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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, AK 99501-2340 • 907 278 8012 • fax 907 276 7178



~~TO~~ DRAFT AGENDA

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL - teleconference

February 16, 200~~8~~⁷ 9:00 a.m.

Anchorage, Alaska

DRAFT 2/12/07

DRAFT

Trustee Council Members:

TALIS COLBERG
Attorney General
Alaska Department of Law

JAMES BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service

LARRY HARTIG
Commissioner
Alaska Department of
Environmental Conservation

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

DENBY LLOYD
Commissioner
Alaska Department of Fish
and Game

JOE MEADE
Forest Supervisor
U.S. Department of Agriculture
Forest Service

Meeting in Anchorage, Trustee Council Office, 441 West 5th Avenue, Suite 500
Teleconference number: 800.315.6338 (contact EVOS for code)

State Chair

1. Call to Order – 9:00 a.m.
2. Consent Agenda
 - Approval of Agenda*

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

3. Public Advisory Committee comments
4. Public comment (no reopener comments accepted) – 9:10 a.m. (3 minute per person)
5. FY 07 Draft Work Plan, Addendum*
- 070708 Irvine
- 070801 Michel
- 070836 Patrick-Riley
- 070828 Brown-Schwalenberg
- 070800 Joyce

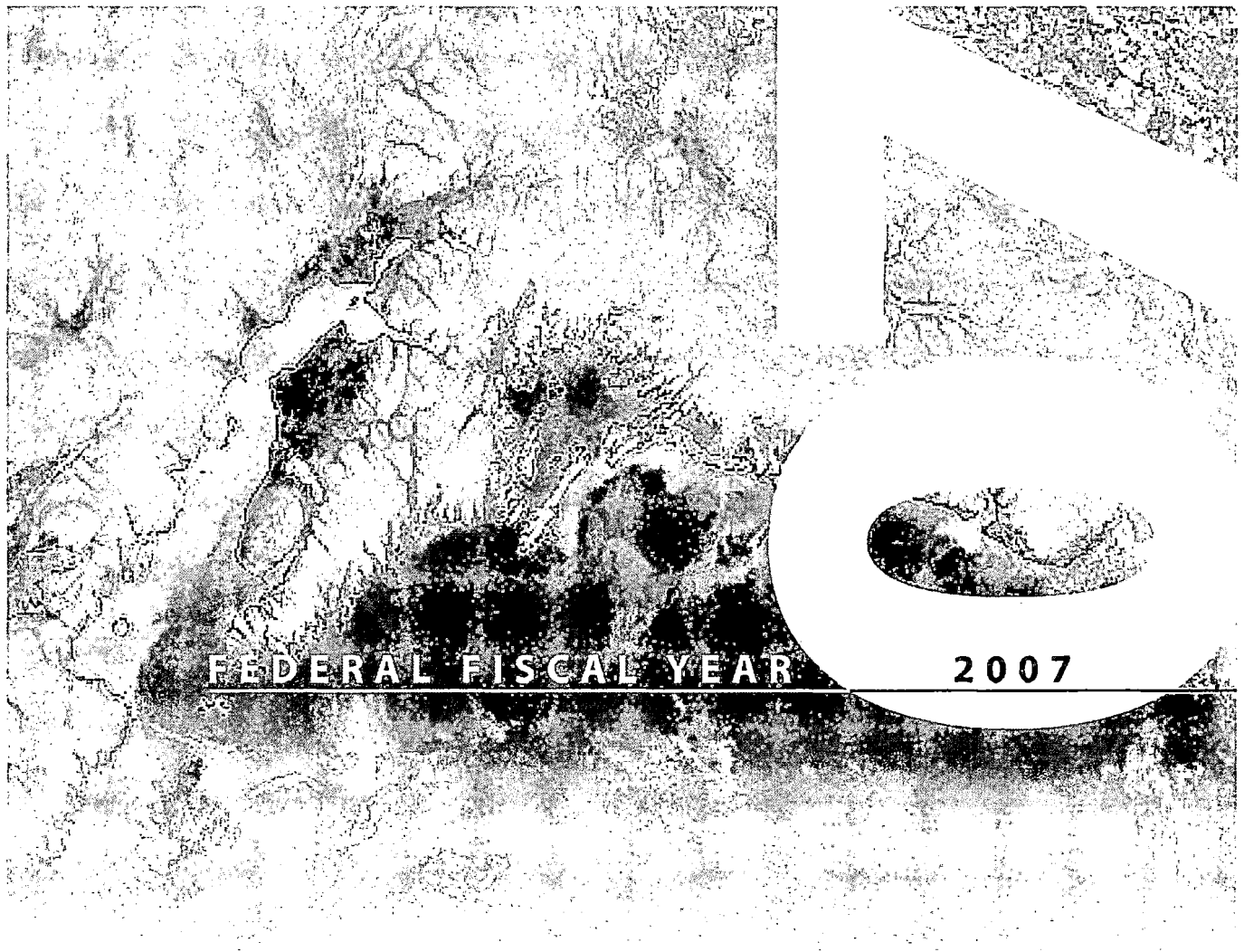
Kimberly Trust
Science Director

Executive Session if necessary

6. Adjourn

* Indicates action items

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL



FEDERAL FISCAL YEAR

2007

DRAFT WORK PLAN ADDENDUM

Issued January 19, 2007



Exxon Valdez Oil Spill Trustee Council
441 West 5th Avenue, Suite 500
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www.evostc.state.ak.us

FISCAL YEAR 2007
DRAFT WORK PLAN
ADDENDUM

January 19, 2007

Prepared by:
Exxon Valdez Oil Spill Trustee Council

DENBY LLOYD
Commissioner
Alaska Dept. of Fish and Game

LARRY HARTIG
Commissioner
Alaska Dept. of Environmental Conservation

JOE MEADE
Supervisor
Chugach National Forest
US Department of Agriculture

TALIS COLBERG
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JIM BALSIGER
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HANS NEIDIG
Special Assistant to the Secretary
for Alaskan Affairs
US Department of the Interior

Notice

The abstract of each proposal submitted in response to the FY07 Invitation for Proposals was written by the authors of the proposals to describe their projects. To the extent that the abstracts express opinions about the status of injured resources they do not represent the views of the Executive Director, the Science Director or other staff of the *Exxon Valdez* Oil Spill Trustee Council, nor do they reflect policies or positions of the Trustee Council.

The Alaska Department of Fish and Game (ADF&G) administers all programs and activities free from discrimination based on race, color, national origin, age, sex, religion, marital status, pregnancy, parenthood, or disability. The department administers all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972.

If you believe you have been discriminated against in any program, activity, or facility please write:

- ADF&G ADA Coordinator, P.O. Box 115526, Juneau, AK 99811-5526.
- The department's ADA Coordinator can be reached via phone at the following numbers: (VOICE) 907-465-6077, (Statewide Telecommunication Device for the Deaf) 1-800-478-3648, (Juneau TDD) 907-465-3646, or (FAX) 907-465-6078.
- U.S. Fish and Wildlife Service, 4040 N. Fairfax Drive, Suite 300 Webb, Arlington, VA 22203
- Office of Equal Opportunity, U.S. Department of the Interior, Washington DC 20240.

Dear Reviewer,

The following draft work plan, entitled **"FY07 Draft Work Plan, Addendum"**, contains proposal information and funding recommendations for proposals that were reviewed after the Trustee Council's funding decisions of its November 2006 meeting. The Trustee Council received proposals in response to the FY07 Invitation for Proposals, which were contained in FY07 Draft Work Plan. Check our website, www.evostc.state.ak.us, periodically for updates.

Each year, the *Exxon Valdez* Oil Spill Trustee Council funds activities to restore the resources and services injured by the 1989 *Exxon Valdez* oil spill. Public input is critical to the Council's decision making process and this draft work plan has been prepared to solicit your comments on which projects to fund in Fiscal Year 2007.

In this FY07 Draft Work Plan Addendum, the Trustee Council has endorsed a comprehensive, balanced approach to the restoration of injured resources and services which is reflected in this draft work plan. This approach recognizes the importance of research to determine why resources are not recovering, or are recovering slowly, and recognizes the need for monitoring to track the status of recovery. It provides for cost effective general restoration activities, especially those that help the resources upon which communities and industries depend.

I am interested in your thoughts and ideas in regard to this draft work plan, as well as our restoration plan in general. Comments on this draft work plan need to be received at the Trustee Council office by COB February 13, 2007. Please see the "Please Comment" section prior to the Table of Contents for more information regarding how to submit comments.

Michael Baffrey
Executive Director

PLEASE COMMENT

You can help the Trustee Council by reviewing this draft work plan and letting us know your priorities for Fiscal Year 2007. To be most useful, your comments should be received by the Council on or before February 13, 2007. You can comment by:

Mail: Exxon Valdez Oil Spill Trustee Council
441 W. 5th Avenue, Suite 500
Anchorage, AK 99501
Attn: Draft Fiscal Year 2007 Work Plan

Telephone: 1-800-478-7745 (within Alaska)
1-800-283-7745 (outside of Alaska)
Collect calls will be accepted from fishers and boaters who call
through the marine operator.

Fax: 907-276-7178

E-mail: projects@evostc.state.ak.us

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Acknowledgements

We are pleased to acknowledge Trustee Council staff members Carrie Holba, Michael Schlei, Cherri Womac, Barbara Hannah, and Catherine Boerner whose hard work and dedication made the Draft Work Plan possible. Special thanks to the anonymous scientists who peer reviewed the proposals received this year and thanks also to the principal investigators and their collaborators for giving us so many fine proposals from which to choose in building our program. Many thanks to those scientists from Trustee Council agencies that provided help, and in particular we offer special thanks to Dede Bohn, Carol Fries, Pete Hagen, Hans Neidig, Heather Brandon, Jenifer Kohout, Jennifer Thomson, Larry Dietrick, and Steve Zemke. We also owe our thanks for their expert program guidance and peer review efforts to the members of the Science Panel (Steve Braund, Ron O'Dor, Gary Cherr, Tom Dean, Robert Spies, Charles (Pete) Peterson and Leslie Holland-Bartels). Finally, we appreciate the participation and comments on this plan provided to us by the Public Advisory Committee (PAC).

Michael Baffrey, Executive Director

Kimberly A. Trust, Science Director

Overview of the FY07 Work Plan Addendum

This addendum of the FY07 Draft Work Plan, enclosed here, presents proposals that focus on the restoration and monitoring of injured resources and services. The total requested funding for these projects in FY07 is \$6,304,900.

The Trustee Council has an open, competitive contracting process that is designed to allow proposals from any source to be considered for funding as an external project. The system works well for this purpose as demonstrated by the fairly even distribution of funding across the home institutions of the principal investigators of external projects.

