Those allocations must be adhered to by the investment managers for the outside account. Within the allocations, and subject to the specified benchmarks, the particular investments may be left to the discretion of the investment manager. Should the Trustees desire, they may determine that specific obligations, instruments or securities shall or shall not be purchased. In that event the investment manager must carry out those instructions. The State may not direct the investments of the Joint Trust Fund monies into particular investments or types of investments different from those desired by the Trustees. *See Gade v. Nat'l Solid Wastes Management Assoc.*, 112 S.Ct. 2374, 2385, 2388 (1992); *Air Line Pilots Assoc. v. UAL Corp., et al.*, 874 F.2d 439, 445 (7<sup>th</sup> Cir. 1989); *Nedd v. United Mine Workers of America*, 556 F.2d 190, 205 n. 30 (3<sup>rd</sup> Cir. 1977).

### **Application of AS 37.10.071 to Joint Trust Funds Invested by the State**

AS 37.10.071 describes certain powers and duties of the fiduciary of a state fund. Included in these powers and duties are a requirement to adhere to a standard of care in activities related to the monies in the state fund and provisions for liability for breach of duties assigned or delegated under certain statutes. The statute also provides, in certain circumstances, for indemnification and defense for fiduciaries of a state fund and officers and employees of the State.

The provisions of AS 37.10.071 are applicable to "fiduciaries of a state fund." Initially we look to see whether the agency fund described in your request is a "state fund" as that term is used in AS 37.10.071. The phrase "fiduciary of a state fund" was added to this section in 1992 to replace the term "Commissioner of Revenue." *See*, 1992 SLA ch. 31, sec. 12. Although "state fund" is not defined in statute or opinion, the context of AS 37.10.071 makes it clear that the term encompasses accounts, including trust and custodial receipts, under the management or control of the state, though not necessarily subject to appropriation by the State. This is consistent with the approach taken by other states.

For example, in *Municipality of Metropolitan Seattle v. O'Brian*, 544 P.2d 729, 732 (Wash. 1976), the Washington Supreme Court noted that the Washington State Constitution, similar to Art. IX, Sec. 13 in Alaska's Constitution,

requires a legislative appropriation to disburse any funds from the state treasury. However, the Washington Supreme Court found:

for many years, there has stood the commonsense interpretation by this court that the treasurer may be made custodian of particular funds of a proprietary nature which are held for a specific purpose. Funds so held are distributable without specific legislative appropriation . . . The mere fact that the state treasurer may be made the custodian of a particular fund and may be required to render certain services with respect to such fund does not of itself make the moneys so received and held by him State funds in the treasury.

*Id.* at 733-734. Alaska statutes make a similar distinction between state funds and funds in an account under state control. See AS 37.15.200. Thus there may be monies in an account under state control, a "state fund," that are not "state funds" subject to appropriation.

AS 37.10.071 relates not to the expenditure of money, but rather to the mechanics of operating a fund. As such its terms are equally applicable to all funds managed or invested by the state, not just those accounts composed of money owned or subject to appropriation by the state. Under the question you pose, the Joint Trust Fund monies would be placed in a state agency fund, managed and invested by the state and owned indivisibly by the state and the United States, though not subject to appropriation by the state. This type of fund is a "state fund."

A "fiduciary of a state fund" is defined in AS 37.10.071(f) and includes in relevant part, "(3) the person or body provided by law to manage the investments for investments not subject to AS 14.25.180 or AS 37.10.070." The Trustees, by virtue of the requirement in federal law that they administer the joint trust funds and set the asset class allocations, would be fiduciaries of a state fund if the monies are invested through the state. To the extent that the Trustees delegate management responsibilities related to investment of the joint trust funds to state officers or employees, those individuals would also be fiduciaries of a state fund. With these principles in mind we turn to the application of AS 37.10.071 to the Joint Trust Fund.

AS 37.10.071(a) and (b) set out the duties and powers of fiduciaries of a state fund, including the power to delegate management functions. While these sections define the authority of state officers and employees who are delegated management responsibility, they do not define the authority of the Trustees. Rather the Trustees' investment authority is defined by federal law, including the MOA, Public Law No. 106-113, and orders of the District Court issued under authority of that law. Those federal laws define the duty of the Trustees as investing in "income-producing obligations and other instruments or securities that have been determined unanimously by the Federal and

State natural resource trustees for the Exxon Valdez oil spill (“trustees”) to have a high degree of reliability and security.” Public Law No. 106-113. This language is taken from the investment guidelines for the Trans-Alaska Pipeline Liability Fund (“TAPLF”). *See* 43 C.F.R. § 29.11 (“monies accumulated in the Fund shall be prudently invested in the following types of income-producing obligations having a high degree of reliability and security...”) The TAPLF regulations interpret 43 U.S.C. § 1653(c)(6) which provides that excess funds shall be “invested prudently” in specific investments<sup>1</sup>. Thus it is clear that, at a minimum, the language in Public Law No. 106-113 requires investments to adhere to a prudent investor standard. For the reasons stated below, we believe that the language of that act, viewed in context, sets a slightly higher standard.

The language of Public Law No. 106-113 provides guidance to its intent. The statutory language does not simply adopt a standard such as the “prudent investor” rule. Rather, through the admonition that investments must be unanimously determined to be both secure and reliable it provides a specific focus on the protection and growth of the Joint Trust Fund monies. This emphasis is consistent with the intent of the statute that earnings of the Joint Trust Fund be used as an endowment to pay for stable long term programs. *See* Resolution of the Exxon Valdez Oil Spill Trustee Council (March 1, 1999)(referenced in Public Law No. 106-113). For these reasons, we believe that the language used in Public Law No. 106-113 is intended to adopt the prudent investor rule but with an emphasis on the security and best interests of the Joint Trust Fund. Similarly, AS 37.10.071(c) defines the duty for a fiduciary of a state fund as the “prudent investor rule” plus the added admonition to “exercise the fiduciary duty in the sole financial best interest of the fund entrusted to the fiduciary.” We believe that these state and federal standards are synonymous. To the extent that the standard in AS 37.10.071 is different than that found in federal law, the language in the federal law controls.

Subsection (d) of AS 37.10.071 provides for liability in the case of a breach of a duty owed by the fiduciary or the fiduciary’s designee under AS 37.10.071 and certain other listed statutes not applicable to the joint trust fund. Subsection (e) provides for defense and indemnification for a fiduciary of a state fund and for officers and employees of the state in certain circumstances against a claim of liability under subsection (d). Each of these subsections would be applicable to employees of the State who are delegated management responsibilities from the Trustees and to the State trustees. It is unclear whether the federal trustees are subject to liability under subsection

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<sup>1</sup> Unlike the TAPLF, Public Law No. 106-113 does not restrict investments to income-producing securities approved by the Secretary of the Department of the Interior. Rather, money invested under the authority of Public Law No. 106-113 may be invested in income producing obligations, securities and other instruments. This broad range of options includes both domestic and international equities.

(d), although it is likely that their liability is curtailed by a qualified federal immunity. *See Torossian v. Hayo*, 45 F. Supp.2d 63, 66 (D.D.C. 1999).

Assuming that the liability provisions of AS 37.10.071(d) are applicable, the question arises as to whom may a fiduciary of a state fund be liable. The statute does not specifically address this issue. By analogy to trust law, only beneficiaries of the fund could maintain a suit for redress of a breach of a duty. *See* Restatement 2d Trusts § 200 (1957). This approach is supported by language elsewhere in the statute. For example, subsection (c) of AS 37.10.071 describes a duty to “beneficiaries” to be treated with impartiality. Liability for a breach of that duty would logically be to the beneficiaries. However, in the context of a fund composed of natural resource damages accruing to the governments under the federal CWA, there is no beneficiary save perhaps the governments acting on behalf of the public. *Cf. Brooks v. Wright*, 971 P.2d 1025, 1033 (Alaska 1999) (the beneficiary of a trust may act as the trustee.) Thus to the extent that the Trustees and their designees are liable for a breach of a duty made applicable under AS 37.10.071, only the governments may seek redress for that breach.

The defense and indemnity provision of subsection (e) are applicable only to liability under subsection (d). To the extent that a “fiduciary of a state fund” is not liable under subsection (d) or is immune, then the protections of subsection (e) would not be applicable.

### **Consideration of Social Issues in Making Investment Decisions**

The Council has asked if it may take the social implications of an investment into account. Under AS 37.10.071, the answer is no. Subsection (c) provides that in exercising its investment authority under this statute, the fiduciary of a state fund shall “apply the prudent investor rule and exercise the fiduciary duty in the *sole* financial best interest of the fund entrusted to the fiduciary.” AS 37.10.071(c)(emphasis added). This language modifies the prudent investor rule in a manner that prevents a fiduciary of a state fund from considering anything other than the financial best interest of the fund. 1998 Inf. Op. Att’y Gen. 198, 206 (August 12; 663-98-0297). As discussed above, the standards contained in the language of Public Law No. 106-113 are the same. The emphasis placed by these statutes on investment of the joint trust funds in a manner that benefits the Joint Trust Fund leads to the conclusion that the social implications of an investment may not be taken into account.

I trust that this response answers your concerns. If you have other questions on this matter, please contact us.

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## **Court Order**

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JUN 07 2000

UNITED STATES DISTRICT COURT  
DISTRICT OF ALASKA

By                      Deputy

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA,

Plaintiff,

v.

EXXON CORPORATION, EXXON SHIPPING  
COMPANY, and EXXON PIPELINE COMPANY,  
et al., in personam, and the T/V  
EXXON VALDEZ, in rem,

Defendants.

