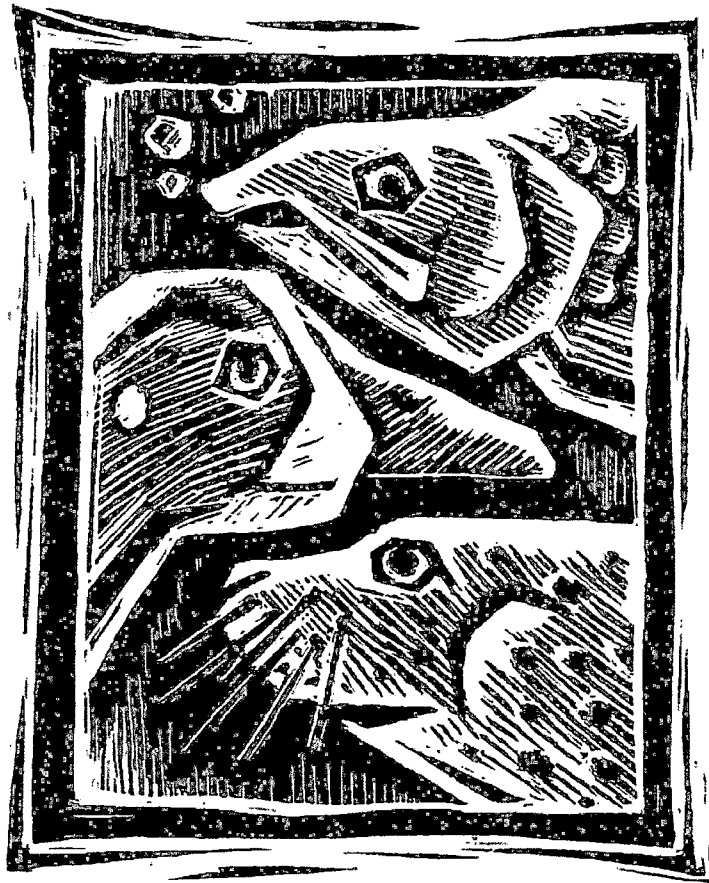


11.18.05



Exxon Valdez Oil Spill
Trustee Council

Trustee Council Meeting

June 27, 2007

Motions for Action Items – Pg. 1 of 2

Consent Agenda: I move that we adopt the draft Agenda dated June 11, 2007
(as presented/as amended)

Motion by: _____ Second by: _____

Motion Approved: ☐ Motion Failed: ☐

Meeting Notes: I move that we adopt the meeting notes of January 10, 2007
(as presented/as corrected)

Motion by: _____ Second by: _____

Motion Approved: ☐ Motion Failed: ☐

Meeting Notes: I move that we adopt the meeting notes of February 16, 2007
(as presented/as corrected)

Motion by: _____ Second by: _____

Motion Approved: ☐ Motion Failed: ☐

Meeting Notes: I move that we adopt the meeting notes of March 9, 2007
(as presented/as corrected)

Motion by: _____ Second by: _____

Motion Approved: ☐ Motion Failed: ☐

Habitat Protection: I move that we authorize \$174,400 as a contribution toward due diligence expenses related to Trustee Council interests on Northern Afognak; and select Rocky Mountain Elk Foundation as the recipient of \$160,000 of that amount for due diligence requirements, as detailed within the resolution provided by the Department of Law.

Motion by: _____ Second by: _____

Motion Approved: ☐ Motion Failed: ☐

Habitat Protection: I move that we authorize the purchase of the Chokwak small parcel in the amount of \$160,000, as detailed within the resolution provided by the Department of Law.

Motion by: _____ Second by: _____

Motion Approved: ☐ Motion Failed: ☐

Motions for Action Items – Pg. 2 of 2

FY 08 Request for Proposals: I move that we defer the FY 08 Invitation until the Trustee Council has determined the status and completion strategy of the Restoration Program.

Motion by: _____

Second by: _____

Motion Approved: ☐

Motion Failed: ☐

EVOS Policies & Procedures: I move that we authorize the adoption of the policy and procedural changes (as presented/as amended) today for the Operational Procedures, Financial Procedures and Reporting Procedures. This adoption is authorized by the Trustee Councils signatures on Pg. 2 of the Title Page.

Motion by: _____

Second by: _____

Motion Approved: ☐

Motion Failed: ☐

Appreciation Award Plan: I move that we authorize the EVOS Appreciation Award Plan as (presented/amended) for submittal to the State of Alaska for administrative authorization and implementation.

Motion by: _____

Second by: _____

Motion Approved: ☐

Motion Failed: ☐

MOU with UA Amendment: I move that we authorize Michael Baffrey to sign the Amendment to the Memorandum of Understanding between EVOS and UA, as signed by Joseph Trubacz, Chief Financial Officer for the University of Alaska, conforming the funded projects indirect calculation rate and methodology to that of other state agencies.

Motion by: _____

Second by: _____

Motion Approved: ☐

Motion Failed: ☐

AGENDA

Exxon Valdez Oil Spill Trustee Council

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



DRAFT AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

June 27, 2007 10:30 a.m.

Anchorage, Alaska

DRAFT 6/18/07

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

RANDALL LUTHI
Deputy Director
U.S. Fish and Wildlife Service

DENBY S. 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 – 10:30 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

- Approval of Meeting Notes*
- January 10, 2007
- February 16, 2007
- March 9, 2007

3. Public Advisory Committee comments

4. Public comment (no reopener comments accepted) – 10:45 a.m. (3 minute per person)

5. Habitat Protection*

Carol Fries, ADNR

- Large Parcel – Northern Afognak Island (Perenosa Bay)
Authorization for due diligence activities
- Small Parcel – Chokwak Parcel
Authorization to purchase

6. Executive Director's Report

Michael Baffrey, TC Office

- Herring Restoration Plan
- FY07 Multi-Year Projects—future funding

12:00 – 12:30 Lunch – provided

7. Restoration Program – status and completion strategy

Michael Baffrey

8. FY 08 Invitation to Submit Proposals*

Michael Baffrey

9. EVOS Policies and Procedures*

Barbara Hannah, TC Office
Carrie Holba, ARLIS

10. Appreciation Award Plan*

Michael Baffrey

11. University of Alaska Memorandum of Understanding*
(indirect fees)

Barbara Hannah

Executive Session if necessary

12. Adjourn

* Indicates action items

Exxon Valdez Oil Spill Trustee Council

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



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

January 10, 2007

DRAFT - 6/18/07

DRAFT

Chaired by: Joe Meade

Trustee Council Member

Trustee Council Members Present:

• Joe Meade, USFS
Hans Neidig, DOI
Craig O'Connor, NMFS *

Talis Colberg, ADOL
Denby Lloyd, ADF&G
Dan Easton, ADEC **

• Chair
* Craig O'Connor alternate for James Balsiger
** Dan Easton alternate for Mike Maher

The teleconferenced meeting convened at 10:05 a.m., January 10, 2006 in Anchorage at the EVOS Conference Room

1. Approval of the Agenda

APPROVED MOTION:

Motion to approve agenda.

Motion by Neidig, second by O'Connor

2. Approval of November 14, 2006 Trustee Council meeting notes

APPROVED MOTION:

Motion to approve the November 14, 2006 meeting notes, changing "deficiencies" to "efficiencies" on page 4 regarding the Youth Area Watch Programs.

Motion by O'Connor, second by Neidig

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. Approval of December 13, 2006 Trustee Council meeting notes

APPROVED MOTION:

Motion to approve the December 13, 2006 meeting notes.

Motion by O'Connor, second by Neidig

Public Advisory Committee (PAC) comments were offered by: RJ Kopchak, Vern McCorkle, and Ed Zeine.

Public comment period began at 10:15 a.m.

No public comment was received.

Public comment closed at 10:15 a.m.

4. FY 07 Final Work Plan

APPROVED MOTION:

The Trustee Council approves funding in the amount of \$3,794,162 for the projects approved at the November 14, 2006 Trustee Council meeting. This authorized amount includes the project budget increases due to formula corrections, 9 percent TC Agency G&A adjustments, or omitted project budget items for PJ 070819, PJ 070810, PJ 070834, PJ 070751, and PJ 070829; as well as the project budget decreases for PJ 070210 and PJ 070610.

Motion by O'Connor, second by Neidig

5. Project 070100 Project Management Funds

APPROVED MOTION:

The Trustee Council approves an additional \$19,500 in PJ 070100 Project Management funding for projects previously approved as contingent on November 14, 2006. FY 07 Work Plan projects 070210, 070610, 070759 and 070810 have now complied with required deliverables and project management funds are authorized.

Motion by O'Connor, second by Lloyd

6. Executive Session

APPROVED MOTION:

Motion to move into executive session to discuss legal matters and personnel issues.

Motion by O'Connor, second by Neidig

Off the record: 10:35 a.m.

On the record: 11:08 a.m.

Meeting adjourned at 11:08 a.m.

The Trustee Council returned from Executive Session, no action was taken other than to adjourn.

APPROVED MOTION:

Motion to adjourn O'Connor, second by Lloyd

MTG NOTES
2/16/07

Exxon Valdez Oil Spill Trustee Council

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



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

February 16, 2007

DRAFT - 6/18/07

DRAFT

Chaired by: Talis Colberg

Trustee Council Member

Trustee Council Members Present:

Steve Zemke, USFS **

Hans Neidig, DOI

Craig O'Connor, NMFS *

Talis Colberg, ADOL

Denby S. Lloyd, ADF&G

Larry Hartig, ADEC

• Chair

* Craig O'Connor alternate for James Balsiger

** Steve Zemke alternate for Joe Meade

The teleconferenced meeting convened at 9:04 a.m., February 16, 2007 in Anchorage at the EVOSTM Conference Room

1. Approval of the Agenda

APPROVED MOTION:

Motion to approve agenda.

Motion by Hartig, second by O'Connor

Public Advisory Committee (PAC) comments were offered by: Stacy Studebaker

Public comment period began at 9:20 a.m.

Six public comments were received.

Public comment closed at 9:50 a.m.

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

2. FY 07 Final Work Plan

APPROVED MOTION:

Motion to approve funding 070801 - Michel

Motion by O'Connor, second by Hartig

APPROVED MOTION:

Motion not to approve funding 070708 - Irvine

Motion by O'Connor, second by Hartig

APPROVED MOTION:

Motion not to approve funding 070824 -- Patrick-Riley

Motion by Zemke, second by O'Connor

APPROVED MOTION:

Motion to disapprove 070828 - Brown-Schwalenberg

Motion by O'Connor, second by Neidig

APPROVED MOTION:

Motion to table 070800 -- Joyce proposal until meeting after next

Motion by Hartig, second by O'Connor

Off the record: 10:35 a.m.

On the record: 10:50 a.m.

3. Executive Session

APPROVED MOTION:

Motion to move into executive session to discuss personnel and legal issues.

Motion by O'Connor, second by Zemke

Off the record: 11:05 a.m.

On the record: 11:50 a.m.

Meeting adjourned at 11:50 a.m.

The Trustee Council returned from Executive Session, no action was taken other than to adjourn.

APPROVED MOTION:

Motion to adjourn Neidig, second by O'Connor



MTG NOTES
3/9/07

Exxon Valdez Oil Spill Trustee Council

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



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

March 9, 2007

DRAFT - 6/18/07

DRAFT

Chaired by: Craig O'Connor
Trustee Council Member

Trustee Council Members Present:

Steve Zemke, USFS **

Hans Neidig, DOI***

• Craig O'Connor, NMFS *

Talis Colberg, ADOL

Denby S. Lloyd, ADF&G

Larry Härtig, ADEC

• Chair

* Craig O'Connor alternate for James Balsiger

** Steve Zemke alternate for Joe Meade

*** Hans Neidig was present beginning at 11:05 a.m.

The teleconferenced meeting convened at 10:36 a.m., March 9, 2007 in Anchorage at the EVOS Conference Room.

1. Approval of the Agenda

Agenda approved as revised deferring Degernes project 070752, Mineral Creek Restoration, Enhancement, and Education until a later Trustee Council meeting.

Public Advisory Committee (PAC) comments were offered by: Stacy Studebaker

Public comment period began at 10:50 a.m.

No public comments were received.

Public comment closed at 10:50 a.m.

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

Off the record: 10:55 a.m.

On the record: 11:05 a.m.

3. FY 07 Draft Work Plan preposals

APPROVED MOTION:

Motion to approve Boufadel project 070836, Factors Limiting the Degradation Rate of *Exxon Valdez* Oil in Prince William Sound Beaches as presented including project management funds of \$4,900

Motion by Hartig, second by Neidig

APPROVED MOTION:

Motion to approve Irons project 070853, Pigeon Guillemot Restoration Research in Prince William Sound in full including project management funds of \$4,900

Motion by Neidig, second by Zemke

FAILED MOTION:

Motion to approve Konar project 070854, Recovery of Shallow Subtidal Communities 18 Years After the *Exxon Valdez* Oil Spill

Motion by Hartig, second by O'Connor

APPROVED MOTION:

Motion to approve project management funds of \$4,900 needed for Michel project 070801, Assessment of Lingering Oil in Prince William Sound and Gulf of Alaska

Motion by Colberg, second by Lloyd

Meeting adjourned at 12:25 p.m.

APPROVED MOTION:

Motion to adjourn Neidig, second by Colberg

HABITAT

To: Trustee Council

Date: June 18, 2007

Thru: Michael Baffrey

From: Carol Fries

RE: Summary of Habitat Protection Action Items for Consideration June 27, 2007.

Two action items involving Habitat Protection efforts are ready for your consideration.

1. KAP 3001, Chokwak II Small Parcel

This parcel is a native allotment owned by the heirs of Phillip Chokwak. The State in consultation with BIA has conducted due diligence activities sufficient to conclude that title is clear and there are no hazardous materials on the parcel. The appraisal has been, complete, reviewed and approved in accordance with EVOS Trustee Council procedures. Bureau of Indian Affairs has also approved the appraised value of \$160,000. Consistent with previous EVOS acquisitions, a draft resolution based upon a purchase price of \$160,000, will be prepared by Department of Law for your consideration. The Trustee Council previously funded due diligence efforts associated with this parcel. DNR has sufficient funds remaining from that authorization to cover closing expenses and title insurance.

2. Northern Afognak Efforts

Based upon the information presented in your briefing packet and the fact that Rocky Mountain Elk Foundation and American Land Conservancy, in partnership with the State, have initiated negotiations with the landowners and begun due diligence efforts in support of this project, the partners are requesting that the EVOS Trustee Council consider authorizing \$174,400 as a contribution toward due diligence expenses related to Trustee Council interests on Northern Afognak.

DNR is recommending that the Council select Rocky Mountain Elk Foundation as the recipient for \$160,000 of that amount to be used for due diligence requirements consistent with State and Trustee Council requirements. Their past experience and current activities with respect to the land under consideration indicate working with them would streamline the process, and therefore make the most efficient use of funds. We request authorization of these funds from July 1, 2007 to September 30, 2008.

Budget:

Contractual	\$160,000
G&A	\$ 14,400
Total	\$174,400

A draft resolution will be prepared by Department of Law for your consideration at the June 27 meeting.

KAP 3001, Chokwak II Parcel

Owner:	Heirs of Phillip Chokwak
Location:	Kiliuda Bay, Shearwater Peninsula, Kodiak Island
Legal Description:	U.S. Survey 8981, T33S R23W, Sections 5 and 8, Seward Meridian.
Acreage:	159.97 acres
Agency Sponsor:	DNR
Appraised Fair Market Value:	\$160,000
Total Cost to EVOS:	\$185,000 (estimated)
Cost Breakdown:	\$160,000 fee simple; \$15,000 estimated for title, hazmat, and appraisal review and other tasks as necessary to meet State due diligence requirements.

Background: This 160-acre Native allotment is located on the north shore of Kiliuda Bay on the east side of Kodiak Island. The Chokwak II tract is surrounded by lands the State recently received through a land exchange between the State and the Old Harbor Native Corporation, a component of the larger Old Harbor acquisition package acquired by USFWS. Before undertaking the exchange, the state identified the inholdings on the north shore of Kiliuda Bay as priorities under the small parcel program. The Old Harbor Exchange has been completed. The objectives of the Old Harbor exchange and subsequent acquisition of inholdings were to improve public access to state acquired lands and protect and restore species and associated services injured by the oil spill.