Summary of Funding Recommendations for FY07

Project Number	PI	Title	Total Funding Requested	Total FY07 Funding Recommended ^a	Science Panel	PAC
070828	Brown-Schwalenberg	Quantifying Subsistence Recovery in EVOS Affected Native Alaska Communities Using Community-based Knowledge	\$184,400	TBD	DO NOT FUND	DO NOT FUND
070708	Irvine	Lingering Oil and the Dynamics of Boulder Armors	\$823,300	TBD	FUND CONTINGENT ^b	FUND CONTINGENT
070800	Joyce	EVOSTC Outreach & Information Sharing Venue – The Cordova Center	\$7,464,100	TBD	NOT REVIEWED	DO NOT FUND
070801	Michel	Assessment of the Areal Distribution and Amount of Lingering Oil in Prince William Sound and the Gulf of Alaska	\$1,594,100	TBD	FUND	FUND
070824	Patrick-Riley	Assessment and Restoration of Beaches with Lingering Oil	\$16,416,200	TBD	DO NOT FUND	DO NOT FUND

TOTAL FY07 FUNDING REQUESTED: \$6,304,900
TOTAL FY07 FUNDING RECOMMENDED: TBD
TOTAL FUNDING REQUESTED: \$26,482,100

^aThe Total Funding Recommended column reflects amended amounts being recommended to the Trustee Council for funding by the Executive Council.

^bFund Contingent – Projects with a Fund Contingent are recommended for funding, but changes to their proposals have been requested for future recommendation.

^cFund Contingent – See comments in PAC Recommendations.

Proposed Projects

Acronyms:

ADEC – Alaska Department of Environmental Conservation

ADFG – Alaska Department of Fish and Game

BAA – Broad Agency Announcement

DOI – US Department of Interior

EVOS – Exxon Valdez Oil Spill

FWS – US Fish and Wildlife Service

NOAA – National Oceanic and Atmospheric Administration

PWS – Prince William Sound

PWSFRAP - Prince William Sound Fisheries Research Application and Planning

PWSSC – Prince William Sound Science Center

UAF – University of Alaska, Fairbanks

USGS – US Geologic Survey

Project Number: 070828
Project: **Brown-Schwalenberg – Quantifying Subsistence Recovery**
Project Title: Quantifying Subsistence Recovery in EVOS Affected Native Alaska Communities Using Community-based Knowledge
Location: PWS
Principal Investigator: Patty Brown-Schwalenberg, Teresa McTigue
Affiliation: TBD
Disbursing Agency: TBD
Funding Requested by Fiscal Year:
FY07: \$184,400 FY08: \$0 FY09: \$0 FY10: \$0

Total Funding Requested:

\$184,400

Abstract:

In 1989, the Exxon Valdez oil spill (EVOS) impacted intertidal habitat, affecting important subsistence organisms. The EVOS Trustee Council has supported scientific studies that encourage the recovery of intertidal species and subsistence through the integration of western science and, traditional and local knowledge. Many studies have been conducted, before and after EVOS, to document traditional and local ecological knowledge (TEK and LEK) for intertidal species. The Chugach Regional Resources Commission (CRRC) and the National Oceanic and Atmospheric Administration (NOAA) have worked together to develop two models that organize TEK and LEK in a format that is easily accessible to managers and scientists, while allowing the community to control the content of the model. The community-based approach, which utilizes - traditional and local knowledge, will be used to organize previously documented or concurrently collected community based knowledge from areas impacted by EVOS. The major focus of the study will be to create a spatial GIS database that will be used to temporally assess: lingering oil distribution, traditional use areas, subsistence resource usage and perceived contamination to quantify changes. Information gathered will be used to evaluate the relationship between subsistence resources, lingering oil and perceived contamination in a study area and incorporated into community resource management plans. These plans are used to drive scientific research in the region, influence resource management at the state and national levels, and encourage relationships between community members, scientists and resource managers. The resulting information from this study will be used to quantify subsistence recovery and focus ongoing recovery efforts.

Science Panel Comments: The panel agreed that the effects of lingering oil on subsistence use of marine resources is an important topic, and saw value in obtaining maps of oiled beaches, and subsistence use; especially in areas historically used for subsistence that are now avoided. The panel also saw value in obtaining input from local residents in developing these datasets. However, the methods used to meet the proposed objectives were not well described and it was unclear whether the spatial resolution at which the data bases were to be developed would be sufficient to aid in restoration planning. It was also unclear as to how the project was to be managed and who was responsible for various aspects of the project. The panel concluded that

the proposal lacked sufficient information to ensure that objectives could be met.

RECOMMENDATION: DO NOT FUND

Public Advisory Council Comments: RECOMMENDATION: DO NOT FUND

Science Director Comments: Subsistence Use is considered an injured service still recovering from the effects of the oil spill and in this context, the relationships among subsistence use, lingering oil and community perceptions of food safety are important. This proposal also engages local communities at all levels of the project which is important for consensus-building and to ensure that the results of the project are trusted among all stakeholders. However, many relevant details of the proposal are vague: It is unclear who would be the project manager and how the objectives would be met. The methods and data analysis sections do not provide enough information to evaluate how the data will be collected or analyzed. Competing “models” for incorporating TEK/LEK are discussed but it is unclear how they will be integrated. The ideas behind this proposal are sound; however the details of how to accomplish the objectives are incomplete and cannot be evaluated thoroughly. **RECOMMENDATION: DO NOT FUND**

Executive Director Comments: RECOMMENDATION: DO NOT FUND

Project Number: 070708
Project: Irvine/Mann/Short - Lingerin Oil and the Dynamics of Boulder Armors
Project Title: Lingerin Oil and the Dynamics of Boulder Armors
Location: PWS
Principal Investigator: Gail Irvine, Daniel Mann, Jeffrey Short
Affiliation: USGS
Disbursing Agency: USGS
Funding Requested by Fiscal Year:
FY07: \$230,100 FY08: \$222,000 FY09: \$236,700 FY10: \$78,200
FY11: \$56,300

Total Funding Requested:
\$823,300

Abstract:

We propose to investigate the relationships between the dynamics of boulder-armored shorelines and the persistence of *Exxon Valdez* oil on shorelines in the Gulf of Alaska and Prince William Sound. We hypothesize that much of the lingering oil in the spill region is sequestered beneath boulder armors and that this oil poses risks to biota as well as challenges to future remediation. We propose to: 1) continue our long-term monitoring of the lingering oil and the boulder armors at our GOA sites, 2) investigate, through a field-based experimental approach, how boulder armored shorelines function in terms of natural disturbance rates and the factors contributing to oil persistence within them. As part of our study, we will test the effects and effectiveness of manual boulder removal as a cleanup method. By studying the dynamics of this little understood shoreline type, we will contribute new data that are useful in predicting the distribution of lingering oil and designing methods for its remediation, and *3) test the effect of boulder manipulation on clams.

NOTE: *This is a new objective in response to Science Panel comments.

Science Panel Comments: Fund pending re-submittal and resolution of several key issues. The study will provide information important to restoration, is well designed, and is to be conducted by qualified investigators with a strong track record at a reasonable cost. However, there were several concerns with the proposal that the panel felt should be addressed before approval for funding. Most importantly, the proposed work could potentially cause the release of sequestered oil that may impact local biota. The proposal did not address: 1) proposed means of remediating these potential impacts such as placement of booms, 2) Biological or chemical sampling to evaluate the potential effects of release of sequestered oil, 3) Obtaining of permits that may be required for the work, especially given that much of it is to be conducted in National Parks. These issues should be resolved prior to approval of funding. Also, the proposal (and others submitted by the same investigators) gives no indication of the extent oiled armored shoreline in Prince William Sound or elsewhere in the GOA that may be of concern and does not provide a

means of identifying the universe of such shorelines. This should be resolved in either this or other proposals submitted by the investigators. RECOMMENDATION: FUND CONTINGENT

Public Advisory Committee Comments: RECOMMENDATION: FUND CONTINGENT. The PAC recommends that only the mussel collection portion of the project receive funding.

Science Director Comments: The PIs propose to continue their long-term monitoring of boulder armor beaches that have remnant lingering oil and conduct manipulation experiments to evaluate the efficacy of altering boulder structure on the removal of oil from these beaches. The PIs adequately were asked to address four areas of concern raised by the Science Director and the Science Panel: 1) Possible long-term consequences to biota that may occur due to alteration of habitat (i.e. changing the structure of the armored beaches by moving the boulders) 2) Toxicological impacts to biota by the re-release of oil (i.e. unclear what measures were being taken to collect any oil that is released) 3) Clarification of the statistical model/methods that will be used to analyze the data, plus CVs from the statisticians/modelers that are participating in the project and 4) Regulatory requirements for doing this type of manipulations in National Parks.

The PIs provided thoughtful answers to the questions posed to them. Their response to question one resulted in the submission of an amended project summary. In the altered project, the PIs would use the field season in 2007 to do reconnaissance trips in PWS to find beaches that are armored, have residual oil and have clam populations in close proximity. If these types of beaches exist then the boulder manipulation studies could be focused on these shorelines in 2008. Addressing the potential impacts to biota is a crucial addition to this project.

I acknowledge that the PIs were very responsive to the request of the Science Director and Science Panel. However, I still can not recommend funding for the project at this time for the following reasons: 1) the geographic extent of armored oiled shorelines in the spill area is unknown, thus we cannot predict the magnitude of the potential problem on these beaches. The question of what to do about remediation on these types of shorelines might be better addressed after the extent of the problem is identified. The results of a project evaluating the distribution and amount of lingering oil would assist in scoping this project 2) in answering the above questions, the PIs speculated that less than 10% of the oil in the sediments would be mobilized by their boulder manipulation. The expense of the project may not be justified if it is anticipated that such a small amount of oil will be removed. Again, understanding the scale of the problem will help with a cost-benefit analysis.

That said, several components of the study should be reconsidered or deferred for future funding: 1) the long-term monitoring of the oil on the boulder armor beaches should continue. Given the slow degradation rate of oil in these types of beaches, it may be beneficial for the PIs to conduct a power analysis to determine how frequently monitoring should occur in order to detect change in oil degradation. 2005 was the last time these beaches were surveyed, so it is probable that these beaches should be resurveyed in 2008 or 2009; 2) disturbing boulder armor habitats may have long-term consequences to biota. It has been hypothesized that the inability of clam populations to recover in areas that were high pressure washed may be due to the physical alteration of the armor and the fact that this armor has not restructured itself. However, this theory has not been tested. Therefore, the amended version of the proposal, whereby the PI have a reconnaissance year to identify overlap of armor, oil and biota and then proposed manipulations of these habitats should be incorporated into future projects.