No. A91-082-CV (HRH)

THIRD AMENDED ORDER  
FOR DEPOSIT AND TRANSFER  
OF SETTLEMENT PROCEEDS

Pursuant to Rule 67 of the Federal Rules of Civil Procedure, 28 U.S.C. § 2401, and Local Rules 67.1 and 67.2, and in accordance with 43 U.S.C. § 1474b and note, 43 U.S.C. § 1474b-1, Pub. L. No. 106-113, 113 Stat. 1501 (1999), and the terms of the Agreement and Consent Decree (the "Decree") between the United States, the State of Alaska (the "State"), and defendants Exxon Corporation, Exxon Shipping Company (collectively referred to,

THIRD AMENDED ORDER FOR DEPOSIT AND  
TRANSFER OF SETTLEMENT PROCEEDS

-1-

(262)

together with the T/V EXXON VALDEZ, as "Exxon"), and Exxon Pipeline Company, entered by this Court on October 8, 1991, it is hereby ORDERED that:

1. Except as provided in paragraph 22 of this Order, Exxon shall pay to the Clerk of the Court all sums specified in paragraph 8 of the Decree, less those amounts paid directly to the United States and the State ("the Governments") in reimbursement of past costs in accordance with the Decree.

2. Exxon shall make these payments by electronic transfer to:

ABA # 021030004

TREAS NYC/CTR/BNF=/AC-4606

OBI=#A91-082 CIV and #A91-083 CIV

in accordance with the procedures specified in paragraph 8 of the Decree.

3. All money paid into the Court or received by its officers in connection with the Exxon Valdez Oil Spill Settlement in these cases and which are to be placed in an interest-bearing account, shall be placed in the Court Registry Investment System ("CRIS") administered through the United States District Court for the Southern District of Texas.

4. Under the CRIS, except as provided below, monies deposited in connection with this case and ~~United States v. Exxon Corp.~~ <sup>State of Alaska</sup> ~~No. 91-082~~ <sup>A91-083</sup> Civil (D. Alaska) will be "pooled" together with those on deposit with the United States Treasury to the credit of other courts in the CRIS and used to purchase Treasury Securities which will be held at the Federal Reserve Bank of Dallas, in a



Safekeeping account in the name and to the credit of the Clerk, United States District Court for the Southern District of Texas, hereby designated custodian for the CRIS.

5. An account shall be established in the "CRIS - Liquidity Fund" specifically for, and only for, settlement proceeds in this case and in ~~United States~~ *State of Alaska* v. Exxon Corp., No. ~~89-082~~ *89-088* Civ. (D. Alaska) and shall be titled EXXON VALDEZ Oil Spill Settlement Account ("the Exxon Valdez Liquidity Account").

6. All funds in the Exxon Valdez Liquidity Account shall be invested in the CRIS - Liquidity Fund which provides weekly liquidity and a maximum of 100 day-term Treasury Securities.

7. All income received from CRIS - Liquidity Fund investments will be distributed to the Exxon Valdez Liquidity Account on the ratio that the account principal and income has to the aggregate principal and income total in the fund each week.

8. Weekly reports showing the income earned and the principal amounts contributed to the Exxon Valdez Liquidity Account will be prepared and distributed to the Clerk of this Court and the Clerk of the United States District Court for the Southern District of Texas and made available, upon request, to counsel for the United States and the State and to the Executive Director of the Exxon Valdez Trustee Council.

9. Except as provided in Paragraph 23, funds in the Exxon Valdez Liquidity Account shall remain on deposit with the CRIS until further order of this Court, at which time all of the funds or a portion of the funds, together with any interest earned thereon, shall be retrieved by the Clerk of this Court and

redeposited into the Registry of the Court for disposition by further order of this Court or electronically transferred directly to the State of Alaska, the United States or their agents in the manner ordered by this Court.

10. Disbursements of settlement proceeds from the Registry of this Court shall be made upon joint application of counsel for the United States and the State, consistent with the provisions of the Memorandum of Agreement and Consent Decree entered by the Court in United States v. Alaska, No. A91-081 Civ. (D. Alaska), on August 28, 1991.

11. The fee on the Exxon Valdez Liquidity Account in the CRIS - Liquidity Fund, which the custodian for the CRIS is authorized to deduct under the Notice of Change in Method of Assessing the Courts' Registry Fee, issued by the Administrative Office of the United States Courts, 56 Fed. Reg. 56356 (Nov. 4, 1991), is hereby ordered.

12. The appropriate parties will file a notice of each deposit or proposed withdrawal at or prior to the time of the deposit or withdrawal, and a copy of that notice shall be served upon the Clerk of this Court and the Clerk for the Southern District of Texas at the time of filing.

13. A fund entitled the "CRIS - Exxon Valdez Reserve Fund" shall be established by the CRIS.

14. The CRIS - Exxon Valdez Reserve Fund shall be administered through the United States District Court for the Southern District of Texas and shall be an investment mechanism authorized for funds pertaining to said matter which are ordered by

this Court to be placed in the CRIS - Exxon Valdez Reserve Fund.

15. Upon Order of this Court, monies may be deposited to the CRIS - Exxon Valdez Reserve Fund from the Exxon Valdez Liquidity Account in the CRIS - Liquidity Fund and shall be held separately from those on deposit with the Treasury to the credit of other cases and used to purchase Treasury securities which will be held at the Federal Reserve Bank of Dallas, in a Safekeeping Account in the name and to the credit of the Clerk, United States District Court for the Southern District of Texas, hereby designated custodian for the case in the CRIS - Exxon Valdez Reserve Fund.

16. The investment strategy for securities purchased for the CRIS - Exxon Valdez Reserve Fund shall have such average and maximum maturity as ordered by this Court. Upon maturity of these securities and/or additional deposits, the custodian shall reinvest funds in such instruments and for such maturity as directed by order of this Court. The CRIS - Exxon Valdez Reserve Fund shall provide no quarterly liquidity, unless a special order of disbursement is entered.

17. Annual Reports for the CRIS - Exxon Valdez Reserve Fund showing the income earned and the principal amount contributed will be prepared and distributed to the United States District Court for the District of Alaska, as well as to the Clerk of the United States District Court for the Southern District of Texas, to counsel for the United States and the State, and to the Executive Director of the Exxon Valdez Trustee Council.

18. Upon Order from the United States District Court for the District of Alaska, all or part of the funds placed in the CRIS - Exxon Valdez Reserve Fund and the investments therein may be transferred and/or sold and may be moved to the Exxon Valdez Liquidity Account and reinvested in the CRIS - Liquidity Fund.

19. The custodian is authorized and directed by this Order to deduct, for maintaining an account in the CRIS - Exxon Valdez Reserve Fund, the fee on the account as authorized in 56 Fed. Reg. 56356 (Nov. 4, 1991). The fee may be deducted on a prorated basis over the course of the deposits in the CRIS - Exxon Valdez Reserve Fund.

#### ADDITIONAL INVESTMENT OPTIONS

20. The federal and state natural resource trustees for the Exxon Valdez oil spill ("EVOS Trustees") may, by unanimous agreement, select a fund or funds ("Investment Fund[s]") to receive and invest joint trust funds and any interest accrued thereon, received and to be received by the United States and the State of Alaska under the Decree. An Investment Fund may be in either the Natural Resource Damage Assessment and Restoration Fund ("NRDA-R Fund") established in Title I of the Department of the Interior and Related Appropriations Act, 1992 (Pub. L. 102-154, 43 U.S.C. 1474(b)) or an account outside the United States Treasury as permitted by Pub. L. No. 106-113 Appendix - H.R. 3423, sec. 350 (1999).

21. Monies and other assets held in the Investment Fund(s) shall be accounted for separately from any other monies and assets that may be on deposit with the Investment Fund(s) for other

purposes. The manager of an Investment Fund may establish such accounts within the Investment Fund as the Trustee Council determines appropriate.

22. Upon written notice by the Governments to Exxon and the Clerk of the United States District Court for the District of Alaska, Exxon shall pay to one or more Investment Funds all sums required to be paid by Exxon under paragraph 8 of the Decree after the date of this order and receipt of the written notice, less those amounts paid directly to the United States and the State in accordance with paragraph 10 of the Decree. Exxon shall make these payments by electronic transfer to the Investment Fund(s) in accordance with the procedures specified in paragraph 8 of the Decree. If an Investment Fund is unable to receive payment by electronic transfer, Exxon shall make the payments by such means as is mutually agreed to by it and the Governments.

23. Upon joint application by the Governments and Order of this Court, all or part of the funds currently in the Exxon Valdez Oil Spill Settlement Account and the CRIS - Exxon Valdez Reserve Fund shall be transferred and deposited into a specified Investment Fund. Upon order of this Court, funds in an Investment Fund may be transferred into a different Investment Fund or paid into the Court, placed in the CRIS and administered as provide by the order.

24. All money in an Investment Fund shall be invested in income-producing obligations and other instruments or securities that have been determined unanimously by the EVOS trustees to have a high degree of reliability and security.

25. All income received from an Investment Fund's investments shall be deposited in the Investment Fund.

26. Periodic financial reports, as determined necessary by the EVOS Trustees and showing the income earned and the principal amounts contributed to each Investment Fund, shall be prepared and distributed to the Executive Director of the Exxon Valdez Trustee Council.

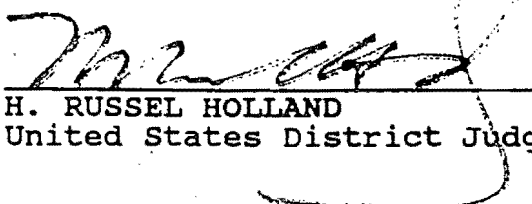
27. Except as otherwise provided in paragraph 23, funds in an Investment Fund shall remain on deposit in that Fund until such time as the EVOS Trustees unanimously resolve to expend all or a part of the funds. Such funds shall then, upon the joint notification of the Governments to the Investment Fund and the Court, be transferred to either the State of Alaska or the United States for the purposes provided for by the unanimous resolution of the EVOS Trustees and consistent with the provisions of the Memorandum of Agreement and Consent Decree entered by the Court in United States v. Alaska, No. A91-081 Civ. (D. Alaska), on August 28, 1991. Such notification will inform the Court of the proposed uses of the funds in the same manner and to the same extent as was the Governments' practice when the funds were in the Registry of the Court and the Governments applied to the Court for disbursement of the funds.

28. No fees shall be assessed by the custodian of an Investment Fund for investment of that Fund except as approved in advance by the EVOS Trustees.