The Chokwak II tract is east of the Chokwak I parcel acquired in 2002 through the EVOS Small Parcel Grant. The owners of the Chokwak II property have listed the parcel for sale after completing BIA requirements. Mr. Chokwak has approached the State on behalf of the heirs many times in the past in hopes of having the State purchase the property.

The following comment received, and response provided, are part of the public record created during the public comment period relative to the Old Harbor Land Exchange:

Comment:

The Alaska Department of Fish and Game (ADF&G) commented that the most used access points in the lands to be acquired by the State were native allotments that would remain in private hands. ADF&G requested that efforts be undertaken to acquire these in holdings.

Response to the comment:

Owners of two of the allotments have already approached the state to sell their allotments. The allotments could be purchased using funds from the Exxon Valdez oil spill Trustee Council or other sources. The State would like to acquire the other native allotments if they become available.

Physical Description: The Chokwak property is located in Kiliuda Bay just north of Old Harbor. The bay has notable wilderness qualities and the parcel is in its natural condition absent permanent buildings or continuous human habitation. Anadromous Stream #258-20-100 4 0 flows through the parcel to a rich intertidal, providing valuable riparian and intertidal habitat as well as important access to the adjacent state owned uplands.

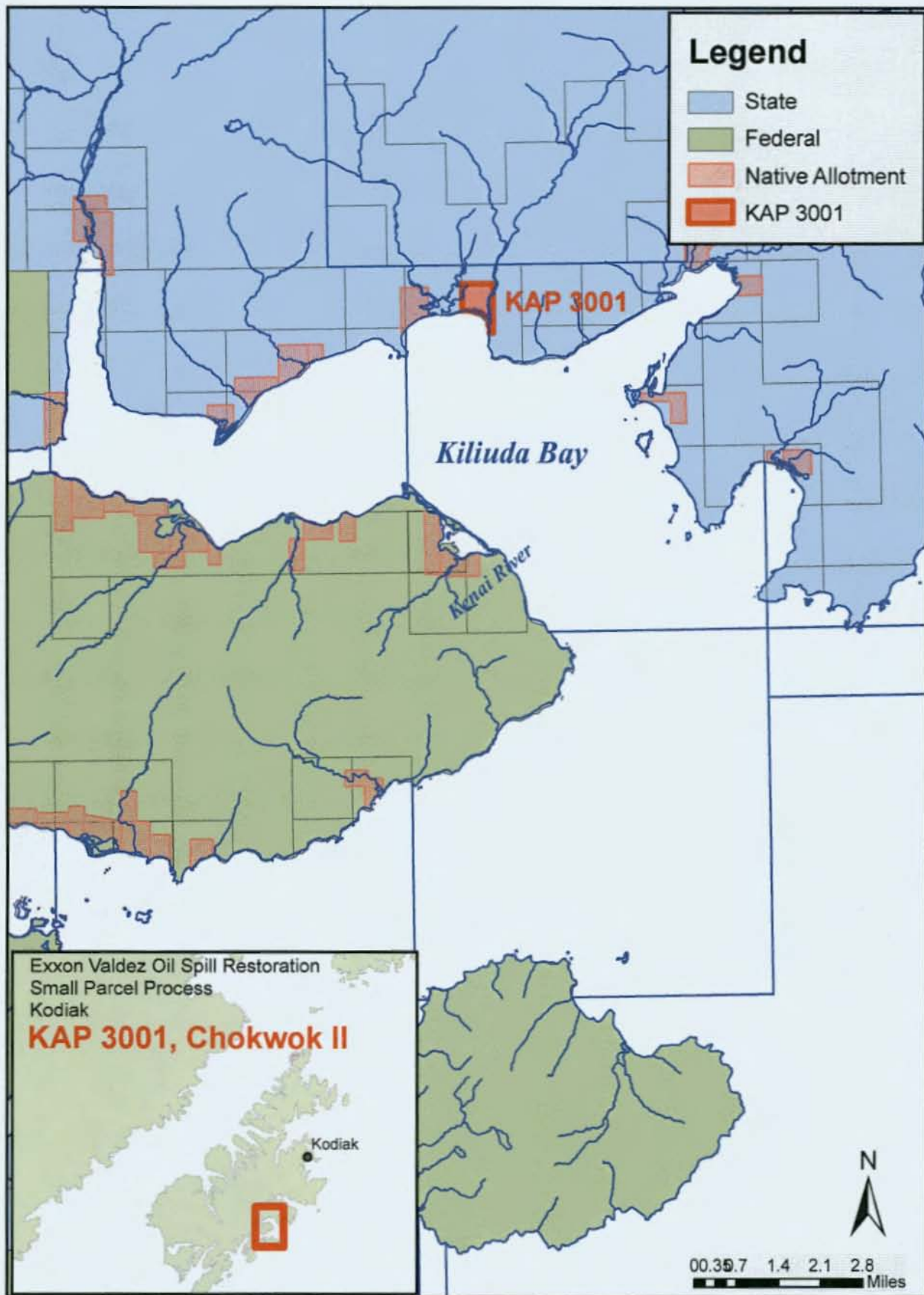
Linkage to Restoration: The property has particular habitat value to injured species and services including bald eagles, harlequin ducks, pink salmon, Sockeye salmon and Dolly Varden, as well as herring that spawn in Kiliuda Bay. Marine bird nesting colonies of cormorants and pigeon guillemots are found in Kiliuda Bay and likely utilize this area for feeding. The parcel is an important access point for sport hunting, sport fishing, camping and bear viewing. This area is also important for subsistence use by residents of Old Harbor. The wildlife and habitat values of the Chokwak parcel support subsistence, recreation, sport fishing, passive use, and wilderness services impacted by the Exxon Valdez Oil Spill.

Proposed Management: Acquisition of this parcel will enhance access to state lands acquired through the Old Harbor Exchange and enhance the protection of important intertidal and riparian habitat in this area. This parcel should it be acquired, will be managed consistent with the management of the lands acquired by the State through the Old Harbor Exchange and the Chokwak I small parcel previously acquired.

Attachments:

Parcel Map, KAP 3001

Map of the Old Harbor Land Exchange

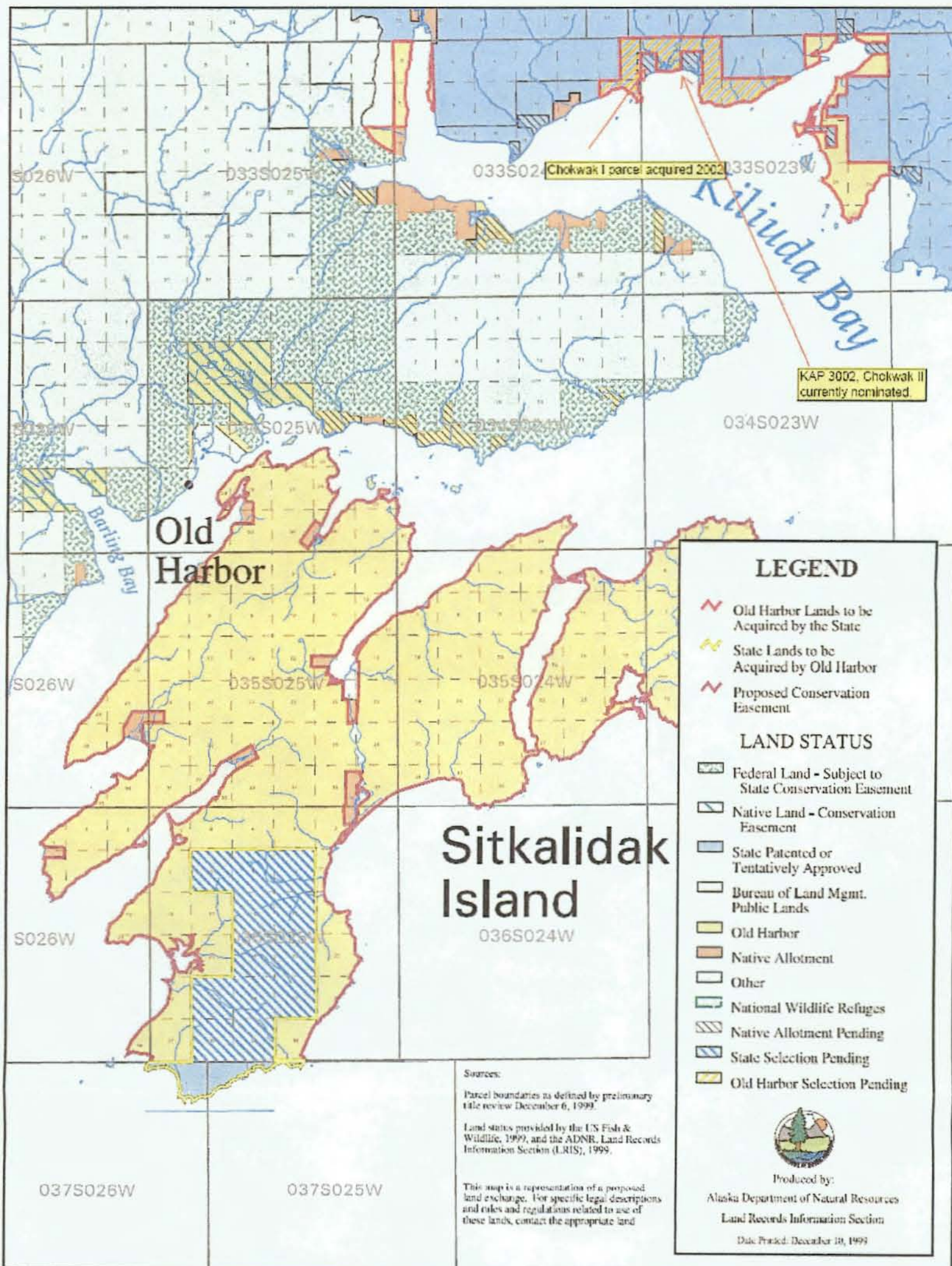


EVOS TRUSTEE COUNCIL OLD HARBOR EXCHANGE

Scale 1:150,000

0 1 2 3 4 5 6 7 8 9 10 miles

Albers Equal-Area Projection



DRAFT

Northern Afognak Habitat Protection Efforts

Goal: Further Trustee Council restoration objectives for Northern Afognak Island by protecting lands previously identified as being of high restoration value for resources and services injured by the Exxon Valdez Oil Spill consistent with Trustee Council Resolutions of December 11, 2001 and November 8, 2002.

Benefits:

- Protection of habitat for injured resources: pink salmon, Dolly Varden, Pacific herring, bald eagles, black oystercatchers, harbor seals, harlequin ducks, marbled murrelets, pigeon guillemots, river otters, and sea otters.
- Protection of habitat benefiting additional species such as bear, deer, and elk.
- Protection of contiguous tracts of land provides further protection of wildlife movement corridors, consistency in land management strategies, and facilitates public recreational use in concert with protection of injured species and supporting habitats.
- Protection of documented anadromous streams supporting populations of pink salmon, coho salmon, sockeye salmon, rainbow trout and steelhead which have significant importance to commercial fishing, subsistence fishing, sportfishing, guiding, as well as bears, eagles, and marine mammals.
- Minimizing disturbance to nearshore habitats where Pacific herring spawn and feed.
- Six species of birds injured by the Exxon Valdez oil spill – marbled murrelet, pigeon guillemot, black oystercatcher, harlequin duck, bald eagle and common murre – use northern Afognak and the protected offshore waters for all or parts of the lifecycles.
- Maintaining water quality and riparian habitat for anadromous fish, river otters and harlequin ducks, maintaining nesting opportunities for bald eagles, marbled murrelets, and pigeon guillemots, minimizing disturbance to nearshore and intertidal habitat used by a variety of species and maintaining opportunities for recreational use by Alaskans and tourists alike.¹
- Protection of the northern tier of Afognak provides for uninterrupted public access, minimizing the potential for trespass and facilitating consistent management of human use of the area.
- Protection of cultural resources including nine identified sites on Portage River.

Background

In 1993 the Trustee Council purchased the Seal Bay and Tonki Cape parcels, totaling 41,549 acres on the eastern side of Northern Afognak. In 1994, the Alaska Legislature designated these lands as Afognak Island State Park. In November 1998, AJV transferred to the state and federal governments surface title to approximately 41,376 acres located to the west of the Seal Bay and Tonki Cape transactions. There remains however, significant acreage separating the acquisitions. In 2005, the Conservation Partners purchased 2,185 acres in this area as well as the remaining timber rights on 2,258 acres of the original Afognak Joint Venture acquisition using grant funds and private donations.

Access from the eastern side of northern Afognak Island to the western side of northern Afognak Island is not possible without trespass, securing a permit, or using a boat. The lands surrounding Perenosa Bay are owned by a variety of Native corporations and include lands conveyed to the Native Corporations under ANCSA and ANILCA. ANCSA lands do not provide for public access. Natives of

¹ Trustee Council Resolution 02-02, December 12, 2001.

DRAFT

Kodiak own lands located just to the south of the areas previously considered for acquisition by EVOS. The lands (approximately three and a half sections) surround Portage Lake and the stream leading into the lake and, in conjunction with a trail easement would secure public access from Afognak Island State Park on the east to the western portion of Afognak Island. In addition, Shuyak Natives, Inc. and Uganik Natives, Inc. are interested in selling their lands located adjacent to previously acquired EVOS parcels and the recently acquired Little Waterfall parcel.

The American Land Conservancy (ALC) and Rocky Mountain Elk Foundation (RMEF), representing the conservation partners, have consulted with state and federal land managers and habitat professionals to identify agency priorities and secure guidance in the development the conservation partners' overall strategy on Northern Afognak and this proposal. The current proposal includes a combination of six parcels owned by three Native corporations in the Perenosa Bay area. All parcels are proposed for fee simple acquisition, with an additional area included for a proposed trail easement to ensure connectivity.

Landowner	Parcel Name	Acres	Status	Mgr.
Natives of Kodiak, Inc.	Portage Drainage	2,240	ANCSA	ADNR
Natives of Kodiak, Inc.	Trail easement	~300	ANCSA	ADNR
Shuyak Natives, Inc.	Little Waterfall Lake (2A)*	1,678	ANILCA	ADNR
Shuyak Natives, Inc.	Delphin Pt (2B)*	439	ANILCA	ADNR
Uganik Natives, Inc.	Big Waterfall Lake (3A)*	1,606	ANILCA	ADNR
Uganik Natives, Inc.	Delphin Pt (3B)*	147	ANILCA	ADNR

*Parcel identifiers on attached map.

In addition, the partners in consultation with the State and USFWS, are considering the purchase of approximately 2,000 acres in the Thorsheim drainage located on the south side of Paramanoff Bay from Uyak Native Corporation using a mix of EVOS criminal funds and possibly civil funds. USWS would be the logical land manager for this effort. All the lands targeted for acquisition have been discussed with the Alaska Department of Natural Resources and US Fish and Wildlife Service. The Native corporation landowners above have signed option agreements or letters of intent with the Conservation Partners.

The Conservation Partners have successfully brought additional funds to the table and recently purchased 2,200 acres in fee in the Perenosa Bay area and 2,258 acres of timber rights in a previously acquired EVOS parcel using a combination of grant funds and private sector donations. The Conservation Partners have secured additional grant funds to continue their efforts in this area working with State, federal and native landowners.

The Conservation Partners were recently awarded, through the Department of Natural Resources, two additional National Coastal Wetlands grants totaling \$1,805,000 based upon an evaluation of the Portage Lake area. The partners will be utilizing private sector donations, donated timber rights in the Paul's and Laura Lake area, and two smaller Coastal grants to leverage Trustee Council funding.

Funding Summary:

National Coastal Wetlands Grants

Phase I \$1,000,000
Phase II \$1,000,000
Phase III \$ 888,000
Phase IV \$ 917,000

Purchase or Targeted Area:

Little Waterfall and Timber Rights
Little Waterfall and Timber Rights
Portage Lake, Perenosa Bay
Portage Lake, Perenosa Bay

Small USFWS Coastal Grants

Phase III \$25,000
Phase IV \$25,000

Private Sector Donations/Matching funds: *Phase I and II* = \$2,500,000

NOTE: *Italicized text indicates funds already secured and expended on Phase I and II for acquisition of the Waterfall parcel and retained timber rights. BOLD text indicates grant funds awarded and available.*

DRAFT

The Conservation Partners include The American Land Conservancy, The Rocky Mountain Elk Foundation, The Kodiak Brown Bear Trust, The Paul Allen Foundation, National Fish and Wildlife Foundation, Thorsen Foundation, Vital Ground Foundation and Johnny Morris Creel Foundation.

