## Exxon Valdez Oil Spill Trustee Council

September 14, 2012

9:30 am to 3:00 pm

Teleconference: 1-800-315-6338

Code: 8205

EMAICS

### Womac, Cherri G (EVOSTC)

From:

Womac, Cherri G (EVOSTC)

Sent

Thursday, August 30, 2012 1 49 PM

To:

Brookover, Thomas E (DFG), 'Steve Zemke (szemke@fs fed us)', Schorr, Jennifer L (LAW),

Hartig, Lawrence L (DEC), James Balsiger (Jim balsiger@noaa gov), 'Elton, Kim'

Cc:

Hsieh, Elise M (EVOSTC), 'Latarsha McQueen', 'Connors, Markee'

Subject:

Optional Trustee Council Update September 7th

Hello Trustees,

Thank you for meeting with us this week. We look forward to briefing Jim Balsiger on September 7<sup>th</sup>, at 1:30 AST. We will be joined by DOI Solicitor's Office Joe Darnell and ADOL, Jen Schorr.

Larry Hartig has indicated that he may have marine debris updates by that date, and DOI Solicitor's office and ADOL may have additional updates regarding the Koniag Easement issues.

Due to those developing issues, and if you would like, we would like to invite you to join us on September 7<sup>th</sup> at 1:30 AST. If you would like to participate let us know and email your contact phone number. We will review any marine debris or Koniag developments first, and finish with a the overall meeting briefing for Jim.

As always, we will circulate any documents or information which we receive in the interim and leading up to the September 14<sup>th</sup> Council meeting.

Thank you,

Ilise

### Womac, Cherri G (EVOSTC)

From: Womac, Cherri G (EVOSTC)

Sent: Thursday, August 30, 2012 1:50 PM

To: Brookover, Thomas E (DFG), Schorr, Jennifer L (LAW); Hartig, Lawrence L (DEC), 'Steve

Zemke (szemke@fs fed us)', James Balsiger (jim balsiger@noaa gov), 'Elton, Kim'

'Latarsha McQueen', 'Connors, Markee', Hsieh, Elise M (EVOSTC)

Subject: Sept 14 TC meeting materials update

Attachments: 8 30 12 Draft Agenda TC Sept 14 2012 mtg doc; FY13 Draft Workplan 8-29-12 pdf

Attached please find two updated documents, the draft Agenda and the draft Workplan.

### Changes to the Draft Agenda:

Cc:

The order of agenda items has been re-ordered to allow for Joe Darnell's Koniag Easement discussion, and an executive session, to be first. Joe is travelling and can join us telephonically in the morning.

### Changes to the Draft Workplan:

The following project descriptions, that were erroneously left out of the earlier draft, were added back to the document:

Kline 1312011-L Wildes 13120111-P Kline 12120111-L Konar 13120114L

### The following budget errors was corrected:

Branch 13120111-Q The total funding request on the project description (page 53) was corrected to read \$394,820 (a change of -\$555.00). The chart on page 6 reflected the correct budget.

Bodkin 10100750 The FY13 funding request on the project description (page 12) was corrected to read \$103,411.00 (a change of -\$0.60)

### The following PI information was updated:

Hoffman 13120114-B The PI responsible for this project was updated from Nancy Bird to Katrina Hoffman

There were also several line spacing, grammatical, and alphabetical order errors that were corrected throughout the document.

during the summer. With a February 1 funding cycle, contracting officers would have several weeks built into the schedule to establish and fund contracts, which also leaves some room for scheduling and other delays. To accommodate federal funding cycles, authorized funds would be released on a timed schedule, determined by the needs of the federal agencies. The state funding schedule (July 1 cycle) would continue to be accommodated through planning so that funds are authorized on schedule. To effectuate this shift, as the Council did with the Long-Term Programs, the Council would authorize funding for a 16-month period (October 1, 2012 – January 31, 2014) at their September 14th meeting. As with the long-term programs' shift, subsequent Council authorizations would be for the standard 12-month period. Shifting the Council's funding to a February 1 cycle allows proposals to be submitted September 1 (vs. June 1), followed by a September (vs. June) Science Panel review and an October (vs. July) PAC review. The Council would review funding annually around mid-November.

This fiscal year shift has many administrative advantages; it has been reviewed and is supported by Council and agency staff, including Pete Hagen; Dede Bohn; Doug Mutter, our DOI PAC Designated Federal Officer for over 20 years, and our in-office PAC coordinator of over 20 years, Cherri Womac. The Alaska Department of Revenue also notes this timeline allows ADOR an extended window after fund authorization in which to release investment funds at an advantageous interval.

- 4. Minor Revisions to Financial and Reporting Policies
  The Financial Procedures contain a default Project Authorization definition of "fiscal year" which will be revised to note the new Feb. 1 fiscal cycle. We have noted an error in our Reporting Policies. On page 9, they note the Programs' final reports are due Aug. 1st: revise to Sept. 1. On pages 9 and, 13 in the discussion of fiscal years and due dates: revise Sept. 31 to 30. Both policies, in track changes format, are attached.
- Updated Investment Policy: The Council's investment policies have been updated, with the assistance of the Alaska Department of Revenue, Alaska Department of Law, U.S. epartment of Justice and the Council's Investment Working Group. See the attached draft and current policies. The draft revised policy draws heavily from the current policy, but was extensively reformatted. Thus, the comments in the draft help to highlight where prior reviewers had questions and/or where substantive changes were made. The updated investment policy now includes two attachments, Public Law 106-113 and Resolution 99-03-01, which are also attached to this email. The Investment Working Group recommends this May 15, 2012 draft (attached) for approval.
- 6. Asset Allocation for October 1, 2012 January 31, 2014: After meeting and reviewing data and recommendations by Callan Associates (attached), the Investment Working Group recommends the Council retain the current asset allocation for October 1, 2012 January 31, 2014. Callan Associates will give a brief overview at the September Council meeting.
- 7. PAC nominations were advertised on June 1, 2012. Nominations were solicited using a wide range of media, including newspapers in the affected area, the Federal Register, the Trustee Council website, public service announcements, the present Public Advisory Committee membership, and persons having expressed an interest in serving on the Public Advisory Committee. The deadline for nominations was August 3, 2012; current PAC members were invited to reapply. A list of the nominees, their affiliations, contact information, and past PAC member attendance is in your PAC nomination binder for your review. We will also send it via email. Doug Mutter, US DOI PAC Designated Federal Officer will forward your selections to the Secretary of the Interior for appointment to the October 2012-September 2014 term.
- 8. Draft APDI: Attached please find the draft FY 2013 APDI, revised as of August 21. s noted above, it is for Oct. 1, 2012 January 31, 2014.

9. Draft Workplan FY 2013: The Draft Workplan, revised as of August 21. We are in the process of reformatting this database-driven document to accommodate our on-going Programs. Note that comments in the work plan for non-programmatic continuing projects are from prior years. Comments for the Programs have been dated to give a sense of context.

Overall, there has been little comment or concern voiced by the Science Panel or PAC regarding on-going projects for this upcoming year. The continuing projects and long-term Programs are largely the same as were reviewed last summer. There is little new Program information due to the Programs being newly-funded in February 2013. The Programs will be submitting semi-annual reports September 1. If there is any notable information from those reports, I will forward it to you, or you can let me know if you would like full copies.

As for projects which the Council may be considering in the next year which would be in addition to the spending noted in the Workplan:

- The Council funded an initial NEPA review for the Pigeon Guillemot project, the second phase may come before the Council for review when the NEPA review is complete. The second phase was originally estimated at approx. \$2.22; there is some potential that a third-party grant may lower this to approx. \$1.2 million.
- Chris Pallister of GoAK has submitted an update to his marine debris work this summer and some suggestions for optioms to amend the project. It may be best to request a specific amendment for review at a potential January or February 2013 meeting, in advance of the 2013 field season. See attached Tsunami Debris Clean Up Pre-Proposal Letter.
- The NOAA Wastewater Project was funded in fall 2011 for a first phase during which it invited communities to submit wastewater and clean harbor projects. The NOAA PIs anticipate circulating the resulting, proposed projects for Council review before a January or February 2013 Council meeting.

With regard to reviewing potential funding for additional proposals or amendments and balancing these additional expenses with the Council's current work, I would also note that it is likely that the long-term Programs will, at some point, have critical, substantial and unanticipated funding needs, such as when equipment or funding partners falter. Attached is an updated Long-Term Spending Scenario and accompanying memo. It indicates that the Council's funding scenario is stable and consistent with its planned projections for this year. If you review the spending scenario table, please also review the associated memo for the limitations on this method, and which notes that these annually-updated scenarios may be used by the Council to take into account actual spending and market fluctuations and to make course corrections.

10. Habitat: We are looking at options to increase the capacity of the habitat program, with the goal of bringing additional parcels from willing sellers forward for Council review. We hope to have some options and more specific proposals for Council review at the Jan./Feb. 2013 Council meeting.

### 11. Planning for the future:

Materials for public outreach:

The Long-Term Programs' Outreach programs have been developing plans and are considering using the public name "Gulf Watch Alaska . . . a program of the Exxon Valdez Oil Spill Trustee Council" for the Long-Term Monitoring Program. For a brief slideshow that was prepared by the Programs for the July 9 Council PAC meeting, please see:

khttp://pwssc.sharefile.com/d/sbbb35cf363c47e0b>

wssc.sharefile.com/d/sbbb35cf363c47e0b<http://pwssc.sharefile.com/d/sbbb35cf363c47e0b>

With regard to Council outreach, with the long-term programs in their first five-year contract and the emphasis on monitoring, there is little new information that could be disseminated at this time. Thus, we plan a brief written document summarizing the Council's recent activities for inquiries in 2014, the 25th Anniversary of the spill. We plan to create more in-depth outreach materials in 2017-2018, that can provide a more detailed overview of the programs' progress during the first five-year period. In 2014 or 2015, there will be a science review workshop for the programs and the Council science panel, which may also provide additional material for inclusion in a later summary.

Digitization of Council Documents and Official Record: Our next project is to address the backlog of over 20 years' of documents stored in the Council offices. We are looking into options to digitize these documents to enable long-term access and would like to have an initial proposal for the next step in this process for Council review, potentially by January/February 2013.

Science Panel Membership: The Science Panel provides recommendations to the Executive Director. Over the last few years, the Science Panel has repeatedly asked that the "pool" be expanded, as it had dwindled through natural attrition and conflicts of interest to five members, plus one community outreach reviewer. Additional members allow for longevity and integration of the panel, as many of our members have served for a long period of time. It also allows for additional opportunities for feedback, as schedules do not always allow for full participation, and introduces new perspectives. To accomplish this, Science Coordinator Catherine Boerner, current Panel members and I worked this spring to identify and meet with potential new members. As a result of this process, the following additions to the Panel are included in our APDI:

Roger Nisbet, University of California Santa Barbara, Professor and Vice Chair, Ecology, Evolution, & Marine Biology Areas of Expertise: Theoretical ecology, population dynamics.http://www.lifesci.ucsb.edu/eemb/faculty/nisbet/

Steven Morgan, University of California Davis, Professor Dept. Environmental cience and Policy Areas of Expertise: Marine ecology, biological oceanography, conservation biology, marine protected areas. http://bml.ucdavis.edu/research/faculty/steven-morgan/
John Stachowicz, University of California Davis, Professor Evolution and Ecology

Areas of Expertise: Biodiversity in marine ecosystems, ecological consequences of genetic diversity, biological invasions. http://www.eve.ucdavis.edu/stachowicz/stachowicz.shtml
George Boehlert, Director - Hatfield Marine Science Center, Newport Oregon (has a

George Boehlert, Director - Hattleid Marine Science Center, Newport Oregon (Mass NOAA background) http://fw.oregonstate.edu/About%20Us/personnel/faculty/boehlert.htm
 Gordon Kruse - U. Alaska, Juneau (ADFG

background), http://www.sfos.uaf.edu/directory/faculty/kruse/

Next Council Meeting: We anticipate having a telephonic Council meeting in mid-January or February 2013. The following topics may be ready for review:

- 1. the NOAA wastewater and PIGU projects and marine debris project amendment, mentioned above;
- any developments in our Habitat program;
- any advances in plans to digitize Council documents.

Please let us know if you have any questions or need additional information. We look forward to seeing you September 14th.

Elise

### Womac, Cherri G (EVOSTC)

From: Womac, Chern G (EVOSTC) Friday, August 24, 2012 9:27 AM Sent:

'Doug Hay (hay doug@shaw ca)', 'Gary Cherr (gncherr@ucdavis.edu)'; 'George Boehlert', 'Gordon Kruse', 'Jay Stachowicz', 'Pete Peterson (cpeters@email unc.edu)', 'Robert Spies

(spies@amarine com )', 'Roger Nisbet', 'Ron O'Dor', 'Steven Morgan'

Hsieh, Elise M (EVOSTC) Cc:

Subject: General Information re Trustee Council: No Action Necessary

Attachments: 8 21 12 Draft Agenda TC Sept 14 2012 mtg pdf, FY13 Draft Workplan 8-21-12 pdf

Hello Science Panel and Invitees,

I hope you have all had a good summer. We have moved our offices the USGS space in Grace Hall, on the APU campus. Our new mailing address is: 4210 University Drive Anchorage, AK 99508-4650. Our new physical address is: Grace Hall 4230 University Drive, Ste. 230 Anchorage, AK 99508-4650. Our phone numbers and email addresses have remained the same.

We typically communicate with the Science Panel when there are Items ripe for review, to consult on particular issues, or to update the Panel after the Council makes funding decisions on projects reviewed by the Panel. However, I am more than happy to circulate additional information about the Council's work. At our meeting in Seattle this spring, some folks noted an interest in hearing a little more about the Council's work in general and being included in some of the fall meeting information.

To that end – and for the curious - here is brief information on the upcoming in-person Council meeting Sept. 14 in Anchorage on the APU campus. There is also a teleconference line available (see draft agenda) for those who would like o attend telephonically. At this meeting, the Council will be reviewing:

- 1. A shift of Council funding from a federal cycle to a February 1<sup>st</sup> cycle, which alleviates some of the fall contractual issues and shifts meeting cycle to the autumn versus the summer. With this cycle, we anticipate the Science Panel will meet in mid-September (vs. the current June cycle).
- 2. We have been updating the Council's policies, many of which had not been revised in over a decade. For this meeting, this includes review of updated investment and financial policies.
- 3. The Council reviews its trust fund asset allocations annually and reviews a presentation by our investment
- 4. The Council has a federal Public Advisory Committee with ten members and which has a two-year term. Upcoming-term nominees will be reviewed at this meeting.
- 5. The Council annual administrative budget ("APDI") includes proposed funding for the Panel and Invitees and is reviewed annually by the Council.
- 6. The draft FY 2013 Workplan summarizes proposed projects and is reviewed annually. It is database-driven, so it tends to be a little clunky. We are in the process of working to it to improve the format and accommodate our the presentation of the projects in our long-term Programs. The comments in the work plan for nonprogrammatic continuing projects are from prior years. Comments for the Programs have been dated to give a sense of context. As discussed in earlier emails to you, the Programs were funded February 1, 2012, so there is little new information on those projects. Continuing projects are also expected to maintain their funding in what is the final year for most.

We anticipate that the next Council meeting will be in January or February and may review:



- the second phase of a NOAA harbor wastewater project
- a marine debris project amendment for Summer 2013
- a pigeon guillemot project involving mink eradication on Naked Island, if a NEPA review is complete.

The Council office is also working on increasing the capacity of the Council's habitat program and looking at options to digitize over twenty-years of documents in the Council offices. Any developments will also be reviewed at that time.

Thank you again for your participation in the Council's science program. Feel free to contact us anytime, or if you would like more information about any of the projects or other Council work. We will email you an update after the Council meeting as to projects funded.

Best,

Elise



### Womac, Cherri G (EVOSTC)

From: Sent: Womac, Cherri G (EVOSTC)

Thursday, August 23, 2012 1 10 PM

70.

'Amanda Bauer (amanda@stephenscruises com)', 'Cherri Womac

(cherri womac@alaska gov)', David Totemoff (dtotemoff@rocketmail com), 'Douglas L (Doug) Mutter (douglas\_mutter@ios doi gov)', 'Gary Fandrei (gfandrei@ciaanet org)'; Hsieh,

Elise M (EVOSTC); Jason Brune (ibrune@me com), Jennifer Gibbins

(editor@thecordovatimes com), 'John French', 'Kurt Eilo (keilo@akforum org)', 'Patience Andersen Faulkner (andersenpatc@ctcak net)', 'Stacy Studebaker (tidepoolak@ak net)',

'Torie Baker (torie@sfos uaf edu)'

Cc:

Hsieh, Elise M (EVOSTC)

Subject:

September 14th Council Meeting Materials Update

Attachments:

Tsunamı Debris Cleanup Pre-Proposal letter 070812 pdf, 8 21 12 Draft Agenda TC Sept 14 2012 mtg.pdf, DRAFT APDI Budget 08-21-12 pdf, Draft March 27, 2012 Trustee Council Meeting notes 03-28-12 pdf, Draft(2) PAC meet summary 7-9-12 pdf, FY13 Draft Workplan

8-21-12 pdf

Hello PAC,

Thank you again for your participation in the July 9<sup>th</sup> PAC meeting this summer. We appreciate your time and review of the program. As noted, the Council will be having an in-person meeting September 14<sup>th</sup> in the Glenn Olds Hall Conference Room, on the Alaska Pacific University campus, 4210 University Drive, Anchorage.