29. To the extent it is inconsistent, this Order shall take precedence over Rule 67, Federal Rules of Civil Procedure.

30. A certified copy of this order shall be served upon the Clerk of this Court and upon the Clerk of the United States District Court for the Southern District of Texas.

DATED: 6/7/00

  
H. RUSSEL HOLLAND  
United States District Judge

A91-0082--CV (HRH)

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D. SERDARELY  
J. BOTTINI (US-ATTNY)  
Finance

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Department of Law  
Office of Attorney General  
3rd Judicial District  
Anchorage, Alaska

JUN 07 2000

UNITED STATES DISTRICT COURT  
DISTRICT OF ALASKA  
By                      Deputy

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Attorneys for the State of Alaska

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

STATE OF ALASKA,

Plaintiff,

v.

EXXON CORPORATION, and  
EXXON SHIPPING COMPANY,

Defendants.

No. A91-083-CV (HRH)

THIRD AMENDED ORDER  
FOR DEPOSIT AND  
TRANSFER OF  
SETTLEMENT PROCEEDS

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL  
ANCHORAGE BRANCH  
1031 W. FOURTH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 269-5100

Pursuant to Rule 67 of the Federal Rules of Civil Procedure, 28 U.S.C. § 2401, and Local Rules 67.1 and 67.2, and in accordance with 43 U.S.C. § 1474b and note, 43 U.S.C. § 1474b-1, Pub. L. No. 106-113, 113 Stat. 1501 (1999), and the terms of the Agreement and Consent Decree (the "Decree") between the United States, the State of

Third Amended Order for Deposit and Transfer of Settlement Proceeds - I

ACE 30396339

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1 Alaska (the "State"), and defendants Exxon Corporation, Exxon Shipping Company  
2 (collectively referred to, together with the T/V EXXON VALDEZ as "Exxon"), and  
3 Exxon Pipeline Company entered by this Court on October 8, 1991, it is hereby  
4 ORDERED that:

5  
6 1. Except as provided in paragraph 22 of this Order, Exxon shall pay to the  
7 Clerk of the Court all sums specified in paragraph 8 of the Decree, less those amounts  
8 paid directly to the United States and the State ("the Governments") in reimbursement of  
9 past costs in accordance with the Decree.  
10

11 2. Exxon shall make these payments by electronic transfer to:

12 ABA # 021030004

13 TREAS NYC/CTR/BNF=/AC-4606

14 OBI=#A91-082 CIV and #A91-083 CIV  
15

16 in accordance with the procedures specified in paragraph 8 of the Decree.  
17

18 3. All money paid into the Court or received by its officers in connection with  
19 the Exxon Valdez Oil Spill Settlement in these cases and which are to be placed in an  
20 interest-bearing account, shall be placed in the Court Registry Investment System  
21 ("CRIS") administered through the United States District Court for the Southern District  
22 of Texas.  
23

24 4. Under the CRIS, except as provided below, monies deposited in  
25 connection with this case and *United States v. Exxon Corp.*, No. A91-082 Civil (D.  
26

1 Alaska) will be "pooled" together with those on deposit with the United States Treasury  
2 to the credit of other courts in the CRIS and used to purchase Treasury Securities which  
3 will be held at the Federal Reserve Bank of Dallas, in a Safekeeping account in the name  
4 and to the credit of the Clerk, United States District Court for the Southern District of  
5 Texas, hereby designated custodian for the CRIS.  
6

7 5. An account shall be established in the "CRIS - Liquidity Fund" specifically  
8 for, and only for, settlement proceeds in this case and in *United States v. Exxon Corp.*, No.  
9 A91-082 Civ. (D. Alaska) and shall be titled EXXON VALDEZ Oil Spill Settlement  
10 Account ("the Exxon Valdez Liquidity Account").  
11

12 6. All funds in the Exxon Valdez Liquidity Account shall be invested in the  
13 CRIS - Liquidity Fund which provides weekly liquidity and a maximum of 100 day-term  
14 Treasury Securities.  
15

16 7. All income received from CRIS - Liquidity Fund investments will be  
17 distributed to the Exxon Valdez Liquidity Account on the ratio that the account principal  
18 and income has to the aggregate principal and income total in the fund each week.  
19

20 8. Weekly reports showing the income earned and the principal amounts  
21 contributed to the Exxon Valdez Liquidity Account will be prepared and distributed to the  
22 Clerk of this Court and the Clerk of the United States District Court for the Southern  
23 District of Texas and made available, upon request, to counsel for the United States and  
24 the State and to the Executive Director of the Exxon Valdez Trustee Council.  
25  
26

1           9. Except as provided in Paragraph 23, funds in the Exxon Valdez Liquidity  
2 Account shall remain on deposit with the CRIS until further order of this Court, at which  
3 time all of the funds or a portion of the funds, together with any interest earned thereon,  
4 shall be retrieved by the Clerk of this Court and redeposited into the Registry of the Court  
5 for disposition by further order of this Court or electronically transferred directly to the  
6 State of Alaska, the United States or their agents in the manner ordered by this Court.  
7

8           10. Disbursements of settlement proceeds from the Registry of this Court  
9 shall be made upon joint application of counsel for the United States and the State,  
10 consistent with the provisions of the Memorandum of Agreement and Consent Decree  
11 entered by the Court in *United States v. Alaska*, No. A91-081 Civ. (D. Alaska), on August  
12 28, 1991.  
13  
14

15           11. The fee on the Exxon Valdez Liquidity Account in the CRIS - Liquidity  
16 Fund, which the custodian for the CRIS is authorized to deduct under the Notice of  
17 Change in Method of Assessing the Courts' Registry Fee, issued by the Administrative  
18 Office of the United States Courts, 56 Fed. Reg. 56356 (Nov. 4, 1991), is hereby ordered.  
19

20           12. The appropriate parties will file a notice of each deposit or proposed  
21 withdrawal at or prior to the time of the deposit or withdrawal, and a copy of that notice  
22 shall be served upon the Clerk of this Court and the Clerk for the Southern District of  
23 Texas at the time of filing.  
24

25           13. A fund entitled the "CRIS - Exxon Valdez Reserve Fund" shall be  
26

1 established by the CRIS.

2 14. The CRIS - Exxon Valdez Reserve Fund shall be administered through  
3 the United States District Court for the Southern District of Texas and shall be an  
4 investment mechanism authorized for funds pertaining to said matter which are ordered  
5 by this court to be placed in the CRIS - Exxon Valdez Reserve Fund.  
6

7 15. Upon Order of this Court, monies may be deposited to the CRIS - Exxon  
8 Valdez Reserve Fund from the Exxon Valdez Liquidity Account in the CRIS - Liquidity  
9 Fund and shall be held separately from those on deposit with the Treasury to the credit of  
10 other cases and used to purchase Treasury securities which will be held at the Federal  
11 Reserve Bank of Dallas, in a Safekeeping Account in the name and to the credit of the  
12 Clerk, United States District Court for the Southern District of Texas, hereby designated  
13 custodian for the case in the CRIS - Exxon Valdez Reserve Fund.  
14

15 16. The investment strategy for securities purchased for the CRIS - Exxon  
16 Valdez Reserve Fund shall have such average and maximum maturity as ordered by this  
17 Court. Upon maturity of these securities and/or additional deposits, the custodian shall  
18 reinvest funds in such instruments and for such maturity as directed by order of this Court.  
19 The CRIS - Exxon Valdez Reserve Fund shall provide no quarterly liquidity, unless a  
20 special order of disbursement is entered.  
21  
22

23 17. Annual Reports for the CRIS - Exxon Valdez Reserve Fund showing the  
24 income earned and the principal amount contributed will be prepared and distributed to  
25  
26

1 the United States District Court for the District of Alaska, as well as to the Clerk of the  
2 United States District Court for the Southern District of Texas, to counsel for the United  
3 States and the State, and to the Executive Director of the Exxon Valdez Trustee Council.

4  
5 -18. Upon Order from the United States District Court for the District of  
6 Alaska, all or part of the funds placed in the CRIS - Exxon Valdez Reserve Fund and the  
7 investments therein may be transferred and/or sold and may be moved to the Exxon  
8 Valdez Liquidity Account and reinvested in the CRIS - Liquidity Fund.

9  
10 19. The custodian is authorized and directed by this Order to deduct, for  
11 maintaining an account in the CRIS - Exxon Valdez Reserve Fund, the fee on the account  
12 as authorized in 56 Fed. Reg. 56356 (Nov. 4, 1991). The fee may be deducted on a  
13 prorated basis over the course of the deposits in the CRIS - Exxon Valdez Reserve Fund.

14  
15 ADDITIONAL INVESTMENT OPTIONS

16 20. The federal and state natural resource trustees for the Exxon Valdez oil  
17 spill ("EVOS Trustees") may, by unanimous agreement, select a fund or funds  
18 ("Investment Fund[s]") to receive and invest joint trust funds and any interest accrued  
19 thereon, received and to be received by the United States and the State of Alaska under  
20 the Decree. An Investment Fund may be in either the Natural Resource Damage  
21 Assessment and Restoration Fund ("NRDA-R Fund") established in Title I of the  
22 Department of the Interior and Related Appropriations Act, 1992 (Pub. L. 102-154, 43  
23 U.S.C. 1474(b)) or an account outside the United States Treasury as permitted by Pub. L.  
24  
25  
26

No. 106-113 Appendix – H.R. 3423, sec. 350 (1999).

21. Monies and other assets held in the Investment Fund(s) shall be accounted for separately from any other monies and assets that may be on deposit with the Investment Fund(s) for other purposes. The manager of an Investment Fund may establish such accounts within the Investment Fund as the Trustee Council determines appropriate.

22. Upon written notice by the Governments to Exxon and the Clerk of the United States District Court for the District of Alaska, Exxon shall pay to one or more Investment Funds all sums required to be paid by Exxon under paragraph 8 of the Decree after the date of this order and receipt of the written notice, less those amounts paid directly to the United States and the State in accordance with paragraph 10 of the Decree. Exxon shall make these payments by electronic transfer to the Investment Fund(s) in accordance with the procedures specified in paragraph 8 of the Decree. If an Investment Fund is unable to receive payment by electronic transfer, Exxon shall make the payments by such means as is mutually agreed to by it and the Governments.