RECOMMENDATION: DO NOT FUND

Executive Director Comments: The questions related to the potential biological effects of boulder armor disruption have not been adequately addressed. Will bolder armor disruption do more harm than good? The PIs do not expect to see that much oil released from bolder armor disruption—approximately 10% of the underlying oil. If so, then why remove the bolder armor? Until a comprehensive survey of lingering oil is completed to determine where bolder armored beaches overlap, this project is pre-mature. RECOMMENDATION: DO NOT FUND

Project Number: 070800
Project: Joyce – The Cordova Center
Project Title: EVOSTC Outreach & Information Sharing Venue–Cordova Center
Location: Cordova
Principal Investigator: Tim Joyce, Cathy Sherman
Affiliation: TBD
Disbursing Agency: TBD
Funding Requested by Fiscal Year:
FY07: \$38,700 FY08: \$2,239,400 FY09: \$5,186,000

Total Funding Requested:

\$7,464,100

Abstract:

The Cordova Center will be a 34,000 square foot, ADA accessible multi-use facility designed to address the following EVOSTC, community, and regional needs:

- Public outreach and information sharing center for EVOS Trustee Council
- Research sharing venue for Gulf of Alaska Ecosystem Monitoring and Research Program
- Restoration of Cordova's injured fishing and tourism-based economy
- Economic revitalization locally and regionally

Upon completion of construction the Center will provide

- Venue to host symposia, workshops, classes
- Library supporting scientific research and offering online access to EVOS program reports
- Repository for local EVOS documents
- Science Discovery Room and Science of the Sound Education Program Home
- Museum exhibit on oil spill history and advances in science, technology and industry stimulated by the spill
- Oil Spill Response Emergency and Communications Center
- EVOS research, SEA, and GEM research findings educational displays, restoration effort results, art representing Delta and Sound ecosystems
- Visitor Center promoting PWS tourism, outdoor recreation, seafood marketing

Science Panel Comments: RECOMMENDATION: NOT REVIEWED

Public Advisory Committee Comments: RECOMMENDATION: DO NOT FUND

Science Director Comments: RECOMMENDATION: NOT REVIEWED.

Executive Director Comments: The City of Cordova is requesting the Council fund approximately 45% of the design and construction of a new City Hall for Cordova. The City has

stated that 14,655 of the total 34,000 square feet are directly related to the Council's restoration program. The proposal contains several references to the GEM program, which is not currently being pursued by the Trustees. Many other historic science programs are contained in the archives of Trustee Council documents (e.g., NRD, SEA, NVP). All of our programmatic documents are available to the public through ARLIS and the Council's website.

The schedule for fund-raising and the bid process seems ambitious, with construction to begin 14 to 17 months from now. The City does not have complete funding for the project. It is possible that the Trustees could fund the requested portion of the project, yet the remaining funds never be acquired. It would not be possible to construct only that portion of the building that the City claims has relevance to EVOS. Moreover, the history of the Alaska SeaLife Center has demonstrated the importance of researching anticipated annual operating costs of a facility and identifying how they will be paid.

The proposed library services described in this proposal duplicate existing services available at ARLIS and the Council's website. The proposal states the library will share resources for research needs among Prince William Sound Science Center, Native Village of Eyak, and Prince William Sound Community College; however, the PWS Science Center and OSRI are currently ARLIS partners, receiving desktop access to databases and electronic journals. EVOS related materials and other ARLIS research materials are also available to everyone in Alaska via interlibrary loan from their local library. The proposal still contains a reference to archival materials, which will remain at the Alaska State Archives by statutory mandate.

The Alaska SeaLife Center which was partially funded with Restoration funds provides educational and research opportunities to the public, so they can learn about the effects of the oil spill. This activity seems duplicative of the Discovery program (room and educational events).

The Restoration Fund cannot be used to fund Oil Spill Response activities. Thus, a Response emergency center does not qualify for funds.

The City of Cordova has stated that unless they receive Trustee Council funding this proposed project will not happen. However, according to the distribution plan for Case N. A89-095-CV (punitive damage claim), approved by Judge Holland on April 22, 1997, plaintiffs' attorneys expect the 11 municipalities to get a total of \$112,008,000. Cordova's final percent share is 21.054% of this judgment. This would be a more appropriate funding source for the City because the current proposal does not meet the criteria established for the intended use associated with the Settlement Fund. **RECOMMENDATION: DO NOT FUND**

Project Number: 070801

Project: Michel/Short/Irvine – Distribution and Amount of Lingering Oil in PWS

Project Title: Assessment of the Areal Distribution and Amount of Lingering Oil in Prince William Sound and the Gulf of Alaska

Location: PWS

Principal Investigator: Jacqueline Michel, Jeffrey Short, Gail Irvine

Affiliation: TBD

Disbursing Agency: TBD

Funding Requested by Fiscal Year:

FY07: \$1,465,500

FY08: \$128,600

FY09: \$0

FY10: \$0

Total Funding Requested:

\$1,594,100

Abstract:

The proposed study is to develop and implement a statistically rigorous field study and spatial modeling analysis to produce maps showing the probability of lingering oil in areas of Prince William Sound and the Gulf of Alaska that were affected by the Exxon Valdez oil spill. We will also estimate the area and volume of oiled sediments in these areas as of 2007. Sediment samples will be analyzed to fingerprint the source of the oil residues, characterize them as to the degree of weathering and risk to exposed biota, and determine treatability using bioremediation. The results will provide key data for use in developing more detailed remediation plans and priority areas for remediation. The probability maps will allow researchers to identify locations where oil persists with much greater precision, leading to more sensitive studies of the long-term effects of the lingering oil on biota in the spill-impact regions.

Science Panel Comments: The study will provide information critical to restoration, is well designed, and is to be conducted by qualified investigators with a strong track record at a reasonable cost. The panel recommends that the work be funded. The panel did have some questions regarding the qualifications of persons responsible for the modeling and statistical analyses. These should be explicitly identified and a resume provided for Dr. Pella who it appears will play a key role with respect to these aspects of the project. Also, it is unclear as to if or how the extent of oil on armored beaches will be evaluated. As described, the methods described do not appear applicable to sampling in these potentially important habitats. If necessary, the design should be modified to incorporate these. **RECOMMENDATION: FUND**

Public Advisory Committee Comments: **RECOMMENDATION: FUND**

Science Director Comments: The location, distribution and amount of lingering oil remaining in the spill area are key questions that may influence all future activities related to the restoration program. The PIs have excellent qualifications and the expertise to conduct this project. **RECOMMENDATION: FUND**

Executive Director Comments: In comparing of this proposal with the PI's FY05 Trustee Council funded project, the stated overhead rate has increased from 120% to 170%; and this proposal also includes a 6% profit. In the FY05 project, the requested overhead was 15%, with a 120% in-kind contribution from Research Planning, Inc--this is not offered in this proposal.

While I believe this proposal is scientifically sound and would provide valuable information for Trustee Council deliberations, funding should be contingent on the PI providing a current copy of the indirect rate reference in Research Planning, Inc current accounting practices and the inconsistencies referenced above are addressed. RECOMMENDATION: FUND
CONTINGENT

Project Number: 070824
Project: Patrick-Riley - Assessment and Restoration of Beaches with Lingering Oil
Project Title: Assessment and Restoration of Beaches with Lingering Oil
Location: PWS
Principal Investigator: Kent Patrick-Riley, Steve Bainbridge
Affiliation: ADEC
Disbursing Agency: ADEC
Funding Requested by Fiscal Year:
FY07: \$4,386,200 FY08: \$5,273,600 FY09: \$4,378,000 FY10: \$2,257,200
FY11: \$121,200

Total Funding Requested:

\$16,416,200

Abstract:

In 1994, the State of Alaska, with concurrence from EPA, identified the inertial zone of 23 beaches as impaired from petroleum remaining from the Exxon Valdez spill. These are the ONLY waters currently designated by State and Federal agencies as impaired from the Exxon Valdez spill. No studies have addressed their current status. Recent changes in EPA policy require that impaired waters either have a Total Maximum Daily Load (TMDL) or that a rationale be developed that shows a TMDL is not needed. Neither TMDLs nor the rationale that demonstrates TMDLs are unnecessary have been prepared for the EVOS impaired beaches. The 1994 Spill Restoration plan lacks many critical elements needed to satisfy Clean Water Act (CWA) restoration rationale requirements. This project is necessary to determine if impairments remain and to develop plan to restore any beaches that are still impaired in accordance with CWA requirements and State laws.

Science Panel Comments: The panel did not recommend funding this project for the following reasons: 1) The focus of the project is on water quality, yet water quality has not been identified as an injured resource. Sampling has indicated that EVOS related hydrocarbons are below detection limits in water, and clearly below federal standards set for impaired water bodies, 2) Even if water quality was impaired, the TDML approach (which is generally used for evaluating impacts to surface waters with multiple and chronic inputs of pollutants) seems inappropriate, 3) It is unclear as to how this is related to restoration or the mandates of the Trustee Council, 4) the methods were not well described, and 5) the costs for the project were not justified.
RECOMMENDATION: DO NOT FUND

Public Advisory Committee Comments: RECOMMENDATION: DO NOT FUND

Science Director Comments: Concur with science panel. RECOMMENDATION: DO NOT FUND

Executive Director Comments: RECOMMENDATION: DO NOT FUND



The Cordova Center

*Centerpiece of Cordova's
Economic and Cultural Renaissance*

*A community-based project developed
to address the needs of
Cordovans and benefit the*

Prince William Sound Region and the State of Alaska

- *Site and Architectural Design of the project developed through numerous community public meetings 2002-2004*
- *Site and for the preferred Site purchased by the City of Cordova 2005*
- *Site provides transportation link and connection between Cordova's busy harbor and active business district.*
- *Provides ADA Accessibility to all government services in the facility*
- *Provides space for an expanded museum, library and community education rooms*
- *Provides theatre/performance space for the community*
- *Provides conference and meeting space to spur economic development within the community and Prince William Sound Region*
- *Construction documents (85%) are complete at this time*
- *Total Project Cost is estimated \$17.5 million; 3.7 million secured*
- *Commitment to sustainable, energy efficient design to assist in long term operations and maintenance costs.*
- *A business plan for the Cordova Center is complete.*
- *Community partners include: Kachemak Village of Eyak; P. Cordova Service; Prince William Sound Science Center; Cordova School District; Cordova Historical Society; Ptage of the Tides; Cordova Arts and Pageants and many, many others.*
- *The Cordova Community has raised to date over \$20,000 through special events, silent auctions, individual donations and other activities.*

EVOSTC February 16, 2007

Cordova Center Project Summary

The Prince William Sound region has a strong need for a facility whose mission includes providing the venue and means for education of citizens, students, scientists, resource managers and stakeholders about the Prince William Sound and Gulf ecosystems and how best to manage its natural resources. The EVOSTC's goals of outreach, sharing research and providing educational opportunities correspond with needs of the City of Cordova.

In 1989 Cordova played a significant role as a vital supply, training, and dispatch center for the EVOS response, and the community facilities were overwhelmed by the process. In the event of another oil spill, we will again be called upon to provide response assistance. Adequate capacity to provide the needed service in a center located above tsunami risk, with sufficient back up generation, and space to train the thousands of responders expected is a definite need.

The Cordova Center also addresses the restoration points set in the 1994 Restoration Plan and specifically addresses the Human Services Injured by the spill. The injured human resource of tourism has not recovered in PWS as noted in the latest injured resources and services report.