We have previously forwarded much of the meeting materials. Attached are updates to those materials:

- 1. Updated Council meeting Agenda, which is substantially the same as previously distributed;
- 2. <u>Updated APDI</u>, which is substantially the same as reviewed at the PAC meeting;
- 3. <u>Updated Workplan</u>, which is also substantially the same as previously distributed. We are in the process of reformatting this database-driven document to accommodate our on-going Programs so we continue to work on format and presentation. Note that comments in the work plan for non-programmatic continuing projects are from prior years. Comments for the Programs have been dated to give a sense of context.
- 4. <u>GoAK Tsunami Debris Clean Up Pre-Proposal Letter</u>: Chris Pallister of GoAK has submitted an update to his marine debris work this summer and some suggestions for options to amend the project. It may be best to request a specific amendment for review at a potential January or February 2013 meeting, in advance of the 2013 field season.
- 5. PAC July 9 Meeting summary.
- 6. Council March 27 Meeting notes.

We have moved to our new office space and are fully connected again, and our phone numbers will remain the same. While we had access to email during our transition, our website and phones were down while IT worked to re-connect us. Thank you for your patience.

Please let us know if you have any questions or would like additional information.

Elise

## Womac, Cherri G (EVOSTC)

From: Womac, Chern G (EVOSTC)

Sent: Thursday, August 23, 2012 9 17 AM

To: 'Kurt Eilo'

Subject: Sept 14 TC meeting

Attachments: 8 21 12 Draft Agenda TC Sept 14 2012 mtg doc, Draft(2) PAC meet summary 7-9-12 pdf

Kurt: I've attached the Sept 14 TC agenda and July 9 PAC meeting summary for your convenience. This version of the agenda indicates an estimated time for the PAC report. You can participate by teleconference or in person. If you are unable to give the PAC report, please let Doug and me know.

Thank you, Cherri

motions.

,

### DRAFT 9/14/2012

### Draft Motions for September 14, 2012 Trustee Council meeting

### Agenda Item 2: September 14, 2012 Agenda and March 27, 2012 Meeting Notes:

I move we approve the September 14, 2012 meeting agenda, revised as of September 6, 2012.

I move we approve the March 27, 2012 draft Trustee Council meeting notes.

### Agenda Item 4: Koniag Conservation Easement

### Agenda Item 7: Executive Director's Report

Shift in Council Funding Cycle:

I move we approve shifting the Trustee Council's annual funding cycle from the federal fiscal year to a February 1 through January 31 cycle.

### Reporting Policy Update:

I move we adopt the revised Reporting Policies, dated June 14, 2012.

### Financial Policy Update:

I move we adopt the revised Financial Policies, dated June 19, 2012.

### **Investment Policy Update:**

I move we adopt the revised Investment Policy, dated September 13, 2012.

#### Asset Allocation:

I move we approve the following Asset Allocation for the period October 1, 2012 through January 31, 2014: Domestic Equities 47% +/- 7%, International Equities 23% +/- 7%, and Domestic Bonds 30% +/- 5%.

### Agenda Item 9: Public Advisory Committee Selections:

I move we approve the selection of the following individuals to the U.S. Secretary of the Interior for appointment to the October 1, 2012 - September 30, 2014 term of the EVOS Trustee Council's Public Advisory Committee:

Aquaculture/Maritime: Gary Fandrei, Kenai Public at Large: Emilie Springer, Homer

Commercial Fishing: Steven Aberle, Anchorage Recreational Users: Stacy Studebaker, Kodiak Commercial Tourism: Amanda Bauer, Valdez Science/Technical: John French, Seward

Conservation/Environmental: Kate McLaughlin, Chenega Bay

Sport Hunting and Fishing: Kurt Eilo

Native Landowners: David Totemoff, Tatilek Subsistence: Patience Anderson Faulkner, Cordova

### Agenda Item 10: GoAK Marine Debris

### Agenda Item 11: Annual Program Development and Implementation (APDI) Budget:

I move we approve \$2,025,279 funding for the Annual Program Development and Implementation Budget, October 1, 2012 – January 31, 2014, project 13130100, revised as of August 21, 2012. This funding amount includes GA.

### Agenda Item 12: 2013 Work Plan:

### **Motion regarding Non-Program Continuing Projects**

I move we approve funding of \$2,325,009 for the Non-Program Continuing Projects identified in "Attachment B: FY 2013 Workplan Funding Summary, revised as of September 6, 2012." Funding is authorized for October 1, 2012 — September 30, 2013, with the exception of Anderson Project 12120115 and Pallister Project 12120116, funding is authorized for October 1, 2012 — January 31, 2014. This funding amount includes GA.

### Motion regarding Non-Program Continuing Project Amendment

I move we approve funding of \$31,000 for Irvine Project Amendment 11100112B. Funding is authorized for October 1, 2012 – January 31, 2014. This funding amount includes GA.

### **Motion regarding Long Term Monitoring Program**

I move we approve funding of \$2,614,026 for the Long-Term Monitoring Program 13120114. Funding is authorized for February 1, 2013 – January 31, 2014. This funding amount includes GA.

### Motion regarding Long-Term Herring Program

I move we approve funding of \$1,240,529 for the Long-Term Herring Program 13120111. Funding is authorized for February 1, 2013 – January 31, 2014. This funding amount includes GA.

Resolutions to be emailed at a later date.

### DRAFT 9/13/2012

## Exxon Valdez Oil Spill Trustee Council

4210 University Drive · Anchorage, AK 99508-4626 · 907 278 8012 · fax 907 276 7178



# AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL September 14, 2012, 9 30 a m -3 00 p m Anchorage, Alaska

Trustee Council Members.

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Alternate for Attorney General Michael C Geraghty

Alaska Department of Law

LARRY HARTIG

Commissioner

Alaska Department of

**Environmental Conservation** 

THOMAS BROOKOVER

Alternate for Commissioner Cora Campbell Alaska Department of Fish and Game

JAMES BALSIGER

Administrator, Alaska Region National Marine Fisheries Service

U S Department of Commerce

KIM ELTON

Senior Advisor to the Secretary for

Alaska Affairs

Office of the Secretary

US Department of the Interior

STEVEN ZEMKE

Alternate for Forest Supervisor Terri Marceron

Chugach National Forest

U.S Department of Agriculture

Meeting in Anchorage.	USGS Alaska Pacific Un	iversity Campus,	Glenn	Olds Hall	Conference Ro	om,
,	4210 Un	versity Drive				
	Teleconference number	800 315 6338	Code	8205		1
	State Chair:	i				

1. Call to Order - 9 30 a m

## DRAFT 9/13/2012

2.	Consent Agenda - Approval of Agenda* - Approval of Meeting Notes*  March 27, 2012	
3	Executive Session Habitat – 9 45 (25 min.)	Joe Darnell, Counsel (via phone) U.S. Dept. of Interior Solicitor's Office
4	Koniag Conservation Easement* – 10 10 (15 min.)	Joe Darnell, Counsel
5.	Public comment – 10:25 (3 minutes per person)	
6	PAC Chairperson Report – 10 <sup>-</sup> 40 ( <i>10 min.</i> )	Kurt Eilo, PAC Chair
7	Executive Director's Report – 10 50 (40 min.)  - Shift in Council funding cycle*  - Minor Revisions to Reporting and Financial Policie  - Updated Investment Policy*	Elise Hsieh, EVOSTC Executive Director
	- Asset Allocation*	Bob Mitchell, ADOR
		Mike O'Leary, Callan Assoc
8.	Executive Session Executive Director review and PA	.C nominees – 11 20 ( <i>20 min.</i> )
9	Public Advisory Committee selections* – 11 40 (15 mi	n.)Doug Mutter, US DOI  Designated Federal Officer
Lu	ınch – 11 55-1 00 p.m. Trustees and EVOS staff – Grac	e Hall
10	GoAK Marıne Debris, PJ 12120116* 1 00 ( <i>25 min.</i> )	**Elaine Busse Floyd Alaska Dept of Environmental Conservation Chris Pallister Gulf of Alaska Keeper Tim Vestra Advanced Technologies, Inc (ATI)
11.	Draft Annual Program Development and Implementation (APDI) Budget* – 1.25 (15 min)	Elise Hsieh Linda Kilbourne, EVOSTC Admin Mgr
12.	Draft FFY 2013 Work Plan* – 1 40 (25 min.) - Continuing Projects - Long-Term Programs	Catherine Boerner EVOSTC Science Coordinator

### DRAFT 9/13/2012

Adjourn – by 3 00 p m

- \* Indicates potential action items
- \*\* Added at Commissioner Hartig's request, presentation regarding tsunami marine debris

Mar 27, 2012 Meeting Notes

### Draft 4/9/2012

## 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 27, 2012

Chaired by: Steven Zemke Trustee Council Member

Trustee Council Members Present:

Steven Zemke, USFS \*
 Kim Elton, USDOI
 James Balsiger, NOAA

Jennifer Schorr, ADOL \*\*\*

Tom Brookover, ADF&G \*\*

Larry Hartig, ADEC

- Chair
- Steven Zemke alternate for USFS
- \*\* Tom Brookover alternate for Cora Campbell
- \*\*\* Jennifer Schorr alternate for Michael Geraghty

The meeting convened by teleconference at 9:30 a.m., March 27, 2012 in Anchorage at the EVOSTC Conference Room.

1. Approval of the Agenda

APPROVED MOTION:

Motion to approve the March 27, 2012 agenda.

Motion by Balsiger, second by Schorr

2. Approval of February 1, 2012 meeting notes

APPROVED MOTION:

Motion to approve the February 1, 2012 meeting

notes as prepared.

Motion by Brookover, second by Balsiger

Public comment opened at 9:35 a.m.

No public comments were made.

Public comment closed at 9:37 a m

Suspend vote on Callan Associates

MOTION TO SUSPEND VOTE Motion to suspend vote until ADF&G Trustee

Alternate Tom Brookover returns to the meeting.

Return to Public Comment

Motion by Balsiger

Off the record: 10:20 a m. On the record: 10:30 a m.

### 3. Callan Associates Services Contract

APPROVED MOTION:

Motion we authorize the EVOSTC Executive Director to enter into a contract with Callan Associates in the amount of \$11,990, which includes applicable GA, for investment advisor services to serve as an independent investment adviser to the Investment Working Group. In addition, \$2,725, which includes applicable GA, for travel costs for a total of \$14,715 added to the EVOSTC Administrative Budget contingent on the majority agreement of the Investment Working

Group at their April meeting.

Motion by Hartig, second by Brookover

### 4 Port Graham Hatchery/Cook Inlet Aquaculture Association

APPROVED MOTION:

We have no objections to the Cook Inlet

Aquaculture Association's purchase of the Port

**Graham Hatchery** 

Motion by Schorr, second by Brookover

### 5 Seward Vessel Wash Down PJ 12120115

APPROVED MOTION:

Motion to approve delegating the assignment of an agency project manager to the Executive Director for Project 12120115, the Vessel Wash Down and Wastewater Facility at the Seward Marine Industrial

Center.

Motion by Hartig, second by Schorr

### 6. EVOSTC Lease/Moving Expenses

### APPROVED MOTION:

Motion to authorize the EVOSTC Executive Director to enter into negotiations in a formalized agreement with the United States Geological Survey for leased office space, in an amount not to exceed \$14,500, through September 30, 2012. The Council does not need to authorize any new funds for the office space, since funding for office space has already been provided in the 12120100 Administrative Budget. The formalized agreement may not exceed five years, with an option to renew, and shall include cancellation rights with 120 days notice in writing after the five years.

In order to relocate the office, I move we approve Resolution 12-04 authorizing \$12,000 in additional funds, which includes applicable GA, for Project 12120100 EVOSTC Administrative Budget — relocation expenses.

Motion by Schorr, second by Balsiger

### 7 Port Graham Parcel PTG 01

### APPROVED MOTION

Motion to approve Resolution 12-03 reauthorizing the funds remaining from Resolution 08-06, plus an additional \$7,085, which includes applicable GA, to the Department of Interior, National Park Service for due diligence activities for Port Graham Parcel PTG 01.

Motion by Brookover, second by Balsiger

8 Adjourn

Motion to adjourn

Motion by Balsiger, second by Schorr

Off the record 10:50 a.m.

MTG SUMMARY

## Meeting Summary DRAFT

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

B. DATE/TIME: July 26, 2011

C. LOCATION: Anchorage, Alaska (teleconference)

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

Name Principal Interest Torie Baker (T) Commercial Fishing Amanda Bauer (T) Commercial Tourism Jason Brune (T) Public-at-Large Kurt Eilo Sport Hunting/Fishing, PAC Chair Gary Fandrei (T) Aquaculture/Mariculture Patience Andersen Faulkner (T) Subsistence, PAC Vice-chair John French (T) Science/Technical Stacy Studebaker (T) Recreation Users

### E. NOT PRESENT:

Name

Name	1	Principal Interest
Jennifer Gibbins		Conservation/Environmental
David Totemoff		Native Landowner

Organization

### F. OTHER PARTICIPANTS:

Organization
Executive Director, Trustee Council
Designated Federal Official, Department of the Interior
Trustee Council Staff
Trustee Council Staff
Trustee Council Contractor
Alaska Resources Library & Information Services (ARLIS)
Patton Boggs
National Oceanic and Atmospheric Administration (NOAA)
NOAA
U.S. Geological Survey (USGS)
U.S. Fish and Wildlife Service (FWS)
Alaska Department of Natural Resources (ADNR)
Alaska Ocean Observing System (AOOS)

### H. SUMMARY:

At 10:02 a.m. Kurt Eilo, PAC Chair, opened the meeting. Doug Mutter, Designated Federal Official, took roll call of PAC members (a quorum was present). The meeting participants introduced themselves.

The April 13, 2011, PAC meeting summary was approved. There were no modifications proposed for today's agenda.

The floor was open for public comment. Molly McCammon and Kris Holderied spoke in support of the use of the firm Axiom as a subcontractor for managing data under the Herring and Long-Term Monitoring (LTM) proposals, and emphasized the ongoing collaboration activities. Any past-due reports have all been submitted. Both said they appreciated the work the PAC members have done in reviewing proposals.

Elise Hsieh provided the Executive Director's report. The next Trustee council meeting is set for September 15, later than anticipated due to scheduling issues. She reviewed the action items on the Trustee Council's agenda. She noted that the budget was being pared down and they are starting to position agency and Trustee Council staff for the long-term program. There are several updates and revisions to FY 2012 proposals in response to questions from the PAC, Science Panel, and Trustee Council staff--Principal Investigators have been responsive.

Hsieh reviewed the proposed FY2012 budget. Staff are reviewing past expenditures and annual reports to update the overall status of funds and work to date. She summarized various modifications to budget elements. The PAC budget has been reduced due to fewer in-person meetings. She also noted that Trustee Council policies and procedures will require modification to adjust to the long-term program.

Hsieh pointed out that Carrie Holba would be working half-time on archiving records at EVOS starting this fall. Stacy Studebaker raised concern about reducing the efforts to maintain the 20-plus years of information and data at ARLIS. Hsieh said that ARLIS did not maintain "data" (other projects will address the historical data questions) and that Holba would still work part-time at ARLIS. Holba said she was discussing with Federal and State archivists, how to handle official EVOS historical records. She noted that the Trustee Council would remain a "Founders" supporting member of ARLIS this year.

It was moved by Patience Anderson Faulkner, second by Studebaker, that the PAC supports the fiscal year 2012 EVOS budget, as presented. There were no objections.