Phase III and IV Potential Funding

The conservation partners are pursuing a variety of funding sources to complete the purchase of the identified parcels. The Perenos Bay proposal was submitted to the Forest Legacy Program for consideration in the FFY 2008 competition. The proposal, identified as a high priority for the State, ranked 25th at the national competition. Funding is dependent on the amount allocated to the Forest Legacy Program in the Federal budget. Remaining oil spill dollars, congressionally appropriated funds, additional government grants such as Forest Legacy and National Coastal Wetlands, and private donations are being sought to complete the purchases, the cost of which could exceed \$12,000,000.

Current Status

The Conservation Partners working in conjunction with the Department of Natural Resources and the US Fish and Wildlife Service, through the National Coastal Wetlands Grant program, have partnered successfully on two previous National Coastal Wetlands grants and are building on the State/Federal/Private working relationships previously established.

The Partners are moving forward with due diligence requirements in order to take advantage of the summer field season. RMEF/ALC have negotiated with the landowners to identify an appraisal process consistent with federal grant requirements and EVOS requirements. RMEF/ALC are contracting with appraisers and other experts to address State and Federal due diligence requirements.

Request:

Based upon the information presented above and the fact that Rocky Mountain Elk Foundation and American Land Conservancy have initiated negotiations with the landowners and begun due diligence efforts in support of this project, the partners are requesting that the EVOS Trustee Council consider authorizing \$174,400 as a contribution toward due diligence expenses related to Trustee Council interests on Northern Afognak to be distributed to The Department of Natural Resources with \$160,000 of that amount directed to The Rocky Mountain Elk Foundation specifically for due diligence requirements consistent with State and Trustee Council requirements with the authorization of these funds to run from July 1, 2007 to September 30, 2008.

Budget:

	Contractual	\$160,000
	G&A	\$ 14,400
Total		\$174,400

Attachments: Map of Project Area
Estimated Project Budget

**Northern Afognak, Perenosa Bay
Estimate of Due Diligence Costs**

Initial Costs	Cash	In kind Costs	
Appraisal	\$52,000		
Timber Appraisal	\$125,000		
Appraisal Review	\$10,000		
Timber Review	\$15,000		
Hazmat Assessment	\$15,000		
Surveys (two potential areas)	\$3,500		
Subsurface Assessment	\$2,000		
Partners Expenses: Legal, negotiation and contract support		\$100,000	
Intermediate Costs			
State Expenses	\$25,000	\$25,000	
		\$2,000	
Final Costs			
Title Insurance estimate, actuals tied to parcel cost	\$26,000		
Parcel cost based upon appraisal	TBD		
	\$273,500	\$127,000	\$400,500
Direct Expenses			
Initial Due Diligence, June 2007	\$222,500		
Request from EVOS			
Initial Due Diligence, June 2007	\$160,000		
Potential Future Requests			
October 1- Sept 30 2008	\$25,000		
Title Insurance/Escrow	\$26,000		
	\$211,000	\$50,000.00	\$261,000

Budget Category:	FY07-08	FY 08
Personnel	\$0.0	\$0.0
Travel	\$0.0	\$0.0
Contractual	\$160.0	\$51.0
Commodities	\$0.0	\$0.0
Equipment	\$0.0	\$0.0
Subtotal	\$160.0	\$51.0
General Administration	\$14.4	\$4.6
Project Total	\$174.4	\$55.6

**EVOS TRUSTEE COUNCIL
HABITAT PROTECTION PROJECT
AFOGNAK ISLAND ACQUISITION**
AFOGNAK ISLAND, ALASKA

Scale 1:63,200
Universal Transverse Mercator, Zone 6

Acquisitions

- STATE LAND - Surface Estate acquired by State.
- FEDERAL LAND - Surface Estate acquired by U.S.
- NATIVE LAND - Conservation Easement with permitted public access
- NATIVE LAND - Conservation Easement with No public access
- NATIVE LAND - Timber Easement
- NATIVE LAND - Timber Easement with permitted public access
- Boundary adjustments may occur in these areas

Land Status

- | | |
|---|---|
| State Protected or Tentatively Approved | National Wildlife Refuges |
| State Parks | National Park System |
| Afognak Joint Venture | National Forests and Monuments & National Recreation and Conservation Areas |
| Afognak Native Corporation | Afognak Native Corp. Selected |
| Ozarkia Native Corporation | Natives of Kodiak Selected |
| Natives of Kodiak | Akhiok-Kaguyak Selected |
| Akhiok-Kaguyak | Old Harbor Selected |
| Old Harbor | Koning Selected |
| Koning | Native Allotment Selected |
| Other | |
| Native Allotment | |

Annotation added, April 2007 reflecting areas of interest and recent grant funded activity outlined in red.

The Waterfall Parcel and two timber harvest areas were purchased December 2005 using National Coastal Wetlands Grant funds and private donations.



Prepared by
Alaska Department of Natural Resources
Land Records Information Section
Data Provided: March 12, 1998
Edited April, 13, 2007



SOURCES:
Parcel boundaries defined as part of the Comprehensive
Habitat Protection Program, 1992-2004.
Land status provided by US Fish and Wildlife, 1998 and
DENR, Land Records Information Section, 1998.
This map is a representation of federal government
information. For specific legal descriptions and
rules and regulations related to use of these lands,
contact the appropriate land manager.

**RESOLUTION 07- xx OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING
CHOKWAK II SMALL PARCEL, KAP 3001**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council") do hereby certify that, in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of United States of America v. State of Alaska, No. A91-081 Civil, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of State of Alaska v. Exxon Corporation, et al., No. A91-083 CIV, and United States of America v. Exxon Corporation, et al., No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment, and restoration activities for fiscal year 2007, as described in Attachment A.

This resolution authorizes the distribution of FY 07 funding for the purchase of the above-referenced property totaling \$160,000, to be distributed to the State of Alaska according to the following schedule:

Department of Natural Resources	\$160,000
TOTAL APPROVED FOR DISTRIBUTION	\$160,000

The Council further finds as follows:

1. An appraisal of the parcel completed by the Department of Natural Resources and approved by the Bureau of Indian Affairs of the United States Department of the Interior determined that the fair market value of the parcel is \$160,000;

2. As set forth in Attachment A, Restoration Benefits Report for KAP 3001 and Parcel Map, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres located on the north shore of Kiliuda Bay on the east side of Kodiak Island. The parcel is east of the Chokwak I parcel acquired in 2002, and surrounded by lands the State recently received through a land exchange between the State and Old Harbor Native Corporation. The parcel includes Anadromous Stream #258-20-100 4 0, valuable

riparian and intertidal habitat, as well as access to the adjacent state-owned uplands. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

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

4. There has been widespread public support for the acquisition of lands within Alaska as well as on a national basis;

5. The purchase of this parcel is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of this parcel is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds to the State of Alaska, Department of Natural Resources for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 3001 pursuant to the following conditions:

(a) the amount of funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 3001;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by July 15, 2008;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund

established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 3001 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States prior to purchase; and

(f) completion of the following to the satisfaction of the State of Alaska and the United States:

(i) title search;

(ii) a determination that the seller is willing and able to convey title in a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States

(iii) an executed purchase or option agreement and conveyance documents that are ready for execution;

(iv) hazardous materials survey; and

(v) statement of compliance with the National Environmental Policy Act.

It is the intent of the Trustee Council that the above referenced conservation easement will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except 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 and the Final Restoration Plan as approved by the Council.

By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska

Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

Approved by the Council at its meeting of June 27, 2007, held in Anchorage, Alaska, as affirmed by our signatures affixed below:

Joe L. Meade
Forest Supervisor
Forest Service Alaska Region
U. S. Department of Agriculture

Talis J. Colberg
Attorney General
Alaska Department of Law

Randall Luthi
Deputy Director
U.S. Fish and Wildlife Service
U.S. Department of Interior

James Balsiger
Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce

Denby S. Lloyd
Commissioner
Alaska Department of Fish and Game

Larry Hartig
Commissioner
Alaska Department of Environmental
Conservation

Attachment A – Restoration Benefits Report for KAP 3001 and Parcel Map

**RESOLUTION 07 - xx OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING NORTHERN AFOGNAK HABITAT PROTECTION**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council do hereby certify that, in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of United States of America v. State of Alaska, No. A91-081 Civil, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of State of Alaska v. Exxon Corporation, et al., No. A91-083 CIV, and United States of America v. Exxon Corporation, et al., No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary Natural Resource Damage Assessment and Restoration activities for fiscal year 2007, as described in Attachment A.

This resolution authorizes the distribution of \$174,000 of FY 07 funding for due diligence expenses in support of Northern Afognak Habitat Protection Efforts, as described in Attachment A, to be distributed according to the following schedule:

Department of Natural Resources	\$174,000
TOTAL APPROVED FOR DISTRIBUTION	\$174,000

Of the \$174,000 approved for distribution, \$160,000 is directed to the Rocky Mountain Elk Foundation specifically for due diligence requirements consistent with State and Trustee Council requirements. Authorization of the approved funding shall run from July 1, 2007 to September 30, 2008.

By unanimous consent, we hereby request the Alaska Department of Law and the Assistant Attorney General of the Environmental and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary to make funds available in the amount of \$174,000 from the appropriate account as designated by the Executive Director.

Approved by the Council at its meeting of June 27, 2007, held in Anchorage, Alaska, as affirmed by our signatures affixed below:

Joe L. Meade
Forest Supervisor
Forest Service Alaska Region
U. S. Department of Agriculture

Talis J. Colberg
Attorney General
Alaska Department of Law

Randall Luthi
Deputy Director
U.S. Fish and Wildlife Service
U.S. Department of Interior

James Balsiger
Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce

Denby S. Lloyd
Commissioner
Alaska Department of Fish and Game

Larry Hartig
Commissioner
Alaska Department of Environmental
Conservation

Attachment A – Northern Afognak Habitat Protection Efforts; Northern Afognak, Perenosa Bay, Estimate of Due Diligence Costs; Parcel Maps

RESTORATION
PROGRAM

June 15, 2007

BRIEFING PAPER FOR THE TRUSTEE COUNCIL

FROM: Michael Baffrey, Executive Director

SUBJECT: Update of Injured Resources and Services List

I. STATEMENT OF THE ISSUE

The Injured Resources and Services List was created as part of the 1994 Restoration Plan to identify specific resources and services that had been damaged by the spill. Measurable recovery objectives were identified for most resources and the recovery status categories of recovered, recovering, not recovering, and unknown were selected as the scale for success. The List was intended to be updated on an annual basis with the goal of moving each resource into the recovered category. Current scientific information has made it evident that many of the original recovery status categories and objectives do not provide sufficient measurable standards and that there is a need to review and, if necessary, update the recovery objectives for each resource and service.

II. BACKGROUND

In November 1994, the *Exxon Valdez* Oil Spill Trustee Council adopted an official list of resources and services injured by the Spill as part of its Restoration Plan. Initially, the List identified resource and human service injuries caused by the oil spill and clean-up efforts. The List was created as guidance and to ensure that the expenditure of Joint Trust Funds was directed towards restoring specific injured resources and services.

With each year that passes, new scientific information has become available to help us better understand the long-term effects of oil on injured resources and services. In light of this new information, it would be prudent to reexamine the recovery objective for each non-recovered resource and service to more accurately reflect current knowledge and to reevaluate the applicability of the recovery status categories.

III. OPTIONS

- 1) The recovery objectives for each injured resource and service remain unchanged.
- 2) Evaluate only the current recovery objectives for each non-recovered injured resource and service and determine if the objective is measurable and attainable and, if not, create a new recovery objective for each.
- 3) Evaluate both the recovery status categories and the recovery objectives for each non-recovered injured resource and service and determine 1) if the current definitions of the recovery status categories are applicable, and 2) if each recovery objective is measurable and attainable. Create new recovery status categories and/or recovery objectives if deemed necessary.

IV. PRO/CON ANALYSIS

1) With Option 1, it is likely that some resources and services will remain in the unknown, not recovering, or recovering category for the life of the program. With the lack of historical baseline data for some of the resources listed, it would be almost impossible to meet the recovery objective of returning an injured resource or service to pre-spill levels. The List in this option would provide the least amount of information for the Council and the public when measuring the success of the Restoration Plan.

2) Option 2 would require input from the PAC, Science Panel, agency liaisons, the public and a group of restoration experts before it could be completed. While it would provide a clearer picture of the success of the Restoration Plan and the health of the spill-affected area, it does not measure the recovery of the overall ecosystem.

3) Option 3 is the most comprehensive and would provide information on the overall health of the spill-affected area. This option would give the Council and the public clear and measurable goals to evaluate the recovery of each injured resource and service and determine a path for future restoration. This option would require significant input from the PAC, Science Panel, agency liaisons, the public and a group of restoration experts. The final product would be critical in helping the Council to fulfill the Restoration Program.

V. RECOMMENDATION

I recommend that the Council support Option 3. This option provides for a comprehensive review of each resource and service by experts in each discipline with recommendations for any modifications. Modifications would be reviewed by the PAC, Science Panel, agency liaisons, and the public. The recommendations by the experts and feedback from the public would provide the Council with valuable information for decision making and would provide a clear framework for fulfilling the Restoration Program.

STATUS	RESOURCE	1994	2006	2006 Integral Report
Unknown	Cutthroat Trout	Cutthroat trout will have recovered when growth rates within oiled areas are comparable to those for unoiled areas.	Cutthroat trout will have recovered when growth rates within oiled areas are similar to those for unoiled areas, after taking into account geographic differences.	No changes to recovery objectives recommended.
	Kittlitz's Murrelets	Not Listed	No recovery objective can be identified for Kittlitz's murrelet at this time.	No changes to recovery objectives recommended.
	Marbled Murrelets	Marbled murrelets will have recovered when population trends are increasing.	Marbled murrelets will have recovered when their populations are stable or increasing. Sustained or increasing productivity (based on adults and juveniles on the water) will be an indication that recovery is underway.	Marbled murrelets will have recovered when a weight-of-evidence analysis of population trends, life history and ecology, exposure to Exxon Valdez oil (EVO), and other stressors indicates that they are no longer adversely affected by residual effects of the spill or lingering EVO.
	Rockfish	Without further study, recovery cannot be defined.	No recovery objective can be identified.	No changes to recovery objectives recommended.
	Subtidal Communities	Subtidal communities will have recovered when the community composition, age-class distribution, population abundance of component species, and ecosystem functions and services in each injured subtidal habitat have returned to levels that would have prevailed in the absence of the oil spill.	Subtidal communities will have recovered when community composition in oiled areas, especially in association with eelgrass beds, is similar to that in unoiled areas or consistent with natural differences between sites such as proportions of mud and sand.	No changes to recovery objectives recommended.
Not Recovering	Pacific Herring	Pacific herring will have recovered when populations are healthy and productive and exist at prespill abundances.	Pacific herring will have recovered when the next highly successful year class is recruited into the fishery and when other indicators of population health (such as biomass, size-at-age, and disease expression) are within normal bounds in PWS.	No changes to recovery objectives recommended.
	Pigeon Guillemots	Pigeon guillemots will have recovered when populations are stable or increasing.	Pigeon guillemots will have recovered when populations are stable or increasing. Sustained productivity within normal bounds will be an indication that recovery is underway.	Pigeon guillemots will have recovered when a weight-of-evidence analysis of population trends, life history and ecology, exposure to Exxon Valdez oil (EVO), and other stressors indicates that they are no longer adversely affected by residual effects of the spill or lingering EVO.
Recovering	Black Oystercatchers	Black oystercatchers will have recovered when PWS populations attain prespill levels and when reproductive success of nests and growth rates of chicks raised in oiled areas are comparable to those in unoiled areas.	Black oystercatchers will have recovered when the population returns to prespill levels and reproduction and productivity are within normal bounds. An increasing population trend and comparable hatching success and growth rates of chicks in oiled and unoiled areas, after taking into account geographic differences, will indicate that recovery is underway.	No changes to recovery objectives recommended.
	Clams	Clams will have recovered when populations and productivity have returned to levels that would have prevailed in the absence of the oil spill (prespill data or unoiled control sites).	Clams will have recovered when population and productivity measures (such as size and distribution) at oiled sites are comparable to populations and productivity measures at unoiled sites, taking into account geographic differences.	No changes to recovery objectives recommended.
	Designated Wilderness	Designated wilderness areas will have recovered when oil is no longer encountered in these areas and the public perceives them to be recovered from the spill.	Designated wilderness areas will have recovered when oil is no longer encountered in these areas and the public perceives them to be recovered from the spill.	No changes to recovery objectives recommended.
	Harlequin Ducks	Harlequin ducks will have recovered when breeding and postbreeding season densities and production of young return to estimated prespill levels, or when there are no differences in these parameters between oiled and unoiled areas.	Harlequin ducks will have recovered when breeding- and nonbreeding-season demographics return to prespill levels and when biochemical indicators of hydrocarbon exposure in harlequins in oiled areas of PWS are similar to those in harlequins in unoiled areas.	Harlequin ducks will have recovered when breeding- and nonbreeding-season demographics and biochemical indicators of hydrocarbon exposure in harlequin ducks in oiled areas of PWS are similar to those in unoiled areas, taking into account geographic differences that are not related to Exxon Valdez oil.
	Intertidal Communities	Each intertidal elevation (lower, middle, or upper) will have recovered when community composition, population abundance of component species, age-class distribution, and ecosystem functions and services in each injured intertidal habitat have returned to levels that would have prevailed in the absence of the oil spill.	Intertidal communities will have recovered when such important species as <i>Fucus</i> have been reestablished at sheltered rocky sites, the differences in community composition and organism abundance on oiled and unoiled shorelines are no longer apparent after taking into account geographic differences, and the intertidal and nearshore habitats provide adequate, uncontaminated food supplies for top predators.	No changes to recovery objectives recommended.