23. Upon joint application by the Governments and Order of this Court, all or part of the funds currently in the Exxon Valdez Oil Spill Settlement Account and the CRIS - Exxon Valdez Reserve Fund shall be transferred and deposited into a specified Investment Fund. Upon order of this Court, funds in an Investment Fund may be transferred into a different Investment Fund or paid into the Court, placed in the CRIS and administered as provided by the order.

1           24. All money in an Investment Fund shall be invested in income-producing  
2 obligations and other instruments or securities that have been determined unanimously by  
3 the EVOS trustees to have a high degree of reliability and security.

4           25. All income received from an Investment Fund's investments shall be  
5 deposited in the Investment Fund.  
6

7           26. Periodic financial reports, as determined necessary by the EVOS Trustees  
8 and showing the income earned and the principal amounts contributed to each Investment  
9 Fund, shall be prepared and distributed to the Executive Director of the Exxon Valdez  
10 Trustee Council.  
11

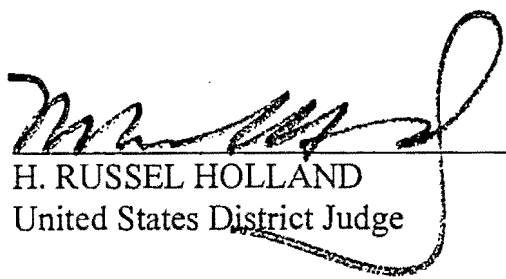
12           27. Except as otherwise provided in paragraph 23, funds in an Investment  
13 Fund shall remain on deposit in that Fund until such time as the EVOS Trustees  
14 unanimously resolve to expend all or a part of the funds. Such funds shall then, upon the  
15 joint notification of the Governments to the Investment Fund and the Court, be transferred  
16 to either the State of Alaska or the United States for the purposes provided for by the  
17 unanimous resolution of the EVOS Trustees and consistent with the provisions of the  
18 Memorandum of Agreement and Consent Decree entered by the Court in *United States*  
19 *v. Alaska*, No. A91-081 Civ. (D. Alaska), on August 28, 1991. Such notification will  
20 inform the Court of the proposed uses of the funds in the same manner and to the same  
21 extent as was the Governments' practice when the funds were in the Registry of the Court  
22 and the Governments applied to the Court for disbursement of the funds.  
23  
24  
25  
26

1 28. No fees shall be assessed by the custodian of an Investment Fund for  
2 investment of that Fund except as approved in advance by the EVOS Trustees.

3 29. To the extent it is inconsistent, this Order shall take precedence over Rule  
4 67, Federal Rules of Civil Procedure.

5 30. A certified copy of this order shall be served upon the Clerk of this Court  
6 and upon the Clerk of the United States District Court for the Southern District of Texas.

7  
8  
9  
10 DATED: 6/7/00

  
H. RUSSEL HOLLAND  
United States District Judge

11  
12  
13  
14  
15 A91-0083--CV (HRH)

16 -----  
17 D. SERDAHELY  
18 C. TILLERY (AG-STE-200)  
19 Finance  
20  
21  
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26



## Public Comments

May 25, 00

To Exxon Valdez  
Oil Spill Trustees Council  
ANCHORAGE, AK 99501-3451  
Fax # 276-7178

From F. Pagano

Frank Pagano  
2247 west 46th  
Anchorage  
Alaska 99517

May 24, 2000

Exxon Valdez Oil Spill Trustees Council  
645 G Street, Suite 401  
Anchorage, Alaska 99501-3451

RE: Testimony Regarding Proposed Ten-Year Conservation Easement

Dear Exxon Trustee Council Members,

Koniag has been engaged in discussions with EVOS for the past several years. As I understand, these discussions are to extend the easement agreement which had been executed by myself as President of Koniag and by Interior Secretary Bruce Babbitt in November 1995. This easement agreement was in conjunction with the initial sale of some 56,000 acres of Karluk/ Larson Bay lands. This land sale and easement did not include any management agreement. Dennis Metrokin, President of Koniag Inc., has been telling the shareholders that they are not selling any lands, when in fact the current and existent Conservation Easement agreement calls for the negotiations of the sale of the remaining 59,000 acres of the Karluk/Larsen Bay lands.

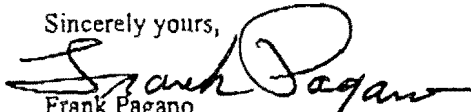
It has been only recently that Koniag began discussing the extension of the easement management / ageement. The Koniag staff and Board of Directors have never briefed the shareholders at any time of the specifics of this proposed management easement, i.e., the amount of monies that would be place in an escrow pot. They have stated that at the end of ten years the future board can sell these lands for whatever is in the pot or at the max of thirty years.

I understand that the land and monies placed into this TRUST WILL BE MANAGED BY SOMEONE OTHER THAN THE KONIG BOARD. This management group will be far removed from the Koniag Board. In my opinion, this is constitutes a land sale as well as the establishment of a trust fund.

In my opinion, the Karluk and Sturgeon Rivers constitute more than fifty percent of Koniags assets and thus would require a shareholder vote. It is also my opinion the Board of Director lacks the authority to sell any land assets, since such sale of land assets would diminish the value of the individual shareholder stock. Additionally, a management proposal to create a shareholder permanent trust fund was defeated in a valid shareholder vote.

I REPEAT, IT IS MY OPINION THAT THE LANDS IN QUESTION ARE MORE THAN FIFTY PERCENT OF KONIAGS ASSETS; THIS TRANSACTION WILL CONSTITUTE A LAND SALE AND/OR THE CREATION OF A TRUST. I URGE THE TRUSTEE COUNCIL TO DEMAND THAT KONIAG INC. REQUIRE A SHAREHOLDER VOTE BEFORE ANY ACTION IS TAKEN ON THE QUESTION OF A SALE OR THE ESTABLISHMENT OF A NEW CONSERVATION EASEMENT AGREEMENT. OUR SHAREHOLDERS MUST BE INFORMED OF THIS LAND SALE AND/OR CONSERVATION EASEMENT AGREEMENT. OTHERWISE, BOTH YOU IN THE TRUSTEE COUNCIL AND THE MANAGEMENT OF KONIAG WILL BE GUILTY OF A LAND GRAB OF THE WORST KIND. PLEASE REFRAIN FROM BEING A PARTY IN ROBBING ONE OF THE MOST VALUABLE ASSETS FROM OUR NATIVE PEOPLE! WE HAVE LOST ENOUGH!

Sincerely yours,

  
Frank Pagano  
Past President, Koniag Inc.

CC: Koniag, Inc. Board of Directors  
Village Corporations, Kodiak Area  
Tribal Councils, Kodiak Area  
Congressional Delegation

**FAX COMPLIANCE**

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

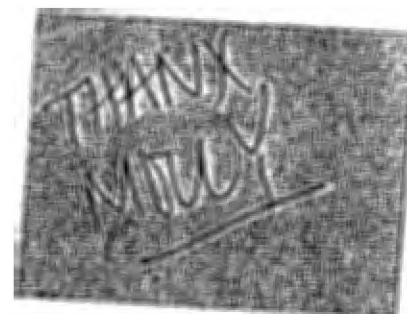


## FAX COVER SHEET

TO TRUSTEE COUNCIL MEMBERS

Dave Gibbons  
Michele Brown  
Marilyn Heiman

Frank Rue  
Steven Pennoyer  
Craig Tillery



FROM: MOLLY McCAMMON

DATE: 5/24/00 TOTAL PAGES: 3

FYI

*This was typed  
to everyone, but  
put in next  
TC packet.  
Return to me  
M.*

TRUSTEE COUNCIL ALTERNATES

Rob Bosworth  
Dan Easton  
Barry Roth

Bill Hines, Bruce Wright  
Alex Swiderski

HARD COPY TO FOLLOW NO

FAX SENT BY: BH

**FAXED**  
5/24/00 1:25

**Federal Trustees**  
U.S. Department of the Interior  
U.S. Department of Agriculture  
National Oceanic and Atmospheric Administration

**State Trustees**  
Alaska Department of Fish and Game  
Alaska Department of Environmental Conservation  
Alaska Department of Law

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\*\*\* MULTI TRANSACTION REPORT \*\*\*  
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FRANK RUE

[ 30] 19074655177

DAN EASTON

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ALEX-CRAIG

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B.ROTH

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\*\*\* MULTI TRANSACTION REPORT \*\*\*  
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ALEX-CRAIG

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B. ROTH

[ 67] 2714102

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EV Resto tion

001

TO	Rebecca	DATE	5/30	TIME	2:10	AM							
FROM		AREA CODE				PM							
OF	Anna Scott	NO.	Fax	271-3992									
		EXT.											
MESSAGE	Called from Forrest Services stating they didn't receive all of that tax (from this morning.) Should I re-pay? <b>TAX COMPLETED</b>												
PHONED	<input type="checkbox"/>	CALL BACK	<input type="checkbox"/>	RETURNED CALL	<input type="checkbox"/>	WANTS TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>	WAS IN	<input type="checkbox"/>	URGENT	<input type="checkbox"/>

3992

OK

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178



## FAX COVER SHEET

To: Aley Number: \_\_\_\_\_

From: Molly Date: 5/30

Comments: \_\_\_\_\_ Total Pages: 3 with cover.

FYI

HARD COPY TO FOLLOW \_\_\_\_\_

Document Sent By: \_\_\_\_\_

3-16-99

### Federal Trustees

U.S. Department of the Interior  
U.S. Department of Agriculture  
National Oceanic and Atmospheric Administration

### State Trustees

Alaska Department of Fish and Game  
Alaska Department of Environmental Conservation  
Alaska Department of Law





# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178



May 31, 2000

Sandra L. Grenier  
2930 72<sup>nd</sup> Street, NE  
Marysville, WA 98271

Dear Ms. Grenier:

Thank you for your May 25, 2000 letter. I'll make sure all of the Trustee Council members receive a copy of it.