Hsieh and Catherine Boerner explained the updates and revisions to several projects proposed for the FY 2012 Work Plan:

Community-based Marine Debris Program	Discussions with Alaska Geographic and the
Chugach School district have taken place.	The Alaska SeaLife Center is looking into
providing an interactive exhibit.	e*

PWS Harbor Cleanup Project—A revised proposal with funds leveraged has reduced the cost of this effort, which will be managed by NOAA staff. Studebaker raised a concern about the details of the effort, it is not clear what will be done and where. John French mentioned the need to coordinate this with the U.S. Coast Guard clean harbors program. Eilo stated that he supported the cleanup of harbors. Boerner said the details of the project would not be clear until 2013, after groundwork to determine exact needs. The only changes to the project are a reduced budget. The PAC agreed that Eilo would present an oral summary of the concerns of the PAC at the upcoming Trustee Council meeting, stating that: While there are merits to the cleanup of harbors, the Trustee Council should

- proceed with caution, as there are few details at this time explaining what this project will accomplish.
- ☐ Vessel Wash-down and Wastewater Recycling Facility—outstanding legal issues have been resolved and Trustee Council questions have been answered.
- PWS Herring Research and Monitoring Program--The Science Panel said the response to their concerns and further coordination was good. The Alaska Department of Fish and Game will partially fund a herring liaison position. Improved modeling techniques will be included as a separate project (PI is Branch). Torie Baker stated that this type of effort is what is needed to help resource managers in their decision-making. It was moved by French, second by Anderson Faulkner, that the PAC concurs with the Science Panel recommendation to fund the Branch modeling project. There were no objections. LTM Marine conditions and Injured Resources and Services--Lingering oil projects (Ballachey and Carls) will be included in the LTM program.

Hsieh and Boerner reviewed the situation with the data management element of the long-term program (especially for the LTM and Herring projects). Issues raised by the Science Panel, Trustee Council staff, and the PAC called for additional work and collaboration to assist with establishment of a data management system that includes accessible scientific data as well as public information. In response, the National Center for Ecological Analysis and Synthesis (NCEAS) submitted a proposal to work with Axiom (a subcontractor to AOOS), and the Woods Hole Oceanographic Institution also submitted a proposal. Elements of both options were reviewed and discussed. Data management generally consumes about 30% of a research program budget, the costs for including one of these options for assistance remain within that range.

Hsieh stated she had not made a recommendation to the Trustee Council, her role is to bring options for their consideration. She plans for the EVOS data to be open and available to the public via more than one venue. French noted that he had no problem with either NCEAS or Woods Hole—he questioned Axiom's role and staying power. McCammon said that Axiom would be a subcontractor to AOOS, had been doing cutting edge work, and was committed to the project—they have a 4-year contract. She also stated that the AOOS Board was committed to the project. French said he supported the NCEAS and Axiom collaboration. Eilo summed the PAC interest in the Trustee Council investing in and implementing a solid data management, synthesis, and public access system.

Eilo asked about the purchase of the Poore parcel on the Kenai River. Jason Brune stated that he was opposed to any new habitat acquisitions. Samantha Carroll noted that such purchases have been river frontage, sloughs, riparian habitat and tidelands. This parcel has river front and salmon rearing habitat. Eilo noted that this area is commonly referred to as "Eagle Rock" and includes a private boat launch—it would be nice to have it better managed by the State. French moved, second by Studebaker, that the PAC supports the purchase of the Poore parcel by the Trustee Council for allowing public access to the Kenai River. Brune's general objection was noted, there were no other objections.

The meeting was adjourned at 12:07 p.m.

### I. FOLLOW-UP:

1. Eilo will provide an oral PAC report to the Trustee Council at their next meeting.

)	J. NEXT MEETINGS:		
	Trustee Council (Anchorage on September 15, 2011)		
	K. ATTACHMENTS (handed out at the meeting):		
	1. None		
	L. CERTIFICATION:		
			_
	PAC Chairperson	Date	

EVOSTC Financial Operating Procedures

# EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL FINANCIAL PROCEDURES

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## EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL FINANCIAL PROCEDURES

### SETTLEMENT FUNDS

- 1. *Joint Trust Funds*. The Joint Trust Funds consist of all payments received or to be received by the United States and the State of Alaska pursuant to the Agreement and Consent Decree issued in United States v. Exxon Corporation, et al. (No. A91-082 CIV) and State of Alaska v. Exxon Corporation, et al. (No. A91-083 CIV), including any interest accrued thereon.
- 2. Investment Fund(s). Pursuant to Court Order and in accordance with the Terms of the Memorandum of Agreement and Consent Decree, from December 1991 through October 5, 2000, the Joint Trust Funds were placed in an interest-bearing account in the Court Registry Investment System (CRIS) administered through the United States District Court. The Governments sought and obtained Congressional approval to expand options for investment of the settlement proceeds. Public Law 106-113, the Consolidated Appropriations Act, 2000, was enacted November 29, 1999. Section 350 of H.R. 3423, authorizes deposit of all or a portion of the Joint Trust Funds previously received, or to be received, by the Governments in the Natural Resource Damage Assessment and Restoration Fund or accounts outside the United States Treasury or both.
- 3. Investment Fund(s) Disbursement. Upon unanimous approval of the Trustee Council, the Alaska Department of Law and the United States Department of Justice shall be requested to notify the United States District Court for the District of Alaska. The notification shall consist of legal documents required by the Court and documentation demonstrating the unanimous agreement of the Trustee Council. Concurrently, the Alaska Department of Law and the United States Department of Justice shall be requested to provide the custodian(s) of the Investment Fund(s) with payment instructions. When appropriate, interest earned on the federal and state accounts and/or unobligated balances from prior years' authorizations shall be subtracted from the disbursement.
- 4. Authority to Spend. No obligations shall be incurred until such time as a Court Order is entered by the United States District Court for the District of Alaska or a notification is filed with the United States District Court for the District of Alaska and any terms and conditions placed on the funding by the Trustee Council have been met.
- 5. *Federal Account*. In accordance with federal law, funds required for federal project implementation are deposited in the Natural Resource Damage Assessment and Restoration (NRDA&R) Fund managed by the Department of the Interior.
  - 6. State Account. In accordance with state law, funds required for state project

implementation are deposited in the Exxon Valdez Oil Spill Settlement Fund.

### PROJECT AUTHORIZATION

- 1. *General*. Authorization to expend personal services, travel, contractual, commodities, equipment and general administration funds shall be consistent with the project budgets approved by the Trustee Council.
- 2. Fiscal Year. For Trustee Council approvals after September 2012, and uUnless otherwise approved by the Trustee Council, the fiscal year begins on February 1October 1 and ends on January 31September 30. In the event the Trustee Council approves a project with a different fiscal year, the fiscal year must be clearly stated in the approval motion. In the event the Trustee Council approves, in a single approval motion, multiple fiscal years of funding for a project, the project must be designated as a "multiple-year project" in the approval motion and the fiscal year in which the funds will lapse must be specified in the approval motion. In the event the Trustee Council approves a capital project, the designation as a capital project must be clearly stated in the approval motion.
- 3. Adjustments between Projects. 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. Justification and supporting documentation as to the reason for all such adjustments shall be maintained by the agencies. All such adjustments must be reported to the Executive Director in the Annual Financial Report. For further information regarding the Annual Financial Report, refer to the Accounting section of these procedures.
- 4. Adjustments between Line Items. 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 must be maintained by the agencies. All such adjustments must be reported to the Executive Director in the Annual Financial Report. For further information regarding the Annual Financial Report, refer to the Accounting section of these procedures.
- 5. Adjustments between Fiscal Years of a Multiple-year Project. As long as an adjustment does not alter the underlying scope or objectives of the project, agencies are authorized to carry forward budgeted funds to the subsequent fiscal year of a multiple-year project. Justification and supporting documentation as to the reason for all such adjustments must be maintained by the agencies. All such adjustments must be reported to the Executive Director in the Annual Financial Report. For further information regarding the Annual Financial Report, refer to the Accounting section of these procedures.
  - 6. Revisions. Trustee Council action is required to move amounts greater than that

authorized in Section 3, above. Trustee Council action is also required if the adjustment changes the scope or objectives of a project, establishes a new project, or terminates an approved project before its scheduled completion. In the event the proposed adjustment changes the scope or objectives of a project, establishes a new project, or terminates an approved project before its scheduled completion, the public shall be given a reasonable opportunity to review and comment on the proposed change prior to action of the Trustee Council.

7. Withholding of Funding Pending Deliverables. Ten percent (10%) of project funding will be withheld by project managers until the following have been completed: (a) the final report has completed peer review and format review and has been accepted by the Science Coordinator; (b) all print copies of the final report have been delivered to the Alaska Resource Library and Information Service (ARLIS); (c) an electronic copy of the final report has been delivered to the Trustee Council office; and (d) all project data and metadata have been submitted to approved archives, in accordance with the Trustee Council Data Policy. The Executive Director has the discretion to alter the due date on deliverables, whether planned or for other grounds the Executive Director determines are reasonable. The 10% withholding will apply to the final year of multi-year projects. No further funding will be awarded proposers with tardy Trustee Council deliverables.

### PROJECT COSTS

- 1. *Direct Project Costs*. Direct costs are those costs that can be identified with or linked to a specific project.
- 2. Indirect Project Costs. Indirect costs are those costs that are incurred for common or joint projects and therefore cannot be identified readily and specifically with a specific project. In the case of governmental agencies, indirect costs are covered through a general administration formula. The appropriate indirect rate for contractors shall be approved on a case-by-case basis.
- 3. General Administration Formula. The general administration formula is used to reimburse governmental agencies for indirect project costs incurred in implementing the restoration program. The general administration formula is nine percent (9%) of each project's direct costs. General administration funds may be spent at the agency's discretion provided they are spent on indirect costs incurred in implementing activities funded by the Trustee Council. Agencies are entitled to one hundred percent (100%) of their budgeted general administration funds regardless of how much of their budgeted direct project funds have been expended.
- 4. *Unallowable Costs*. Restoration funds shall be used only for costs that directly benefit Trustee Council approved projects with the exception of reimbursement of general administration (i.e., indirect) costs that are calculated in accordance with the general administration formula.
  - 5. Bonuses. Bonuses for personnel working on Trustee Council-funded activities are

allowable costs. Agencies shall follow their standard operating procedures in determining bonus awards. Bonuses shall be considered an indirect project cost and, if awarded, shall be paid with general administration funds.

# ACCOUNTING

- 1. *General*. It is the responsibility of agency personnel, Team Leads and certifying officers to make certain that all actions are based on sound accounting and budgetary practices.
- 2. Source Documentation. Adequate justification and supporting documentation shall be maintained for each project.
- 3. Appropriateness. Expenditures charged to a project shall be directly attributable to or allocated to the project benefiting from the activity. Salaries and benefits may be charged for the time an individual is working directly on a project, when supported by time sheets and when work performed by such individuals is necessary to the project.
- 4. **Reasonableness**. Costs attributable to a project shall be necessary and reasonable to achieve the objectives of the project and be consistent with the policies and procedures governing other activities of the agency.
- 5. Segregation. Accounts shall be properly designed and maintained to ensure that funds are expended in accordance with Trustee Council approval.
- 6. *Expended (Outlays)*. The term expended shall be defined as the actual outlay of funds through the issuance of checks or warrants, the disbursement of cash, or the electronic transfer of funds. The term expenditure shall be defined as the act of expending.
- 7. Obligation (Encumbrances). The term obligation shall be defined as a commitment to acquire goods or services during the fiscal year or, for multiple-year projects, a commitment to acquire goods or services prior to the project's specified lapse date. The term obligation shall also be used to accommodate contracts where the length of time for completion of the service extends into the following fiscal year or, for a multiple-year project, beyond the project's specified lapse date. An obligation is a commitment to pay and should not be considered an expenditure until the goods or services have been received and the invoice paid. Funds approved for contracts in which the length of time for completion of the service extends into the following fiscal year may be obligated at year end or, for a multiple-year project, prior to the project's specified lapse date. As a general rule, agencies shall have one year from a project's specified lapse date to satisfy all obligations.
- 8. Reporting: Annual Financial Reports. By January 31 of each year, agencies shall report to the Executive Director the total expended for each project, plus any valid obligations relating to the fiscal year just ended. For Trustee Council-funded programs,

agencies shall report to the Executive Director the total expended for the programs, plus any valid obligations relating to the fiscal year just ended, by March 1 of each year. The report shall reflect the total amount authorized by line-item, any revisions approved by the Trustee Council, any adjustments between projects, any adjustments between line-items, and, for multiple-year projects, any adjustments between fiscal years.

#### LAPSE

- 1. General. Subject to the exceptions noted in sections 2 and 3 below, the unexpended and unobligated balance of a project shall lapse on the last day of the month before the close of the fiscal year for which the project was approved. For example, for a project with an October 1 Sept. 30 period, the last day is Sept. 30; for a project with a February 1 January 31 period, January 31 is the close of the fiscal period. However, an undisclosed obligation may be established and/or paid during the Close-Out Period.
- 2. *Multiple-year Projects*. The unexpended and unobligated balance of a multiple-year project shall be carried forward to the lapse date specified by the Trustee Council in the project's approval motion. If no specific date is specified, the unexpended and unobligated balance shall lapse on the last day of the month before the close of the fiscal year specified by the Trustee Council. See "General," above.
- 3. Capital Projects. The unexpended balance of a capital project shall be carried forward for two subsequent fiscal years. At the end of the three-year period, the unexpended and unobligated balance shall lapse. Trustee Council action is required to extend the project lapse date beyond the three year period.
- 4. Close-out Period. For three months after the close of a fiscal year, agencies or Team Leads may pay from funds an expense that was undisclosed during that fiscal year. For example, for an October 1 fiscal year, expenses may be paid during the months of October, November and December (through December 31) from the funds from the fiscal year just ended on September 30. For a February 1 fiscal year, these may be paid during February, March and April. In addition, agencies or Team Leads may establish obligations to accommodate an expense that was undisclosed during that fiscal year. Any such payments or obligations must be reported to the Executive Director in the Annual Financial Report. For further information regarding the Annual Financial Report, refer to the Accounting section of these procedures.
- 5. Expenses Discovered after the Close-out Period. Expenses discovered after the Close-out Period (i.e., for an October 1 fiscal year, after December 31 and for a February 1 fiscal year, after April 30) may be charged to the subsequent year's project budget if the project has multiple years of funding and sufficient funds are available. In the event there is no subsequent year's project budget, or in the event the agency or Team Lead determines that insufficient funds are available to charge the expense to the subsequent year's budget, authority to adjust a prior year Annual Financial Report is required. During the six months after the Close-Out Period, authority to adjust a prior year Annual Financial Report may be provided by the Executive Director. For example, for an

October 1 fiscal year: January through June; for a February 1 fiscal year: May through October. For expenses discovered after this six-month period, authority to adjust a prior year Annual Financial Report may be provided by the Trustee Council.

#### EQUIPMENT

- 1. **Definition.** Equipment shall be defined as non-expendable items having an estimated life of more than one year and a unit value greater than \$1,000.
  - 2. Title and Use. Equipment shall be used for the project for which it was acquired.
    - a. Items with an original per unit cost of under \$5,000 shall belong to the acquiring agency. At the end of a project, if the equipment was purchased by a contractor, the agency may, at its discretion and if agency regulations allow, transfer the title to the contractor.
    - b. Items with an original per unit cost of \$5,000 and over shall belong to the acquiring agency on behalf of the Trustee Council. At the end of a project that has equipment with an original per unit cost of \$5,000 or more, the Executive Director shall determine if the equipment item shall be used for another Trustee Council project or if the item shall remain with the acquiring agency. If the equipment shall be used for another Trustee Council project administered by an agency other than the acquiring agency, the title for the equipment shall be transferred to the agency administering the new project. If the equipment shall remain with the acquiring agency, and it was purchased by a contractor, the agency may, at its discretion and if agency regulations allow, transfer the title to the contractor.

This section shall apply to all equipment purchased under the restoration program, for projects already in progress or completed as well as for projects funded in the future.

- 3. *Surplus*. Equipment that belongs to the acquiring agency shall be surplused in accordance with agency procedures.
- 4. *Inventory*. Property records shall be maintained in accordance with agency procedures.
- 5. **Repair, Maintenance and Safeguarding.** The repair, maintenance and safeguarding of equipment purchased with joint funds shall be accomplished in accordance with agency procedures.
- 6. *Disposal*. Equipment that ceases to function shall be disposed of in accordance with agency procedures.
- 7. **Reporting.** By December 31 of each year, agencies shall report all equipment with an original per unit cost of \$5,000 or more to the Executive Director. The report shall include a description of the equipment (make and model), date the equipment was

purchased, the purchase price, where the equipment is located and the condition of the equipment. The report shall also identify the project that is using the equipment.