Not only has Cordova been injured from depressed tourism, but the community has been severely impacted by the loss of fishing opportunities. Using numbers from the Commercial Fisheries Entry Commission records, 83% of herring gillnet, 60% of herring pound, 27% of herring seine, 80% of herring food and bait and 21% of herring hand harvest permits belonged to Cordova based fishermen. In the 12 years that fishing for herring has not occurred since EVOS, the fishermen have lost over \$44 million dollars. The city has lost \$3 million dollars in direct raw fish taxes. The total loss to the community is over \$45 million dollars just from the herring fishery.

The Cordova Center also addresses the restoration points set in the 1994 Restoration Plan and specifically addresses the Human Services Injured by the spill. These injured resources are not currently recovering in Cordova in large part due to the loss of the herring fisheries revenue.

Natural recovery.

The Cordova Center project will aid and assist the impacted community of Cordova to diversify and stabilize its failing economy. The city will gain economic benefits from the conference market the Center will access, bringing in increased sales tax, lodging tax and car rental tax. This will accelerate the recovery of the damaged human services.

The value of an injured resource to the ecosystem and to the public.

The replacement of lost ecosystem services suffered by Cordova from the collapse of the herring fishery, and reduced tourism has a "value" exceeding \$45 million, and the impact from the lost ecosystem service increases each year. Tourism is extremely valuable to the vitality of the community and to the public in general. Cordova's economy through its history has shifted from mineral extraction based to fishing based and now after EVOS is struggling to bring back the budding tourism economy that was lost to EVOS.

Duration of benefits.

Benefits gained from the project will last for the lifetime of the facility, estimated at least to a lifespan of 50 years. The Cordova Center is the centerpiece of the goal to increase economic diversification and to stimulate the local economy on a year-round basis. As the number of visitors increase, jobs will be created and opportunities for small business development will expand. Combined, these assets will encourage entrepreneurs, retirees, and families to move to Cordova, thereby adding to the growing number of beneficiaries of the Cordova Center Project.

Technical feasibility.

The proposed project is technically feasible using recognized design and construction standards. Use of state of the art design and construction techniques will reduce operating costs below those of the current, to be replaced, inadequate facilities, and actually reduce the carbon footprint of the community by reducing heating and electrical costs. A business and Economic Plan for the Cordova Center is complete. Construction documents are 85% complete.

Likelihood of success.

The project requires 50% of the estimated costs to be "in the bank" before foundation funders and other community support can be accessed. The EVOSTC contribution will trigger additional investment. Successful completion of the project will provide new revenue producing opportunities by increasing the capacity to provide support for symposiums, conferences, conventions, and other meetings. The "desirable destination" for individual and small tour visitors will increase through the development of a more robust museum that includes oil spill related displays. Revenues for visitors will help replace those lost from the herring fishery and tourism.

Will the project cause harmful side effects ?

No, the Cordova Center Project will not only work toward the recovery of the injured human services, but it will also not adversely affect the ecosystem by being constructed to meet LEEDS certification creating an energy efficient, environmentally friendly, state-of-the-art facility.

Will operation and maintenance support be required?

No, and there will be an overall reduction in operating costs through combining multiple "satellite service" centers into an integrated facility. The City of Cordova will own, operate and manage the Cordova Center. Operations and maintenance (O &M) costs for the new facility will be provided by combining O &M budgets for administrative offices, library and museum with income generated from the use of the civic center, theatre and leased space.

Will the project help a single resource or benefit multiple resources?

The expanded museum will be a destination for increasing tourism, a non-recovered service. The museum will include an educational exhibit which will develop ~ *Prince William Sound: Region in Transition*, the story of the 1989 spill and the science and research accomplished since. The "Discovery Room" will provide science and oil spill related programs for elementary students on a continuing basis. There will be seafood marketing information in a kiosk (commercial fishing is an injured resource). The library will provide a direct links to ARLIS, and provide a "satellite" repository for locally relevant Oil Spill research information.

Effects on health and human safety.

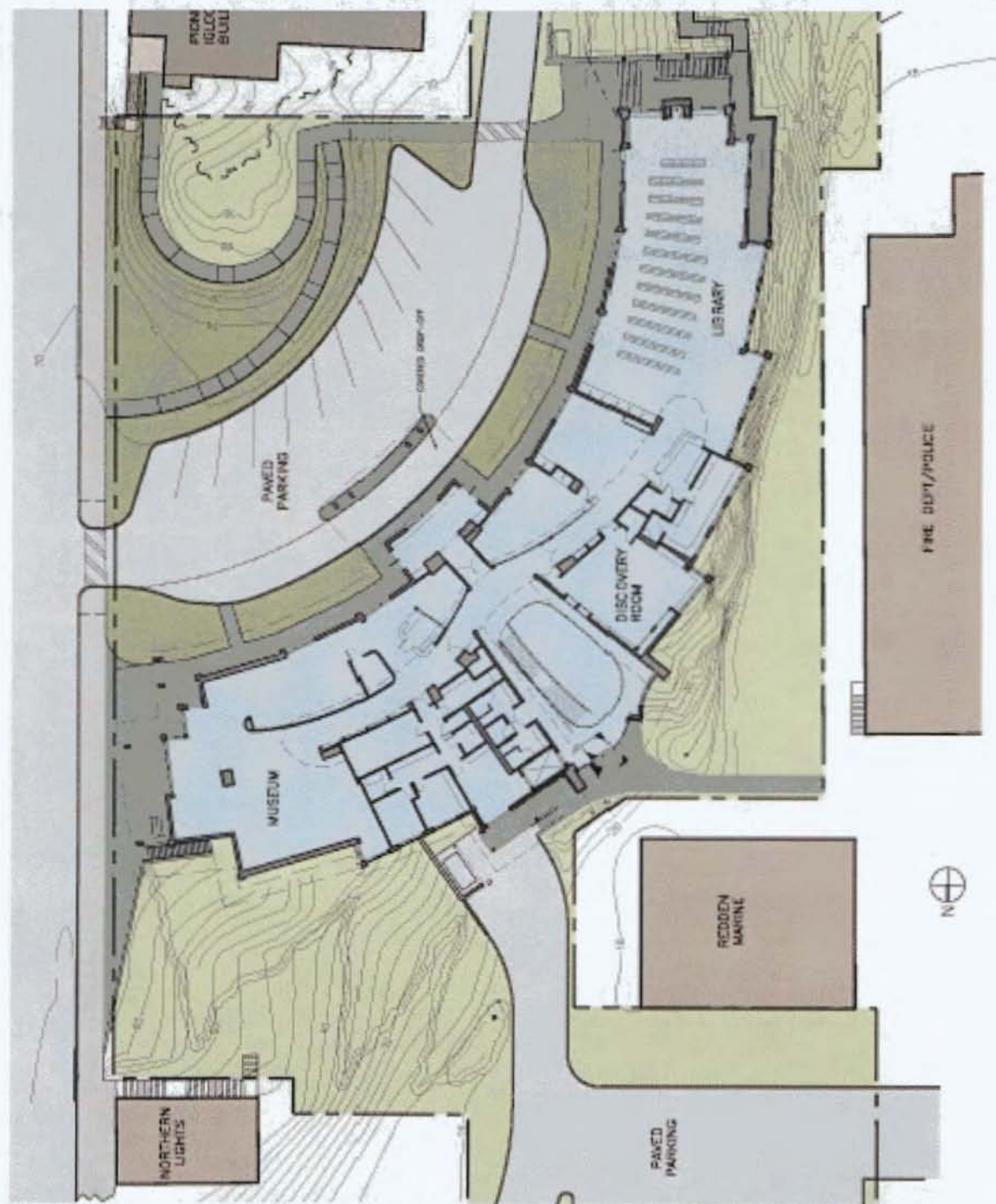
The Oil Spill Prevention and Response Center will provide emergency services and respond to disasters. Our current facility has no emergency back up generator and is located in tsunami zone. Cordova has the largest local spill response fleet in Alaska, made up of contracted vessels from the local fishing fleet.

Consistency with applicable laws and policies.

The project meets the criteria in the EVOS settlement and is not unlike other capital construction project funded in the past for the communities of Seward, Kodiak, and Homer.

Duplication.

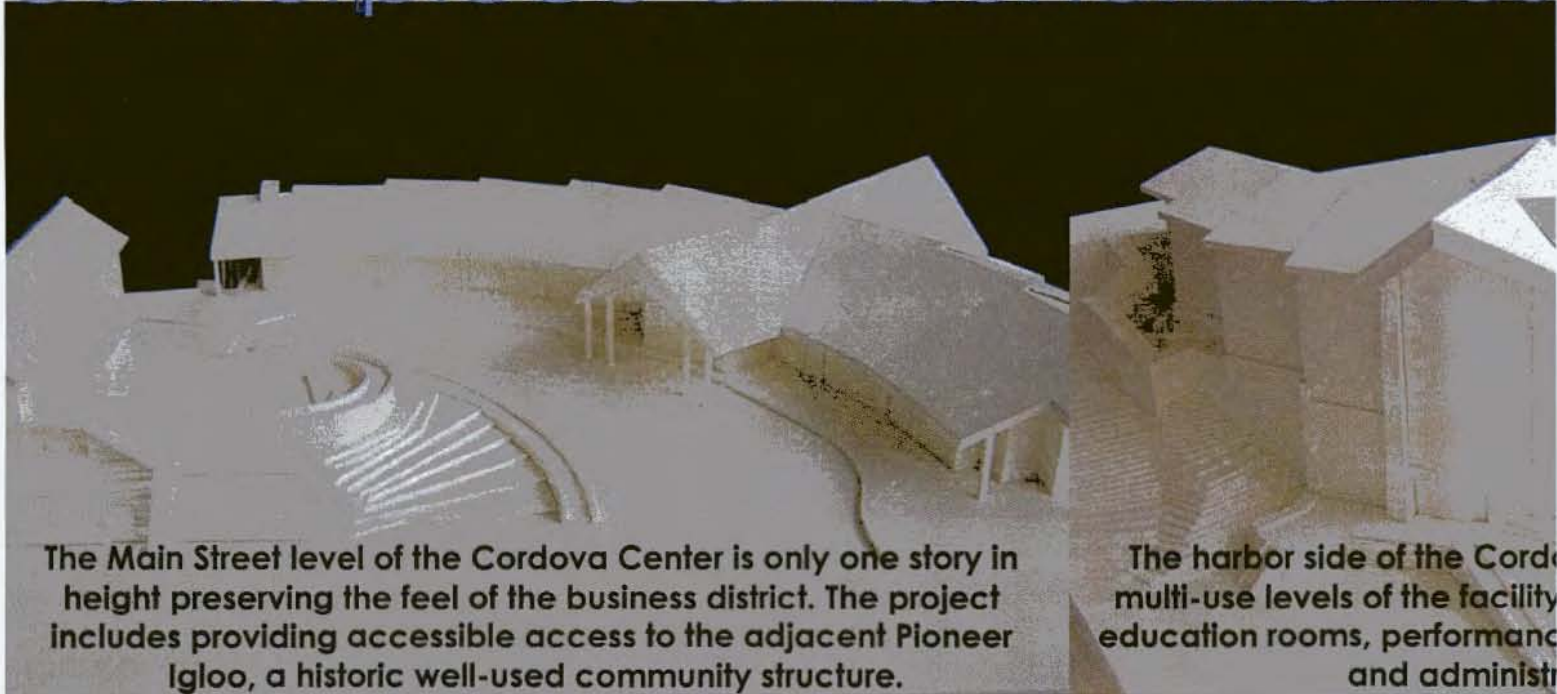
This proposed project does not duplicate other efforts, in fact; it provides an opportunity for efficient reduction. It is collaboration, engaging partnerships between the City, the Cordova Historical Society, U.S. Forest Service, Theater Groups, Cordova School District, Native Village of Eyak, Prince William Sound Community College, Prince William Sound Science Center, service groups, civic groups and the community.