	Killer Whales	Killer whales will have recovered when the injured pod grows to at least 36 individuals (1988 level).	The recovery objective for killer whales is a return to a prespill number of 36 for the AB pod.	Revise the recovery objective for the AB pod to more directly reflect the overall goal of a <i>return to conditions that would have existed if the spill had not occurred</i> . Add AT1 transient population to the list of injured resources and classify as not recovering.
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STATUS	RESOURCE	1994	2006	2006 Integral Report
Recovering (cont.)	Mussels	Mussels will have recovered when their populations and productivity are at prespill levels and they do not contain oil that contaminates higher trophic levels.	Mussels will have recovered when concentrations of oil in the mussels and in sediments below mussel beds reach background levels, do not contaminate their predators.	No changes to recovery objectives recommended.
	Sea Otters	Sea otters will be considered recovered when population abundance and distribution are comparable to prespill abundance and distribution, and when all ages appear healthy.	Sea otters will have recovered when the population in oiled areas returns to its prespill levels and distributions, and when biochemical indicators of hydrocarbon exposure in otters in the oiled areas are similar to those in otters in unoiled areas. An increasing population trend and normal reproduction and age structure in western PWS will indicate that recovery is underway.	No changes to recovery objectives recommended.
	Sediments	Sediments will have recovered when contamination causes no negative effects to the spill ecosystem.	Sediments will have recovered when there are no longer significant residues of Exxon Valdez oil on shorelines (both tidal and subtidal) in the oil spill area. Declining oil residues and diminishing toxicity are indications that recovery is underway.	No changes to recovery objectives recommended.
Recovered	Archaeological Resources	Archaeological resources are nonrenewable; they cannot recover in the same sense as biological resources. Archaeological resources will be considered recovered when spill-related injury ends, looting and vandalism are at or below prespill levels, and the artifacts and scientific data which remain in vandalized sites are preserved. Artifacts and data are typically preserved through excavation or other forms of documentation, or through site stabilization, depending on the nature of the injury and the characteristics of the site.	Archaeological resources are nonrenewable; they cannot recover in the same sense as biological resources. Archaeological resources will be considered recovered when spill-related injury ends, looting and vandalism are at or below prespill levels, and the artifacts and scientific data which remain in vandalized sites are preserved. Artifacts and data are typically preserved through excavation or other forms of documentation, or through site stabilization, depending on the nature of the injury and the characteristics of the site.	No changes to recovery objectives recommended.
	Bald Eagles	Bald eagles will have recovered when their population and productivity return to prespill levels.	Bald eagles will have recovered when their population and productivity (reproductive success) have returned to prespill levels.	No changes to recovery objectives recommended.
	Common Loons	Not Listed	Common loons will have recovered when their population returns to prespill levels in the oil spill area. An increasing population trend in PWS will indicate that recovery is underway.	No changes to recovery objectives recommended.
	Common Murres	Common murres will have recovered when population trends are increasing significantly at index colonies in the spill areas and when reproductive timing and success are within normal bounds. (Normal bounds will be determined by comparing productivity data with information from other murre colonies in the Gulf of Alaska and elsewhere.)	Common murres will have recovered when populations at index colonies have returned to prespill levels and when reproductive success (productivity) is sustained within normal bounds. Increasing population trends at index colonies will be a further indication that recovery is underway.	No changes to recovery objectives recommended.
	Cormorants	Not Listed	Pelagic, red-faced, and double-crested cormorants will have recovered when their populations return to prespill levels in the oil spill area. An increasing population trend in PWS will indicate that recovery is underway.	No changes to recovery objectives recommended.
	Dolly Varden	Dolly Varden will have recovered when growth rates within oiled areas are comparable to those for unoiled areas.	Dolly Varden will have recovered when growth rates within oiled streams are comparable to those in unoiled streams, after taking into account geographic differences.	No changes to recovery objectives recommended.
	Harbor Seals	Recovery will have occurred when harbor seal population trends are stable or increasing.	Recovery will have occurred when harbor seal population trends are stable or increasing.	No changes to recovery objectives recommended.
	Pink Salmon	Pink salmon will have recovered when populations are healthy and productive and exist at prespill abundance. And indication of recovery is when egg mortalities in oiled areas match prespill levels or levels in unoiled areas.	Pink salmon will have recovered when population indicators, such as juvenile growth and survival, are within normal bounds, and when ongoing oil exposure, which may cause injury to pink salmon embryos (eggs), is negligible.	No changes to recovery objectives recommended.
	River Otters	Indications of recovery are when habitat use, food habitats and physiological indices have returned to prespill conditions.	The river otter will have recovered when biochemical indices of hydrocarbon exposure or other stresses and indices of habitat use are similar between oiled and unoiled areas of PWS, after taking into account any geographic differences.	No changes to recovery objectives recommended.
	Sockeye Salmon	Sockeye salmon in the affected lakes will have recovered when populations are able to support overwinter survival rates and smolt outmigrations comparable to prespill levels.	Sockeye salmon in the Kenai River system and Red and Akalura lakes will have recovered when adult returns-per-spawner are within normal bounds.	No changes to recovery objectives recommended.

June 15, 2007

INFORMATION MEMORANDUM FOR THE TRUSTEE COUNCIL

FROM: Michael Baffrey, Executive Director

SUBJECT: Update of Current Projects

I. SUMMARY

There are 39 currently funded projects that address a wide range of issues in the spill area including fisheries, oceanographic changes, seabird declines, lingering oil, and contaminants in the nearshore community.

II. DISCUSSION

The current reporting procedures for primary investigators requires a final project report on April 15 following the final year of funding (e.g. projects funded for one year in FY07 have final reports due on April 15, 2008). Of the 39 current projects:

- One has a final report due in 2007
- 23 have final reports due in 2008
- Five have final reports due in 2009
- Five have final reports due in 2010
- Two have final reports due in 2011

Of these projects, five will be considered for additional funding in FY08.

There are two attached matrices to help illustrate both the Injured Resources and Services that each of the projects informs and the critical data that we will receive over the next five years from these projects. Over this time we will receive information on the viability of restoration options for several injured resources, the amount and distribution of lingering oil remaining in the Sound, the cause and effects of disease on the Pacific herring population, and complete several comprehensive databases that will provide decades of data to researchers both in the Sound and worldwide.

PREPARED BY: Catherine Boerner

DATE: June 15, 2007

EVOSTC Funded Projects
Injured Resources Services Addressed by Each Project

LEGEND

RECOVERING

NOT RECOVERING

UNKNOWN

[illegible]

EVOSTC Funded Projects
Injured Resources Services Addressed by Each Project

LEGEND

RECOVERING

NOT RECOVERING

UNKNOWN

[illegible]

EVOSTC Funded Projects
Deliverables Through 2011

			2007	2008	2009	2010	2011
PI	Project Name	Lifetime Project Cost					
Baird	Linking Shoreline Mapping with Community-based Monitoring	\$ 61,100	Plan for community based monitoring of oiled beaches				
Ballachey	Sea Otter Recovery and Nearshore Synthesis	\$ 251,700			Synthesis of long-term data sets on individual exposure to oil, health, condition, behavior, and home range of sea otters.		
Batten	Acquisition of Continuous Plankton Recorder Data	\$ 858,800		Abundance of plankton as a measure of the health of the food chain in PWS.			
Bickford	Identifying Herring Natal and Nursery Habitats	\$ 335,000			Able to determine nursery area of herring based on otolith chemistry		
Bishop	Seabird Predation on Juvenile Herring in PWS	\$ 609,200					Determine the effects of seabird predation in the winter on herring populations
Bishop	Trophic Dynamics of Intertidal Soft-Sediment Communities	\$ 564,949	Physical, chemical, and biological factors that limit invertebrate communities				
Bodkin	Database of Long-Term Monitoring of Nearshore Resources	\$ 135,300		Database of all nearshore data that has been collected			
Boufadel	Factors Limiting the Degradation Rate of EVOS on PWS Beaches	\$ 1,253,900		Beach hydrodynamics and solute transport model complete	Final report on the e factors limiting degradation of oil on PWS beaches		
Cokelet	Biophysical Observation Aboard Alaska Marine Highway Systems Ferries	\$ 670,200	Current Alaska Coastal Current data analyzed and available to researchers				
Esler	Evaluating Harlequin Duck Population Recovery	\$ 201,700			Quantative population model for harlequin ducks and their progress toward recovery		
Gay	Oceanographic Factors Affecting Pacific Herring Nursery Habitats	\$ 152,700				Hydrological conditions that are effecting juvenile herring nurseries	

**EVOSTC Funded Projects
Deliverables Through 2011**

			2007	2008	2009	2010	2011
PI	Project Name	Lifetime Project Cost					
Hershberger	PWS Herring Disease Program	\$ 1,035,000		Determination of susceptibility of juvenile herring to VHSV. Development of tools to predict the risk of disease epizootics in herring	Determination of whether Ich infections result in decreased swimming performance	Laboratory raised herring are ready for experimental testing	Identification, isolation, and determination of known PWS pathogens on the herring population
Hoover-Miller	Harbor Seal Monitoring in Southern Kenai Peninsula Fjords	\$ 309,800		Impacts of vessels on harbor seal populations and the effects of tidewater glacier retreat			
Irons	Pigeon Guillemot Restoration Research in PWS	\$ 649,700		Mink genetics confirmed. Pigeon guillemot nesting success provided.	If mink are introduced, mink eradication plan provided to ADF&G.	Survey of predator removal on pigeon guillemot nesting success	
Irons	PWS Marine Bird Surveys, Synthesis and Restoration	\$ 191,200		Synthesis of all PWS marine bird surveys to assess health and possible restoration options			
Kiefer	Ecosystem Model of PWS Herring	\$ 752,400			Final Web-GIS model delivered for herring population dynamics		
Kline	PWS Herring Forage Contingency	\$ 773,400				Determine if YOY herring are attaining enough WBEC from zooplankton to survive their first winter	
Lindeberg	ShoreZone Mapping for PWS	\$ 560,200			Geomorphology, substrate type, and biological substrate mapped for all of PWS		
Linley	Development of Culture Technology to Support Restoration of Herring in PWS	\$ 1,400,200					Determine if artificial propagation of herring can be utilized as a restoration tool
Matkin	Monitoring of Killer Whales in PWS/Kenai Fjords	\$ 1,169,802		Effect of killer whale predation on seat otters and harbor seals. Plan for restoration of AB pod			
Meuret-Woody	Identification of Essential Habitat for Pacific Herring in Sitka Sound	\$ 166,400		Assessment of successful herring habitats in Sitka Sound for use in PWS.			

**EVOSTC Funded Projects
Deliverables Through 2011**

			2007	2008	2009	2010	2011
PI	Project Name	Lifetime Project Cost					
Michel	Aerial Distribution and Amount of Lingering Oil in PWS and the Gulf of Alaska	\$ 1,594,100		Probability model for lingering oil areas complete.	Maps and spatial modeling showing where lingering oil can be found in PWS. Provide areas and volume of oiled sediments		
Moffitt	Herring Data and Information Portal	\$ 132,100		Web portal of existing herring information available to researchers			
Nelson	The EVOSTC Hydrocarbon Database	\$ 699,000		Database of all EVOS related hydrocarbon data			
Okkonen	A Monitoring Program for Near-Surface Temp, Salinity, and Fluorescence Field	\$ 156,300		TSG information for 2002-2006 available for researchers			
Otis	Temporal Stability of Fatty Acids used to Discriminate Pacific Herring	\$ 182,184		Ability to discriminate herring stocks based on fatty acid composition to identify stock boundaries			
Otis	Using Otolith Chemistry to Discriminate Pacific Herring Stocks in AK	\$ 248,584		Determine whether herring otoliths can be used to corroborate techniques for stock identification			
Rice	Significance of Whale Predation on Pacific Herring in PWS	\$ 513,500			Determine if whale predation is effecting herring population recovery		
Rosenberg	Harlequin Duck Population Dynamics in PWS: Measuring Recovery from EVOS	\$ 277,100		Recovery status of harlequin ducks			
Salasky	Youth Area Watch - PWS	\$ 104,500		Effectiveness of community based education programs			
Saupe	ShoreZone Mapping for Kodiak Island	\$ 403,200		Geomorphology, substrate type, and biological substrate mapped for Kodiak Island			
Schneider	Kodiak Archipelago Youth Area Watch	\$ 513,000		Effectiveness of community based education programs			
Shigenaka	Bioavailability and Effects of Lingering Oil to Littleneck Clams	\$ 239,900		Determine population health of littleneck clams			
Short	Long-term Monitoring of Anthropogenic Hydrocarbons	\$ 176,700		Ability to detect environmental changes due to petroleum contamination			

**EVOSTC Funded Projects
Deliverables Through 2011**

			2007	2008	2009	2010	2011
PI	Project Name	Lifetime Project Cost					
Thorne	Trends in Adult and Juvenile Herring Distribution and Abundance in PWS	\$ 433,600			Adult and juvenile herring distribution in PWS mapped and available to researchers		
Vollenweider	Herring Energetics as a Limiting Factor in Recruitment and Reproduction	\$ 139,100		Determine if PWS herring have higher energy consumption rates than other stocks			
Walker	Presence & Effects of Marine Derived Nutrients in Stream, Riparian and Nearshore	\$ 449,800	Water chemistry proxy for monitoring salmon returns				
Weingartner	Long-Term Oceanographic Monitoring of the Alaska Coastal Current	\$ 696,985	GAK 1 data processed and made available to other researchers on oceanographic conditions	GAK 1 data processed and made available to other researchers on oceanographic conditions	GAK 1 data processed and made available to other researchers on oceanographic conditions		
Willette	Improving Forecasts of Kenai River Sockeye Salmon Runs	\$ 149,400		Smolt monitoring program for Kenai River sockeye as a tool for management			