# CONTRACTS

- 1. *General*. Agencies and Team Leads shall ensure that contracts for professional and non-professional services are accomplished in accordance with the terms, conditions, and specifications of the project approved by the Trustee Council and in accordance with applicable Program policies, Federal and State laws.
- 2. **Definitions.** Professional services means contracts for professional, technical, or consultant services that result in the production of a report or the completion of a task, and includes analysis, evaluation, prediction, planning, or developing a recommendation. Non-professional services means contracts for services that are primarily manual in nature, and includes boat charters, printing, and other. Non-professional services contracts usually provide a service rather than resulting in a product or report.
- 3. Named Recipient. In the event the Trustee Council determines that, in order to carry out its mandate under the Memorandum of Agreement and Consent Decree, a particular person or entity should implement all or a portion of a project through a state Trustee agency, the Trustee Council may, by unanimous vote, name a contract recipient. The approval motion shall include the reason for selecting the contract recipient. If the contracting agency determines that an award to an entity different than that named by the Trustee Council would better serve the program, the basis of that determination shall be stated in writing to the Executive Director and forwarded to the Trustee Council for approval.
- 4. *Indirect Rates*. The appropriate indirect rate for contractors shall be determined on a project by project basis or through a memorandum of understanding with a contractor that provides for a consistent rate and methodology.
- 5. *Equipment*. Equipment purchased by the contractor shall remain the property of the contracting agency unless other conditions prevail. See section on Equipment, Title and Use, for specific details.
- 6. *Special Considerations*. All notes and other data developed by the contractor shall be subject to the Trustee Council's Data Policy.

#### GRANTS

1. *General*. Grants may be used as a procurement mechanism, but only to the extent they are permitted under existing state and federal laws. Federal Trustee agencies were given grant authority specific to the Trustee Council's program under Public Law 106-113 (1999).

#### **AUDITS**

- 1. *General*. The purpose of an audit is to ensure public trust and accountability regarding the use of settlement funds. An audit provides credibility to the information reported by or obtained from management by independently acquiring and evaluating the evidence.
  - 2. **Definition.** The term audit includes both financial and performance audits.
- 3. **Readiness.** When an agency or Council-funded Program receives funding from the Trustee Council, the agency assumes certain responsibilities with respect to those funds. These include ensuring that source documentation is organized and available for review, internal controls are documented and individuals knowledgeable about the projects are available to answer questions.
- 4. *Contracts*. Contractors who receive funding for professional or non-professional services are not automatically subject to an annual audit. However, this does not preclude the Trustee Council or the agency or Program from making a determination that an audit is required in addition to an agency or Program's review of expenditure documentation and work produced by a contractor.
- 5. **State and Federal Audits.** Each Federal agency and the State of Alaska have audit functions. In the event an audit is performed on a Trustee Council-funded activity, a copy of the audit shall be provided to the Executive Director.
- 6. *External Audits*. All external audits shall be conducted in accordance with Governmental Auditing Standards. In addition, the firm and the staff assigned to conduct the audit shall be independent of the Trustee Council, the funding agencies, the Alaska Department of Revenue, the Court Registry Investment System, Exxon Corporation, Exxon Shipping Company and Exxon Pipeline Company.

#### APPENDIX A: FEDERAL INTERNAL PROCEDURES

## NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION FUND

- 1. Segregation. All principal and interest shall be accounted for separately by the Department of the Interior, Office of the Secretary. Each disbursement shall be assigned an appropriate account, sub-activity and/or project number when deposited to the aggregate Natural Resource Damage Assessment and Restoration Fund within the Federal Reserve Bank. Confirmation of the deposit shall be provided to the Treasury Department, which reconciles the deposit with the Federal Reserve Bank.
- 2. Investments. By law, the funds may only be invested in Treasury Securities and all ownership is maintained in the name of the Natural Resource Damage Assessment and Restoration Fund. Based on an estimate of cash flow requirements, the Department of the Interior, Office of the Secretary generates instructions for investment and forwards the instructions to the National Business Center. The National Business Center develops and submits an Investment Confirmation Letter that indicates which account investments are being purchased, the scheduled maturity dates and the investment type(s) to the Department of Treasury, which purchases the securities. At maturity, interest income is paid directly to the account.
- 3. **Reports.** The Department of the Interior shall report interest income to the Executive Director annually, at a minimum. If requested by the Executive Director, disbursements to the federal agencies shall be reported to the Executive Director. By March 31 of each year, the Department of Interior shall report to the Executive Director all lapsed funds returned to the Natural Resource Damage Assessment and Restoration Fund by the federal agencies.

## **AUTHORIZATION**

- 1. *General*. Congress permanently appropriated funding approved by the Trustee Council in Section 207 of Public Law 102-227. However, all authorization is subject to compliance with any terms and conditions imposed by the Trustee Council.
- 2. **Budget and Reports.** Under Section 207, agencies are required to comply with directions published by the Federal Office of Management and Budget. This includes submitting a budget for the upcoming fiscal year and documentation associated with the current and prior fiscal year.
- 3. *Obligation Authority*. Prior to the obligation of any funds, agencies must first complete the allocation process required by their respective budget offices to establish codes for each project. The allocation process provides the authority, amount of funding and the guidance with which to obligate funds.
  - 4. Instructions for Transfer. Federal agencies are required to submit an annual cash

- flow plan to the United States Department of the Interior, Office of the Secretary, Natural Resource Damage Assessment and Restoration Office, and instructions regarding the transfer of settlement funds. The instructions shall specify the purpose of the transfer, which account the funds are to be transferred to, and an estimate of cash flow requirements. Unless the transfer represents a one-time payment, the cash flow estimate shall be structured on a quarterly basis. Any change in cash flow requirements that occurs during the fiscal year shall be communicated to the United States Department of the Interior, Office of the Secretary, Natural Resource Damage Assessment and Restoration Office, in writing. A change is defined as a decrease in the cash flow requirement due to an unanticipated delay in a project or an increase in the cash flow requirement due to an unanticipated change in the schedule, or subsequent Trustee Council action.
- 5. *Fund Transfers*. The vehicle used for transfers is a SF1151, a non-expenditure transfer. The SF1151 is initiated, prepared, and approved by the Natural Resource Damage Assessment & Restoration Office, Office of the Secretary and then sent to Treasury where the funds are transferred within the Treasury system.
- 6. Return of Unobligated Balances. On March 15 of each year, federal agencies must return to the Natural Resource Damage Assessment and Restoration Fund the unobligated balance for the fiscal year just ended. Concurrently, the agencies must return any recovery of prior year obligations. Agencies are required to submit to the United States Department of the Interior, Office of the Secretary, Natural Resource Damage Assessment and Restoration Office, a report reflecting the total unobligated balance for the fiscal year just ended and the amount of funding recovered from prior year obligations. The report submitted must also indicate the date the agency intends to return the funds. The vehicle used for transfers is a SF1151, non-expenditure transfer. The Department of the Interior shall report the total unobligated balance for the fiscal year just ended and the amount of funding recovered from prior year obligations to the Executive Director by March 31 of each year.

#### APPENDIX B: STATE INTERNAL PROCEDURES

# EXXON VALDEZ OIL SPILL SETTLEMENT FUND

- 1. **Segregation.** All principal and interest shall be accounted for separately by the Alaska Department of Revenue, Division of Treasury. Each disbursement shall be deposited in a Department of Law sub-account, *Exxon Valdez* Oil Spill Settlement Fund. Confirmation of the deposit shall be provided by the bank to the Alaska Department of Revenue.
- 2. *Investments*. The Alaska Department of Revenue, Division of Treasury shall calculate the daily income amount and provide for daily compounding (including weekends and holidays). The income shall be credited to the fund and posted in the Alaska State Accounting System on a monthly basis.
- 3. *Reports*. The Alaska Department of Revenue, Division of Treasury shall report income earned to the Executive Director on a monthly basis.

#### **AUTHORIZATION**

- 1. *General*. Pursuant to Alaska Statute 37.14.405(a), a state agency may not expend money received from the trust unless the expenditure is in accordance with an appropriation made by law. However, prior to the expenditure of funds, Trustee Council approval must be obtained, the notice filed, any terms and conditions placed on the funding by the Trustee Council met, and the funds transferred from the Investment Fund to the *Exxon Valdez* Oil Spill Settlement Fund, if necessary.
- 2. Budget and Reports. To meet the requirements of Alaska Statute 37.14.415, agencies are required to comply with directions published by the State Office of Management and Budget, Division of Budget Review. Alaska Statute 37.14.415 states: The state trustees shall
  - a. submit to the governor and the legislature by December 15 of each year a report setting out, for each object or purpose of expenditure, the amounts approved for expenditure from the trust during the preceding fiscal year and the amounts actually expended during the preceding fiscal year;
  - b. prepare and submit, under AS 37.07, a budget for the next fiscal year setting out, for each object or purpose of expenditure, the Trustees' estimate of the amounts that are, during the next fiscal year, to be funded by the trust and expended by state agencies; and
  - c. prepare and submit to the legislature, at the same time the budget for state agency expenditures is submitted under (b) of this section, a proposal setting out, for each object or purpose of expenditure, the trustees' estimate of the amounts that are to be funded by the trust in the next fiscal year and that are not included in the budget submitted under (2) of this section.
  - 3. Legislative Budget and Audit Committee. Alaska Statute 37.14.405(b) allows

agencies to meet the requirements of an appropriation conditioned on compliance with the program review provisions of AS 37.07.080(h). In accordance with the procedures of the Alaska Office of Management and Budget (OMB), agencies are required to submit a request to OMB for transmittal to the Legislative Budget and Audit Committee.

4. *Expenditure Authority*. Authorization to receive and expend shall be recorded in the Alaska State Accounting System within the *Exxon Valdez* Oil Spill Settlement Fund. Following legislative action, OMB will record the authorization by approving an Authorized Budget Transaction (AB).

REPORT PROES

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# Exxon Valdez Oil Spill Trustee Council

# Procedures for the Preparation and Distribution of Reports

# Adopted: February 1, 2012

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# Exxon Valdez Oil Spill Trustee Council

# **Procedures for the Preparation and Distribution of Reports**

Adopted: February 1, 2012

#### INTRODUCTION

These Procedures for the Preparation and Distribution of Reports provide instructions regarding the preparation, peer review, printing and distribution of reports for projects funded by the Exxon Valdez Oil Spill Trustee Council. Trustee Council-funded projects are required to submit quarterly, annual and final reports. Projects working within a Trustee Council-funded Program are required to submit semi-annual, annual and final reports. This document does not address Natural Resource Damage Assessment (NRDA) studies and reports, as this series has been completed.

Unless otherwise specified by the Trustee Council Office, each project funded by the Trustee Council shall produce a final report that has been subjected to the Trustee Council's peer review process or approval of peer review, for projects within a Trustee Council-funded Program. In the case of multi-year projects, an annual report shall also be prepared each year until the project is completed, at which time a final report shall be prepared. The Trustee Council encourages principal investigators to publish the results of their work in peer-reviewed journals. Subject to the approval of the Trustee Council Office and on a project-by-project basis, journal articles or manuscripts may be used to fulfill requirements for the preparation of final reports. (See Use of Manuscripts for Final Report Writing, Section C, page 7.)

These Procedures for the Preparation and Distribution of Reports update and supersede earlier versions of this document and should be read together with the report writing guidelines published by the Journal of Wildlife Management:

Block, W.M., F.R. Thompson, D. Hanseder, A. Cox, and A. Knipps. 2011. Journal of Wildlife Management Guidelines. http://joomla.wildlife.org/documents/JWMguidelines2011.pdf

To the extent that there are any inconsistencies between these *Procedures for the* Preparation and Distribution of Reports and the guidance provided by Block, et al. (2011), the instructions provided in these *Procedures* shall be followed.

Project Numbers: For purposes of identification each project is assigned a unique number. The project number that appears on the final report will be the number of the final year of funding. Over time the Trustee Council's project numbering system has evolved to meet the changing needs of the Restoration Program. Project numbers now have eight digits: the first two digits designate the current funding year, the second two digits represent the year the initial funding was authorized by the Trustee Council, and the last four digits are the project identification number.

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For example, for project number 10071234:

10071234 indicates the project received funding in 2010

10071234 indicates the project was initially funded by the Council in 2007

1007<u>1234</u> can be cross-referenced with projects from other funding years such as 071234, 081234, etc.

The eight-digit system began in 2010; previous numbering conventions include:

- Natural Resource Damage Assessment (NRDA) studies are designated by alphanumeric study numbers (e.g., MM6 for "Marine Mammal Study 6" or FS2 for "Fish/Shellfish Study 2").
- Restoration projects and Gulf Ecosystem Monitoring and Research Program (GEM) projects funded between FY 1993 and FY 2002 have five-digit project numbers (e.g., 95225). The first two digits identify the fiscal year in which the project was funded; the last three digits provide a specific project identifier.
- Projects funded between FY 2003 and FY2009 have six-digit project numbers. The first two digits identify the fiscal year in which the project was funded; the last four digits provide a specific project identifier.

#### FINAL REPORTS

## I. Preparation: Final Reports

- A. Final Report Format Authors shall follow the format set out below to prepare final reports. Reports shall meet normal scientific standards of completeness and detail that permit an independent scientific reader to evaluate the reliability and validity of the methods, data and analyses.
  - 1. Report Cover The report shall have a front and back cover of quality cover stock. To ensure consistent appearance, the color shall be goldenrod. An example of a final report cover is provided. (See Attachment A.) A final report cover shall:
    - a. identify the report, using the appropriate series title, for example:
      - i. Exxon Valdez Oil Spill Restoration Project Final Report, or
      - ii. Exxon Valdez Long-Term Monitoring Program, or
      - iii. Exxon Valdez Long-Term Herring Program, or

- iv. Exxon Valdez Oil Spill Gulf Ecosystem Monitoring and Research Project Final Report, or
- v. other series that may be designated by the Trustee Council;
- b. provide the report title;
- c. include the project identification number;
- d. identify the author(s) with appropriate affiliation(s);
- e. include the date (month and year) of publication; and
- f. include the following non-discrimination statement toward the bottom of the page on the inside front cover:

"The Exxon Valdez Oil Spill Trustee Council administers all programs and activities free from discrimination based on race, color, national origin, age, sex, religion, marital status, pregnancy, parenthood, or disability. The Council administers all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972. If you believe you have been discriminated against in any program, activity, or facility, or if you desire further information, please write to: EVOS Trustee Council, 441 West 5<sup>th</sup> Avenue, Suite 500, Anchorage, Alaska 99501-2340, or dfg.evos.restoration@alaska.gov; or O.E.O. U.S. Department of the Interior, Washington D.C. 20240."

- 2. <u>Title Page</u> The Title Page of the report shall immediately follow the report cover page on white bond paper and be identical in content and format to the front of the report cover page. (See Attachment A.)
- 3. Study History, Abstract, Key Words, Project Data and Citation Following the Title Page, the report shall include, on not more than two pages: a study history; an abstract; key words; summary of data gathered during the project; and a recommended citation for the final report. (See Attachment A.)
  - a. Study History A brief study history shall include reference to any prior project numbers; changes in the title of the project or report over time; annual reports or other reports which contributed to the final report; and citation of publications that have preceded publication of the final report. If the final report includes information regarding related projects or synthesis, the study history should reference this information.
  - b. Abstract An abstract, with a maximum length of 200 words, shall enable readers to quickly identify the basic content of the report, determine its relevance to their interests and thus decide whether to

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read the document in its entirety. If the final report consists of several chapters or manuscripts, the abstract shall summarize the entire report. (See Use of Manuscripts for Report Writing, Section C, page 7.) Do not use abbreviations or acronyms in the abstract. This abstract is submitted by ARLIS to the National Technical Information System.

- c. Key Words A short list of key words (up to 12 in alphabetical order) shall be provided. Include words from the title and others that identify:
  - i. common and scientific names of principal organisms, if any;
  - ii. geographic area or region;
  - iii. phenomena and entities studies (e.g., behavior, reproduction);
  - iv. methods (only if the report describes a new or improved method); and
  - v. other words not covered above but useful for indexing.
- d. *Project Data* A summary of the data collected during the project shall be provided in order to preserve the opportunity for other researchers and the public to access this data in the future. The summary shall:
  - i. describe the data;
  - ii. indicate the format of the available data collections;
  - iii. identify the archive in which the data have been stored or the custodian of the data (including contact name, organization, address, phone/fax, e-mail, and web address where data may be acquired); and
  - iv. indicate any access limitations placed on the data. Limiting access requires written pre-approval by the Trustee Council Office.
- e. Citation A recommended citation for the final report shall be provided. See Attachment A for the correct citation format.
- 4. Table of Contents, including Lists of Tables, Figures and Appendices.
- 5. Executive Summary The executive summary shall:
  - a. consolidate principal points of the report in one place and provide enough detail for the reader to understand the significance of the report without having to read it in full:

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- b. be written so that it can be understood independently of the report (i.e., it must not refer to figures, tables or references contained elsewhere and all acronyms, uncommon symbols, and abbreviations must be spelled out);
- c. not exceed four single-spaced pages;
- d. concisely state the objectives, methods, results and conclusions of the report and reference any related projects or synthesis; and
- e. be organized in the same manner as the report it summarizes.
- 6. <u>Introduction</u> The introduction shall and reference any related projects or synthesis, where appropriate, and:
  - a. clearly present the nature and scope of the problem investigated, including the general area in which field activities were conducted; and
  - b. review pertinent literature, state the method(s) of investigation and briefly state principal results.
- 7. <u>Objectives</u> The statement of objectives shall be the same as the objectives identified in the approved proposal. If the objectives have changed, describe what has changed and why.
- 8. <u>Methods</u> The discussion of methods shall include a clear description of the study area. To the extent the methodology differs from that described in the proposal; explain the reason for the deviation.
- 9. <u>Results</u> The presentation of results shall provide an objective and clear presentation of the data collected.
- 10. Discussion The discussion section shall:
  - a. interpret the study results and explore the meaning and significance of the findings, including alternative interpretations of the results;
  - b. discuss whether the study hypotheses are upheld or disproven;
  - c. note where there are unanswered questions; and
  - d. where appropriate, cite relevant findings from other *Exxon Valdez* oil spill restoration studies, including published literature.
- 11. <u>Conclusions</u> This shall be a brief, clear statement of the conclusions that are apparent from the discussion. Major unanswered questions shall be identified.