The Cordova Center P

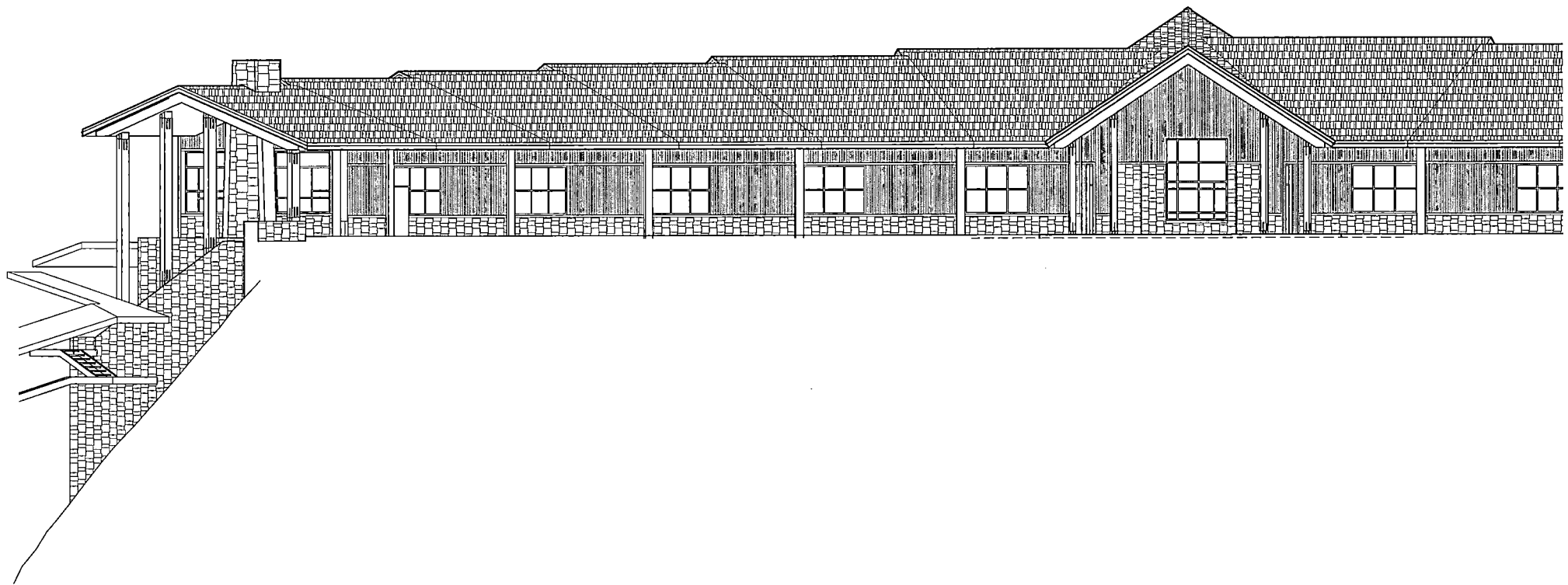


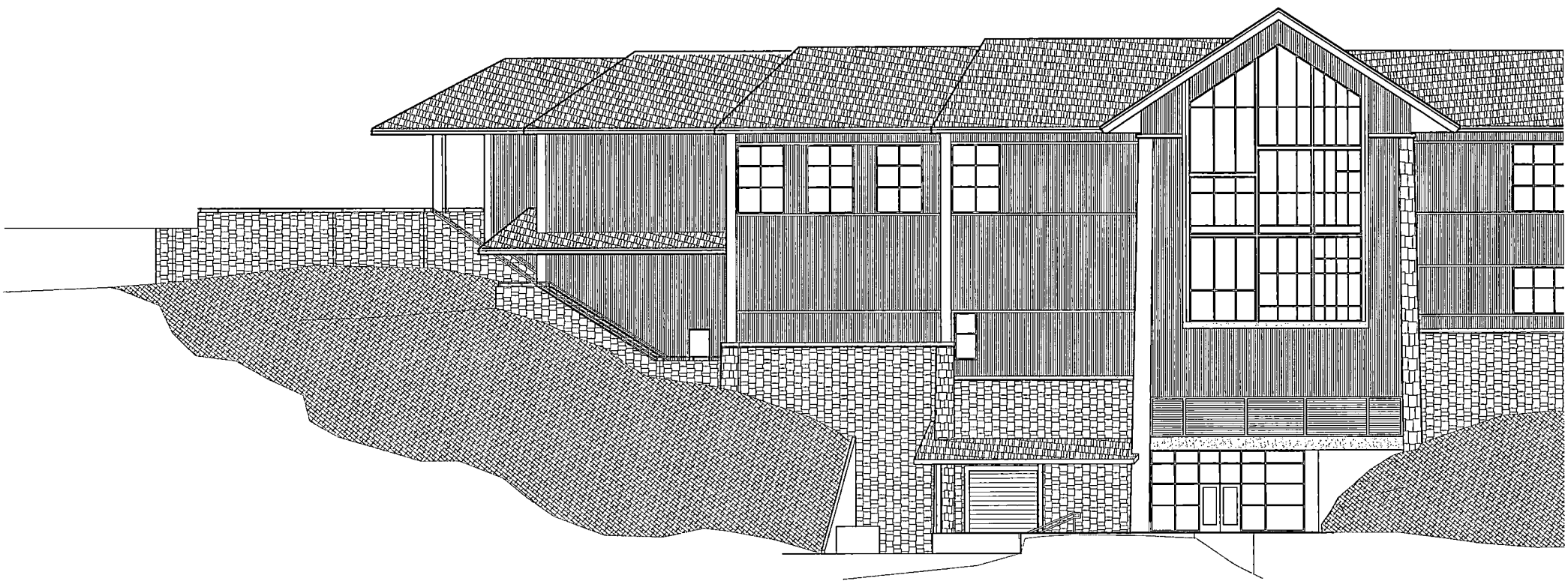
Centerpiece of Economic Res



The Main Street level of the Cordova Center is only one story in height preserving the feel of the business district. The project includes providing accessible access to the adjacent Pioneer Igloo, a historic well-used community structure.

The harbor side of the Cordova Center features multi-use levels of the facility including education rooms, performance spaces, and administrative offices.







SENATOR ALBERT M. KOOKESH
REPRESENTATIVE BILL THOMAS
SENATE DISTRICT C, HOUSE DISTRICT 5

State Capitol

Juneau AK, 99801-1182

November 13, 2006

The Honorable Tim Joyce
Mayor of Cordova
P.O. Box 1210
Cordova, AK 99574

Dear Mayor Joyce:

We would like to extend our continued support for the Cordova Center. This project will benefit Cordova, its residents and visitors in so many ways while directly affecting the human services restoration of a community deeply affected by the Exxon Valdez Oil Spill.

We certainly acknowledge the importance of continuing the outstanding scientific research conducted by the Prince William Sound Science Center and the independent researchers in Cordova and elsewhere in Prince William Sound. We know that many of the Trustees have been briefed on this project over the past two years, and we feel that the request of funds for construction of portions of the Cordova Center that have a nexus to the Exxon Valdez Oil Spill is justified and long overdue.

The City of Cordova has shown us that it is committed to funding the long-term operations and maintenance of this important facility and the City has done an excellent job of surveying the community about its needs while planning this project. Although many agree that the 1989 oil spill impacted humans and human services, it is more difficult to come to a consensus on tangible methods for restoration of those impacts. We concur with the City and the outgoing state administration that the Cordova Center can accomplish this restoration goal.

The Cordova Center will diversify and strengthen Cordova's local economy which is currently based on the fishing industry. It will provide space for scientific symposiums, and oil spill response training sessions. It will serve as an emergency response center, provide meeting space and will serve as the archive repository for historical oil spill documents.

Mayor Tim Joyce
November 13, 2006
Page 2

The Cordova Center will be a 34,000 square foot, ADA accessible multi-use facility designed to address the following EVOSTC, community, and regional needs:

- public outreach and information sharing center for EVOS Trustee Council;
- research sharing venue for Gulf of Alaska Ecosystem Monitoring and Research Program;
- diversification of Cordova's injured fishing and tourism-based economy;
- economic revitalization locally and regionally.


Upon completion of construction the Center will provide

- venue to host symposia, workshops, classes;
- library supporting scientific research and offering online access to EVOS program reports;
- repository for EVOS documents;
- Science Discovery Room;
- museum exhibit on oil spill history and advances in science, technology and industry stimulated by the spill;
- Oil Spill Response Emergency and Communications Center;
- GEM research findings educational displays, restoration effort results, art representing Delta and Sound ecosystems;
- Visitor Center promoting PWS tourism, outdoor recreation, seafood marketing.

The Cordova Center has been under intense scrutiny from the community, the legislature and state government for the past 4 years, and all have agreed that this is the right project to forward the human services restoration so lacking in our community since March 24, 1989. It is time to make our Alaskan coastal communities whole again.

We strongly urge the Trustees to make this project a reality. The Exxon Valdez Oil Spill Trustee Council can play a very major role in the economic turn-around of this oiled community. Your actions can leave a lasting legacy that will serve and teach generations of Alaskans about the lessons learned from this catastrophic event.

Sincerely,


Senator Albert Kookesh
Senate District C


Representative Bill Thomas
House District 5



October 31, 2006

Mayor Tim Joyce
City of Cordova
P.O. Box 1210
Cordova, AK 99574

Dear Mayor Joyce:

I am pleased to write this letter in support of the Cordova Center which will benefit Cordova residents in many ways, and also can be directly linked to restoration following the Exxon Valdez oil spill (EVOS). The Prince William Sound Science Center has worked with the City for almost a decade in planning and developing this project. The Cordova Center provides for the consolidation of library and museum services into a new, energy-efficient complex which will also include most city hall offices and a small auditorium. This will result in a dramatic facelift of our downtown while, at the same time, it will strengthen the community's spirit and services.

The City has done an excellent job of surveying the community about its needs and planning this project which is a basic city services project and also has links to the EVOS event. While many agree that the 1989 oil spill impacted humans and human services, it is more difficult to agree on tangible methods for restoration of those impacts but I think the Cordova Center will help accomplish this.