***Exxon Valdez* Oil Spill Trustee Council**

Process for Getting to Restoration

Michael Baffrey, Executive Director



BACKGROUND

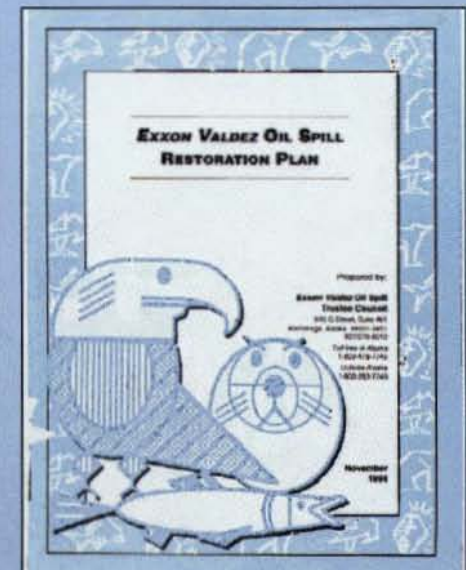
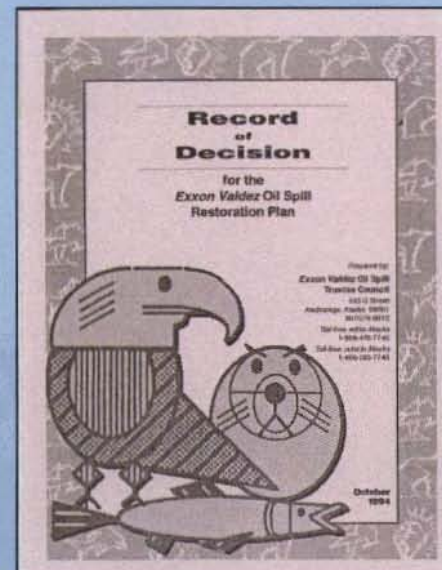
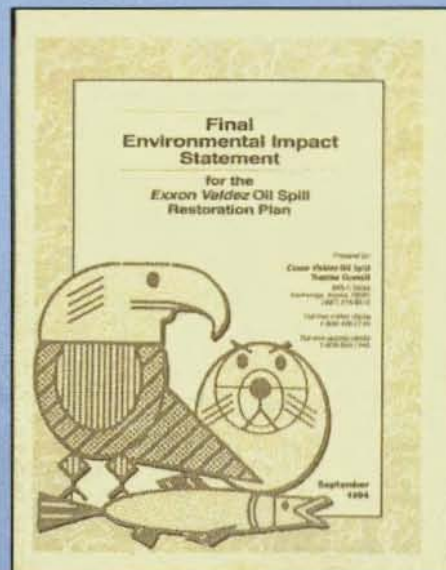
- 1989 – *Exxon Valdez* Oil Spill
- Natural Resources Damage Assessment
- Settlement
 - Consent Decree
 - Memorandum of Agreement



mirrors federal law in providing the governments “shall jointly use all natural resource damage recoveries for purposes of restoring, replacing, enhancing, rehabilitating or acquiring the equivalent of natural resources injured as a result of the oil spill and the reduced or lost services provided by such resources”

GUIDING RESTORATION

- Final Environmental Impact Statement *released*
- Record of Decision *signed*
- Restoration Plan *adopted*



RECORD OF DECISION

Alternative 5 - Comprehensive Restoration

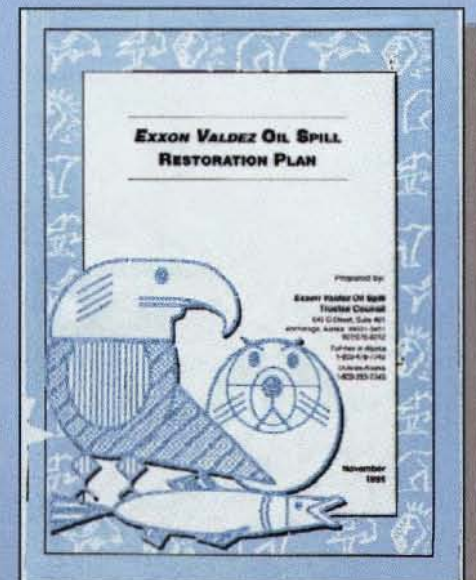
Take all effective actions to protect, restore, and enhance all injured resources and services.
Increase opportunities for human use of the spill area.

ISSUES		POLICIES
Fund Restoration beyond final Exxon payment	→	• Establish a Restoration Reserve
Injuries Addressed by Restoration	→	<ul style="list-style-type: none">• Consider all injured resources/services• Emphasize not recovered resources/services• Can address non-injured resources if activities benefit injured resource/service• Can consider not listed resources if new knowledge shows spill-related injury• Give priority to resources/services impacting people in the spill area
Location of Restoration Actions	→	<ul style="list-style-type: none">• Restoration should occur primarily in the spill area• Restoration may occur in other areas of Alaska if that is the most effective restoration action or if significant information for restoration is gained
Restoring a Service	→	<ul style="list-style-type: none">• Projects must benefit same user group injured• Should be compatible with character and public uses of the area

RESTORATION PLAN

“the mission of the Trustee Council is to efficiently restore the environment injured by the Exxon Valdez oil spill to a healthy, productive, world renowned ecosystem, while taking into account the importance of the quality of life and the need for viable opportunities to establish and sustain a reasonable standard of living.”

- Adaptive Management Cycle
- Ecosystem Approach
- Defines Restoration Actions
- List of Injured Resources and Services
- Recovery Objectives and Strategies

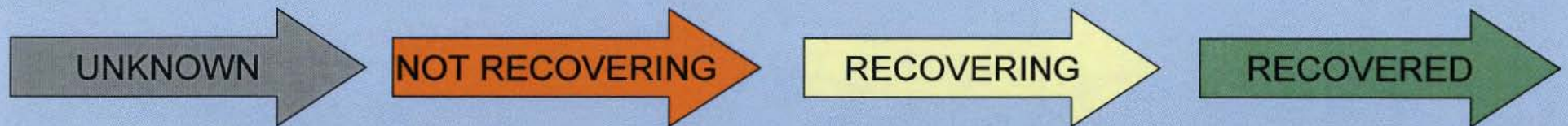


RESTORATION GOAL, OBJECTIVES, & STRATEGY

- **Restoration Goal:**
 - Recovery of all injured resources and services
- **Recovery Goal for Injured Resources and Services:**
 - Achieving conditions that would have existed had the spill not occurred
- **Recovery Objective(s):**
 - Specific, measurable parameters
- **Restoration Strategy:**
 - A plan of action to achieve the Goal

RECOVERY STATUS CATEGORIES

- **Recovery Unknown:** Incomplete/inconclusive data
- **Not Recovering:** Little or no clear improvement
- **Recovering:** Substantive progress
- **Recovered:** Recovery objectives have been met



CURRENT RECOVERY STATUS

RECOVERED

Archeological Resources
Bald Eagles
Common Murres
Pink Salmon
River Otter

Sockeye Salmon
Common Loons
Cormorants
Dolly Varden
Harbor Seals

RECOVERING

Harlequin Ducks
Clams
Intertidal Communities
Killer Whales
Designated Wilderness Areas

Mussels
Sea Otter
Sediments
Black oystercatchers

Commercial Fisheries
Passive Use
Recreation and Tourism
Subsistence Use

NOT RECOVERING

Pacific Herring
Pigeon Guillemot

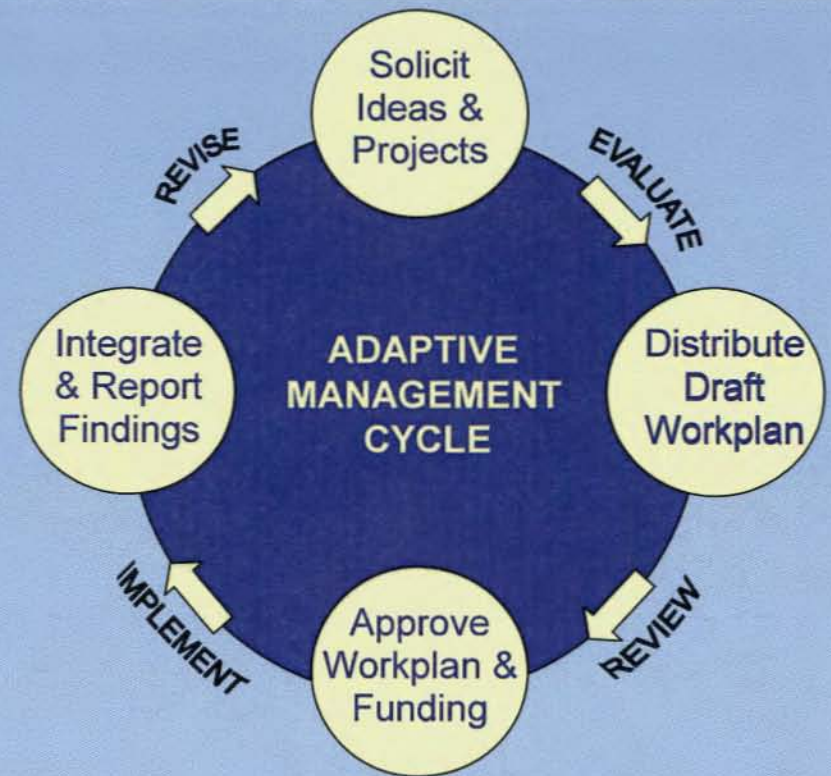
UNKNOWN

Kittlitz's Murrelets
Marbled Murrelets
Subtidal Communities

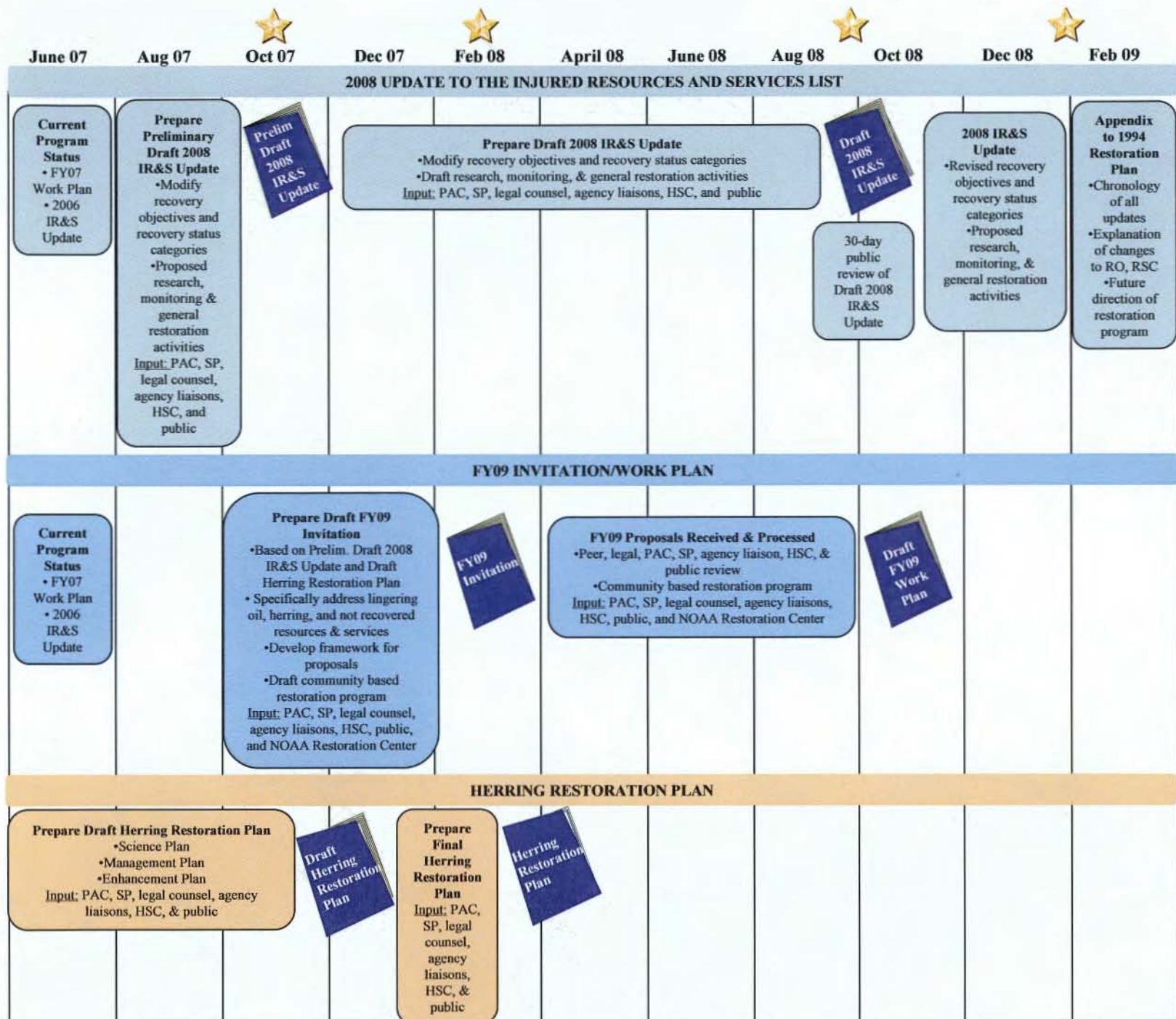
Cutthroat Trout
Rockfish

ADAPTIVE MANAGEMENT

- Restoration is a cyclical activity
 - The restoration priorities and needs embody a long-term, ecosystem view that is continually updated as new information is acquired.
 - The most current information is used to determine the needs of injured resources and services and the priorities for restoration.



- Adaptive Management allows the Trustee Council to change the Restoration Plan if the Council determines that the Plan is no longer responsive to restoration needs.



June 15, 2007

INFORMATION MEMORANDUM FOR THE TRUSTEE COUNCIL

FROM: Michael Baffrey, Executive Director

SUBJECT: Proposed Restoration Activities

I. SUMMARY

The Public Advisory Committee (PAC), Science Panel, and Restoration Group brainstormed restoration activities that would aid the Trustee Council in achieving its restoration goals and objectives. Included in their lists (attached) were restoration activities, suggested Trustee Council priorities, and office management tasks. In 2006, Integral Consulting also completed a synthesis report examining and proposing changes to the injured resources and services list (Project 060783, *Information Synthesis and Recovery Recommendations for Resources and Services Injured by EVOS*).

II. DISCUSSION

The PAC members brainstormed a range of activities including, but not limited to actual restoration projects. They included office management tasks and other considerations for the Trustee Council. They also ranked their top activities. The Science Panel and Restoration Group brainstormed specific restoration activities that could be done to restore injured resources, services and the environment of the spill-affected area. The Science Panel went through a rigorous evaluation process for each activity including examination of feasibility, efficacy and cost and gave each activity a ranking. The Restoration Group used the Science Panel's list as a template, discussed and added activities for eight resources and two services, and then addressed activities with potential to benefit the PWS ecosystem as a whole. They did not examine constraining factors of each activity nor rank them. The Integral synthesis report included analyses of the resources and services not listed as recovered on the 2002 Update to the Injured Resources and Services List, and recommended monitoring and restoration activities.

Each of the four groups identified activities that they felt were important, however, they did not do so using the same process. Therefore, it is difficult to present a side-by-side comparison of recommendations. Below are generalized topics that all groups independently determined were important for achieving restoration. Attached are the activities recommended by a majority of the PAC members, activities receiving moderate to high ranking by the Science Panel, and all non-ranked activities by the Restoration Group and Integral Consulting.

- Monitoring
- Habitat Restoration/Acquisition/Protection
- Community Involvement in Restoration Activities
- Improve Public Knowledge of Spill and Restoration Activities

PREPARED BY: Mandy Migura

DATE: June 15, 2007

PAC
RESTORATION ACTIVITIES
(Ranked Activities)

RESTORATION / SCIENCE RECOMMENDATIONS

- Establish measurable recovery criteria for those injured resources and services that remain Not Recovered or Recovering.
- Keep restoration of non-recovered (including recovering) resources and services a priority.
- Hire a herring czar/coordinator.
- Establish a restoration panel (similar to the science panel) to advise on "direct" restoration projects.
- A decision should be made about the future of those resources that are in the Unknown category.
- Do a synthesis of research and monitoring and develop an integrated long-term monitoring program (e.g. reinvent GEM or SEA).
- What is the nexus of a proposed project to restoration?
- Continue the habitat restoration work via a small parcel acquisition program.

OUTREACH / COMMUNITY INVOLVEMENT

- Improve public awareness and outreach of the lessons learned from the spill and its restoration.
- Develop a scholarship program for residents of the spill area to conduct research in the spill-impacted region.
- Compensate communities for economic impacts resulting from the spill.
- Determine how human communities fit into the restoration and if there are legitimate programs that can be implemented.

OPERATIONS / OFFICE MANAGEMENT

- Hold off on issuing the FY08 Invitation for proposals until there is a clear vision of where the restoration program is going.
- Make future funding of projects dependent on partnering with other organizations with similar missions.
- Combine the PAC and the science panel.
- Do the budget on other than an annual cycle.
- Use the interest of the restoration reserve and not the principle.
- Create 5 endowed regional centers of excellence to complete restoration.
- Do away with the agency liaisons and centralize operations.
- Give the restoration fund to the University to provide for restoration related research.
- Ensure the Trustee Council operates consistently within the public process and listens to PAC input.
- Support a consistent and stable work environment for the EVOS Trustee Council staff.