- 12. Acknowledgments
- 13. Literature Cited
- 14. Other References If there is a need to list references other than the literature cited (e.g., personal communications), these references shall be identified in this section.
- B. Technical Format The following guidelines shall help provide consistent formatting:
  - 1. Word Processing Conventions
    - Standard Settings

Line

Line spacing:

single

Hyphenation:

off (i.e., do not hyphenate at right

margin)

Justification:

left (i.e., do not right-justify margins)

Margins:

1 inch at top, bottom

1 inch left, right

Tabs:

every 0.5"

Widow Protection: yes

Page numbering:

bottom center

Header:

none

Font

Times:

12 point

Note. If Times is not available, some other serif font shall be used (e.g., Palatino, Bookman or New Century Schoolbook).

b. Literature Citations - In the Literature Cited section, start each citation with a hanging indent as shown below:

> Byrd, G.V., D. Gibson, and D.L. Johnson. 1974. The birds of Adak Island, Alaska. Condor 76:288-300.

## 2. Other Conventions

- a. Italics Use italics, rather than underlining, for Latin names and for Exxon Valdez.
- b. Paper Use good quality white paper 8.5 x 11" (215 x 280mm) or metric size A4.

- c. *Terms for oil spill* When referring to the oil spill that occurred because the *Exxon Valdez* ran aground, use *Exxon Valdez* oil spill. After the first mention of the *Exxon Valdez* oil spill, refer to it simply as the spill.
- d. *Acronyms* Clearly define any acronyms. Avoid the use of acronyms completely in the Abstract and Executive Summary.
- e. *Terms* Use the terms "damages" and "injury" as defined by CERCLA regulations (*See* 43 CFR 11.14):
  - i. "Damages" means the amount of money sought by the natural resource trustee as compensation for injury, destruction or loss of natural resources.
  - ii. "Injury" means a measurable adverse change, either long or shortterm, in the chemical or physical quality or the viability of a natural resource resulting either directly or indirectly from exposure to a discharge of oil. Injury encompasses the phrases "destruction" and "loss."
  - iii. "Destruction" means the total and irreversible loss of a natural resource.
  - iv. "Loss" means a measurable adverse reduction of a chemical or physical quality or viability of a natural resource.
- C. Use of Manuscripts for Final Report Writing The Trustee Council encourages principal investigators to publish the results of their work in peer-reviewed journals. With the written approval of the Trustee Council's Science Coordinator, and on a project-by-project basis, manuscripts or journal articles may be used to satisfy project final report writing requirements. When a manuscript is used to fulfill report requirements, it is strongly preferred that the manuscript be in draft form before it has been submitted to a journal to allow duplication without violation of copyright or publication rights. (See Copyright and Publication Rights, Section 4, page 8.)
  - 1. <u>Authority to Use Manuscripts</u> Principal investigators shall contact the Science Coordinator to request written approval to use a manuscript(s) as the body of a final report.
  - 2. <u>Objectives</u> Because final reports are the primary and permanent record of how Trustee Council funds have been spent and what has been accomplished with those funds, it is necessary that these reports address all of the objectives for which the Trustee Council has provided funds.
    - a. If all of the project's objectives are completely described within one or more manuscripts being prepared for publication, a copy of the

- manuscript(s) may be submitted as the entire body of the report. (See Standard Format requirements, Section 3, page 8.)
- b. If a project's objectives are not all described completely within one or more manuscripts, the manuscript(s) may serve as a portion of the report. For example, if only two of five project objectives are addressed in a manuscript, the report shall include in addition to the manuscript information on the three objectives not covered in the manuscript. The two objectives covered by the manuscript shall be referenced in the report as appropriate (e.g., in the Methods and Results sections) and substantially integrated into the Discussion section, where there shall be an overall discussion of the project. In such cases, the combination of the manuscript and additional report material shall present an organized, integrated and complete account of project activities and results.
- 3. <u>Standard Format</u> Every report, regardless of whether it is in the standard format or includes manuscripts, shall adhere to the formatting prescribed for the Report Cover, Title Page, Study History, Abstract, Key Words, Project Data and Citation. (*See* Final Report Format, Section A, page 2.)
- 4. <u>Copyright and Publication Rights</u> When a manuscript is used to fulfill report writing requirements, it must be in a form that can be duplicated freely and posted on the Trustee Council website. This may require obtaining permission from the publisher. When appropriate:
  - a. The author shall provide the Trustee Council Office with a copy of the publisher's written permission to duplicate and post the article as part of the report.
  - b. The statement "This article is reprinted with permission from the publisher." shall precede the journal article(s) in the report.
- 5. <u>Disclaimer Statement</u> Investigators seeking to publish the results of Trustee Council sponsored projects shall include the following statement with all manuscripts:
  - "The research described in this paper was supported by the *Exxon Valdez* Oil Spill Trustee Council. However, the findings and conclusions presented by the author(s) are their own and do not necessarily reflect the views or position of the Trustee Council."
- 6. <u>Reprints</u> Investigators who publish the results of Trustee Council sponsored projects shall provide the Trustee Council Office (attention: Science Coordinator) three (3) reprints of any published manuscript. The Trustee Council Office shall provide one (1) of the reprints to the Alaska Resources Library and Information Services (ARLIS).

#### D. Due Date -

- <u>Due Dates</u> Unless a different date is specified in the approved proposal or contract, draft final reports shall be submitted for peer review in the year following the fiscal year in which project work was completed: for an October 1 – September 304 fiscal year, by April 15, and for a February 1 – January 31 fiscal year, by <u>September 1 August 1</u>.
- Request for Extension If the due date cannot be met, the principal investigator shall file an extension request with the Science Coordinator at least 15 days prior to the due date. The request must be in writing and state a reason the report will be late. With approval of the Executive Director, an alternative final report due date may be identified.

# E. Withholding of Funding Pending Deliverables -

- 1. <u>Ten Percent (10%) of the project funding will be withheld</u> by project managers until the following criteria have been met:
  - a. the final report has gone through peer review and format review and has been accepted by the Science Coordinator;
  - b. all print copies of the final report have been delivered to the Alaska Resource Library and Information Services (ARLIS);
  - c. an electronic copy of the final report has been delivered to the Trustee Council office; and
  - d. all project data and metadata have been submitted to approved archives in accordance with the Trustee Council Data Policy.
- 2. <u>Due Date</u> The Executive Director has the discretion to alter the due date on the deliverables, whether planned for or for other grounds the Executive Director determines are reasonable.
- 3. <u>Multi-Year Projects</u> The 10% withholding will apply to the final year of multi-year projects.
- 4. <u>Tardy Deliverables</u> No further funding will be awarded to proposers with tardy Trustee Council deliverables.

# II. Review Process

A. Submission of Draft Final Reports for Peer Review – Draft final reports are required to undergo the peer review process outlined below. For projects which are not in a Trustee Council-funded Program, the principal investigator shall submit one (1) paper copy and one (1) electronic copy of the draft final report to the Science Coordinator for peer review. The electronic copy shall be

submitted as a word processing document (most recent version of Microsoft Word for Windows) with any figures and tables imbedded.

> Science Coordinator EVOS Trustee Council Office fax: (907) 276-7178 441 W. 5<sup>th</sup> Ave., Suite 50 Anchorage, AK 99501

phone: (907) 278-8012

dfg.evos.projects@alaska.gov

- B. Draft Final Report Peer Review Draft final reports shall be scientifically or technically peer reviewed under the direction of the Science Coordinator or, for Trustee Council-Funded Programs, the Team Leads:
  - 1. Peer Review The Science Coordinator or Team Leads, where applicable, may secure the services of a minimum of two qualified reviewers who will provide comments, identify questions, and suggest revisions as appropriate for the report.
    - a. Reviewers will be selected based upon experience, expertise, availability, and objectivity.
    - b. Reviewers will be screened to avoid conflicts of interest and shall sign a conflict of interest disclosure form before being selected for a peer review.
    - c. Peer reviews will be confidential. Comments may be submitted in writing to the Science Coordinator or Team Leads.
    - d. Peer reviewers will be anonymous to the authors of the report and the general public.
  - 2. Peer Review Comments The Science Coordinator or Team Leads, where applicable, shall consolidate the peer review comments and provide the consolidated comments and any recommendations in writing to the principal investigator(s); Team Leads will also forward the peer review comments and any recommendations to the Science Coordinator.

# C. Revision of Final Report and Re-Submission for Approval –

- 1. Revision Within 30 days of receiving peer review comments, principal investigators will revise their draft final reports to address peer review comments, as appropriate.
- 2. Re-Submission After revision, principal investigators will submit one (1) paper copy and one (1) electronic copy of the revised final report to the Science Coordinator for acceptance.
- 3. Approval Final reports will not be distributed from the Trustee Council Office until peer review is complete. Once the final report is accepted,

- a. the Science Coordinator shall notify the principal investigator in writing and send a copy of the letter of acceptance to the project manager, ARLIS, and Team Leads, where applicable;
- b. the Science Coordinator will also forward the report to ARLIS for format review.
- D. Final Report Review of Format Once the content of the report is accepted by the Science Coordinator, the Science Director shall forward the final report to ARLIS for review of format.
  - 1. <u>Format Review</u> After approving the final report, the Science Coordinator will send an electronic copy of the final report as a Word file to ARLIS (attention: Carrie Holba at reference@arlis.org) for format review.
  - 2. <u>Revisions</u> Within 15 days of receipt of the final report, ARLIS staff shall review it for compliance with the report format standards, remove all references to "draft" and make any revisions needed for format compliance.
  - 3. <u>Approval</u> After revising and approving the format, ARLIS staff will email a copy of the report to the principal investigator with written confirmation that the format has been approved and the report is ready to be printed. The principal investigator shall not reproduce the report until format approval is confirmed in writing by ARLIS. ARLIS staff will also email final copies of the report and format approval letter to the Science Coordinator, project manager and Team Leads, where applicable.

### III. Printing and Distribution Process

- A. Reproduction and Number of Copies Within 60 days of the date of the written confirmation from ARLIS indicating approval of the final report format, the principal investigator shall produce and send to ARLIS six (6) two-sided, bound copies of the report.
- B. Binding Copies of final reports shall be bound using PERFECT binding. Smaller reports may be bound with black tape or comb binding. Very small reports may be bound with staples in three places along the spine, but only when other binding options are not available. Questions regarding binding shall be directed to ARLIS (attention: Carrie Holba at reference@arlis.org).
- C. Distribution of Final Reports ARLIS shall send two bound copies of final reports to the Trustee Council Office for the Science Coordinator and the Trustee Council's Official Record. Final reports, in locked PDF format, shall be posted on the Trustee Council website at www.evostc.state.ak.us. ARLIS will provide URLs for final reports to the Alaska State Library and National Technical Information Service (NTIS) to fulfill state and federal depository requirements. (See Attachment C, How to Find EVOS Reports.)

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# I. Annual and Semi-Annual Reporting Requirements for Projects and Programs:

- A. Multi-year projects An annual report shall be prepared each year until the project is completed, at which time a final report shall be prepared.
- B. Trustee Council-funded projects not in a Program The principal investigator for a project is responsible for the submission and production of an annual report. No semi-annual report is required.
- C. Trustee Council-funded Programs The Team Leads are responsible for collecting, reviewing and collating the semi-annual and annual reports from the individual projects within the Program, including any agency projects, and for submission to the Trustee Council. Team Leads are also responsible for preparing and submitting with semi-annual and annual reports a Program Status Report. The Program Status Report will summarize the status of the program and may include general information as to the development of the program, progress towards milestones, and may detail or highlight any noteworthy issues or findings relating to the program and individual projects within the program.

# II. Preparation of Annual and Semi-Annual Reports

- A. Annual and Semi-Annual Report Format Annual and semi-annual reports shall be brief documents (2-3 pages) that include the information listed below. An example of the annual report form, available for downloading from the Trustee Council's web site (www.evostc.state.ak.us) or from the Trustee Council Office upon request, is provided. (See Attachment B.)
  - 1. Project Number
  - 2. Project Title
  - 3. Principal Investigator's Name(s)
  - 4. Time Period Covered by the Report For Trustee-Funded projects not in a Program, an Annual report will report on the prior year's work. For Trustee Council-funded Programs, the Semi-Annual and Annual Reports will report on the prior six month's work.
  - 5. Date of Report
  - 6. Summary of Work Performed This section shall include a brief summary of work performed during the reporting period, including any results available to date and their relationship to the original project objectives. Any deviation from the original project objectives, procedures or statistical methods, study area, or schedule shall be included. Any known problems

- or unusual developments, and any other significant information pertinent to the project, shall also be described.
- 7. Summary of Future Work to be Performed This brief summary shall describe work to be performed during the upcoming reporting period, if changed from the original proposal. A description of any proposed changes in objectives, procedural or statistical methods, study area, or schedule shall be included.
- 8. <u>Coordination/Collaboration</u> This section shall describe efforts undertaken during the reporting period to achieve the coordination and collaboration provisions of the proposal, if applicable.
- 9. Community Involvement/TEK and Resource Management Applications
  This section shall describe efforts undertaken during the reporting period to achieve the community involvement/TEK and resource management application provisions of the proposal, if applicable.
- 10. <u>Information Transfer</u> This section shall list (1) publications produced during the reporting period, (2) conference and workshop presentations and attendance during the reporting period, and (3) data and/or information products developed during the reporting period.
- 11. <u>Budget</u> This section shall explain any differences and/or problems between actual and budgeted expenditures, including any substantial changes in the allocation of funds among line items on the budget form. Any new information regarding matching funds or funds from non-Trustee Council sources for the project shall be included.
- B. Due Date Unless a different date is specified in the approved proposal or contract annual reports shall be submitted for each fiscal year for which a project receives funding, for an October 1 September 304 fiscal year, by September 1; for Trustee Council-funded Programs, the annual report is due by March 1 and semi-annual report is due September 1. The information in the annual and semi-annual reports shall be a key component in the Trustee Council's annual decision to continue funding a project. Failure to submit an annual or semi-annual report by the due date above for each fiscal year, or unsatisfactory review of an annual or semi-annual report, will result in withholding of additional project funds, and may result in cancellation of the project or denial of funding for future projects.

# III. Review Process: Annual and Semi-Annual Reports

A. Submission of Annual or Semi-Annual Report for Review – The principal investigator, or Team Lead, as applicable, shall electronically submit the report to the Science Coordinator, care of <a href="mailto:dfg.evos.projects@alaska.gov">dfg.evos.projects@alaska.gov</a>. The subject line of the e-mail transmitting the report must include the project number and the words "annual report" or "semi-annual report" (e.g., "035620 Annual").

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Report" or "035620 Semi-Annual Report). Electronic reports shall be submitted either as an Acrobat Portable Document Format (PDF) file or word processing document (using the most recent versions of Acrobat, Word, or Word Perfect) with all figures and tables imbedded. The preferred Acrobat file format is 'formatted text with graphics' format. Minimally, "PDF searchable image" format may be used if pre-approved by the Trustee Council Office. In either case, the PDF file shall not be secured or locked from future editing, or contain a digital signature from the principal investigator

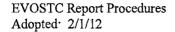
B. Annual and Semi-Annual Report Review Process – Annual and semi-annual reports shall be reviewed by the Science Coordinator. Under the guidance of the Science Coordinator, annual and semi-annual reports may also be reviewed by qualified outside peer reviewers. The review process shall be used to determine whether continued funding of the project is warranted and to guide further work on the project. Any written comments on annual or semi-annual reports shall be provided to the principal investigator and kept on file at the Trustee Council Office, available upon request.

# IV. Distribution of Annual and Semi-Annual Reports

Annual and semi-annual reports shall be kept on file as public documents at the Trustee Council Office, available upon request. Annual and semi-annual reports shall also be posted on the Trustee Council's website at <a href="https://www.evostc.state.ak.us">www.evostc.state.ak.us</a>.