If I can be of any further assistance, please don't hesitate to contact me.

Sincerely,

Molly McCammon  
Executive Director

MM:cw

---

#### Federal Trustees

U.S. Department of the Interior  
U.S. Department of Agriculture  
National Oceanic and Atmospheric Administration

#### State Trustees

Alaska Department of Fish and Game  
Alaska Department of Environmental Conservation  
Alaska Department of Law

**Sandra L Grenier**2930 72nd St. N.E.  
Marysville, WA 98271Fax (360)659-2312  
Home Phone (360)659-5125  
Email quilceda@email.msn.comFAX Number: (907)276-7178  
pages: two (including this page)

May 25, 2000

Exxon Trustee Council  
645 G Street, Suite 401  
Anchorage, Alaska 99501-3451

Dear Council,

I am a shareholder of Koniag Corporation residing in Washington State on the Tulalip Indian Reservation. I attended junior and highschool in Kodiak, Alaska. I only have an Associate degree in education but I would like you to take into consideration my thoughts on the Conservation Easement Agreement you are pursuing with Koniag. I have worked with Indian Students in Washington State as a Program Tutor, than went on to become Coordinator for the Northwest Indian Fisheries Commission in Washington State. The tribes in Washington State fought and won their right to manage their treaty fisheries. (known as the Boldt Decision) The tribes manage the resources on their tributaries and are co-managers with the State of Washington in fisheries, shellfish, hunting and environmental issues impacting the resources.

My concern with these negotiations is that the Villages that will be impacted by this agreement were not consulted before the negotiations with Koniag ever took place. Koniag has been emphasizing to all the shareholders through their newsletters and surveys the importance of the Native Culture. In their last survey mailed in May 2000, they state: *"Villages or clans worked together to ensure the health and survival of the whole group. This collective perspective is demonstrated today by the efforts of those regional corporations that manage their assets to provide benefits—financial, cultural and educational—for this and future generations of shareholders"* It is my belief that Koniag out of respect for our culture and the native people that will be impacted by these negotiations should have consulted with the villages first to find out their concerns and what they would like to see happen with the land. Had the villages been consulted and been able to give their views to the Koniag Corporation this controversy could have been avoided. Koniag had an obligation to go first to the people that they represent before going into negotiations with the Council.

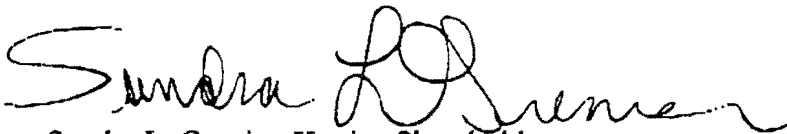
In closing the land is very important to the Native People. The land is our culture. All our culture revolves around the land. We cease to exist without our land base. Reverence for the land is told in song and dances. We get all our needs from the land. Why would we fight to get

Exxon Trustee Council  
May 25, 2000  
page two

our land back if in the end Koniag sells it?? We are the stewards of the land. God gave it to us to take care of and when we abuse it we destroy it for future generations. I would like this council to take into considerations the concerns of the Native People who on a daily bases have to deal with the strangers coming onto the land with no say on how they can keep their Native way of life with the intrusions of different user groups.

I am one shareholder who resides in the lower 48 who wants to see the Koniag Corporation listen first to the Native people they represent before any further negotiations take place. The concerns of the villages that are impacted needs to be considered.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sandra L. Grenier', written in dark ink.

Sandra L. Grenier, Koniag Shareholder

cc: Frank Peterson Sr.  
Koniag Corporation



## Fisheries service undertakes study of surge in salmon shark count

The Associated Press

JUNEAU — The National Marine Fisheries Service is launching a study to learn more about a surge in the number of salmon sharks in Alaska waters.

Starting in July, NMFS research biologist Lee Hulbert will head a two-year program to tag and track salmon sharks in Prince William Sound and the Gulf of Alaska.

"There has been a huge, unprecedented increase in shark numbers in

the past decade, but there's not a lot of data available," Hulbert told the Juneau Empire.

Though salmon sharks are a predominant shark species in Prince William Sound and the Gulf of Alaska, very little is known of its trends in abundance, demographics, ecology or seasonal movements.

Throughout the 1990s, sightings of sharks and incidental catches of them in fisheries in Southeast and Southcentral Alaska have increased

dramatically. A significant increase to the shark population has the potential to hurt recovery of fish species affected by the 1989 Exxon Valdez oil spill, Hulbert said.

"Sharks in large numbers can also affect populations of both commercially and economically viable species," he said.

Funded by the Exxon Valdez Oil Spill Trustee Council, the Alaska Salmon Shark Assessment Project is designed to collect data on the

species' abundance, movement and migrations, and seasonal residency in Prince William Sound and the Gulf of Alaska.

"This is the first directed shark research program conducted in Alaska," Hulbert said.

Hulbert, along with four other scientists and a crew from the National Geographic Society, plans to tag and release as many salmon sharks as he can catch in 10 days aboard the research vessel Montague.

"Last year when we went out on the pilot study, we caught 70 sharks in five days," Hulbert said.

This summer Hulbert's team plans to tag the dorsal fins and implant data-collecting devices in the sharks.

"We have data loggers that we surgically implant in the shark that will tell us how often they eat, what time they eat and what depth they're feeding at — basically, where these sharks like to hang out," he said.



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Volume XI, Number III  
May-June 2000

## FEATURE

### Lost Eden

A Marine Ecologist's Search For Meaning In An Oil Spill

By Thomas Okey

March of 1989 was the first time I laid my eyes on Prince William Sound, Alaska. Our research team, including myself and three other marine ecologists, had arrived a few days after the Exxon Valdez supertanker ran aground on Bligh Reef, from where it spilled 11 million gallons of north slope crude oil, transforming a little-known, but spectacular, region of Alaska coastal wilderness into a global symbol of ecological catastrophe. Our small group joined in the first trickle of what later became a deluge of researchers, consultants, lawyers, conservationists, news media, agencies, politicians, job hunters and authors, making a circus of small fishing and native communities as the oil continued leaking from the damaged tanker, smothering beach after beach. Adding insult to injury, one tragically oiled cove after another metamorphosed into war-zone-style symbols of dominion and the mechanistic techno-fix, as men in white hard hats spewed from helicopters and barges in a frantic attempt to "fix" nature by urgently spraying hot liquid from giant hoses onto the living membranes of submissive coves.

Prince William Sound is a relatively remote, semi-enclosed bay at the northern apex of the Gulf of Alaska. It encompasses a unique array of aquatic habitats, which overlie a submerged portion of the tallest coastal mountain range in the world--the Chugash Mountains. The lower slopes of these snow-covered peaks are mostly covered with conifers, but in some places, the mountains plunge almost vertically from two and a half miles above sea level to depths of 1,300 feet in fjords that reach like fingers into the mountains' glacially carved valleys.

The Sound, at its deepest point 2,600 feet, covers over 3,500 square miles, which would accommodate 15 San Francisco or two Chesapeake Bays. The abundance of wildlife in Prince William Sound is reminiscent of early accounts of these two long-degraded estuaries, partly because its shoreline habitat is extremely convoluted and varied. The whole of Prince William Sound, and adjacent waters, harbors a diverse array of sheltered, sub-polar habitats that were relatively intact prior to the oil spill. It is virtually impossible to find an ecologically comparable setting anywhere in the world.

## CONTACTS

### Center for Marine Conservation

Tel: (202) 429-5609

### Exxon Valdez Oil Spill Trustee Council

#### Restoration Office

Tel: (907) 278-8012

### Fisheries Centre

University of British Columbia

Tel: (604) 822-2731

### Office of Oil Spill Damage Assessment and Restoration, Alaska

#### Region

National Marine Fisheries Service

National Oceanic and Atmospheric Administration

Tel: (907) 789-6601

### **Close Up**

Our team dropped everything we were doing at Moss Landing Marine Laboratories, on Monterey Bay, California, where I was a graduate student. We left for Prince William Sound with just enough time to gather our diving and sampling gear, and formulate a reconnaissance plan.

The winter snow was still close to the water when we arrived, and the chill enhanced a quiet and solitude we were unused to, though each team member had spent time alone in the field. For me, this quiet enhanced the bigness of Alaska that I remembered from a summer on a commercial salmon seiner out of nearby Kodiak five years before. This time we had come for a reason more urgent than youthful adventure, and the reminder was under our noses as we flew over the leaking Exxon Valdez supertanker on our way from Anchorage to Cordova, a fishing port on Prince William Sound. From there, a commercial fishing boat would carry our team on high-speed/high-coverage scuba surveys of the Sound's shallow underwater habitats.

Our biggest hope was to document the status of some parts of the ecosystem before the oil could do its damage. We also hoped to reveal any immediate impacts of the oil in these habitats, and to describe sea floor communities. Sea otters eat relatively large amounts of clams in the Sound, which they excavate from sediment on the shallow sea floor. So we suspected that if the oil killed sea otters, populations of marine invertebrates that otters prey on might change.

As I look back at this catastrophe, through 10 formative years, my past and present experiences, and relations, now seem saturated with a meaning deeper than can be revealed by simply reducing nature to its constituent parts. The Exxon Valdez oil spill is an important symbol of the potentially disastrous impacts of our actions, but it is also symbolic of the limitations of both knowledge and our attempts at redemption.

Scientists are now realizing that ecosystems do not necessarily "recover" from certain types of degradation. As our human population careens beyond six billion, Earth's ecosystems could unravel beyond the point where restoration schemes would work, or would matter. The optimistic flip-side of this realization is that we humans have choices—we can exercise our free will to change the way we interact with ecosystems.

### **A Wizard And A Mystery**

We returned to Prince William Sound in June of the same year aboard the University of Alaska's 140-foot research vessel Alpha Helix, led by my mentor, Professor John Oliver, known as "the galactic wizard," the archetype of "can do" biologists, and a true underwater naturalist with a teach-by-doing philosophy. The R/V Alpha Helix would arrive at a location, and teams of divers and intertidal ecologists would burst forth to don our diving equipment, gather our sampling gear, and deploy inflatable boats and whalers.