**SCIENCE PANEL
RESTORATION ACTIVITIES**
(High and Moderate Ranked Activities)

Resource	Activity	Comments
Black Oystercatcher	Oil removal or bioremediation	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore BLOY
	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities.
	P450 monitoring	P450 documents continuing exposure and thus, measures recovery
	Study nest disruption by humans	Restoration activity could be educating the public about effects of disturbance
	Predator control	Might tie in with mink control for PIGU
	Nesting/hatching success survey	As an evaluation tool for other restoration activities, such as predator control. Cost may not be justified because small extent of remaining injury for BLOY
Clams	Oil removal	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore clams
	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities
Designated Wilderness	Oil removal	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore Designated Wilderness
Education/ Outreach	Promote public knowledge	Relates to every resource; educates the public about restoration activities and successes
Harlequin Ducks (HADU)	Oil removal	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore HADU
	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities.
	P450 monitoring	P450 documents continuing exposure and thus, measures recovery
	Sport hunting restrictions	Unclear if Trustees could influence this: A Fish & Game management function?
Herring	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities.
Intertidal and sediments	Oil removal or bioremediation	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore intertidal/sediments
	Monitor sediment contamination	Measures changes in oil concentration over time, and thus measure natural recovery or other restoration activities
Murrelets	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities.
	"Restore" herring	A healthy herring population would have positive population impacts on all piscivorous seabirds, however, it is unlikely that active herring enhancement will be successful
	Reduce bycatch in gillnet fishery	Study needed to determine the magnitude of the problem
	Predator control in Aleutians	Not an attractive option because not "in place"

**SCIENCE PANEL
RESTORATION ACTIVITIES cont.**
(High and Moderate Ranked Activities)

Resource	Activity	Comments
Mussels	Oil removal or bioremediation	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore mussels
	Monitor sediment contamination	
Orcas	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities.
Pigeon Guillemots	Predator control	Mink control
	Restore herring	A healthy herring population would have positive population impacts on all piscivorous seabirds, however, success of active herring enhancement unknown
	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities.
Rockfish	Marine reserve	High support for marine reserve pilot project in AK. In addition to rockfish, would benefit marine ecosystem.
Sea Otters	Oil removal or bioremediation	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore mussels
	Population monitoring	Monitoring measures natural recovery and efficacy of other restoration activities.
	P450 monitoring	P450 documents continuing exposure and thus, measures recovery
Commercial Fishing	Marine reserve	High support for marine reserve pilot project in AK. Would benefit entire marine ecosystem and multiple injured resources.
Passive Use	Education/outreach	
Recreation and Tourism	Video cameras at nests/haulouts	
Subsistence	Remove oil at subsistence sites	Wait for results of Boufadel et al to determine feasibility: If feasible and safe, would help restore subsistence
	Develop contaminants testing program with communities	Continuing concern regarding food safety in the intertidal area
	Monitoring of subsistence uses	Recommend waiting a few years before funding another round of this study; when refunded, focus should be on a smaller geographic area (e.g., PWS, LCI)
	Integration of subsistence use and population dynamics of seals and Steller sea lions	Paired social science/natural science study. Evaluate injury to harbor seals and effects on subsistence; Recommend study in next invitation
	Spatial knowledge of subsistence use and lingering oil	Recommend study in next invitation

**RESTORATION GROUP
RESTORATION ACTIVITIES**
(No Ranks)

RESOURCE	ACTIVITY	COMMENTS
Black Oystercatcher	Predator control outside PWS	
	Dissuading human use in nesting areas	Physical barriers /directing human use
	Habitat protection	nesting grounds just above the intertidal
Clams	Chronic waste oil removal	
	Clam seeding	
Harlequin Ducks	Predation control	
	Control bycatch/gill nets	
	Contamination prevention	Exposure from other sources
	Chronic waste oil removal	
Intertidal and Sediments	Marine debris removal	
	Monitor for invasive species	Determine if invasive species exist. If so, create program and education mission
	Improve the health of upper watersheds	
	Creation of sea grass beds	
Murrelets	Protect nesting habitat (Marbled) in other locations SE AK	
	Protect nesting habitat in spill area	Tree nesting marbled murrelets
Pigeon Guillemots	Predator control	PWS control and opportunities in Aleutians, eradication of introduced predators
	Forage fish	PWS, sandlance, nearshore kelp forest species
	Control bycatch/gill nets	
	Contamination prevention	Exposure from other sources
	Chronic waste oil removal	
	Marine debris removal	
Sea Otters	Reduce boat strikes	
	Minimizing new introduction (chronic) of oil	
	Habitat protection (marine protected areas)	
	Implement parts of SW AK Sea Otter Recovery Plan (in development)	
Subtidal	Artificial reefs	
	Creation of sea grass beds	
	Creation of kelp beds	
	Mooring buoys to prevent anchor damage/groundings	
Recreation and Tourism	Explanation of any lingering oil issues	
	Manage/direct human use	Provide tent platforms/cabins/haul-outs/elevated grate walks
	Marine debris removal	
	Platforms for launch of kayaks	
	Marine mammal interaction education	
	Monitoring recreation/tourist uses	
	Provide trail maps/education	
	Provide maps of where lingering oil is located	

RESTORATION GROUP
RESTORATION ACTIVITIES cont.
 (No Ranks)

Subsistence	Removal of chronic oil	
	Assess the negative effects of tourism on subsistence	
	Health of subsistence foods	PSP, HABS, hydrocarbons
	Subsistence user awareness	Sea Grant subsistence food safety program, state epidemiologist
	Providing sustainable subsistence food resources	
Prince William Sound Ecosystem Activities	Invasive species control	Some species could be prevented with ballast water treatment
	Marine debris removal	
	Chronic oil removal	
	Habitat creation/artificial reefs	Eelgrass, wetlands, fish reefs
	Stormwater/wastewater treatment	
	Removal of lingering oil	
	Oil spill prevention/response facilities	
	Forage fish	
	Best management practices for marinas	
	Community involvement/education	
	Mussel/clam beds	Beds are high productivity, which feeds through the system
	Designate lingering oil areas	
	Contribute to ShoreZone database	
	Creation of compensatory clean food and services sites	
	Creation of special use areas	
	Complete baseline maps	
	Continue CPR gathering	
	Continue GAK 1	
	Habitat acquisition	
	Monitoring of cumulative effects of program	
	Synthesis modeling	
	Monitoring of biotic	
	Compensate impacted communities	
	Exogenous environmental factors	
	Contamination prevention	from non-oil sources

**INTEGRAL CONSULTING
RESTORATION ACTIVITIES
(No Ranks)**

Sediments

- Continue to monitor lingering oil in intertidal sediment, focusing on spatial extent, locations of hot spots, and loss rate.
- Consider supporting studies that may lead to more efficient ways of finding lingering oil, particularly outside of PWS.

Wilderness Areas

- Consider establishing a program to identify locations with lingering oil in wilderness areas, in coordination with studies described for sediments.
- Continue to communicate the progress being made toward recovery of resources important to wilderness areas.

Harlequin Ducks

- Continue to monitor exposure to lingering EVO through assessment of cytochrome P450 1A in harlequin ducks.
- Develop a population model to better understand the population dynamics and continue with population and demographic monitoring.

Seabirds

- Conduct population modeling to address uncertainty about the condition of the murrelet and pigeon guillemot populations.
- Consider methods to minimize incidental take of seabirds in gill nets.

Pacific Herring

- Direct research toward defining the relative contribution of predation and disease as limiting factors in recovery.
- Pursue the development and implementation of restoration projects related to herring enhancement.

Sea Otter

- Continue studies to better understand the condition of the sea otter population on Northern Knight Island.

Killer Whale

- Continue to monitor the population of the AB pod.
- Consider research to better understand the condition of the AT1 population and its relationship to stressors.

Commercial Fishing

- Consider involving herring fishermen (and their considerable expertise in vessel handling, marine equipment, and herring behavior) in projects to restore herring.

Subsistence Use

- Assess the status and relative importance of resources about which little is known.
- Develop strategies to address remaining food safety concerns. More outreach to help users understand and avoid diseases such as paralytic shellfish poisoning would help communities disassociate this disease from EVOS.
- Continue to incorporate subsistence users in resource stewardship and restoration to benefit cultural values and reconcile conflicts between spill-area users.

Recreation

- Continue to communicate the progress being made toward recovery of lingering oil in intertidal sediments.

Passive Use

- Continue to communicate the progress being made toward recovery for resources important to public perception.
- Recognize the importance of the ongoing presence of lingering oil and failed herring fishery to public perception.

FY 08
INVITATION

June 15, 2007

BRIEFING PAPER FOR THE TRUSTEE COUNCIL

FROM: Michael Baffrey, Executive Director

SUBJECT: FY08 Invitation to Submit Proposals

I. STATEMENT OF THE ISSUE:

An Invitation to Submit Proposals has been generated annually to provide funding opportunities for research, monitoring, and general restoration activities directed at the restoration of the injured resources and services in Prince William Sound. An FY08 Invitation would need to be released in the next 30 days in order to allow for sufficient review time before the beginning of FY08.

II. BACKGROUND

The Trustee Council's funding cycle operates on the federal fiscal year of October 1 - September 30. The established cycle calls for the Invitation to be released in February of the previous fiscal year with a final funding decision occurring prior to September 30. This helps allocate funding and provides the public with a detailed work plan for the coming fiscal year. While the Council has deviated from this timeline in the past due to unforeseen issues, a February release of an Invitation is preferred in order to provide for the greatest amount of review without impacting the overall timeline of the proposed projects.

In FY08, the Council is considering many options for achieving the restoration goals and objectives. Until such time that the Council reaches consensus on the future direction for the restoration program, it would be difficult to release an Invitation that would provide usable information.

The Science Panel, PAC, Herring Steering Committee, and the liaisons have recommended that a FY08 Invitation not be released prior to having a program in place for the future of the restoration program.

III. OPTIONS

- 1) Release an unrestricted FY08 Invitation that invites proposals addressing any injured resource or service.
- 2) Release a limited FY08 Invitation that requests projects relating to resources and services in the Recovering, Not Recovering, and Unknown recovery status categories.
- 3) Do not release an FY08 Invitation.

IV. PRO/CON ANALYSIS

Option 1: While this option would provide for the opportunity to address many of the injured resources and services currently on the Injured Resources and Services list, it would likely not provide the comprehensive information needed to assist the Trustee Council in determining the future of the restoration program as there is great potential for numerous, undirected proposals.

Option 2: This option will attract proposals that would provide information on injured resources and services that are currently not categorized as Recovered. It would be beneficial to gain information on these injured resources and services but such information would likely be random until the Council can be directive in soliciting specific information.

Option 3: Option 3 would allow for the Trustee Council to develop a clear path for the future of the restoration program while not investing large amounts of the Joint Trust Fund or of researchers' time pursuing activities that may not provide results leading to restoration.

V. RECOMMENDATION

I would recommend that the Trustee Council pursue Option 3. This Option would give the Trustee Council a fiscal year to determine how they would like to move toward restoration based on recommendations from the PAC, Science Panel, Herring Steering Committee, Restoration Group and the public. With a plan for the future in place, it would also allow our researchers and restoration experts to design focused projects.

PREPARED BY: Catherine Boerner

DATE: June 15, 2007

Exxon Valdez Oil Spill Trustee Council

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



MEMORANDUM

TO: Trustee Council Members

THRU: Michael Baffrey, Executive Director 

FROM: Barbara Hannah, Administrative Manager

DATE: June 18, 2007

SUBJECT: Policies & Procedures – Draft Changes & Formal Adoption

The attached documents are in response to audit recommendations, prior Trustee Council actions, instituted prior-year administrative changes and current year's administrative attempt to follow proper procedures for the formal approval and adoption of changes to the official *Exxon Valdez* Oil Spill Trustee Council's Policies & Procedures.

From the original adoption of the Policies & Procedures in 1992 to the year 2000, proposed revisions were presented in draft format at Trustee Council meetings, allowing an opportunity for public review and comment. Upon finalization of the agreed revisions to the procedures, they were once again brought before the Trustee Council in a public meeting for formal and unanimous adoption and implementation. The finalized revised document was then officially recognized as adopted when approved and signed by all Trustee Council members. The last official signed revision as maintained in the official record is August 3, 2000.

Attached for your review is a briefing paper of the procedural changes since March 2004 through federal fiscal year 2006. Excerpted sections with red-lined edits have been provided as back-up, with comments in support of the revisions.

A signature page has been provided for today's formal adoption, if the documents meet with your approval.

June 18, 2007

INFORMATION MEMORANDUM FOR THE TRUSTEE COUNCIL

FROM: Michael Baffrey, Executive Director

SUBJECT: Adoption of EVOS Policy & Procedure Changes

I. SUMMARY

This briefing paper contains a summation of approved and unapproved changes that need Trustee Council public approval and formal adoption by signature. In an effort to comply with audit recommendations, the General Operating Procedures were updated and posted on the website, implementing the changes detailed below that were either approved by the Trustee Council in a public forum or instituted by the Executive Director through correspondence with the Trustee Council. Attachments A & B contain edited excerpts of the text changes within the Operating Procedures approved on April 23, 2003 and Financial Procedures adopted on July 9, 2002 for your approval and formal adoption on this date.

II. DISCUSSION:

Since the establishment of the first operating procedures in January of 1992, revisions have been made by the consistent and unanimous approval of the Trustee Council. Proposed revisions have been presented publicly in draft format at Trustee Council meetings, allowing an opportunity for comment by the Public Advisory Committee and the general public. Upon finalization of the agreed revisions to the procedures, they were once again brought before the Council in a public meeting for formal and unanimous adoption and implementation. The finalized revised document was then officially recognized as adopted when approved and signed by all Trustees.

The last presentation of the Policies & Procedures for formal adoption was at the Trustee Council meeting of April 23, 2003. At that time procedures were detailed for multi-year funded projects and those additions were formally adopted by understanding into the Policies & Procedures. *The last official signed revision to the Policies & Procedures as maintained within the official record are dated August 3, 2000.*

This lack of formal adoption was also brought to light in the combined audits of 2004 and 2005 by Elgee Rehfeld Mertz, LLC, wherein the Internal Control and Operating Comments it was revealed to current management that policy changes approved during that two-year audit period had not yet been adopted and implemented as well.

A review of the transcripts since the meeting of April 23, 2003 and a review of the administrative actions taken within the Restoration Office over the past fiscal year, revealed the following changes:

General Operating Procedure Changes:

- Trustee Council Meeting of March 1, 2004: The Trustee Council adopted the policy of specifying that the Executive Director would provide a proposed agenda and appropriate briefing materials to the Trustee Council members at least 10 days in advance of the meeting. In addition, all materials from the public or from agency personnel for inclusion on that meeting's agenda are to be turned in to the Executive Director at least 15 days before the meeting. *(This policy detail has been incorporated into the "General Operating Procedures, Trustee Council, Pg. II-2, No. 7)*
- Trustee Council Meeting of May 19, 2004: The Trustee Council unanimously approved a motion to incorporate a confidentiality and non-distribution statement into the General Operating Procedures under "Proposal Solicitation and Review." The draft statement that was included in that meeting's briefing binders was incorporated into a draft document that was not distributed, finalized nor re-submitted to the Trustee Council for adoption. EVOS staff revised and re-formatted this section on October 4, 2006 to better clarify the procedures and correct out-dated terminology (STAC to Science Panel). *(The changes to this procedure are incorporated into the "General Operating Procedures, Proposal Solicitation and Review, Pg. II-3, No. 2a, No. 2b, & No. 3)*
- On July 20, 2006, the Science & Technical Advisory Committee (STAC) was formally dissolved in writing by the Executive Director with the unanimous approval of the Trustee Council. A Science Panel was then formed from a core group of scientist to serve in a similar peer review role as the STAC but with a broader scope basis. The formal procedures for the STAC were removed from the Policies & Procedures and references to STAC were replaced by the Science Panel terminology within the General Operating Procedures as appropriate.

Financial Procedures Changes:

Following discussions with the Trustee agency liaisons, financial representatives and the auditing firm, the following draft changes were made within the "Financial Procedures." These changes resulted in the removal of the necessity for "Quarterly Financial Reporting" to the Executive Director.