# QUARTERLY REPORTS

- I. All Trustee Council-funded projects must submit a quarterly report. Projects within a Trustee Council-funded Program are not required to submit quarterly reports.
- II. Quarterly Project Status Reports -
  - A. Within 30 days following the end of each quarter, the investigator for each Trustee Council-funded project shall submit a status report to the Executive Director.
  - B. Principal investigators shall work with their agency project managers to address measurable project tasks in their quarterly reporting obligations.



## ATTACHMENT A

# Exxon Valdez Oil Spill Restoration Project Final Report

Responses of River Otters to Oil Contamination: A Controlled Study of Biological Markers

> Restoration Project 99348 Final Report

> > NOTE: The Report Cover must be quality cover stock, goldenrod in color.

Merav Ben-David R. Terry Bowyer Lawrence K. Duffy

Institute of Arctic Biology 311 Irving Building University of Alaska Fairbanks Fairbanks, Alaska 99775

for:

Alaska Department of Fish and Game Habitat and Restoration Division 333 Raspberry Road Anchorage, Alaska 99518

September 1999

NOTE: The statement below must be printed on the back of the goldenrod Report Cover.

The Exxon Valdez Oil Spill Trustee Council administers all programs and activities free from discrimination based on race, color, national origin, age, sex, religion, marital status, pregnancy, parenthood, or disability. The Council administers all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Action of 1990, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972. If you believe you have been discriminated against in any program, activity, or facility, or if you desire further information, please write to: EVOS Trustee Council, 441 West 5<sup>th</sup> Avenue, Suite 500, Anchorage, Alaska 99501-2340; or O.E.O. U.S. Department of the Interior, Washington, D.C. 20240.

# Exxon Valdez Oil Spill Restoration Project Final Report

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Restoration Project 99348 Final Report

> NOTE: The Title Page must be on white bond paper.

Merav Ben-David R. Terry Bowyer Lawrence K. Duffy

Institute of Arctic Biology 311 Irving Building University of Alaska Fairbanks Fairbanks, Alaska 99775

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September 1999

# Responses of River Otters to Oil Contamination: A Controlled Study of Biological Stress Markers

# Restoration Project 99348 Final Report

Study History: Project 99348 originated from the need to better understand the effects of contamination by crude oil on biomarkers in river otters (*Lontra canadensis*). Previous studies demonstrated elevated levels of biomarkers in river otters from oiled areas compared with those from non-oiled areas throughout Prince William Sound, Alaska, shortly following the *Exxon Valdez* oil spill (EVOS). Although the data collected to date strongly indicated a correlation between oil contamination and physiological stress in river otters, this evidence required verification through controlled experiments as identified by the EVOS Trustee Council review process (1997). This 2-year project was conducted at the Alaska SeaLife Center in Seward, Alaska, USA, between April 1998 and March 1999. Additional funding was provided by the Council for completion of 3 manuscripts in FY 2000 for publication in a peer-reviewed journal.

Abstract: In this study, we experimentally determined the effects of oil contamination on river otters. Fifteen wild-caught male river otters were exposed to 2 levels of weathered crude oil (i.e., control, 5 ppm/day/kg body mass, and 50 ppm/day/kg body mass) under controlled conditions in captivity at the Alaska SeaLife Center in Seward, Alaska. Responses of captive river otters to oil ingestion provided mixed results in relation to biomarkers. Although hemoglobin, white blood cells, alkaline phosphates, and possibly interleukin-6 immunoreactive responded in the expected manner, other parameters did not. Aspartate Aminotransferase Alanine Aminotransferase haptoglobin did not increase in response to oiling or decrease during rehabilitation. In addition, although expression of P450-1A increased in captive river otters during oiling, several inconsistencies in the data complicated data interpretation. Nonetheless, we were able to establish that reduction in hemoglobin led to increase in energetic costs of terrestrial locomotion, decrease in aerobic dive limit, and potential increase in foraging time due to a decrease in total length of submergence during each foraging bout. We offer a theoretical physiological model to describe interactions between the different biomarkers and advocate the exploration and development of other biomarkers that will be independent of the heme cycle.

<u>Key Words</u>: Aerobic dive limit, Alaska, captivity, CYP1A, crude oil, hemoglobin, immuno-histochemistry, liver enzymes, *Lontra canadensis*, lymphocytes, oxygen consumption, quantitative RT-PCR.

<u>Project Data:</u> Description of data — data was collected from live animals held in captivity at the Alaska SeaLife Center. Blood and other tissues were sampled and processed in different laboratories. Additional samples are archived at the Institute of Arctic Biology, UAF. Format — All data were entered as Excel spreadsheets. Custodian — contact Merav Ben-David, Institute of Arctic Biology, 311 Irving Building, University of Alaska Fairbanks, Fairbanks, Alaska 99775.

# Citation:

Ben-David, M., R.T. Bowyer, and L.K. Duffy. 1999. Responses of river otters to oil contamination: A controlled study of biological stress markers, *Exxon Valdez* Oil Spill Restoration Project Final Report (Restoration Project 99348), Alaska Department of Fish and Game, Habitat and Restoration Division, Anchorage, Alaska.

#### **EVOSTC ANNUAL PROJECT REPORT**

All recipients of funds from the Exxon Valdez Oil Spill Trustee Council must submit an annual project report in the following format by September 1 of each fiscal year for which project funding is received, with the exception of the final funding year in which a final report must be submitted. Satisfactory review of the annual report is necessary for continuation of multi-year projects. Failure to submit an annual report by September 1 of each year, or unsatisfactory review of an annual report, will result in withholding of additional project funds and may result in cancellation of the project or denial of funding for future projects.

PLEASE NOTE: Significant changes in a project's objectives, methods, schedule, or budget require submittal of a new proposal that will be subject to the standard process of proposal submittal, technical review, and Trustee Council approval.

Project Number:

Project Title:

PI Name:

Time Period Covered by Report:

Date of Report:

- 1. Work Performed: Summarize work performed during the reporting period, including any results available to date and their relationship to the original project objectives. Describe and explain any deviation from the original project objectives, procedural or statistical methods, study area, or schedule. Also describe any known problems or unusual developments, and whether and how they have been or can be overcome. Include any other significant information pertinent to the project.
- 2. Future Work: Summarize work to be performed during the upcoming year, if changed from the original proposal. Describe any proposed changes in objectives, procedural or statistical methods, study area, or schedule. [PLEASE NOTE: Significant changes in a project's objectives, methods, schedule, or budget require submittal of a new proposal that will be subject to the standard process of proposal submittal, technical review, and Trustee Council approval.]
- 3. Coordination/Collaboration: Describe efforts undertaken during the reporting period to achieve the coordination and collaboration provisions of the proposal, if applicable.

- 4. Community Involvement/TEK & Resource Management Applications:

  Describe efforts undertaken during the reporting period to achieve the community involvement/TEK and resource management application provisions of the proposal, if applicable.
- 5. Information Transfer: List (a) publications produced during the reporting period, (b) conference and workshop presentations and attendance during the reporting period, and (c) data and/or information products developed during the reporting period. [PLEASE NOTE: Lack of compliance with the Trustee Council's data policy and/or the project's data management plan will result in withholding of additional project funds, cancellation of the project, or denial of funding for future projects.]
- 6. Budget: Explain any differences and/or problems between actual and budgeted expenditures, including any substantial changes in the allocation of funds among line items on the budget form. Also provide any new information regarding matching funds or funds from non-EVOS sources for the project. [PLEASE NOTE: Any request for an increased or supplemental budget must be submitted as a new proposal that will be subject to the standard process of proposal submittal, technical review, and Trustee Council approval.]

Signature of PI:	
Project Web Site Address:	

SUBMIT ANNUAL REPORTS ELECTRONICALLY TO <a href="mailto:dfg.evos.projects@alaska.gov">dfg.evos.projects@alaska.gov</a>. THE REPORTS WILL BE POSTED ON THE TRUSTEE COUNCIL'S WEB SITE AND SHOULD ALSO BE POSTED ON THE PI'S WEB SITE. The subject line of the e-mail transmitting the report must include the project number and the words "annual report" (e.g., "035620 Annual Report"). Electronic reports must be submitted either as an Acrobat Portable Document Format (PDF) file or word processing document (using the most recent versions of Acrobat, Word, or Word Perfect) with all figures and tables imbedded. The preferred Acrobat file format is 'formatted text with graphics' format. Minimally, "PDF searchable image" format may be used if pre-approved by the Trustee Council Office. In either case, the PDF file shall not be secured or locked from future editing, or contain a digital signature from the principal investigator.

# **How to Find EVOS Reports**

A list of EVOS final and annual (prior to 2002) reports is maintained at the EVOS Trustee Council website at www.evostc.state.ak.us/Publications/bibliographies.cfm.

EVOS reports are available as listed below. Reports are also submitted to the Alaska State Library and the National Technical Information Service in fulfillment of state and federal depository requirements.

# Final reports are available full-text at:

- <u>EVOS Trustee Council website</u>. The Trustee Council's database of restoration projects is searchable via Project Search by project number, researcher, or project title.
- ARLIS catalog. The catalog is searchable by title, project number, principal investigator, additional authors, series title, subject heading, and key words. A searchable notes field in the catalog record describes the report and provides additional access points. From the catalog record, a link takes the researcher to the full-text report. Paper copies of reports are available for check out at ARLIS and are loaned worldwide through interlibrary loan.
- <u>National Technical Information Service (NTIS)</u>. Copies of most final reports can be purchased in electronic, paper or microfiche formats through NTIS at (703) 487-4650 or www.ntis.gov.

# Annual reports are available full-text at:

- <u>EVOS Trustee Council website</u>. The Trustee Council's database of restoration projects is searchable via Project Search by project number, researcher, or project title.
- ARLIS catalog. Annual reports for projects funded prior to 2002 are available full-text through the ARLIS catalog. Paper copies are available for check out and are loaned worldwide through interlibrary loan.

For assistance in locating EVOS final and annual reports, contact ARLIS at:

Alaska Resources Library and Information Services (ARLIS)

Suite 111 Library Building

3211 Providence Drive

Anchorage, AK 99508

(907) 27-ARLIS (272-7547)

reference@arlis.org

www.arlis.org

INVESTMENT

#### EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL INVESTMENT POLICIES (Adopted / /2012)

- 1. Joint Trust Funds. In 1991, the State of Alaska and the United States received approximately \$900,000,000 in joint trust funds, as settlement of natural resource damage claims stemming from the 1989 Exxon Valdez oil spill (EVOS). The Memorandum of Agreement and Consent Decree (MOA) entered into by the State of Alaska and the United States in Civil Action No. A91-081, governs the use of the natural resource damages, paid by Exxon. The State and Federal Governments act as co-trustees in the collection and joint use of all natural resource damage recoveries for the benefit of natural resources injured, lost or destroyed as a result of EVOS. The terms of the settlement are contained in the Agreements and Consent Decrees entered into by the State of Alaska and Exxon Corporation in Civil Action No. A91-083, and United States of America and Exxon Corporation in Civil Action No. A91-082. The United States Congress in Public Law (PL) 102-229 recognized the MOA and Consent Decree. Alaska State Legislature recognized the MOA and Consent Decree in AS 37.14.400. The Exxon Valdez Oil Spill Trustee Council (Council) has the responsibility for the general management of these joint trust funds.
- 2. Investment Fund. Initially, the joint trust funds were invested in the Court Registry (CRIS). However, in 1999 Congress enacted PL 106-113. This law allowed the joint trust funds to be deposited in the United States Department of the Interior's Natural Resource Damage Assessment and Restoration Fund and/or accounts outside the United States Treasury. The law requires that the funds are invested only in income-producing obligations and other instruments or securities that have been determined unanimously by the Council to have a high degree of reliability and security. In addition, the law requires the funds to be managed and allocated consistent with the Resolution adopted by the Council on March 1, 1999 establishing a Restoration Reserve.

  Attached. Under the terms of PL 106-113 and after an extensive review process by a group of Alaskan and national investment experts, the Council chose the Alaska Department of Revenue, Division of Treasury (ADOR) to manage and invest the funds on behalf of the Council. The joint trust funds are invested in the ADOR EVOS Investment Fund (Fund). As specified in the March 1, 1999 Council Resolution concerning the Restoration Reserve, the Fund is divided into three sub-accounts: Research, Habitat and Koniag.
- 3. Council Responsibilities. The statutory responsibility of the Council is to invest Fund monies in income-producing obligations and other instruments or securities that have a high degree of reliability and security. Although it is a matter of debate whether the Fund is a true trust or simply a misnomer for public money restricted to a particular use, the statutory responsibilities of the Council in the management of the Fund may be considered through analogy to some aspects of the Restatement (Third) of Trusts. When investing trust property, the trustee has a duty to conform to the terms of the trust, and to conform to applicable law in the absence of provisions in the trust. In the absence of contrary law or trust provisions it imposes the standard of the "prudent investor" which
  - "... requires the exercise of reasonable care, skill, and caution, and is to be applied to investments not in isolation but in the context of the trust portfolio and as a part of an overall investment strategy, which should incorporate risk and return objectives reasonably suitable to the trust." Restatement (Third) of Trusts, §277

Comment [E1]: Reference added that PL 106-113 requires that the funds invested outside the U.S. treasury must be managed and allocated consistent with the March 1, 1999 resolution of the trustees concerning the Restoration Reserve so that later reference to the Reserve has context. PL 106-113 and Resolution added as Attachments to this policy.

To support the Council's duties, the purpose of this policy is to provide general guidelines for the proper management of the Council's investment decisions. The Council shall establish policy, set direction, and provide oversight and stewardship for the prudent investment and management of the Fund. In doing so, the Council will follow a procedurally prudent process when investing the Fund assets; prepare written investment policies; choose an appropriate asset allocation strategy with regard to the appropriate and intended use of the Fund; control investment expenses; monitor the activities of all investment managers and investment consultants; and avoid conflicts of interest and use "prudent experts" to make investment decisions.

3. Standard of Prudence. The standard of the "prudent investor" has been interpreted as approving a portfolio theory of investments but does not impose a duty to maximize income. Indeed, the standard for typical trusts gives primary emphasis to preservation of the trust estate, while receiving a reasonable amount of income without taking undue risks. Only where all else is equal should the trustee choose the investment that produces the greater return. With regard to the Fund, which does not require preservation of the Fund, the trust must be invested in such a way that the purpose of the trust is served. It is therefore imperative that investment policies and asset allocation strategies adopted by the Council reflect the underlying purposes and intent of the Fund.

Prudence is based on the conduct of the Council in managing the assets, and is evaluated by the process through which risk is managed, assets are allocated, custodians and managers are chosen, and results are supervised and monitored. A standard of prudence places the emphasis on responsibilities related to the investment portfolio and its purpose, rather than on investment performance. The Council is not an investment manager or investment specialist and is not responsible for the ultimate investment results. Although it is not possible to guarantee investment success, following the process outlined herein will significantly improve the odds of structuring an investment portfolio which will stand up to public scrutiny and will serve the Fund's purposes.

- 4. Indemnification. State law, found at AS 37.10.071(e), provides that the State shall indemnify fiduciaries or an officer or employee of the State against liability, under AS 37.10.071(d), for breach of a statutory duty in exercising investment, custodial, or depository powers or duties to the extent that the alleged act or omission was performed in good faith and was prudent under the applicable standard of prudence. However, actions which do not fall within the area of good faith and prudent practices are not statutorily entitled to indemnification. Indemnification language consistent with AS 37.10.071(e), as well as the desire of State trustees to hold retained investment managers and other retained fiduciaries to high standards, are included in contract language with such retained consultants.
- 5. Trustee Council Activities. In establishing policy, setting direction and providing oversight and stewardship for the prudent investment and management of the Fund, the Council will: \_adopt an appropriate asset allocation strategy; maintain one or more consultants, bank custodians, external investment managers, and legal counsel who may include the Alaska Department of Law and the United States Department of Justice; control investment and administrative expenses and incur only those costs that are reasonable in amount and appropriate to the investment responsibilities of the co-trusteeship; make financial and investment policies and performance available to the public; avoid conflicts of interest; and conform to the fundamental fiduciary duties of loyalty and impartiality.
- 6. Executive Director/Council Staff Activities. The Executive Director of the Council shall engage experts and contract for investment services, as the Council deems appropriate. This may involve entering into 'reimbursable services agreements' with State and/or Federal agencies (e.g., the Alaska Department of Revenue and/or the United States Department of the Interior) for personnel

services costs and associated contractual costs. In addition, to support the Council's management of the Fund, the Executive Director/Council staff will: make recommendations concerning policies, investment strategies, and procedures in consultation with the Investment Working Group (IWG, see below); advise the Council regarding the selection of custodians, an investment consultant, and investment managers in consultation with the IWG; account for and report on the investment activity of all funds under the investment responsibility of the Council; and advise the Council on the evaluation of investment policies and performance of the portfolios in consultation with the IWG.