One link of this project to restoration following EVOS includes enhanced library and museum resources being made available to residents and visitors to Cordova. This year, many in the graduating class of Cordova High School will have been born in 1989, the year of the oil spill. Additionally, as new residents arrive in Cordova, it is important for our community to provide excellent museum exhibits, audio-visual materials and other library resources on the oil spill event and the results of the many research projects related to that event. Although new technologies, including the internet, can provide a wealth of materials, it still is critical to have librarians and museum curators who can direct patrons to appropriate resources.

A second link to restoration is to oil spill related educational programs coordinated by our staff in partnership with the U.S. Forest Service. *Science of the Sound* is the umbrella for a variety of educational projects that are offered to students of all ages through both the Cordova and Chugach School Districts. The Cordova Center includes a multi-purpose room that will be prioritized for use by *Science of the Sound* educators. This room will be

a big improvement and replace smaller classroom space currently used at the Cordova branch of Prince William Sound Community College.

Finally, the third link to restoration within the Cordova Center project is the auditorium with seating for just over 200 people. This new facility will make possible national and international professional meetings that require larger space than is now available in Cordova. The Prince William Sound Science Center and Oil Spill Recovery Institute have promoted construction of such a facility for more than 15 years because it will offer more opportunities for us to host scientists and others to share results of their research.

Sincerely,

Nancy Bird
President, PWS Science Center
Executive Director, PWS Oil Spill Recovery Institute

Meeting Summary

A. GROUP: *Exxon Valdez Oil Spill (EVOS) Public Advisory Committee (PAC)*

B. DATE/TIME: January 25 and February 1, 2007

C. LOCATION: Anchorage, Alaska

D. MEMBERS IN ATTENDANCE: (T = via teleconference)

<u>Name</u>	<u>Principal Interest</u>
Torie Baker	Marine Transportation (2-1-07 only)
Jason Brune	Public-at-Large
Kurt Eilo	Sport Hunting/Fishing (2-1-07 only)
Gary Fandrei (T)	Aquaculture/Mariculture
Pat Lavin	Conservation/Environmental (1-25-07 only)
RJ Kopchak	Commercial Fishing
Steve Lewis	Regional Monitoring (2-1-07 only)
Vern McCorkle	Public-at-Large (1-25-07 only)
Martin Robards	Science/Technical
Stacy Studebaker	Recreation Users
Martha Vlasoff	Subsistence Users
Ed Zeine (T)	Local Government

E. NOT REPRESENTED:

<u>Name</u>	<u>Principal Interest</u>
Larry Evanoff	Native Landowners
Mark King	Tribal Government
Ron Peck	Commercial Tourism

F. OTHER PARTICIPANTS:

<u>Name</u>	<u>Organization</u>
Michael Baffrey	Executive Director, Trustee Council
Doug Mutter	Designated Federal Officer, Dept. of the Interior
Michael Schlei	Trustee Council Staff
Kim Trust	Trustee Council Staff
Cherri Womac	Trustee Council Staff
Barat LaPorte	Patton Boggs
Jenifer Kohout	U.S. Fish and Wildlife Service
Dede Bohn	U.S. Geological Survey
Pete Hagan	National Oceanic and Atmospheric Administration
Ken Adams	Cordova Fisherman (1-25-07 only)
Tim Joyce (T)	Mayor of Cordova
Linda Hay (T)	Alaska Department of Environmental Conservation
Carol Fries (T)	Alaska Department of Natural Resources
Craig Tillery	Alaska Department of Law (1-25-07 only)

Joe Meade	U.S. Forest Service (USFS) (1-25-07 only)
Steve Zemke	USFS (1-25-07 only)
Jim Fincher	USFS (1-25-07 only)
Sara Boaris	USFS (1-25-07 only)
Ron MacLean (T)	USFS (2-1-07 only)
Marilyn Sigman	Center for Alaska Coastal Studies (1-25-07 only)

G. SUMMARY:

At 8:43 a.m. Stacy Studebaker, PAC Chairperson, opened the meeting with a welcome and introductions. Doug Mutter conducted the roll call (a quorum was present shortly thereafter). The November 2, 2006, PAC Meeting Summary was approved.

Public comments were delivered:

--Tim Joyce spoke in support of the proposal to fund a portion of the development of the Cordova Center as a tourism service restoration effort.

--Marilyn Sigman asked that the PAC consider favorably the Environmental Education and Community Outreach Report. She said there should be more coordination with the North Pacific Research Board (NPRB) efforts at distributing ocean science information. Martha Vlasoff echoed the need to coordinate with NRPB efforts.

--Ken Adams reviewed the history of EVOS projects as a precursor to developing a long-term vision. He urged that restoration needs be addressed in balance with research and monitoring, and that the restoration reserve be maintained intact as much as possible.

Craig Tillery provided a background and history of the *Exxon Valdez* oil spill restoration program. He noted that the agreements and consent decrees settled through the courts govern the restoration program. He said the PAC could help the Trustee Council re-define what "recovery" means and could advise them on the "re-birth" of the restoration program—what it should be from this point forward.

Cherri Womac reviewed the contents of the PAC Orientation Binder that was distributed. It includes web links to many sources of EVOS information. Doug Mutter gave an overview of the requirements of the Federal Advisory Committee Act (FACA) as it relates to the PAC.

Michael Baffrey gave the Executive Director's report. He said the Injured Resources and Services List was updated in November and that the Trustee Council decided to update the list annually. The restoration objectives identified in the 1994 Restoration Plan may no longer be applicable and need to be reexamined. The PAC will be invited to a retreat with the Science Panel and Trustee Council to discuss the FY2008 Invitation for Proposals and the vision for the restoration program. The Trustee Council plans to meet the end of March to release the FY2008 Invitation. Additional FY2007 proposals will be reviewed shortly—those coming from submitted pre-proposals. There are four new members of the Trustee Council: one for the U.S. Department of the Interior (Hans Neidig, acting) and three new State Trustees (Talis Colberg, Attorney General; Larry Hartig, Department of Environmental Conservation Commissioner; and Denby Lloyd, Department of Fish and Game Commissioner).

Baffrey reported that the Trustee Council decided to fund for the FY2007 work plan, the priority 1 and 2 herring proposals and the priority 1 and 2 non-herring proposals. This puts the total project amount funded at \$4.7 million, which is above the inflation-proofing cap recommended by the PAC. He said the Trustee Council rationale was that herring was an important issue and that public support of other projects was important to respond to.

R.J. Kopchak said there is a disconnect when the Trustee Council goes against PAC advice on funding herring projects (e.g., priority 2 proposals) that may not fit into the herring plan being developed. Vern McCorkle stated that, although the Trustee Council does not have to justify its decisions to the PAC, he agrees that some priority 2 proposals were not well presented, and would like to know why they were funded. Jason Brune noted that with four new Trustee Council members on board, we may not get to the rationale of the decision. Stacy Studebaker recalled that Trustee Council member Drue Pearce stated that we needed to hit herring hard, so priority 2 proposals should be funded.

Vlasoff said she attended the NPRB meeting this week and asked about coordination and collaboration with EVOS and NPRB, since they are interested in some of the same research topics. Baffrey said there needed to be more coordination between the two entities. Pat Lavin asked that this need for more coordination be included in the Environmental Education report. McCorkle agreed that we should make sure that research gaps were being filled and duplication avoided.

Motion by Brune, second by McCorkle that **the PAC suggests that the Trustee Council direct the EVOS Trustee Council Executive Director to formally coordinate with other science entities (e.g. NPRB) doing research in the EVOS area as the Trustee Council makes its funding decisions.** Passed unanimously.

Studebaker summarized the Environmental Education and Community Outreach Committee report (see handout). The committee was formed at the request of the PAC to examine the best way to approach science education in the spill area. The committee met December 11, 2006. They divided the topic into three categories: environmental education, community involvement, and community outreach. Brune asked that any curriculum recommendations be in synch with the new State science curriculum standards. Robards suggested developing a simple, standard form to use for the small grants proposals. Kopchak said some panelists reviewing education proposals may have a conflict of interest, which needs to be addressed. He also mentioned possible coordination with the National Ocean Sciences Bowl, which will be held in Alaska next year. Vlasoff said she left the NPRB ocean education materials with the EVOS staff, if anyone wished to examine those materials. She suggested that science centers, schools and the university need to work together. Sigman noted that there may be costs involved in having an education proposal review panel and they should be covered in the plan. Ed Zeine said the committee had done a good job.

Joe Meade introduced the Prince William Sound (PWS) Framework Project—now in the conceptual phase—that the Forest Service is working on and the potential partnership with National Geographic (see handout). He introduced Sara Boario, who gave a PowerPoint presentation on the proposed project. The concept is to work with interested stakeholders and residents of the PWS area to develop a geotourism map, which would enhance tourism in the Sound. Kopchak said they needed to consider differing demographics in the area. Vlasoff agreed, noting Native villages need to be addressed. Robards asked how they would determine

carrying capacity. Meade said this would be part of the effort. Brune asked how this related to the Chugach National Forest Land Management Plan. Meade said the plan allowed for adjustments as additional information became available. He said they would be meeting with other groups and communities next. The seven EVOS project proposals in the packet are not for the Trustee Council program. Meade said this was just to provide information on what was being considered and to engage and possibly collaborate with others. Boario said they were looking for a shared vision of PWS carrying capacity and coordination with other land owners. Lavin noted that the National Wildlife Federation had done some work on ecotourism in PWS and that the Alaska Wilderness Recreation and Tourism Association should be included.

Kim Trust reported on the Herring Planning Work Group (see handouts). The Trustee Council recently funded 16 herring projects. The Herring Steering Committee met in November 2006 and in December with herring project Principal Investigators, then again at this week's Marine Science Symposium. The goal of the plan is to identify herring recovery criteria. Their recommendation for the FY2008 projects is to not start any new projects and to reevaluate the priority of current projects. Doug Hay has been contracted to do a white paper on international approaches to herring intervention. The paper is due the end of February. The draft herring plan is about 50 pages now, and is being refined. A shorter summary will also be developed. The committee is still discussing possible governance issues related to long-term continuity for implementation of the plan.

Kopchak said that the herring recovery criteria being discussed were: 1) biomass (e.g., 43,000 metric tons over 6-8 years), 2) age class (e.g., having at least 2 year classes), and 3) spatial distribution of the population (e.g., distribution of spawning across the historical spawning area). These goals are consistent with the Alaska Department of Fish and Game ideas. Kopchak noted that this may take a long time, since we have already had 13 seasons of failed fisheries. Intervention recovery will also be seriously examined. He noted issues facing the committee were needed data mining, weak modeling, and lack of enough assets to assist (now mostly using volunteers). He said that Kim Trust has done a great job. He reminded the PAC that 40% of the income from herring fisheries went to Cordova and there was great interest in herring recovery at that community.

Baffrey asked if the proposed 2007 international workshop on herring was still needed. Trust and Kopchak replied that after the white paper is presented they would have a better idea. Vlasoff suggested that management influences on herring decline needed to be considered. Brune asked about how carrying capacity was determined. Trust said that 65 years of data was examined, and that included up and down cycles. Kopchak noted that they will compare PWS herring with the herring fishery in Sitka Sound, which was not oiled. McCorkle said that looking at herring in other parts of the world was important. Trust said they would reconsider all Trustee Council herring projects based on forthcoming new information.