During this second trip, we witnessed the Exxon-sponsored cleanup of the oiled intertidal zone. This cleanup operation was astounding both in its magnitude and its secondary impacts of re-suspending oil, virtually eliminating plants and animals on cleaned beaches, and re-distributing the sediment to the subtidal zones, where it smothered organisms. It later turned out that cleanup was often not documented or coordinated in any organized way. Opportunities for learning were lost in the jumble.



Our team also discovered that few researchers were able to collect useful ecosystem information before the oil did its damage. Initially, nature seemed to provide some buffer with four days of calm weather that slowed the spread of the oil. Scientists could have been more rapidly deployed, and perhaps much of the oil could have been contained if a functioning emergency plan had existed. As it happened, opportunities faded amid bureaucratic confusion, political strategizing and public relations campaigns.

The lesson made clear to our research group was that efforts to determine the impacts of the oil spill were confounded by limited "baseline" information (the state of the ecosystem prior to the spill) and the lack of control areas for comparison of either direct impacts or cleanup. Exceptions to this lack of knowledge include ongoing studies of seabirds, which were considerably more abundant before the spill. Such prior information did provide a rough barometer of the spill's ecological impacts. The indications of this barometer are, however, not comforting. For example, of the 28 species initially listed as severely impacted, only bald eagles and river otters have officially "recovered" to date--10 years after the spill.

For me, Prince William Sound was the wilderness place I had read and dreamed about. We were all excited to be there, and we explored it as my friends and I once explored the wooded lot at the end of my street. I knew then that I would someday return.

We left Alaska with sensory overload, with many questions about the effects of the spill and the cleanup, and with conflicting emotions. On the airplane, my fresh memories of snow-covered peaks, forested shores and new kinds of subtidal habitats clashed with vivid memories of dead eagles and otters, blackened shorelines, the taste of oil, and its iridescent sheen on the water as it distorted the reflections of the mountains.

### **Resurrection Pass**

During the following two years, our research group would twice more travel north to explore other disturbances in Southeastern Alaska, but we would not return to my beloved Prince William Sound. Over the years, I caught wind of the Exxon Valdez oil spill studies, but the memory faded, as my interest drifted to tropical ecosystems. Later, I was lured into pollution studies and "ecological risk assessment," which taught me how science can be bought, how truths can be obfuscated in the contexts of litigation, and how people justify their actions when personal ambition and fear rules.

I heard that political and legal pressures had influenced the science and muzzled some of the reporting of information during the months immediately following the spill. In retrospect, I realize that, even then, the involved parties had already started building their legal cases. The rhetorical showdowns of "experts" would soon ensue, a parade deemed not amusing to native Aleut communities, which had gathered their food from Prince William Sound for millennia. Victims of the oil spill were both human and non-human, but of all communities involved, these native communities undoubtedly felt the violation most deeply, as it was a defilement of their cultural history.

My new awakening led me to Alaska again for a solo springtime trek, 75 miles over the Resurrection Pass from a town called Hope on the

Turnagain Arm of the Cook Inlet (near Anchorage) to Seward, the home port of the R/V Alpha Helix, near Prince William Sound. I made this journey exactly five years after the first reconnaissance trip of our research group. During the days that I walked along that trail, encountering ptarmigan, moose, bears, snow geese, and even the wolverine I had long dreamed of, courtroom proceedings were underway in Anchorage to try to determine damages of, and blame for, the spill. The algorithm of law was being used to convert lost ecosystem "value" into U.S. dollars.

With this fresh in my mind, I pledged to devote my life to conservation, restoration and preservation of the Earth's beleaguered, and increasingly stressed, ecosystems. I founded a non-profit organization for integrating science with conservation and education, focusing first on pollution, habitat restoration and wildlife preservation issues at closing California military bases, before becoming fully immersed in fisheries conservation with a larger marine conservation organization.

All the while, Prince William Sound was imbedded in my psyche as my archetype of a last pristine wilderness, resilient and strong in its abundance and remoteness, which nevertheless became imperiled. The Exxon Valdez oil spill was like a form of cognitive dissonance, expressing the frailty of strong things. In my new working world of conference calls and public meetings, I longed for real science and exploration, as my conservation efforts became little more than policy advocacy, and science came to mean little more than lip service. I realized I had to stop telling old adventure stories and go back into the wild.

### **The New Metaphors**

And so fate brought me together with Professor Daniel Pauly, a charismatic and visionary scientist based at the University of British Columbia in Vancouver who, along with other famous fishery ecologists, champions an analytical tool capable of integrating broad ecosystem information into a cohesive synthesis. The Ecopath approach to computer modelling of food webs gives us a view of the flows of energy among organisms, as well as how these organisms, and the whole system, might respond to disturbances or stress. This approach allows us to learn more about how nature is structured, and how ecosystems function.

Disparate symmetries do converge. The Bligh Reef, where the Exxon Valdez came to grief, is the namesake of a mutinous mishap on the H.M.S. Bounty, led by Fletcher Christian, whose direct descendents I had met on Pitcairn Island in the South Pacific just one year before the spill. Our research vessel delivered a young girl from Palmer, Alaska, near Prince William Sound, to meet her grandmother for the first time on this famously remote South Pacific island. Tragedy and separation do send ripples through the system, but they ultimately lead to reconciliation and union because ecosystems are interconnected.

Like others before our team, Professor Pauly looked back in time through scientific literature to view the Prince William Sound ecosystem that existed prior to the 1989 Exxon Valdez spill. A great deal of information exists in the collective memory of the native communities throughout the region, but our team found little reflection of this past on the bookshelves of scientific knowledge. We realized that a view of the ecosystem prior to the spill was fundamental to understanding its ecological impacts.

Fortunately, a great deal of science had been underway since, with different teams focusing on particular segments of the overall ecosystem.

In fact, the impacts of some aspects of the spill are reasonably well known, and researchers from these various teams are steadily increasing our understanding of the workings of the system.

My team from the University of British Columbia and two others from the University of Tennessee decided to build a computer model of predator-prey interactions, and energy flows among the animals and plants of Prince William Sound, integrating the work of many post-spill researchers. Simply going through the exercise of combining these estimates into a whole ecosystem matrix has been informative, not only about the ecosystem, but also about the quality of the information, and it has helped to clarify where research might be focused to understand the ecosystem better.

We are learning how the ecosystem works by simulating the responses of the various plants and animals to natural changes and human activities. For example, changes in fishing patterns on a particular species can be simulated, and researchers can see how a change in this one species might influence other species, or groups of species in Prince William Sound. This new tool can allow resource managers to explicitly consider the potential impacts of a management decision on parts of the ecosystem other than the target stock, like an endangered species. In the future, fishery managers will use this tool along with their current approaches to help protect the Sound, and other marine ecosystems.

### **Questions, Answers, And Questions**

In this 11th anniversary of the Exxon Valdez oil spill, people want to know if Prince William Sound has recovered? There's no simple answer. Some parts of the ecosystem seemed to recover within a few years, while the recovery of others will take much longer, if it occurs at all. In general, scientists talk about the spill as a "pulse perturbation," or a disturbance that was short lived, albeit catastrophic. Parts of the ecosystem responded as such. However, free oil still persists in some of the Sound sediment (and some animal tissues are known to be contaminated), surely continuing to affect living components of the system. Some of the most interesting results of our analyses using this model indicate that the spill might have pushed the system to an "alternate stable state," from which it will not recover.

Conspicuous impacts, or those demonstrated through rigorous science, are the only ecosystem effects that enter the public consciousness. However, many real impacts go undetected and undemonstrated simply because of budgetary constraints. Even if there were no persistent direct effects of the oil spill, ripples of the initial impacts may still propagate indirectly through the food web long after scientists are able to detect them.

We can see only the surface of nature, though we believe the basic rules are within our reach. Ecology is still a new science, but it is rapidly evolving. Science can be beneficial, as well as broadly understandable, as long as people recognize the limitations of its power to detect natural processes. Understanding nature is necessary for ecological redemption and survival, but owning up to what we do not understand is just as important when making decisions about ecosystems.

The model of Prince William Sound is a good example of this. By definition, our model of the ecosystem is wrong. We constructed it not because it could be an exact representation of the ecosystem, but

because a simple model of the whole system would be useful in understanding the ecosystem better than we currently do. The biggest problems arise when people believe that such an analytical tool is complete in its details. Even some scientists make the mistake of concluding that a process does not exist in the real world if it is not manifested in the model.

With such cautions in mind, society should use the knowledge gained by scientists. The model of Prince William Sound is available for science education in schools and communities as an avenue for active participation in resource stewardship and management. The tremendous amount of knowledge gained from the post-spill scientific research will help sustain Prince William Sound, will help us understand and sustain other ecosystems, and will keep on informing us about coastal oil spills.

We are searching for useful reflections of a pristine ecosystem, a system with complexity forever beyond the grasp of science. What we can grasp are the simple, conspicuous patterns within this complex system, and these are well worth exploring. We found a system changed by humans, a system in which the ripples of a catastrophic disturbance are superimposed over ripples caused by fishing and other human activities. We also found ripples of human frailty. All of these propagate through the system, but the signals fade in a cacophony of cause and effect, and they appear even more dull because of our limited ability to detect them.

We've learned a great deal about nature as a result of this tragedy. We did this by looking outward with the best efforts of the natural sciences, in spite of political and legal constraints. But I suspect we can find the most important lesson of all by looking inward and seeing that the unholy, iridescent ripples we chased through this near-pristine ecosystem emanate not only from the frailty of one man, one crew, or one multinational corporation, but from each of us, through our enthusiastic participation in a society that squanders its resources.