- During FY 2006 an on-line quarterly financial reporting module in Project View was activated to replace the hard-copy quarterly financial reports and allow agencies the ease of real-time, on-line reporting. The

established structure was designed for agencies to report actual expenditures and obligations for each quarter at the cost type level. The intent was to provide Trustee Agency staff the ability to compare the financial activity to the scope activity reported during that quarterly period for project management and funds management purposes within the Project View database.

- This switch from inception-to-date reporting was not well-received. Liaisons reported that their financial reports are received as ITD documents and reported that it places an undue hardship on them to translate the report to the quarterly activity and cost type level. Liaisons also reported that comparisons of expenditures to project scope activity at the quarterly level were not realistic or accurate due to fluctuating field schedules, irregular funding schedules, contracting requirements and other varied scheduled project activities.
- At the Liaison and Project Manager training held on April 18, 2007, it was agreed to modify the form to a single-line inception-to-date reporting requirement until clarification could be identified as to the need and usefulness for Trustee agencies to report financial information to the Executive Director on a quarterly basis.
- As the usefulness of the quarterly financial reporting to the Executive Director's office is questionable, the attached draft to the Financial Procedures has been edited to remove this requirement. The attached draft provides the requirement for project financial reporting to the Executive Director on an annual basis.
- General Operating Procedures, Organizational Structure, Pg. II-2, and No. 3, states: "Under supervision of the agency's Trustee Council member, each Trustee agency is responsible for administrative oversight of projects funded to or through their agencies." *Therefore, it is the Trustee agencies that are responsible to ensure funded projects meet their objectives and schedules and that the expenditures are consistent with the budgets authorized.*

PREPARED BY: Barbara Hannah, Administrative Manager

DATE: June 18, 2007

Exxon Valdez Oil Spill
Trustee Council



Policies and Procedures

Revised Trustee Council Procedures, approved at its meeting of June 27, 2007
held in Anchorage, Alaska, as affirmed by signatures affixed below.

JOE L. MEADE
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture

TALIS COLBERG
Attorney General
State of Alaska

RANDALL LUTHI
Deputy Director
U.S. Department of Fish &
Wildlife Service

CRAIG R. O'CONNOR
Special Counsel
National Oceanic & Atmospheric
Administration
U.S. Department of Commerce

DENBY S. LLOYD
Commissioner
Alaska Department of Fish and Game

LARRY HARTIG
Commissioner
Alaska Department of
Environmental Conservation

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL INTRODUCTION TO PROCEDURES

1. *Purpose.* Define the Policies and Procedures of the *Exxon Valdez* Oil Spill Trustee Council (Trustee Council) and provide guidance regarding the authorities and responsibilities of entities that receive funds approved by the Trustee Council.

2. *Supersession.* These procedures supersede the Procedures adopted by the Trustee Council August 3, 2000 and August 29, 1996, the Operating Procedures adopted by the Trustee Council July 9, 2002 and January 19, 1992, the Financial Operating Procedures adopted by the Trustee Council April 23, 2003 and September 21, 1992 and the Report Procedures adopted by the Trustee Council July 2, 2002.

3. *Relationship.* The Procedures of the Trustee Council augment state and federal procedures. State and federal agencies receiving funds approved by the Trustee Council are responsible for ensuring that the procedures described in this document and the appropriate state or federal procedures are followed.

4. *Amendments.* These procedures may be modified by unanimous agreement of the Trustee Council.

5. *Authority.* The principles and processes stated herein are established pursuant to the Memorandum of Agreement and Consent Decree entered as settlement of United States of America v. State of Alaska, No. A91-081 Civil, U.S. District Court of Alaska. The Joint Trust Fund is comprised of all payments received in settlement of State of Alaska v. Exxon Corporation, et al., No. A91-083 CIV, and United States of America v. Exxon Corporation, et al., No. A91-082 CIV.

6. *Restoration Plan.* The *Exxon Valdez* Restoration Plan provides long-term guidance for restoring the resources and services injured by the 1989 *Exxon Valdez* oil spill. It contains policies for making restoration decisions and describes how restoration activities will be implemented. The Restoration Plan was adopted by the Trustees in November 1994 after completion of the Final Environmental Impact Statement. By unanimous consent, the Trustee Council may change the plan if the Trustee Council determines that the plan is no longer responsive to restoration needs.

**EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
POLICIES AND PROCEDURES**

TABLE OF CONTENTS

I.	Introduction to Procedures	I-1
II.	General Operating Procedures	II-1
III.	Financial Procedures	III-1
IV.	Data Policy	IV-1
V.	Report Procedures	V-1
VI.	TEK Protocols	VI-1
VII.	Procedures for Destroying Evidence	VII-1
VIII.	Collection Policy	VIII-1
IX.	Supplementation Criteria	IX-1
X.	Investment Policy	X-1

GENERAL
OPERATING

Excerpt from General Operating Procedures Adopted on 7-9-02

ORGANIZATIONAL STRUCTURE

2. *Trustee Council Office.* Under supervision of the Executive Director, the Trustee Council Office is responsible for: (1) facilitating communication between the federal and state governments, the Trustee Council members, the Science Panel, and the Public Advisory Committee; (2) maintaining the official record of the Trustee Council's actions; (3) soliciting project proposals and administering the proposal process, including supporting the Science Panel and any additional subcommittees and working groups that are formed to advise on the scientific development of the program; (4) preparing and analyzing financial and project status information; (5) developing and implementing procedures to achieve the goals and objectives of the Trustee Council; (6) performing and/or overseeing special and ongoing projects; and (7) public outreach and public participation.

Comment [bhannah1]: The STAC was dissolved on 7/20/06; The Science Panel was formed.

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7. *Meetings.* Meetings shall be held at times and locations determined by the Trustee Council. The Executive Director shall provide a proposed agenda and appropriate briefing materials to the Trustee Council members at least 10 days in advance of the meeting. All materials from the public or from agency personnel for inclusion on that meeting's agenda shall be turned into the Executive Director at least 15 days before the meeting.

Deleted: in advance of the meeting. The final agenda for the meeting will be determined by the Trustee Council and shall include a reasonable opportunity for public comment.

Comment [bhannah2]: This paragraph was re-written and adopted by the Trustee Council in the meeting of 3/1/04 - omitting the last sentence, which has been taken out.

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PROPOSAL SOLICITATION AND REVIEW

1. *Invitation.* At least annually the public, private sector, non-profit groups, and government agencies will be invited to submit proposals for funding based on identified restoration priorities and needs.

2. *Review.* Proposals received will receive in-house policy, content, budget, and legal review before being subject to peer review and recommendations by independent scientists, the Science Panel, Agency Liaisons, and the Public Advisory Committee. A draft annual work plan, including funding recommendations from Trustee Council designees, will be available for public review and comment.

Deleted: be subject to independent scientific review, as well as policy, budget, and legal

Deleted: Based on these reviews, the Executive Director shall make a recommendation to the Trustee Council on which proposals should be funded.

a. *Non-Distribution Agreement/Confidentiality Statement:* Project proposals received in response to the *Invitation for Proposals* each year are closely held within the review process until Trustee Council approval is complete, at which time funded proposals are released to the public. The Science Panel reviews the project proposals and makes recommendations to the Executive Director as a part of the funding process. Members of the Public Advisory Committee (PAC) and other Trustee Council designees may also be asked to review the project proposals. A non-distribution agreement and confidentiality statement will be

Comment [bhannah3]: A Non-distribution Paragraph was approved in the Trustee Council meeting of 5/19/04 and never implemented into the policies. This section was extensively revised by the Science Director for clarity when implemented in FY 06.

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signed by each reviewer. The reviewer will agree not to distribute the project proposals to others, nor discuss them with anyone that has not been approved by the Executive Director. The agreement does not preclude the reviewer from discussing the project proposal with an individual or group that has been established as part of the review process by the Executive Director: an example of such a group is the Science Panel. The purpose of the non-distribution agreement is to protect the intellectual property rights of the proposal's author without debating the extent or validity of those rights.

- b. *Conflict of Interest Statement.* Anyone reviewing full proposals will be asked to sign a statement that disavows any financial conflict of interest between themselves and the funding decisions of the Trustee Council.

3. Approval. Based upon recommendations received during the review processes and as presented within the draft work plan, the Executive Director shall make a recommendation to the Trustee Council on which proposal should be funded. The Trustee Council, in open session shall review the Executive Director's recommendation. The Trustee Council may make changes to the proposals or include terms and conditions of funding as the Trustee Council deems appropriate. Upon unanimous approval, the recommendation shall be adopted by the Trustee Council.

4. Multi-Year Projects. For multi-year projects, the Executive Director's recommendation shall include the number of years of funding to be provided for each project. Multi-year funded projects are reviewed and approved annually by the Trustee Council.

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Deleted: 3. *Public Review and Comment.* Prior to Trustee Council action, a reasonable period of time shall be provided for the public to review and comment on the project proposals.¶

4

Deleted: After expiration of the period for public review and comment,

Deleted: t

Deleted: and with additional opportunity for public comment,

Deleted: on which proposals should be funded.

Deleted: to the recommendation or include

Deleted: 5

Deleted: The Trustee Council may approve funding a project for a single year or for multiple years.

FINANCIAL
PROCEDURES

Attachment B

Excerpt from Financial Procedures Adopted 7-9-02

3. *Adjustments.* As long as an adjustment does not alter the underlying scope or objectives of the affected projects, agencies have the authority to move funds into or out of projects up to the cumulative amount of \$10,000 or up to 10% of the authorized level of funding for each affected project, whichever is less. In addition, as long as an adjustment does not alter the underlying scope or objectives of the project, agencies are authorized to move, within a single project, budgeted funds between line items and may change detailed items of expenditure to accommodate circumstances encountered during budget implementation. Justification and supporting documentation as to the reason for all such adjustments (both between projects and line-items) shall be maintained by the agencies. All adjustments between projects shall be reported to the Executive Director in the Annual Financial Report.

Deleted: Quarterly

Deleted: For further information regarding the Quarterly Report, refer to the Accounting section of these procedures.¶

Deleted: 8. *Reporting:* Quarterly Financial Reports. Within thirty days following the end of each quarter, agencies shall report expenditures and obligations recorded at the end of the quarter to the Executive Director. The report shall include the total amount authorized for each project, any revisions approved by the Trustee Council, any adjustments between projects, the total expended by project, and the total of any outstanding obligations by project.¶

REPORT
PROCEDURES


Exxon Valdez Oil Spill Trustee Council

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



MEMORANDUM

TO: Trustee Council Members

THRU: Michael Baffrey, Executive Director 

FROM: Barbara Hannah, Administrative Manager

DATE: June 18, 2007

SUBJECT: EVOS Appreciation Award Plan

The State of Alaska requires an agency to have a formal written award plan submitted and approved to the Department of Administration, Human Resources, before funds can be expended on “tangible” awards in recognition of meritorious service, professional achievement or public stewardship. The plan may be at the agency divisional level and must comply with AM 100.090 and IRS Publication 15-B. A tangible award of a plaque or framed program-specific print falls within these regulatory guidelines.

Attached is a draft of the “Exxon Valdez Oil Spill Trustee Council Appreciation Awards Plan” for your review and approval. The proposed plan allows for recognition of both employees and public servants who have directly participated in Exxon Valdez Oil Spill Trustee Council approved programs and activities funded with EVOS Investment Trust funds. The institution of the plan would allow for timely and equitable recognition by the Executive Director and the Trustee Council through “tangible” awards to individuals for excellence and achievement in dedicated service.

Upon your unanimous approval, this plan will be forward to Juneau for further approval processes.

Exxon Valdez Oil Spill Trustee Council
Appreciation Awards

The *Exxon Valdez Oil Spill Trustee Council* recognizes individual members of staff, affiliated agencies, scientific and technical research, and the general public with awards for excellence and achievement in dedicated service to the scientific programs and activities promoting the restoration and recovery of the environment injured by the *Exxon Valdez Oil Spill*.

Guiding Principles:

- Recognition is for direct participation in *Exxon Valdez Oil Spill Trustee Council* approved programs and activities funded with Investment Trust Funds.
- Recognition will be timely and equitably available to all program participants

The Executive Director's Meritorious Service Award

The Executive Director's Meritorious Service Award is given to an employee who has shown consistent excellence in his or her service to the Restoration Office.

- Candidates for the award may be suggested to the Executive Director by staff
- The Executive Director decides who will receive the award
- The award may be for continuing service or presented at termination
- Recognition and award presentation will be made at a staff meeting
- An award does not have to be made every year

The *Exxon Valdez Oil Spill Trustee Council's* Public Stewardship Award

The *Exxon Valdez Oil Spill Trustee Council's* Public Stewardship Award is given to individual members of affiliated agencies, scientific and technical research, and the general public. This is a non-employee award designed to recognize significant participation and support in current program priorities and activities.

- Candidate suggestions are at the discretion of the Executive Director and are presented to the Trustee Council for unanimous approval
- Recognition and award presentation will be made at a public Trustee Council meeting
- Awards do not have to be made every year

General Guidelines:

An award of any nature must meet the criteria for exclusion from taxable income under IRS guidelines. In order to qualify under this threshold, awards should be property or service that is small in value, infrequent and simple to administer. Specific information on "Non-taxable De Minimis Awards and Prizes" can be found at [IRS Publication 15-B](#).

An award of any nature must be consistent with the terms and conditions of any applicable collective bargaining agreement and/or the Personnel Rules. This means that any award that could be considered to alter the wages, hours, terms or conditions of employment is specifically prohibited unless there is a provision in the applicable collective bargaining agreement or Personnel Rules or a valid letter of agreement on file with the Division of Labor Relations. Examples of prohibited awards include, but are not limited to, gift certificates or cards, cash awards, or time off.

Acceptable awards include items with a limited cash value such as coffee cups or tote bags with agency insignia, certificates or plaques of achievement, or designated parking places.

Public recognition of employee achievement is free and studies have shown that it is an effective way to recognize employees in the workplace.

Performance Recognition Awards:

In addition to the general guidelines above, performance recognition award plans must be detailed in writing and the awards must be equally available to each employee in the employing agency that offers the program. Performance Recognition Award Program plans must be submitted to the Director of the Division of Personnel for review and approval prior to implementation.

Service Recognition Awards:

In addition to the general guidelines above, service recognition awards must be equally available to all employees in the employing agency.

Retirement Awards:

Recognition of state service at retirement is encouraged. Retirement after 20 years or more of service may be recognized by a letter from the Governor's office and/or a plaque commemorating the employee's state service. Letters can be obtained by request of the Commissioner's office to the Governor's office. Retirement awards must be equally available to all employees meeting the service threshold in the employing agency.

Exxon Valdez Oil Spill Trustee Council

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



MEMORANDUM

TO: Trustee Council Members
THRU: Michael Baffrey, Executive Director
FROM: Barbara Hannah, Administrative Manager
DATE: June 18, 2007

A handwritten signature in blue ink that reads "Michael Baffrey". The signature is written in a cursive, flowing style.

SUBJECT: MOU Amendment – UA & EVOS – F&A Revision

In an effort to maximize the Investment Trust funding available for direct research for *Exxon Valdez* Oil Spill Trustee Council projects and reduce the administrative burden associated with calculating and billing for indirect costs for Reimbursable Services Agreements with State of Alaska agencies, the attached amendment to the Memorandum of Understanding between the University of Alaska and the *Exxon Valdez* Oil Spill Trustee Council is proposed.

The amendment provides to University of Alaska the same 25% indirect cost rate for State-sponsored research awards, applied to the Modified Total Direct Cost (MTDC) base specified in Circular A-21. The MTDC base includes salaries, wages, fringe benefits, materials and supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of subgrants and subcontracts. Equipment, capital expenditures, charges for patient care and tuition remission, long term space rental costs, scholarships and fellowships, as well as each portion of subgrant and subcontract in excess of \$25,000 are excluded from the MTDC. This would represent an Investment Fund savings normally provided for indirect costs applied to the direct costs for project equipment, as well as for subcontract costs in excess of \$25,000.

On June 1st, the State of Alaska extended their agreement with the University of Alaska facilities until June 2010. The terms and conditions remained the same.

Your review and consideration of this amendment is respectfully requested. Upon your unanimous approval, the Executive Director is authorized to sign the amendment on behalf of the *Exxon Valdez* Oil Spill Trustee Council.