Motion by Robards, second by McCorkle that **the PAC recommends the Trustee Council support continuing efforts of the Herring Work Group, based on their report to the PAC of January 25, 2007.** Passed unanimously. This includes the recommendation to not support funding any new herring proposals until the herring restoration planning is completed.

Baffrey provided an overview of the addendum to the FY2007 work plan, noting that six additional proposals were up for review today, and that five of them have been reviewed by the Science Panel (the addendum was distributed as part of the PAC Orientation Binder).

Trust stated that the term “fund contingent” meant that the proposal required some easy to make tweaks and not a major rewrite. Robards said that the PAC had previously recommended that the Trustee Council not spend more than was available after inflation-proofing the principal of the reserve fund, and because the FY2007 work plan has already gone over this limit, all these additional proposals should be deferred. Lavin agreed. Baffrey asked the PAC to go ahead and rank the proposals based on their merit, not a budget limitation. The PAC agreed to do that.

Trust provided a summary of the Brown-Schwalenberg proposal and the PAC members discussed it. While subsistence is important, as is the use of Traditional Ecological Knowledge (TEK), the proposal did not offer a clear plan or process for how the work would be accomplished. TEK protocols need to be included.

Trust provided a summary of the Irvine proposal and the PAC members discussed it. We need to ensure that oil does not escape into the environment when sites are disturbed. The survey of mussel beds was deemed important, but the removal of surface materials seemed too expensive for the potential results.

Trust provided a summary of the Michel proposal and the PAC members discussed it. This project will provide a broad aerial extent of the lingering oil in a GIS format. The project is expensive.

Trust provided a summary of the Venosa proposal and the PAC members discussed it. The project does not seem to capture multi-seasonal data.

Trust provided a summary of the Patrick-Riley proposal and the PAC members discussed it. The project does not appear relevant to the laws and regulations cited.

While recognizing that the Trustee Council did not follow the PAC recommendation to only fund priority proposals and stay within the FY2007 budget limitation of inflation-proofing the reserve fund, the PAC makes the following recommendations to the Trustee Council for the FY2007 addendum proposals:

--070828 Brown-Schwalenberg	do not fund
--070708 Irvine	fund mussel survey component only
--070801 Michel	fund
--070836 Venosa	do not fund
--070824 Patrick-Riley	do not fund

At 3:05 p.m. Kopchak called for a quorum roll call. There being only seven PAC members at the meeting; absent a quorum, which is eight PAC members, no further action could be taken, therefore, no action was taken on proposal 070800 Joyce. The lack of a quorum was discussed by PAC members. It was agreed that people sitting on the PAC need to be committed to participating in this process and attending the PAC meetings.

The next steps in preparing a vision for the restoration program were discussed. Baffrey offered staff assistance for the PAC, if needed. A meeting on this in early March was suggested.

The meeting was recessed at 4:00 p.m., to reconvene Thursday, February 1, at 10:00 a.m. to discuss the Joyce proposal.

February 1, 2007: the meeting was reconvened by Chairperson Studebaker at 10:09 a.m. Mutter took roll call, a quorum was present. Studebaker said the only item remaining on the agenda was the Joyce proposal to fund a portion of the Cordova Center.

Baffrey said that the proposal was initially presented in 2003 and was resubmitted in response to the FY2007 Invitation. More information was needed, so a decision on funding was deferred.

Joyce provided a summary of the Cordova Center proposal (see handout) submitted by the City of Cordova. He noted that the proposal is a public document and the request is for the Trustee Council to fund the parts of the Center that relate to EVOS restoration of injured human services, about \$7.5 million. Funding from other sources will be obtained for the rest of the project. He referred to the Restoration Plan definition of restoration and the identification of injured resources and services. Their focus is on restoration of injured recreation and tourism.

Zeine said he supports the Trustee Council funding this proposal, and recommends the PAC support it as well. He thinks the link to tourism services is clear.

Lewis said he is against funding the proposal because there is no compelling link to the injured environment. He referred to the unanimous PAC decision last fall to recommend the Trustee Council live within the interest from the fund and not spend the principal.

Kopchak asked about conflict of interest, as he is a Cordova resident and has participated in many meetings and discussions with people in Cordova on this proposal.

Mutter responded citing PAC Charter paragraph 12 (Ethics Responsibility: No member shall participate in any matter specifically concerning a lease, permit, contract, claim, agreement, or related litigation in which the member has a direct financial interest.). He stated that a direct interest would mean the member or his immediate family (spouse or minor child) or a partner, or if they served as an officer or employee of an organization, has a financial interest. If that were the case, the member would need to recuse themselves from discussion and voting, or divest themselves of the interest, or obtain a waiver. He noted that since PAC members represented interests, such as commercial fishing, the Trustee Council expected their input on fishing related matters, as long as the particular proposal being considered did not personally benefit the member, as described above.

Kopchak said the proposal is germane to recovery criteria and the value of lost services from the injury to herring translated into lost revenues from fish taxes to Cordova. This could be a replacement for this lost service to Cordova. Baffrey responded that lost revenues could not be compensated for from the settlement funds, this is a private claim. Kopchak stated that herring injuries were not viewed the same when the settlement occurred and the spill caused disruptions to the city infrastructure and Cordova had nothing to fall back on. He asked if the PAC is comfortable with dipping into the restoration fund principal and if the amount asked for in this proposal was of value for meeting restoration needs? Inflation keeps raising the cost of this project--he believes the proposal is tied to restoration criteria related to lost ecosystem services.

Eilo asked about the previously passed PAC resolution with regard to use of the principal of the fund. The November 2 PAC action was: the sense of the PAC is that project work should stay within the budget means (not taking from the reserve principal) unless a particularly good project or opportunity arises that justifies spending some of the principal.

Baker asked how the EVOS funds related to other funds for the Center. Joyce said a smaller amount is needed year one in the project, and more funds would be required from other sources in years two and three. Zeine asked about operating costs for the Center. Joyce said the City would cover those.

Fandrei spoke with PWS Aquaculture Corporation members and said their organization could not take an official stand, but that most of the membership seemed to support the project. He said the spill put a negative spotlight on the Sound for tourism and that this could be a help in recovering. He supports letting communities decide how best to address their lost services. He voiced concern that the Trustee Council has yet to lay out where the restoration program is going in the future.

Brune asked if the response elements of the Center were related to the proposed spill response facilities at Shepherd's Point. Joyce said the two were not related.

Eilo said he has a hard time linking the ecosystem with community building projects. This is a slippery slope to go down when we fund these types of community wish lists. He is afraid we will lose focus on injured resources as a result. Robards also is nervous about the slippery slope of community proposals. He is committed to the long-term viability of the restoration program and to fiscal responsibility. This proposal is for a significant amount of money given we have no restoration vision—which we need to have first.

Eilo asked if it would cripple the project to wait until a restoration vision was in place before funding it. Joyce said yes, due to rising costs it needed to move forward this year or it will probably not happen.

Kopchak said he represents commercial fishing in PWS and that the Cordova District Fishermen United endorsed the project. He also supports long-term recovery efforts, especially for PWS herring, and would hate to see funds for herring lost because of this project. If he votes yes on this proposal, it does not mean these funds should displace herring restoration funding. It is a great way to address injured tourism in this community. Joyce noted that the Center would include the city emergency response center and would move it from its currently vulnerable location to a place above the tsunami line.

Studebaker asked if there had been a previous legal review of this proposal. Baffrey cited a memorandum from the former EVOS Executive Director to the Trustee Council indicating the view that funding this type of project with civil settlement funds was not appropriate, and could only be done with a change in the laws and/or settlement agreement.

Zeine moved, second by Fandrei, that the PAC support the Cordova Center proposal consideration of funding by the Trustee Council. Kopchak offered an amendment, accepted by Zeine and Fandrei, that the motion be: that the PAC supports funding only those portions of the Cordova Center that comply with the Settlement Agreement and Restoration Criteria. The motion failed (Baker, Brune, Fandrei, Kopchak, and Zeine for approval) (Eilo, Lewis, Robards, Studebaker, and Vlasoff opposed).

Studebaker said there was not a strong nexus and would like a legal review of the items proposed for EVOS funding. She asked if the library was a duplicate of ARLIS. Joyce responded that it was not, but would be a link to ARLIS, and he did not believe they were asking for anything

illegal. A visitor center related to tourism and could even host the annual EVOS symposium. Eilo stated his concern that approving this project might open the doors for other communities to propose bricks and mortar projects.

Eilo moved, second by Robards, that based upon existing unanimous agreement at the PAC November 2, 2006, meeting, the PAC reiterates and recommends that the Trustee Council fund projects within the limitations of the interest income on the reserve, with exceptions for occasional critical projects that address un-recovered species. The PAC recommends the Cordova Center proposal be fully and fairly considered upon completion of the proposed long term visioning planning process for EVOS funds and further legal review for the Trustee Council. The PAC further recommends construction projects which may have substantial merit be considered for full funding upon clear determination that impacted species and the ecosystem are clearly recovered or recovering. The motion failed (Eilo, Robards, and Vlasoff for approval) (Baker, Brune, Fandrei, Kopchak, Lewis, Studebaker, and Zeine opposed). Vlasoff asked about including Science Panel review in the motion.

Studebaker asked if there were any final comments. Baker replied that she applauded the PAC members who were involved in this process, that it was difficult, and given the rotation of Trustee Council members over time, it was good to have some institutional memory around to assist in the process. She felt the issue was ethically and fairly considered. Fandrei agreed, noting it was impossible to agree 100% all the time. Zeine thanked Studebaker for her leadership. Kopchak noted the process was not pretty, but worked the way it was supposed to.

The meeting adjourned at 11:45 a.m.

H. FOLLOW-UP:

1. Baffrey will send to PAC members portions of the Trustee Council meeting transcripts dealing with the decision to fund lower priority proposals.
2. Studebaker will re-send to PAC members and staff, her thoughts on the restoration vision.
3. Baffrey will have the EVOS staff set up an internet-based discussion/bulletin board page for use by the PAC, EVOS staff, and Trustee Council members in discussing the restoration vision.
4. Send any comments and suggestions on the USFS PWS Framework to sboario@fs.fed.us

I. NEXT MEETINGS:

- Reconvene this PAC meeting via conference call February 1 at 10:00 a.m.
- Trustee Council meeting February 16 in Anchorage
- PAC Meeting 9:00 a.m. on March 2 in Anchorage
- FY2008 Invitation and Restoration Vision Retreat March 9-10 (tentative)

J. ATTACHMENTS:

1. PAC Orientation Binder (will be mailed to those not in attendance)
2. Environmental Education and Community Outreach Committee report
3. USFS PWS Framework and Geotourism Packet
4. Pacific Herring Restoration Plan for PWS Draft Plan Outline
5. Herring Activities Timeline

6. Cordova Center Proposal Summary

K. CERTIFICATION:

PAC Chairperson

Date

Comments to the EVOS Trustee Council
February 16th, 2007
By Stacy Studebaker
EVOS PAC Chair

Good morning Ladies and Gentlemen of the EVOS Trustee Council,
and welcome to the new members whom I haven't had a chance to meet yet.