- 7. Investment Working Group Membership. The Council has broad authority to engage experts and to delegate its investment responsibilities, as it deems appropriate. The Council, when formulating investment policies, will review the recommendations from the Executive Director. The Executive Director will consult with the IWG and such other consultants as the Council may retain from time to time. The IWG consists of one state and one federal Council member or designee, as determined by the Council, and appropriate state and federal officials and at least two investment experts, who are selected by the Executive Director. At least two members of the IWG must have experience and expertise in financial management and the management of institutional investment portfolios.
- 8. Investment Working Group Activities. The IWG may engage in a variety of activities to serve the Executive Director and Council, including: reviewing investment policies, strategies and procedures; making recommendations to the Executive Director concerning policies, investment strategies and procedures; providing advice as requested by the Executive Director, which may include the selection of custodians, an investment consultant, and investment managers; brief the Council at the Executive Director's request and/or at the request of a member of the IWG; act as "prudent expert" on behalf of the Executive Director, develop and recommend investment policies and strategies to the Executive Director; develop and recommend internal control systems and procedures to the Executive Director to ensure all investment assets are safeguarded; recommend to the Executive Director information systems adequate to fulfill the accounting, monitoring, investing, cash management and other information needs of the Council; and advise the Executive Director on the evaluation of investment policies and performance of the portfolios.
- 9. Investment Consultants. The Council selects investment consultants to provide advice on specific investment classes, including debt and equity securities, alternative investments, and other areas where focused attention is needed. Investment consultants do not accept discretionary decision-making authority on behalf of Council. Investment consultants function in a research, evaluation, education and due diligence capacity for Council and are fiduciarily responsible for the quality of the service delivered. Their activities may include: recommending strategic procedures and processes; identifying problems, issues and opportunities and making recommendations; upon the request of the Council, preparing an asset allocation study together with alternatives; assisting with manager structure, selection, monitoring and evaluation, if the manager is a third-party; monitoring and evaluating the overall performance of the portfolio; carrying out special projects at the request of Council; and providing continuing education to the Council and staff, as appropriate.
- 10. Investment Managers. The Council selects investment managers to carry out the "prudent expert" role of the Council; to develop a portfolio strategy within the specific mandate and asset size determined by the Council; to manage, purchase and sell assets for the portfolio; and to act as a enfiduciary for assets under its management.
- 11. Delegation of Authority. The Council, through the appropriate state and/or federal agencies, may contract for investment, custodial or depository services on a discretionary or non-discretionary

Comment [E2]: From USDOJ: DoJ does not regard the federal trustees as fiduciaries of the monies recovered as natural resource damages. EMH: The co-fiduciary language was from the current draft. See revision.

basis to the State and Federal governments and their employees, or to independent investment management firms, banks, financial institutions or trust companies by designation through appointments, contracts or letters of authority.

12. Code of Ethics and Conflicts of Interest. The State trustees and employees of the Trustee Council Office are subject to the Alaska Executive Branch Ethics Act (AS 39.52). In general, the State law provides that high moral and ethical standards are essential for the conduct of free government and that a Code of Ethics for the guidance of public officers will discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities, and will improve standards for public service and promote and strengthen faith and confidence in public officers.

The State Code of Ethics provides that any effort to benefit a personal or financial interest through official action is a violation. The Code details specific prohibitions pertaining to the abuse of official position, acceptance of gifts, improper use of disclosure of information and improper influence. By law, the State trustees are subject to conflict of interest disclosure requirements of AS 39.50 which includes the delivery of annual reports on financial and business interests to the Alaska Public Officers Commission.

All federal government employees are subject to the standards of conduct provided by the Ethics in Government Act of 1978, Public Law 95-521, as amended, including the Ethics Reform Action of 1989, Public Law 101-194. The statutory prohibitions are found in Title 18 of the United States Code, Sections 201 through 209, which include representational activities, conflict of interest, and dual compensation. Standards of conduct for all government employees are also delineated by Executive Order 12674, as amended by Executive Order 12731. The federal standards of conduct are further delineated in the regulations of the Federal Register, and include acceptance of gifts from outside sources; gifts between employees; gifts from foreign sources; acceptance of travel and related expenses; outside work; honoraria; outside activities; political activity; lobbying; procurement; misuse of government time, equipment, and information; nepotism; negotiating for non-federal employment; post employment; disclosure of financial interests; and penalties. The Department of the Interior, Commerce and Agriculture have additional ethics standards and requirements for all of their employees, including annual training and financial disclosure statements for specific persons, which include members of the Trustee Council.

- 13. General Investment Objective. The general investment objective for the Fund is to achieve superior investment performance on a consistent basis so that actual returns will equal or exceed target returns over time while limiting total risk to that which is appropriate to the investment goals and time horizon.
- 14. Individual Account Objectives. The objectives of the individual accounts may shift with unanimous Council action. Such action would supersede these policies and require their update. As of the date of the adoption of this policy, the account objectives for the Fund's sub-accounts are as follows:
  - a. Research Sub-Account: As forecast in the annually-updated Trustee Council Long Term Spending Scenario, liquidity and future income to support administrative expenses, projects and long term programs. The expenditures in this area as noted in the Scenario, if continued to be supported by the Council, are somewhat predictable over the future term and thus there is advance notice of the general amount of liquidity required for funding released on an annual cycle in approximately mid-September and a potential investment horizon ending in 2032.

Comment [E3]: Revision to adjust "superior investment performance" to reflect more realistic investment objectives.

Comment [E4]: If future Councils continue with the current Council's intent and the last three year planning process, the only components funded from the Research Sub-Account after approximately 2016 will be two long-term programs and administrative expenses. The long-term programs are anticipated to end in approximately 2032.

Can we include ballpark figures for annual expenditures? ADOR helped us prepare a Long Term Spending Scenario for the TC which forecasts the funding for any continuing projects, the two 20-year Programs and Admin funding. However, this Scenario is a planning tool and may not be an accurate longer-term forecast, as it is dependent upon morket forces and actual spending. We plan to update it annual with actual spending numbers and investment returns and updated forecasts. It is emphasized that it is a planning tool; course corrections based on the actual spending/performance are to be expected.

- Research Sub-Account: As forecast in the annually-updated Trustee Council Long Term Spending Scenario, liquidity and future income to support administrative expenses, projects and long-term programs. The expenditures in this area as noted in the Scenario, if continued to be supported by the Council, are somewhat predictable over the future term and thus there is advance notice of the general amount of liquidity required for funding released on an annual cycle in approximately mid-September and a potential investment horizon ending in 2032.
- Habitat Sub-Account: income for on-going habitat restoration purposes, including the acquisition of lands or conservation easements. Future land purchases are subject to ongoing negotiations and the timeline of their corresponding investments cannot be determined until such negotiations are concluded. There is typically at least a six-month period of notice of a need for liquidity and may occur at any time during the year. The investment horizon for these funds will likely not exceed 2032.
- Koniag Sub-Account: The Council and Koniag, Inc. have entered into a long-term agreement allowing for pre-determined annual payments to Koniag in October and the potential sale of certain properties to the Council in October of any year from 2012 - 2022 for the balance in this sub-account. The Council is currently investing these funds with the objective of achieving a real, after-inflation return of 5%. Thus, this account requires that a known amount be liquidated in October of each year through 2022 so long as Koniag opts not to exercise its option to sell.
- 15. Annual Asset Allocation by Council. The Council recognizes that strategic asset allocation is the single most important policy decision affecting portfolio return and risk. At least annually, the Council will evaluate its current strategic asset allocation policies. The current policies will be compared with potential alternative policies on a consistent basis. This evaluation may include recommendations by the Executive Director based upon the IWG, comparisons with alternative policies; the status of the Fund; actual historic and future expected performance, risk and return; time horizons, and Council funding priorities.

The specific status of the Joint Trust Fund, including funding status, earnings assumptions, liquidity requirements, and expected growth may be considered. The Council's investment consultant may use a "mean variance" optimization approach to evaluate the current and alternative policies. The specific inputs to the modeling process may be defined and contrasted with actual historic results. The implications for expected return and risk may be considered over multiple time horizons. The development of optimized asset allocations may include estimates of risk (standard deviation of returns for each asset class), the modeled return for each asset class, and the correlations of each asset class with other asset classes. The strategic analysis may include those asset classes for which the Council believes reasonable inputs are available. Asset subsets where meaningful historic data are not available may not be considered as a part of the strategic asset allocation analysis. Such subsets or categories, however, may be included as part of an appropriate broad asset category.

Review of Investment Manager Performance. The Council may review its investment management, in consultation with the Executive Director, IWG, Council staff, and investment consultants. If the Council determines a new investment manager is necessary, a rigorous, objective due diligence process will be utilized in the selection of any investment managers retained by the Council. Such review may include an analysis by an investment consultant of the Council's choosing and recommendations by the Executive Director and IWG.

Comment [E5]: If future Councils continue with planning process, the only components funded from the Research Sub-Account after approximately 2016 will be two long-term programs and administrative expenses. The long-term programs are anticipated to end in approximately 2032.

Can we include ballpark figures for annual expenditures? ADOR helped us prepare a Long Term Spending Scenario far the TC which forecasts the funding for any continuing projects, the two 20-year Programs and Admin funding. However, this Scenario is a planning tool and may not be an accurate longer-term forecast, as it is dependent upon market forces and actual spending. We plan to update it annual with actual spending numbers and investment returns and updated forecasts. It is emphasized that it is a planning tool; course corrections based on the actual spending/performance are to be expected.

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Comment [emh6]: Regarding explicit guidelines for the habitat subaccount: due to several factors, we are not able to add more explicit language to this section. Habitat purchases are, by their nature, difficult to predict or strategize, if history is any guide. We try to forecast habitat expenditures, which is why I put in a roughly 6-month notice to give ADOR a heads up, but it doesn't always wark.

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Comment [emh7]: This section draws on existing language, though it is shortened and revised to allow for flexibility in the methods used in the annual evaluation, as the historic language was overly prescriptive. Retains an annual review requirement.

46.17. Securities Lending. The Council may enter into a securities lending arrangement with an agent(s) when the Council concludes that such an arrangement would benefit the Fund. Securities lending services may be provided by the Council's bank custodian or an independent service provider. Securities lending programs result in the agent undertaking a direct or indirect asset management function. The Council will use the same skill and due diligence in the evaluation and selection of such agent(s) as utilized in the selection of money managers.

47.18. Rebalancing Guidelines. The Council may periodically instruct staff to shift and/or limit staff's authority to shift assets within asset classes and/or among asset classes. Unless restricted by Council action, the Executive Director or an appropriate designee shall have discretion to move assets among investment managers and asset categories provided that such actions are consistent with movement of the actual asset allocation is within the variability bands of the Council's strategic asset allocation policy, and manager structure targets.

Attachments:

Resolution 99-03-01 Regarding Restoration Reserve and Long-Term Restoration Needs Public Law 106-113

Comment [E8]: This is a common practice among collective trusts and mutual funds. Although the Council is not currently lending securities, ADOR recommends retaining this section for flexibility in the future. By way of background, ADOR has participated in securities "lending" (a contractually-specified purchase and sell back to the seller) as recently at 2007, at which time the money markets shifted and ADOR determined the risks outweighed revenues.

Comment [E9]: This paragraph is confusing without the Statement of Investment Objectives and Policies that was contained in the original Investment Policies document, which identifies the asset classes. EMH: See new revisions, made on recommendation by ADOR. ADOR notes that asset allocations and bands will be in a separate document, but would not be included in a policy. Although revised samewhat, this existing language allows the ED to approve shifting assets to rebalance back to a TC-chosen asset allocation. It does not related to general investment objectives.

INV POLICY WI ATTACHMENTS

# EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL INVESTMENT POLICIES

#### INTRODUCTION

The purpose of these policies is to provide the *Exxon Valdez* Oil Spill Trustee Council (the "Council") with a comprehensive set of guidelines for the proper management of its investment decisions. Pursuant to its responsibilities to administer natural resource damage recoveries from the Exxon Valdez oil spill, the Council must follow a procedurally prudent process when investing the Joint Trust Fund assets. Prudence is based on the conduct of the Council in managing the assets, and is evaluated by the *process* through which risk is managed, assets are allocated, custodians and managers are chosen, and results are supervised and monitored.

Today's standard of prudence places the emphasis on responsibilities related to the investment portfolio and its purpose, rather than on investment performance. The Council has the responsibility for the general management of the Joint Trust Fund's assets. It is responsible for setting and managing the Joint Trust Fund's investment policy. The Council is not an investment manager or investment specialist and is not responsible for the ultimate investment results. Although it is not possible to guarantee investment success, following the process outlined herein will significantly improve the odds of structuring an investment portfolio which will stand up to public scrutiny and benefit the Joint Trust Fund by providing an acceptable long-run return.

#### COUNCIL RESPONSIBILITIES IN GENERAL

Through a 1991 settlement of natural resource damage claims in *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*, the State of Alaska and the United States, acting through trustees for natural resources injured by the Exxon Valdez oil spill ("Trustees"), are to jointly receive \$900,000,000 in damages payable over a term of years. A substantial portion of these damages are required to be segregated and used by the governments for purposes of restoring, replacing, enhancing, rehabilitating or acquiring the equivalent of natural resources and services lost or injured as a result of the oil spill. These monies, and the interest earned on them, are to be placed in a "Joint Trust Fund" administered by the Trustees. An integral part of this responsibility is to provide prudent and productive investment management of Joint Trust Fund assets and any other receipts as provided either by law or a decision of a Court of law.

A separate Memorandum of Agreement and Consent Decree (the MOA) entered into by the State of Alaska and the United States in *Civil Action No A91-081*, described the co-



management of these natural resource damage recoveries. The MOA specifies that the following officials act on behalf of the public as Trustees:

#### State of Alaska Members:

- Attorney General, State of Alaska;
- Commissioner, Alaska State Department of Environmental Conservation;
- Commissioner, Alaska State Department of Fish and Game,

#### U.S. Government Members:

- United States Secretary of Agriculture;
- United States Secretary of the Department of the Interior; and
- Administrator of the National Oceanic and Atmospheric Administration, United States Department of Commerce.

Subsequently the Council was created by the Trustees to manage the co-trustee relationship required under the MOA. The authority of the Council is governed by a 1992 Memorandum of Understanding ("MOU") between the state and federal Trustees. Under the terms of the MOA and MOU, all matters before the Council which require a vote, make a recommendation, approve or disapprove an item, or otherwise render a decision shall require the unanimous agreement of the six Council members or their designees.

The Council is responsible for the management of the Joint Trust Fund's assets. The Council has broad authority to engage experts and to delegate its investment responsibilities, as it deems appropriate. The Council, when formulating investment policies, has obligated itself to review the recommendations from the Executive Director. The Executive Director will consult with the Investment Working Group (IWG) and such other consultants as the Council may retain from time to time. The IWG consists of one state and one federal Council member or designee, as determined by the Council, and appropriate state and federal officials and at least two investment experts, who are selected by the Executive Director. At least two members of the IWG must have experience and expertise in financial management and the management of institutional investment portfolios.

The Joint Trust Fund is currently held in the registry of the United States District Court and invested by the Court Registry Investment System. In 1999 Public Law 106-113 was enacted, allowing the Joint Trust Fund to be invested in accounts outside the United States Treasury. Under that legislation, such outside investments are limited to income-producing asset classes, including debt obligations, equity securities, and other instruments or securities that have been determined by unanimous vote of the Council to have a high degree of reliability and security. The Joint Trust Fund is also to be managed and allocated consistent with the Resolution of the Council adopted March 1, 1999 concerning the Restoration Reserve.

#### MISSION STATEMENT

The Council shall establish policy, set direction, and provide oversight and stewardship for the prudent investment and management of the Joint Trust Fund.

#### INVESTMENT OBJECTIVES IN GENERAL

- 1. Achieve superior administrative and investment performance on a consistent basis when measured against a national universe of public funds.
- 2. Actual returns will equal or exceed target returns over time while limiting total risk to that which is appropriate to the investment time horizon.
- 3. Use the best known processes consistent with the Council goals and objectives, specifically but without limitation:
- Good financial reporting;
- Good custodian selection and evaluation;
- Good manager selection and evaluation;
- Asset allocation; and
- Awareness of new investment alternatives.
  - 4. Use excellent management practices, as evidenced by:
- Staff longevity;
- Independence; and
- Education and training.
- 5. Regularly communicate the investment goals, objectives and performance results with the public.

#### STATUS

Section 311(f) of the Federal Water Pollution Control Act, as amended 33 U.S.C. 1321 (f) establishes liability to the United States and to States for injury, loss, or destruction of natural resources resulting from the discharge of oil or the release of hazardous substances or both and provides for the appointment of State and Federal Trustees.

The Memorandum of Agreement and Consent Decree (MOA) entered into by the State of Alaska and the United States in Civil Action No. A91-081, governs the use of the natural

resource damages, paid by Exxon. The State and Federal Governments act as co-trustees in the collection and joint use of all natural resource damage recoveries for the benefit of natural resources injured, lost or destroyed as a result of the 1989 Exxon Valdez oil spill.