James F. Lynch
Associate Vice President
Phone: (907) 450-8121
Fax: (907) 450-8023



UNIVERSITY
of ALASKA
Many Traditions One Alaska

Butrovich Building
910 Yukon Drive, Suite 207
PO Box 755120
Fairbanks, AK 99775-5120
Jim.Lynch@alaska.edu

(via DHL)

June 1, 2007

Ms. Barbara Hannah
Administrative Manager
Alaska Department of Fish & Game
Exxon Valdez Oil Spill Trustee Council Office
441 W. 5th Ave., Suite 500
Anchorage, Alaska 99501-2340

Phone (907) 265-9331

RE: University of Alaska / EVOS Memorandum of Understanding, Amendment No.1

Dear Ms. Hannah:

Enclosed are two originals of the proposed Amendment No.1 to the Memorandum of Understanding between the University of Alaska and the *Exxon Valdez* oil spill Trustee Council which have been signed on behalf of the University.

A draft to this amendment was circulated to each of the University's campuses and approved by Mr. Joseph Trubacz, Chief Finance Officer for the University of Alaska. Thank you for your assistance and patience in getting this amendment processed.

Please have the agreement properly approved and signed by Mr. Baffrey. Please also return one signed original to me. Let me know if Mr. Baffrey has any questions or if I can be of any assistance to you.

Sincerely,

James F. Lynch

cc: Mr. Joseph Trubacz

MEMORANDUM OF UNDERSTANDING
BETWEEN THE UNIVERSITY OF ALASKA AND THE *EXXON*
***VALDEZ* OIL SPILL TRUSTEE COUNCIL**

(Amendment No.: 1)

WHEREAS, the University of Alaska and the *Exxon Valdez* Oil Spill Trustee Council entered into a Memorandum of Understanding regarding indirect cost charges for facilities and administrative costs associated with projects funded through sole source awards or state reimbursable service agreements (RSAs) which became effective December 7, 1997;

WHEREAS, the parties want to maximize the funding available for direct research for each project to the extent possible and to reduce the administrative burden associated with calculating and billing for indirect costs; and

WHEREAS, the parties to the memorandum want to conform the calculation of these charges to the rate and calculation methodology provided in the Memorandum of Understanding with the State of Alaska which was restated and extended effective June 30, 2004;

NOWTHEREFORE, the parties agree to utilize the rate and calculation methodology for projects subject to this Memorandum as provided in the attached Memorandum of Understanding with the State of Alaska regarding Facilities and Administrative Rates Applicable to State of Alaska Sponsored Activity as it exists today (Attachment A to this Amendment No.:1).

Effective Date and Duration:

This amendment shall become effective as follows:

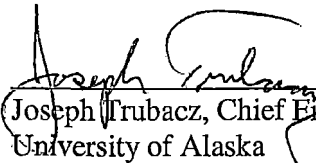
- (1) For all new awards issued subsequent to the date of final signature of the parties to this Amendment, effective immediately;
- (2) For multi-year awards issued prior to the date of final signature of the parties to this Amendment, effective on the next following anniversary date of the award; and
- (3) For single period awards previously issued, effective as may be agreed upon by the Executive Director of the *Exxon Valdez* Oil Spill Council or designee and the respective Principal Investigator.

Memorandum of Understanding between the
University of Alaska and the *Exxon Valdez* Oil Spill Trustee Council
Amendment No.: 1
Page 2

Effective Date and Duration (continued):

If, for any reason, the subject Memorandum of Agreement with the State of Alaska expires, is amended, or is not renewed, the rates and methodology as described in that agreement (Attachment A to this Amendment No.:1) shall continue to apply until the parties to this Memorandum mutually agree to an alternative rate or methodology.

Michael Baffrey, Executive Director
Exxon Valdez Oil Spill Council


Joseph Trubacz, Chief Finance Officer
University of Alaska

5/31/07

Attachment A - University of Alaska Facilities and Administrative Rates Applicable to
State of Alaska Sponsored Activity, Memorandum of Agreement, effective June 30,
2004

University of Alaska Facilities and Administrative Rates Applicable to State of Alaska Sponsored Activity Memorandum of Understanding

Background:

The University of Alaska has a fundamental role to play in providing education, basic and applied research and public service programs to support the development of Alaska's economy. The University of Alaska is providing necessary elements for the growth of several key economic sectors in Alaska, including health, transportation, natural resource development and education.

The State of Alaska, by constitution and by statute, has the ability to direct or significantly impact the economic success of these target sectors. Partnerships between State government and the University of Alaska system are growing in the areas of workforce development, continuing education, training and research. The State of Alaska contracts with UA for approximately \$10 million worth of activity on an annual basis, in addition to the annual general fund allocation to the University.

The University's facilities and administrative (F&A) rate is perceived by some State agencies as a significant barrier to forming more, or more substantial, partnerships of a stable and permanent nature. Such partnerships are desirable because State law gives State agencies special streamlined procurement processes for doing business with the University. While there is a willingness in State agencies to pay some overhead expenses, they do not share the federal government's view concerning the appropriateness of the current rates, typically near 30% for "other sponsored activities" and higher rates for research that utilizes expensive university assets. This can lead to inconsistent and selective arrangements that may limit the opportunities made available to the University, and affects its competitiveness in establishing long-term partnerships with the State.

UA's Federal F&A Rate Development Process

The University develops its indirect rates in accordance with OMB Circular A-21 "Cost Principles for Colleges and Universities". All of the allowable costs of current operations are categorized into various bases and pools and rates are developed to recognize the full cost of defined activities. Source of funds is not a factor in the determination of the rates. Costs are classified as direct costs (base), or indirect costs (pool). The terms "indirect costs" and "facilities and administrative (F&A) costs" are used interchangeably. The administrative component of the rate is capped at 26%, while the facilities component is uncapped.

The primary rates negotiated with the federal government at each institution within the system are the organized research rate, the instruction rate, and the other sponsored activities rate. UA has ten different federally approved F&A rates ranging from 30% for "sponsored training" to over 50% for "on-campus organized research". The base upon which these rates are applied is a Modified Total Direct Cost (MTDC) base, as defined in

**University of Alaska Facilities and Administrative Rates
Applicable to State of Alaska Sponsored Activity
Memorandum of Understanding**

Circular A-21, and includes salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract. Equipment, capital expenditures, charges for patient care and tuition remission, long term space rental costs, scholarships and fellowships, as well as the portion of each subgrant and subcontract in excess of \$25,000 are excluded from MTDC.

Rates are developed based on actual costs for a specific period of time. Base and pool projections are applied to these actual costs to develop rates applicable to future periods. The university currently negotiates rates on a three-year predetermined basis. The costing methodology assumes that the full cost of a project includes a facilities and administrative burden. The best way to recover this burden is to assess the cost as each direct dollar is spent, subject to the MTDC limitations.

As described in Circular A-21, the relationship between the federal government and universities is a partnership. The costing model generally assumes that the federal government will share in the full cost of a particular sponsored activity. While most federal projects awarded through a competitive process require some level of matching expenditures to be committed by institutions, the federal government generally pays the full cost (direct and indirect) of the federally funded portion of a project. Certain federal agencies or programs have statutory thresholds on F&A cost rates that override negotiated rates. Those programs often fund the core mission of universities (instruction and financial aid), or relate to activities included in the original land grant function of universities (cooperative extension).

Agreement:

The University recognizes that the State is partially funding facilities and administrative costs through the annual general fund appropriation. The University and State would like to promote partnerships with each other. The University and State also wish to simplify and standardize the award process.

For awards that the State of Alaska makes to the University, for which a state agency controls the award decision, the following F&A rates apply:

A) Instruction, Training and Other Sponsored Activity funded by the State:

Effective for new agreements, the State F&A cost rate will be 12% for State-sponsored awards applied to the MTDC base specified in A-21.

B) State Sponsored Research

Effective for new agreements, the State F&A cost rate will be 25% for State-sponsored research awards, applied to the MTDC base specified in A-21.

**University of Alaska Facilities and Administrative Rates
Applicable to State of Alaska Sponsored Activity
Memorandum of Understanding**

Exceptions to the rates specified in this MOU may be made to comply with federal or other funding agency requirements that limit F&A rates for funding passed through the state to UA. The rates specified in this MOU are not intended to apply to proposals made by the state to external funding agencies, like the federal government, that include UA as a named sub-recipient. The F&A rate used for UA in those situations should be the appropriate UA federal negotiated rate.

This MOU was first in effect for awards issued after June 28, 2002 until June 30, 2004. This document extends this MOA until June 30, 2007. At that time, this agreement may be reviewed and amended by mutual consent.

For the State of Alaska:



Kevin Brooks, Chair
Administrative Services Team

4-26-07
Date

For the University of Alaska:



Randy Weaver, Controller

4/28/07
Date

MEMORANDUM OF UNDERSTANDING
BETWEEN THE UNIVERSITY OF ALASKA AND
THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

This agreement is made by and between the University of Alaska and its campuses, herein referred to as the University, and the *Exxon Valdez* Oil Spill Trustee Council, herein referred to as the Trustee Council.

PURPOSE

This agreement addresses the role of the University in the restoration program sponsored and funded by the Trustee Council. This program addresses critical questions about the ecological health of Prince William Sound and northern Gulf of Alaska ecosystems and the factors which limit recovery of resources injured by the 1989 *Exxon Valdez* oil spill.

The Trustee Council's mission is to restore, rehabilitate and enhance the resources and services injured by the oil spill. The Council has adopted a policy that restoration will take an ecosystem approach to better understand what factors control the populations of injured resources and what can be done about them. This policy has resulted in an expansion of the Council's research program to include large-scale ecosystem projects. Researchers at the University are exceptionally well qualified to contribute to the Council's mission by conducting research which will aid in the restoration and future management of the ecosystem within the spill area.

The purpose of this agreement is to clarify the cooperative relationship between the University and the Trustee Council in order to improve efficiency in administration and facilitate the conducting of research.

SCOPE:

This agreement shall apply to all projects funded by the Trustee Council through sole source or reimbursable service agreements (RSAs) with state agencies. Projects funded as a result of a competitive RFP (Request for Proposal), are not subject to the scope of this agreement. Any other exemptions must be agreed to by both parties.

The University will be subject to all funding requirements expected of other project sponsors, including: development of detailed project descriptions and budgets, annual technical reports, participation in the annual Restoration Workshop, and cooperation with public information and community involvement efforts. In addition, project descriptions and reports will be subject to the Trustee Council's scientific peer review process at the direction of the Executive Director. Annual budgets will be reviewed by the Executive Director prior to Trustee Council action.

The Trustee Council authorizes multi-year projects subject to annual review and funding. Because this long-term funding approach provides the University with better opportunities for advance planning and greater assurances of stable funding, and because the proposal process and reporting are abbreviated, the University agrees to use an indirect cost rate of 25 percent of total direct costs (TDC). TDC shall include all direct costs except equipment for which ownership resides with the University and subcontract costs in excess of \$25,000. Subcontract costs in excess of \$25,000 but less than \$250,000, shall be subject to an indirect cost charge of 5 percent. Subcontract costs in excess of \$250,000 shall be subject to an indirect cost charge of 2 percent.

DURATION OF AGREEMENT

This agreement will be effective on the date of final signatures by both parties and continue in full force and effect in its present form or as subsequently amended by the mutual agreement of both parties.

Either party may terminate this agreement by giving notice to the other party at least six months prior to termination. Projects in progress at the time of any such notice shall be completed under their original terms unless otherwise mutually agreed.

Molly McCammon Date 12/1/97
MOLLY MCCAMMON
Executive Director
Exxon Valdez Oil Spill Trustee Council

Jerome Komisar Date 12/1/97
JEROME KOMISAR
President
University of Alaska

Jim Lynch Date 12/4/97
JAMES LYNCH
Associate Vice President for Finance
University of Alaska

University of Alaska Facilities and Administrative Rates
Applicable to State of Alaska Sponsored Activity
Memorandum of Understanding

Background:

The University of Alaska has a fundamental role to play in providing education, basic and applied research and public service programs to support the development of Alaska's economy. The University of Alaska is providing necessary elements for the growth of several key economic sectors in Alaska, including health, transportation, natural resource development and education.

The State of Alaska, by constitution and by statute, has the ability to direct or significantly impact the economic success of these target sectors. Partnerships between State government and the University of Alaska system are growing in the areas of workforce development, continuing education, training and research. The State of Alaska contracts with UA for approximately \$15 million worth of activity on an annual basis, in addition to the annual general fund allocation to the University.

The University's facilities and administrative (F&A) rate is perceived by some State agencies as a significant barrier to forming more, or more substantial, partnerships of a stable and permanent nature. Such partnerships are desirable because State law gives State agencies special streamlined procurement processes for doing business with the University. While there is a willingness in State agencies to pay some overhead expenses, they do not share the federal government's view concerning the appropriateness of the current rates, typically near 30% for "other sponsored activities", and higher rates for research that utilizes expensive university assets. This can lead to inconsistent and selective arrangements that may limit the opportunities made available to the University, and affects its competitiveness in establishing long-term partnerships with the State.

UA's Federal F&A Rate Development Process

The University develops its indirect rates in accordance with OMB Circular A-21 "Cost Principles for Colleges and Universities". All of the allowable costs of current operations are categorized into various bases and pools and rates are developed to recognize the full cost of defined activities. Source of funds is not a factor in the determination of the rates. Costs are classified as direct costs (base), or indirect costs (pool). The terms "indirect costs" and "facilities and administrative (F&A) costs" are used interchangeably. The administrative component of the rate is capped at 26%, while the facilities component is uncapped.

The primary rates negotiated with the federal government at each institution within the system are the organized research rate, the instruction rate, and the other sponsored activities rate. UA has ten different federally approved F&A rates ranging from 30% for "sponsored training" to nearly 50% for "on-campus organized research". The base upon which these rates are applied is a Modified Total Direct Cost (MTDC) base, as defined in

**University of Alaska Facilities and Administrative Rates
Applicable to State of Alaska Sponsored Activity
Memorandum of Understanding**

Circular A-21, and includes salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract. Equipment, capital expenditures, charges for patient care and tuition remission, long term space rental costs, scholarships and fellowships, as well as the portion of each subgrant and subcontract in excess of \$25,000 are excluded from MTDC.

Rates are developed based on actual costs for a specific period of time. Base and pool projections are applied to these actual costs to develop rates applicable to future periods. The university currently negotiates rates on a three year predetermined basis. The costing methodology assumes that the full cost of a project includes a facilities and administrative burden. The best way to recover this burden is to assess the cost as each direct dollar is spent, subject to the MTDC limitations.

As described in Circular A-21, the relationship between the federal government and universities is a partnership. The costing model generally assumes that the federal government will share in the full cost of a particular sponsored activity. While most federal projects awarded through a competitive process require some level of matching expenditures to be committed by institutions, the federal government generally pays the full cost (direct and indirect) of the federally funded portion of a project. Certain federal agencies or programs have statutory thresholds on F&A cost rates that override negotiated rates. Those programs often fund the core mission of universities (instruction and financial aid), or relate to activities included in the original land grant function of universities (cooperative extension).

Agreement:

The University recognizes that the State is partially funding facilities and administrative costs through the annual general fund appropriation. The University and State would like to promote partnerships with each other. The University and State also wish to simplify and standardize the award process.

For awards that the State of Alaska makes to the University, for which a state agency controls the award decision, the following F&A rates apply:

A) Instruction, Training and Other Sponsored Activity funded by the State:

Effective for new agreements, the State F&A cost rate will be 12% for State-sponsored awards applied to the MTDC base specified in A-21.

B) State Sponsored Research


Effective for new agreements, the State F&A cost rate will be 25% for State-sponsored research awards, applied to the MTDC base specified in A-21.

University of Alaska Facilities and Administrative Rates
Applicable to State of Alaska Sponsored Activity
Memorandum of Understanding

Exceptions to the rates specified in this MOU may be made to comply with federal or other funding agency requirements that limit F&A rates for funding passed through the state to UA. The rates specified in this MOU are not intended to apply to proposals made by the state to external funding agencies, like the federal government, that include UA as a named sub-recipient. The F&A rate used for UA in those situations should be the appropriate UA federal negotiated rate.

This MOU was first in effect for awards issued after June 28, 2002 until June 30, 2004, and in April 2004 it was extended to June 30, 2007. This document extends this MOU until June 30, 2010. At that time, this agreement may be reviewed and amended by mutual consent.


For the State of Alaska:



Guy Bell, Chair
Administrative Solutions Team

5/25/07
Date

For the University of Alaska:



Myron J. Dosch, Controller

6/1/07
Date