For those of you that are new to the Trustee Council, it is customary protocol for the chairman of the PAC to have a dialog with the TC and give a report at the beginning of each TC meeting on any PAC business that took place since the previous Trustee Council meeting. I'd be happy to respond to any questions you may have.

The PAC is made up of 15 people who represent various communities and/or user groups in the oil spill area. Cordova has the largest representation. I'm from Kodiak, have lived here 27 years and have been a member of the PAC for 12 years.

I'd first like to say how much the PAC appreciates Michael Baffrey and his wonderful, professional staff. The restoration program was in chaos for close to 2 years and the public was practically disenfranchised. However, in the last year under Michael's leadership, the public advisory group feels that things are getting back on track. We look forward to working with the new trustees in making this era of the restoration program productive, focused and inviting to the public.

The PAC met on January 25th and reconvened on February 1st to finish the meeting.

We had a great orientation for the new PAC members by Craig Tillery that included a good summary of the background and history of the EVOS restoration program. Most importantly, he encouraged us to help the TC redefine what "recovery" means and that it would be advisable for us to play an active role in clarifying how the restoration program should proceed from this point forward. Taking that advice to heart, we are planning a half-day visioning session for our next meeting on March 2nd.

The PAC also reviewed the Environmental Education and Community Outreach Committee Report that I wrote as follow-up to the Education Committee meeting on December 11th. The committee was formed at the request of the PAC and the TC to examine the best way to approach science education and outreach in the spill area. The PAC supports the efforts and goal of the Education committee and wants to see the committee's recommendations incorporated into the FY08 Invitation.

I hope you all received your copies of the report and have had a chance to read it over. I'd be happy to answer any questions you may have about it.

The PAC also supports the work of the Herring Planning Work Group and concurs with their recommendation not to start any new projects in the FY08 funding cycle. Like the Herring Work Group, the PAC thought it would be smarter to wait and reevaluate the numerous current projects that were funded before any more herring work is funded and there is a Herring Recovery Plan in place. The PAC also looks forward to seeing the white paper that Doug Hay has been contracted to write on international approaches to herring intervention. The PAC recommends the TC support continuing efforts of the Herring Work Group.

The PAC then reviewed the addendum to the FY07 work plan that included 6 additional proposals. Kim Trust provided us with summaries of the 5 science proposals. While recognizing that the TC did not follow our recommendations to only fund priority proposals and stay within the FY07 budget limitation of inflation proofing the reserve fund, the PAC didn't want to consider any more proposals for this year. They agreed that all the proposals should be deferred. Mr. Baffrey asked us to go ahead and rank the proposals anyway, based on their merit, and without a budget limitation. We agreed to do that and made the following recommendations:

Brown-Schwalenberg	do not fund
Irvine	fund only mussel survey component
Michel	fund
Venosa	do not fund
Patrick-Riley	do not fund

The PAC again agreed that it was difficult to consider additional proposals for the FY07 work plan because of our previous unanimous recommendation and resolution to maintain the restoration reserve account and work off the interest. It is the recommendation of the PAC to not accept proposals after the closing date of the invitation to avoid the present situation with multiple late proposals to be considered after the annual work plan. This year's abnormal situation allowing these different rounds of proposals to be submitted certainly confused the process, confused the science community, put extra burdens on peer reviewers, the PAC and the staff. We had to call an extra meeting this year. We recommend that we get the invitation and review process back on track in FY08.

The PAC had a long discussion about the Cordova Center. Some PAC members felt that funding very big and costly brick and mortar projects at this time was an inappropriate use of restoration funds when there are still so many unanswered questions about the recovery of the ecosystem and that ecosystem recovery should be our highest priority. Some were afraid of opening the door to funding big capital improvement projects and that funding this proposal would lead to more such proposals that would spend down the remaining restoration reserve funds before the ecosystem was restored. Some questioned the legality of using the restoration funds for this kind of project. Others felt that funding the Cordova Center was a good way to restore damaged human services, such as tourism.

A motion was made to recommend funding the Cordova Center proposal. The motion failed.

Thanks and that concludes my comments.

Are there any questions?

Sincerely,
Stacy Studebaker
EVOS PAC Chair

Good Morning. My name is Tim Joyce. I am the mayor of Cordova. I am here to today to testify in support of project 070800, the Cordova Center.

I want to thank the Trustee Council for taking giving us the opportunity to address you on this important project. I know that several of you are new to the EVOS TC and have not had the pleasure of hearing some of the past testimony on this project. I also know that making a decision on this project is something that should be well thought out and based on merit and the restoration plan.

I would like to provide you with some information on other EVOS funded projects that also touched on restoration of the injured resource of tourism, which is a resource that the Cordova Center also addresses.

The EVOS TC funded project 94199, the Alaska Marine Research Institute in Seward, Alaska in the amount of \$24,956,000. Another \$12.5 million dollars of state EVOS restoration funds were appropriated in 1993 by the state legislature for the planning, design and construction of this facility.

The EVOS TC funded project 93055, the Alutiig Archeological Repository Center in the amount of \$1.5 million. Within the justification of the project description for this repository it was stated that a "downtown location is important to the long term success of this project due to

the fact that visitors to Kodiak Island seldom bring automobiles with them and are therefore on foot.” Under the benefits of the project it states that “exhibits, as well as a steady stream of new information based on excavation results, will provide an invaluable tool for public education. We also expect beneficial side effects on the growing visitor industry.”

In the final report for restoration project 99314, the Homer Mariner Park, under section 3.3.4, Recreation and Tourism, it states that “large numbers of tourist and summer visitors drive along the Homer Spit during the summer tourist season, and Mariner Park Lagoon and Mud Bay are very prominent features of the landscape which provide camping, wildlife viewing, birding opportunities and /or general sight seeing.” It goes on to say in 3.3.6, Summary of Human Environment that “the project site is located within the City of Homer, which depends heavily on commercial and sport fishing, trade and services and a rapidly growing visitor/tourism industry.” It goes on to say “the area is used for recreational purposes, such as camping, birding, and beach combing, and there is currently a city-owned camp ground located at the southern portion of the project area.”

Finally, in the conclusions of the final report of project 99180, Kenai River Habitat Restoration and Recreational Enhancement Project, it states “Achievement of the goal of preserving a high-quality recreational experience for both residents and tourists is open to debate. There is no

universally accepted definition for a high-quality recreational experience.”

It is clear to me that the EVOS TC has used restoration funds for a variety of purposes including construction costs for buildings and tourism related projects in several of the EVOS impacted cities. I would like provide an opportunity for the TC to do for the oil impacted community of Cordova what they have already accomplished in restoration for the other oiled impacted communities of Kodiak, Kenai, Seward and Homer. We hope the TC will take the time to examine the Cordova Center project and make a decision on its merits and we are certainly open to suggestions as to how we can cooperate to make this project a success.

Thank you.



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Cordova, Alaska 99574-1388
Ph (907) 424-7738 * Fax (907) 424-7739

10,000 years in our Traditional Homeland, Prince William Sound, Copper River & the Gulf of Alaska

Michael Baffrey
Executive Director
Exxon Valdez Oil Spill Trustee Council
442 West 5th Ave.
Suite 500
Anchorage, AK 99501

Dear Michael:

Water quality in Orca Inlet has been a concern of mine for many years. I am writing in support of two proposals by the City of Cordova to the *Exxon Valdez* Oil Spill Trustee Council. One is to identify and correct the infiltration problems within the city waste water system; and a second is to develop a wash down pad for the new boat haul out facility.

Identifying and correcting inflow and infiltration sources will avoid bypass situations at the sewage treatment plant during heavy precipitation events. These bypass events require that under treated sewage be discharged into Orca Inlet, which is part of Prince William Sound. It is important that we work to reduce this problem and this proposal is a good way to do it.

A vessel haul out will become a reality in Cordova in 2007. Many boats will be using the haul out and all of them will pressure wash and scrub the hull once removed from the water. The bottom paint and other materials need to be collected and treated rather than discharged into Orca Inlet. A wash down pad with the proper collection and separation system will prevent degradation of the waters of Prince William Sound.

On behalf of the Native Village of Eyak, I give these projects my full support. If you have any questions, please give me a call.

Sincerely:

NATIVE VILLAGE OF EYAK

A handwritten signature in dark ink, appearing to read "Bruce Cain", is written over the printed name.

Bruce Cain, Executive Director

RECEIVED

JAN - 1 2007

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

EVOSTC Trustees,

You are faced with a significant challenge relating to the use of EVOSTC funds for projects claiming a relationship to restoration or replacement of lost ecosystem services.

The EVOSTC settlement language on the use of funds states " for the purpose of restoring, replacing, enhancing, or acquiring the equivalent of natural resources injured as a result of the Oil Spill and the (restoring, replacing, enhancing, or acquiring the equivalent of) reduced or lost services provided by such resources."

Herring seem the perfect candidate for a "case study". Herring and Commercial fishing are both listed as "not recovered" and the (restoring, replacing, enhancing, or acquiring the equivalent of) reduced or lost services would seem appropriate as an EVOSTC goal.

The financial impacts to communities and commercial fisherman from "un-recovered herring" has been estimated to be in excess of \$120 million to date, and the loss continues each year. You can "quantify" the value of this lost service to fishermen, and you can identify the communities and fishermen impacted. Traditional subsistence users of the herring can also be identified.

Understanding the nature of "lost services impacts" financially and culturally seems important.

- 1) What have been the financial impacts to fishermen, the communities they lived in, and the communities that processed the herring?
- 2) What are the social impacts from lost ecosystem services on dependent communities, especially small villages and subsistence users?
- 3) Is it appropriate for EVOSTC to look at considering the financial impacts from "lost services" on "resource dependent users"? if so;
- 4) What types of programs and/or projects does the trustee council contemplate as appropriate efforts at replacing these services with "equivalent" services?
- 5) What has EVOSTC previously spent on "replacement services" within impacted areas.
- 6) Define "equivalent" in the context of the settlement language.

The trustees need to clearly articulate what is, and what is not, an appropriate replacement strategy for any damaged or lost service.

It would appear reasonable and prudent to set criteria for projects prior to consideration of any proposals.

There are many ideas about how we should prioritize projects, focus our efforts, and recover our communities and herring fishing businesses. Most would not qualify for EVOSTC funds, but it would be nice to know what did, who qualified, and when and how a proposal should be made.

Thank you for the opportunity to call you attention to these issues,

RJ Kopchak
Commercial Fisherman,
Board Member-Cordova District Fishermen United
EVOSTC ~ PAC Committee Member
Member-Herring Planning Team

The above comments are my own, and may not reflect the opinions of other members of the PAC or CDFU.