Oil spills occur with such frequency around the world that they can be considered inevitable for as long as we continue demanding fossil fuels. They occur in spite of safety precautions that are implemented after large spills, and they happen because of chance events in nature that we cannot completely understand or predict. We can expect these spills to occur in ecologically spectacular places like the coast of Oregon or at San Francisco Bay's Golden Gate, because of the treacherous and exposed nature of our remaining wild places. And we know that though oil spills can be tragedies of catastrophic proportions, there are even more dire consequences from simply driving your luxury off-road vehicle or your over-powered sports car. Scientists have reached effective consensus that humans are causing a relatively rapid change in the global climate. The ranges of estimates of the severity of this change are rapidly surpassing science fiction. The reversibility of such a change might be beyond useful scales.

In truth, there are laws we cannot break, though we try to postpone them. Matter and energy are neither created nor destroyed, but merely changed from one form to another. Energy is always degraded to a less useful form. These are the unbending laws of thermodynamics, and they inform us that Earth's functioning ecosystems, which keep us alive, are degraded by the activities of more than six billion needy humans. Even the relatively intact ecosystems on Earth are adversely affected. Resources that once seemed infinite and inexhaustible, such as forests, clean water, oil, ocean fishes, whales and passenger pigeons now appear conspicuously finite, or missing altogether. In fact, they are

disappearing so fast that the term "renewable" has little meaning as we approach the new millennium.

Ecosystems have degrees of resilience, however, and the key to their survival and stewardship in them lies in our ability to measure that resilience. Most fundamentally, it depends on our being aware of the interconnection between our personal actions and the integrity of our planet's living systems.

*THOMAS OKEY is a marine ecologist from California who is constructing a food web model of the Prince William Sound ecosystem. He is the founder of Conservation Science Institute, a non-profit organization dedicated to the integration of science with education and conservation advocacy.*

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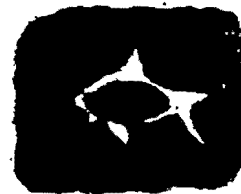
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KONIAG  
INCORPORATED

June 29, 2000

Mr. Glenn Ellison  
Assistant Regional Director for  
Southern Alaska  
U.S. Fish & Wildlife Service  
1011 E. Tudor Road, Third Floor  
Anchorage, Alaska 99503-6199

Re: Russian Orthodox Church Lands Purchase

Dear Glenn:

Bill has provided me with a copy of your letter of June 22, 2000, regarding the proposed purchases using EVOS funds of certain parcels on the Alaska Peninsula which are owned by the Russian Orthodox Church.

This will confirm Koniag's position that it has no interest in acquiring the parcels, nor does it believe that it is Koniag's position to comment on decisions made by the Church with respect to its properties. Thus, Koniag has no objections to these acquisitions being made.

Sincerely,  
KONIAG, INC.

  
Uwe L. Gross  
Chief Executive Officer

cc: Dennis Metrokin, President, Koniag, Inc.  
John Merrick, Land Consultant to Koniag, Inc.

4300 B Street, Suite 407  
Anchorage, Alaska 99503  
(907) 561-2668  
FAX (907) 562-5258

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### Commissioner's Office - EVOS

TONY KNOWLES, GOVERNOR

550 West 7th, Avenue SUITE 1400  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 269-8431  
Fax: (907) 269-8918

June 30, 2000

Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Trustee Council  
645 G Street, Suite 401  
Anchorage, AK 99501

Dear Ms. McCammon;

The Department of Natural Resources and The Department of Fish and Game would like to request that Parcels KEN 309 nominated for consideration by Icicle Seafoods of Homer and KEN 310, nominated by Schwartz Enterprises be considered by the Trustee Council as Parcels Meriting Special Consideration. These parcels were evaluated by the Habitat Protection Work Group and scored low.

These parcels are located downstream and immediately adjacent to a large parcel owned by ADF&G. These lots border or are near the Ninilchik River, one of south central Alaska's most important sportfishing rivers. These lots are part of the original Ninilchik townsite subdivision, with roads and lots platted with no logical relationship to the terrain. Some lots actually straddle the river and the public has used this area of the river for sportfishing access for decades.

These parcels are currently for sale and if sold as individual lots or as a bulk sale to another private developer, the public could lose forever one of Alaska's premier king salmon sportfishing locations. In addition, potential development of these parcels could well result in the deterioration of important riparian fish habitat, loss of important winter moose feeding habitat, loss of harlequin duck nesting and rearing habitat.

It is our intent that this parcel be managed of this consistent with its existing use, and that of the adjacent ADF&G property, ensuring that the ecological, natural, physical and scenic values of the subject property will be protected in perpetuity for the benefit of fish and wildlife resources and services that were injured in the *Exxon Valdez* oil spill.

Thank you for your consideration of this parcel.

Sincerely,



Marty K. Rutherford  
Deputy Commissioner

*"Develop, Conserve and Enhance Natural Resources for Present and Future Alaskans"*

VICINITY 1:10,000 MAP

Prepared for  
Icicle Seafoods, Inc.  
842 Fish Dock Road  
Homer, Alaska 99603

Prepared by  
Johnson Surveying  
Box 27  
Clam Gulch, Ak 99588



## NOTES

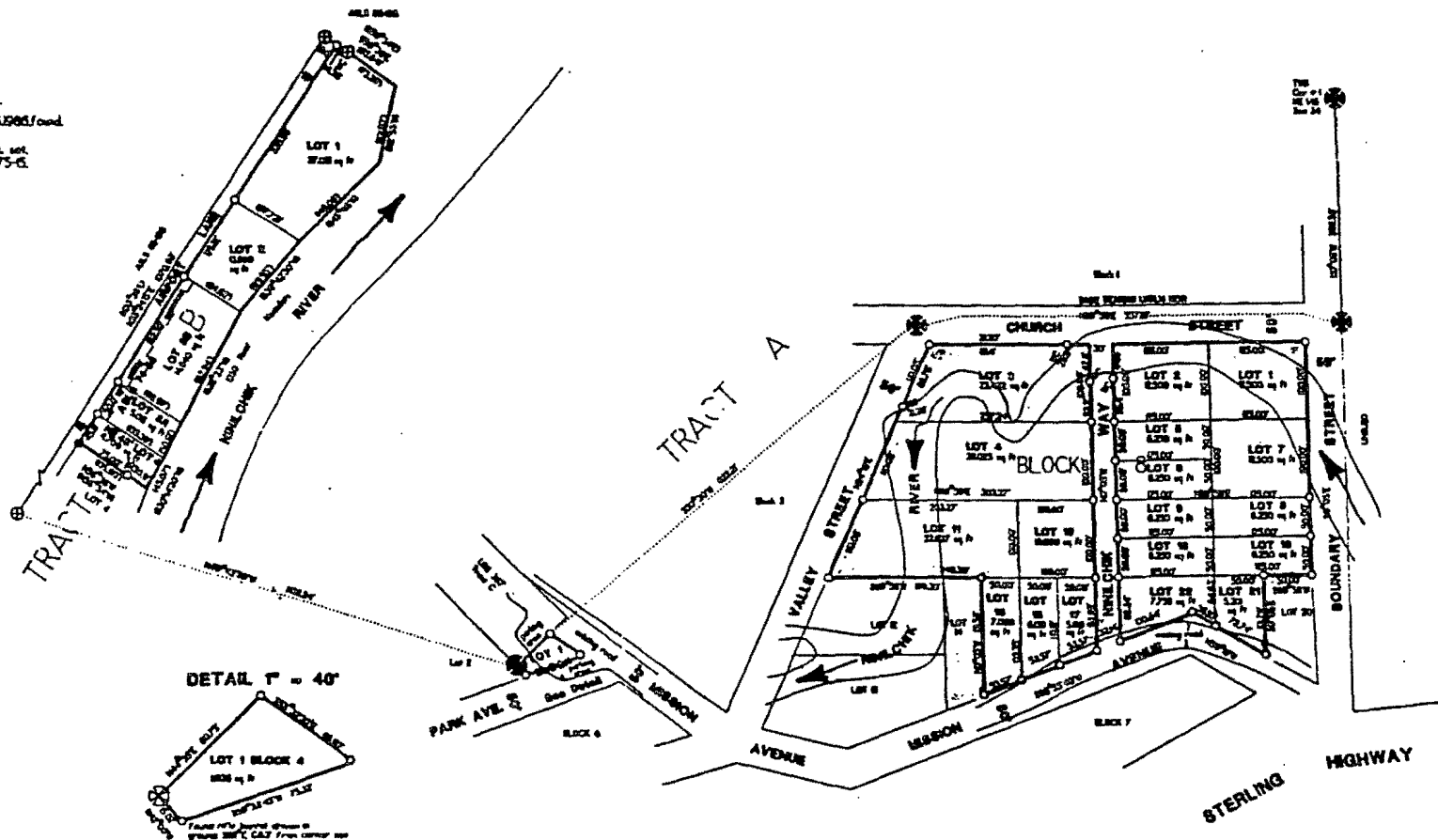
1. This survey does not constitute a submission as defined by A.S. 40.15.0021.

96-45

**RECORDED-FILED**  
**REC'D - RECORDING UNIT**  
 DATE 2-16 1962  
 TIME 2:18 PM  
 Requested by  
 Miss Mary Thompson  
 Rm 27  
 Chas. C. Clark, JR. 1000

### LEGEND

- ⊕ - ABS USBLM brass cap mounted/ond.
- ⊕ - Absence magnetic ALS 86-665082-53966/ond.
- - 1/2" rebar for corner/ond.
- - 1/2" x 2' or 4' rebar with 1 plastic cap, set.
- ( ) - Record information HR 65-53 or HR 75-65.





File Code: 1590

Date: June 15, 2000

Molly McCammon, Executive Director  
EVOS Restoration Program  
645 G Street, Suite 401  
Anchorage, Alaska 99501-3451

Dear Ms. McCammon:

During the May 22, 2000 Trustee Council Meeting, the Council requested the Forest Service to provide a statement on our plans to acquire the Tatitlek homesite lots.

In the "AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND AMONG THE TATITLEK CORPORATION AND THE UNITED STATES OF AMERICA AND THE STATE OF ALASKA", the parties agreed that the government, with the assistance of The Tatitlek Corporation, would pursue acquisition of shareholder and Corporation homesite lots in Snug Corner Cove and Two Moon Bay. The agreement included the condition that if the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of homesite lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation. Two homesite lots in Snug Corner Cove and 18 homesite lots in Irish Cove were acquired by the Forest Service in the Tatitlek large parcel acquisition.

In December of 1997 the Trustee Council passed a resolution committing The Tatitlek Corporation to work with the Council to acquire homesite lots in Snug Corner Cove and Two Moon Bay subdivisions. There are 164 lots, 120 in Two Moon Bay and 44 in Snug Corner Cove. Of these 77 are owned by individuals and 87 are owned by the Corporation. The resolution authorized up to \$205,600 to acquire some of these lots. It was understood that not all lots could be purchased with these funds and that acquisition of all lots will cost an additional \$1.4 million.

Following completion of an appraisal in January 2000, shareholders were approached to determine willing sellers. On May 22, 2000 the Trustee Council authorized by Resolution, purchase of thirteen shareholder lots for a total of \$180,000. Only \$25,600 of the original Council commitment remains, enough to acquire only two lots. Additional lots are available for acquisition but with out additional funds no offer can be made.

Sources of funds and other methods that can be used to acquire additional Tatitlek homesite lots in the future:

Restoration funds provided by the EVOS Trustee Council through the Small Parcel acquisition program

\$200,000 of remaining restitution funds provided by the Federal Trustees'

Land and Water Conservation Fund (LWCF) funds provided as normal agency programs

Exchange with The Tatitlek Corporation for Corporation owned lots

We are committed to acquiring the Tatitlek homesite lots to complement the Tatitlek Large Parcel acquisition. We believe the Council made a commitment to protect these lands and the Forest Service will work with The Tatitlek Corporation to fulfill that commitment. This may take a number of years, and with out a full commitment by the EVOS Trustees Council it is obvious that some of the funds required to complete these acquisitions will come from other sources.

If you have any questions please contact me at 271-2819.

Sincerely,



Kenneth E. Holbrook  
Agency Liaison

## MEMORANDUM

July 3, 2000

**From: Bruce Robertson, President**  
Native Village of Woody Island/Leisnoi, Inc.

**To: Molly McCammon**  
Executive Director  
Exxon Valdez Oil Spill Trustee Council

**Re: Termination Point and Other Village Corporation Lands**

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It is my understanding that on Wednesday, the Exxon Valdez Oil Spill Trustee Council will be discussing the Council's small parcel habitat restoration program. Because of prior discussions between the Council and representatives of our Corporation as to the possibility of negotiating a lands agreement involving Termination Point and conceivably some other parcel or parcels of Corporation land, I would like to provide you with this memorandum.

Our Board of directors is actively engaged currently in studying and determining the best course of action for our shareholders regarding the future use of certain Corporation lands and a potential resolution to the decades of litigation to which our shareholders have been subjected.

We are encouraged and hopeful that something positive and productive will emerge soon with respect to our Native Village Corporation's lands. We therefore would like very much for the Council to maintain the funding and other requisite capabilities for working with our ANCSA village corporation on one or more parcels for outdoor recreation/restoration/conservation purposes.

Although a precise time frame is impossible to determine when we might be able to work out such an agreement with the Council, we are encouraged that it will be relatively soon. Subject to decisions which our Board will be considering later this week, I am hopeful that detailed discussions and negotiations with the Trustee Council on at least Termination Point could be commenced later this month or next.

We deeply appreciate the Council's continuing interest in the potential benefit to the public and to restoration purposes of certain of our lands and look forward to potentially working on an outdoor recreation/fish and wildlife habitat restoration/conservation land agreement with the Council in the months ahead.

**FirstFax**

<b>To:</b>	Exxon Valdez Oil Spill Trustee Council
<b>Company:</b>	
<b>Phone:</b>	278-8012
<b>Fax:</b>	276-7178
<b>From:</b>	David A. Lawer, Senior Vice President
<b>Company:</b>	First National Bank, Corporate Systems
<b>Phone:</b>	(907) 777-3011 or (907) 777-3028
<b>Fax:</b>	(907) 777-3029
<b>Date:</b>	July 5, 2000
<b>Pages including this cover page:</b>	5

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**Message: Letter from Alaska Bankers Association, David A. Lawer, President**

CC: Molly McCammon	276-7178
Governor Tony Knowles	907-465-3532
Jerry Weaver	265-2141
David Rose	272-7574
Betsy Lawer	777-3406

P.O. Box 100600

**Alaska Bankers Association**  
Anchorage, Alaska 99510-0600

(907) 265-2920

July 25, 2000

Exxon Valdez Oil Spill Trustee Council  
645 G St., Suite 401  
Anchorage, AK 99501-3451

Ladies &amp; Gentlemen:

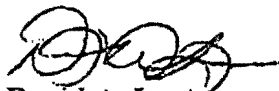
After sending a letter on June 13, 2000 to Governor Knowles about the proposal to move responsibility for management of the Oil Spill Trustee's Council funds from the US District Court in Dallas to the Department of Revenue of the State of Alaska, a fax was received in my office sometime after 3:00 PM on Friday, June 30, 2000, notifying me of your meeting today and my opportunity to participate on line or give public comment this morning at 10:45 am.

I was out of the State of Alaska until earlier this morning in connection with a family emergency, so I am not prepared to make any sort of presentation to you today. But I can by this means express to you my disappointment at being given so little notice of the "opportunity" you afforded to me and others who have corresponded with the Governor and your executive director about this matter. It appears from the fax that we were all given the same long holiday weekend to prepare. I will not be so presumptuous as to speak for others who received the same treatment, but I will say for myself that postponing the notice until the close of business last Friday at least gives the appearance that you don't want me to comment or participate at all.

Nevertheless, I have this to offer, since I have at least had the opportunity to review a letter Wilson L. Condon, Commissioner of Revenue, sent to Betsy Lawer, Vice Chair and Chief Operating Officer of The First National Bank of Anchorage, a copy of which is attached. In it, Mr. Condon opines that "[t]he Trustee Council cannot contract directly with money managers for investment services; it must work with a State or Federal Agency." I can only presume, as you will see from his letter, that he is offering AS 44.25.020 for that proposition. In response, I offer my opinion as a 24 year member of the State Bar that the Alaska Code section he sites is not authority for that proposition. I note from a copy of a June 26, 2000 memorandum to your executive director that he expresses the same opinion without reference to any authority for that conclusion, but coupled with the contrary conclusion that "[i]f the Council determines that the services provided by the Treasury are insufficient, it has the option of securing these same services from a third party."

I submit to you that members of our association, investment brokers, and investment advisors who have corresponded about this issue are the willing, competent, and appropriate third parties the Commissioner alludes to.

Very truly yours,

A handwritten signature in black ink, appearing to read 'D. Lawer', with a horizontal line extending from the end.

David A. Lawer

President

cc: Molly McCammon  
Governor Tony Knowles

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

June 28, 2000

TONY KNOWLES, GOVERNOR

550 WEST 7th AVENUE, SUITE 500  
ANCHORAGE, ALASKA 99501-3555  
TELEPHONE: (907) 269-0080  
FACSIMILE: (907) 276-3338

Betsy Lawer  
Vice Chair and Chief Operating Officer  
First National Bank of Anchorage  
P.O. Box 100720  
Anchorage, AK 99510-0720

Dear Ms. Lawer:

In your letter of June 13 to Governor Knowles you raised several issues about the practices and policies of my department's Treasury Division. I'd like to meet with you to discuss these issues. Unfortunately, I will be out of the office from July 1 - July 16, though I have asked my assistant, Connie Bamburg, to arrange for a meeting with you at a convenient time after July 16.

To provide you with greater detail on the issues, I've enclosed a copy of my June 26 memorandum to Molly McCammon, Executive Director of the Exxon Valdez Oil Spill Trustees Council, addressing the concerns you and others have raised. Meanwhile, there are several items prompted by your letter that I'd like to mention in anticipation of our meeting.

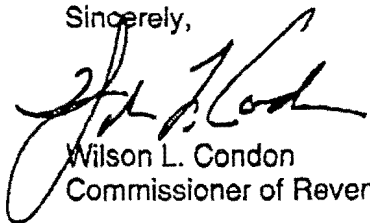
- Almost all of the marketable debt in the State Treasury and the state's retirement funds is managed right here in Alaska by the Alaskans in the Portfolio Management Section of our Treasury Division. In addition to participating in the local economy, these Alaskans donate to Alaskan nonprofit organizations, volunteer service on community boards and councils and coach children's extracurricular activities.
- Alaska Statute 37.10.071(c) requires that Treasury's purchase of brokerage and custodial services be based on "the sole financial best interest" of the funds Treasury manages. We believe that means the highest returns at the lowest costs with the best service. The "sole financial best interest of the fund" governs the acquisition of all the investment services Treasury purchases from the private sector and does not permit an Alaska bidder's preference. We would welcome your help in finding Alaskan providers who could meet or beat the arrangements we currently have for these services.
- Alaska Statute 44.25.020 tells us that Treasury is responsible for the custody, investment and management of all state funds and all state revenues unless otherwise provided by law. The Exxon Valdez Oil Spill Trust is a public entity in which the state has a substantial interest. The Trustee Council cannot contract

directly with money managers for investment services; it must work with a state or federal agency.

- I'll acknowledge that the standard practices now required to satisfy the prudence standard in the institutional money management business make it difficult for newcomers to enter the business. Your bank has expressed an interest in entering the business and at my instigation, Bob Storer, who was Chief Investment Officer in Treasury and who is now Executive Director of the Alaska Permanent Fund, initiated efforts to help your staff establish the kind of record your bank would need to compete for business in the institutional fixed-income money management business. Following Mr. Storer's selection as the Executive Director of the Permanent Fund, he has continued to work with your staff on this matter. Copies of the correspondence reflecting the effort are enclosed.

I hope this information is helpful to you, and I look forward to meeting with you.

Sincerely,



Wilson L. Condon  
Commissioner of Revenue

Enclosures: as stated  
cc: Molly McCammon  
Governor Knowles  
WLC/cmb