The terms of the settlement are contained in the Agreements and Consent Decrees entered into by the State of Alaska and Exxon Corporation Civil Action No. A91-083, and United States of America and Exxon Corporation Civil Action No. A91-082.

The United States Congress in Public Law 102-229 recognized the MOA and Consent Decree. Alaska State Legislature recognized the MOA and Consent Decree in AS 37.14.400.

Pursuant to Public Law 106-113, Joint Trust Funds may be deposited in the Natural Resource Damage Assessment and Restoration Fund and/or accounts outside the United States Treasury. The law requires that the funds are invested only in income-producing obligations and other instruments or securities that have been determined unanimously by the Council to have a high degree of reliability and security.

Guidance regarding the authorities and responsibilities of agencies that receive Joint Trust Funds is incorporated in the Procedures of the *Exxon Valdez* Oil Spill Trustee Council, adopted August 29, 1996.

#### **ADMINISTRATION**

The Executive Director and the Trustee Council Office manage the day-to-day administrative functions of the Council, and report directly to the Council. The 1993 Agreement between the State of Alaska and the *Exxon Valdez* Oil Spill Trustee Council requires that the State create and assign an exempt position, designated as the Executive Director of the *Exxon Valdez* Oil Spill Trustee Council, to be responsible to the Council. The State is further required to create and assign exempt positions from the State service to be responsible to the Executive Director for such senior positions under the Executive Director as are approved by the Council.

Any person appointed to the position of Executive Director to the Council shall serve at the pleasure of the Council and may be removed from the position only upon the unanimous vote of all members of the Council. Any person appointed to a senior staff position by the Executive Director shall serve at the pleasure of the Executive Director. Removal of any of these individuals, including the Executive Director, need not be based on cause and no property or other interest in continued employment is or may be created. An organization chart of the Trustee Council Office is shown on Table 1.

The Executive Director of the  $Exxon\ Valdez$  Oil Spill Trustee Council shall engage experts and contract for investment services, as the Council deems appropriate. This may involve entering into 'reimbursable services agreements' with State and/or Federal agencies ( $e\ g$ , the Alaska



Department of Revenue and/or the United States Department of the Interior) for personal services costs and associated contractual costs.

#### GENERAL RESPONSIBILITES FOR THE PARTIES

Without limitation of any fiduciary, administrative, or other responsibilities, implied or expressed herein, the parties shall have the following responsibilities for the proper management and administration of the Joint Trust Fund. The parties shall include:

- Trustee Council
- Executive Director/Trustee Council Office Staff
- Investment Working Group
- Auditor
- Legal Counsel
- Bank Custodian(s)
- Investment Consultant(s)
- Investment Managers

#### Trustee Council

- Adopt prudent investment goals and objectives;
- Adopt an appropriate asset allocation strategy;
- Select one or more consultants, bank custodians, external investment managers, and legal counsel who may include the Alaska Department of Law and the United States Department of Justice;
- Control investment and administrative expenses, and incur only those costs that are reasonable in amount and appropriate to the investment responsibilities of the cotrusteeship;
- Provide for an annual, independent audit of the Joint Trust Fund's financial statements;
- Provide for an independent review of investment performance;
- Develop an annual budget;
- Adopt and implement an investment education policy;
- Report financial and investment policies and performance to the public; and
- Avoid conflicts of interest, and conform to the fundamental fiduciary duties of loyalty and impartiality.

#### Executive Director/Trustee Council Office Staff

- Maintain responsibility for the administration and management of the Trustee Council Office;
- Facilitate staff, which performs the administrative functions of the Council and ensures compliance with State and Federal law, the Memorandum of Agreement and Consent Decree, and the Memorandum of Understanding;
- Recommend budget strategies and proposals to the Council;
- Coordinate all administrative matters of the Council, including meeting agendas;

- Make recommendations concerning policies, investment strategies, and procedures in consultation with the Investment Working Group;
- Advise the Council regarding the selection of custodians, an investment consultant, and investment managers in consultation with the Investment Working Group;
- Account for and report on the investment activity of all funds under the investment responsibility of the Council;
- Advise the Council on the evaluation of investment policies and performance of the portfolios in consultation with the Investment Working Group;
- Develop, recommend and implement internal control policies and procedures in consultation with the Investment Working Group to ensure all investment assets are safeguarded;
- Monitor investment managers and custodians for compliance with investment policies established by Council; and
- Recommend and maintain the information systems adequate to fulfill the accounting, monitoring, investing, cash management and other information needs of the Council, in consultation with the Investment Working Group.

#### Investment Working Group

- Review investment policies, strategies and procedures;
- Make recommendations to the Executive Director concerning policies, investment strategies and procedures;
- Advise the Executive Director regarding the selection of custodians, an investment consultant, and investment managers;
- Provide other advice as requested by the Executive Director;
- Attend the asset allocation and investment manager performance review meetings of the Council;
- Brief the Council at the Executive Director's request and/or at the request of a member of the Investment Working Group;
- Act as "prudent expert" on behalf of the Executive Director;
- Develop and recommend investment policy and strategy to the Executive Director;
- Develop and recommend internal control systems and procedures to the Executive Director to ensure all investment assets are safeguarded;
- Recommend to the Executive Director information systems adequate to fulfill the accounting, monitoring, investing, cash management and other information needs of the Council; and
- Advise the Executive Director on the evaluation of investment policies and performance of the portfolios.

#### Auditor

o Measure and validate financial statements and management of the Joint Trust Fund;

#### **Background Note:**

The auditor is selected by the Council. However, the Council does not have a direct say over the work of the auditor because audits are based upon an independent review of financial statements consistent with the standards prescribed by the American Institute of Certified Public Accountants in conformance with generally accepted accounting principles and Government Accounting Standards Board guidelines.

#### Legal Counsel

Provide legal assistance and advice to the Council as required.

#### Bank Custodian

- Provide safekeeping and custody of all securities purchased by managers on behalf of the Council;
- Provide for timely settlement of securities transactions;
- Maintain short-term investment vehicles for investment of cash not invested by managers;
- Check all manager accounts daily to make sure that all available cash is invested;
- Collect interest, dividend and principal payments on a timely basis;
- Process corporate actions on a timely basis;
- Price all securities at least on a monthly basis, preferably on a daily basis contingent on asset class and types of securities;
- Lend securities at the direction of the Council;
- Value and monitor derivatives and the trades from which they emanate;
- Provide monthly, quarterly and annual reports;
- The Custodians generally are asked to provide data and reports directly to the Council and service providers on a regular basis; and
- Provide continuing education programs for the Council.

#### Investment Consultants

- Recommend strategic procedures and process;
- Identify problems, issues and opportunities and makes recommendations;
- Upon the request of the Council, prepare an asset allocation study together with alternatives;
- Assist with manager structure, selection, monitoring and evaluation;
- Monitor and evaluate the overall performance of the portfolio;
- Carry out special projects at the request of Council; and
- Provide continuing education to the Council and staff, as appropriate.

#### Background Notes:

The Council selects and appoints investment consultants to provide objective, independent third-party advice on specific investment classes, including debt and equity securities, real estate, alternative investments, and other areas where focused attention is needed. Investment consultants do not accept discretionary decision-making authority on behalf of Council. Investment consultants function in a research, evaluation, education and due diligence capacity for Council and are fiduciarily responsible for the quality of the service delivered.

#### Investment Managers

- Act as a "prudent expert" on behalf of the Council;
- Develop a portfolio strategy within the specific mandate and asset size determined by the Council:
- Manage, purchase and sell assets for the portfolio; and
- Act as a co-fiduciary for assets under its management.

#### RESPONSIBILITES OF THE COUNCIL

The statutory responsibility of the Council is to invest Joint Trust Fund monies in incomeproducing obligations and other instruments or securities that have a high degree of reliability
and security. Although it is a matter of debate whether the Joint Trust Fund is a true trust or
simply a misnomer for public money restricted to a particular use, the statutory responsibilities of
the Council in the management of the Joint Trust Fund are best defined through analogy to the
Restatement (Third) of Trusts which indicates that trust property shall be made productive with
primary emphasis on the preservation of capital and due consideration for the maximization of
income. When investing trust property, the trustee has a duty to conform to the terms of the
trust, and to conform to applicable law in the absence of provisions in the trust. In the absence
of contrary law or trust provisions it imposes the standard of the "prudent investor" which

". requires the exercise of reasonable care, skill, and caution, and is to be applied to investments not in isolation but in the context of the trust portfolio and as a part of an overall investment strategy, which should incorporate risk and return objectives reasonably suitable to the trust"

Restatement (Third) of Trusts, §277

The standard of the "prudent investor" has been viewed as approving a portfolio theory of investments but does not impose a duty to maximize income. Indeed, the standard gives primary emphasis to preservation of the trust estate, while receiving a *reasonable* (emphasis added) amount of income rather than incur undue risks. Only where all else is equal should the trustee choose the investment that produces the greater return. In addition, the trust must be invested in such a way that the purpose of the trust is not thwarted. It is therefore imperative

that investment policies and asset allocation strategies adopted by the Council reflect the underlying purposes and intent of the Joint Trust Fund.

Looking to the Restatement (Third) of Trusts, therefore, the responsibilities of the Council can be summarized as follows:

- 1. Take all actions for the sole benefit of the Joint Trust Fund.
- 2. Prepare written investment policies and document the process. In doing so the Council shall:
- Determine the mission and objectives of the Joint Trust Fund;
- Choose an appropriate asset allocation strategy;
- Establish specific investment policies consistent with the Joint Trust Funds' objectives; and
- Select investment managers to implement the investment policy.
- 3. Diversify assets with regard to specific risk and return objectives appropriate to the intended use of the Joint Trust Fund.
  - 4. Use "prudent experts" to make investment decisions.
  - 5. Control investment expenses.
  - 6. Monitor the activities of all investment managers and investment consultants.
  - 7. Avoid conflicts of interest.

The Council and staff should regularly undertake continuing education relevant for their duties. Specifically, all Council members and key staff should participate in an educational program, which provides basic instruction on the four primary components of the investment management process:

- Investment responsibility and procedural process;
- Developing investment policy guidelines and designing optimal investment manager structures;
- Implementing investment policy; and
- Monitoring and controlling an investment program.

#### INDEMNIFICATION

State law, [AS 37.10.071(e)] provides that the State shall indemnify fiduciaries of a state fund or an officer or employee of the state against liability under AS37.10.071(d) for breach of a statutory duty in exercising investment, custodial, or depository powers or duties to the extent

that the alleged act or omission was performed in good faith and was prudent under the applicable standard of prudence. However, actions which do not fall within the area of good faith and prudent practices are not statutorily entitled to indemnification. Indemnification language consistent with AS 37.10.071(e) as well as the desire of State trustees to hold retained investment managers and other retained fiduciaries to high standards are included in contract language with such retained consultants.

The Trustee Council may wish to ensure that trust assets and its own services are protected and in that respect may purchase insurance or provide for self-insurance to cover the acts including fiduciary acts, errors and omissions of its members and agents.

As a general matter, the Attorney General has advised members of State boards analogous to that of the Council that it would act in defense of such board member actions consistent with the provisions of AS 37.10.071(e), or would retain counsel to act in that regard. There are no comparable indemnification provisions under federal law. Federal employees are normally represented by the United States Department of Justice in litigation arising out of their official duties.

A fiduciary of a state fund under Alaska law relating to the Council would be each person provided by law to manage investments in an account invested by the State of Alaska (AS 37.10.071(f)(3)). In this respect, the consultants retained by State trustees are not fiduciaries per se and as such are not entitled to the cross-indemnification for acts which were taken in good faith or within the scope of prudent behavior under AS 37.10.071. However, such consultants would certainly be held to a standard of care applicable to their standards of professional responsibility, and liability and a requirement to indemnify the Joint Trust Fund may be built into contracts. Auditors and investment consultants are not fiduciaries of a state fund within the statutory definition of AS 37.10.071(f). However, a custodial bank may have certain fiduciary obligations to the extent that, for example, it is involved in short-term cash management and securities lending functions if such services are utilized.

#### DELEGATION OF AUTHORITY

The Council, through the appropriate state and/or federal agencies, may contract for investment, custodial or depository services on a discretionary or non-discretionary basis to the State and Federal governments and their employees, or to independent investment management firms, banks, financial institutions or trust companies by designation through appointments, contracts or letters of authority.

#### CODE OF ETHICS AND CONFLICTS OF INTEREST

The State trustees and employees of the Trustee Council Office are subject to the Alaska Executive Branch Ethics Act (AS 39.52). In general, the State law provides that high moral and ethical standards are essential for the conduct of free government and that a Code of Ethics for the guidance of public officers will discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities, and will improve standards for public service and promote and strengthen faith and confidence in public officers.

The State Code of Ethics provides that any effort to benefit a personal or financial interest through official action is a violation. The Code details specific prohibitions pertaining to the abuse of official position, acceptance of gifts, improper use of disclosure of information and improper influence. By law, the State trustees are subject to conflict of interest disclosure requirements of AS 39.50 which includes the delivery of annual reports on financial and business interests to the Alaska Public Officers Commission.

All federal government employees are subject to the standards of conduct provided by the Ethics in Government Act of 1978, Public Law 95-521, as amended, including the Ethics Reform Action of 1989, Public Law 101-194. The statutory prohibitions are found in Title 18 of the United States Code, Sections 201 through 209, which include representational activities, conflict of interest, and dual compensation. Standards of conduct for all government employees are also delineated by Executive Order 12674, as amended by Executive Order 12731. The federal standards of conduct are further delineated in the regulations of the Federal Register, and include acceptance of gifts from outside sources; gifts between employees; gifts from foreign sources; acceptance of travel and related expenses; outside work; honoraria; outside activities; political activity; lobbying; procurement; misuse of government time, equipment, and information; nepotism; negotiating for non-federal employment; post employment; disclosure of financial interests; and penalties. The Department of the Interior, Commerce and Agriculture have additional ethics standards and requirements for all of their employees, including annual training and financial disclosure statements for specific persons, which include members of the Trustee Council.

#### STRATEGIC ASSET ALLOCATION POLICY IN GENERAL

The Council recognizes that strategic asset allocation is the single most important policy decision affecting portfolio return and risk. At least annually, the Council will evaluate its current strategic asset allocation policies. The current policies will be compared with potential alternative policies on a consistent basis.

The specific status of the Joint Trust Fund, including funding status, earnings assumptions, liquidity requirements, and expected growth shall be considered. The Council's investment consultant will use a "mean variance" optimization approach to evaluate the current and alternative policies. The specific inputs to the modeling process will be defined and contrasted with actual historic results. The implications for expected return and risk will be considered

over multiple time horizons. The development of optimized asset allocations requires estimates of risk (standard deviation of returns for each asset class), the modeled return for each asset class, and the correlations of each asset class with other asset classes. The strategic analysis will include those asset classes for which the Council believes reasonable inputs are available. Asset subsets where meaningful historic data are not available shall not be considered as a part of the strategic asset allocation analysis. Such subsets or categories, however, may be included as part of an appropriate broad asset category.

#### Manager Structure

Within each major asset category, the Council will determine an appropriate management structure. The structure analysis will consider the potential benefits, risks and costs associated with utilizing active versus passive investment approaches, varied investment philosophies and approaches and vendor diversification.

For each major asset category, the Council will strive to achieve a structure that assures potential exposure to the entire asset category. Particular emphasis, however, may be placed on those subcategories or approaches where the Council has determined the potential benefits are superior to alternative approaches. For example, with respect to international exposure, the management structure may result in a systematic asset allocation bias in favor of developed markets and a corresponding bias against emerging market. Similarly, with respect to domestic equities, the structure decisions may result in a slight bias in favor or against a particular investment style. All such decisions shall be conscious decisions. Unless explicitly decided to the contrary, assets within each major asset category shall be allocated among managers so as to achieve broad diversification and aggregate return and risk profiles similar to the broad market.

At least annually, the Council shall review its management structure to ascertain that desired diversification is being achieved. The Executive Director, in consultation with the IWG, staff, and investment consultants shall prepare such analysis and recommendations for the Council's consideration.

#### Manager Selection

A rigorous, objective due diligence process will be utilized in the selection of all investment managers retained by the Council. The analysis will be conducted by the Council's investment consultant. The managers' roles in the Council program and specific evaluation criteria will be defined prior to the identification of potential candidates. Candidates will be evaluated both quantitatively and qualitatively.

• Quantitative factors will include a comprehensive analysis of historic performance over a variety of market environments. Candidate performance will be evaluated relative to appropriate market indices and peer groups. Candidates will be analyzed to determine whether portfolio construction has adhered to their stated investment styles.

 Qualitative factors such as ownership structure, depth of staff, professional expertise, experience managing comparable portfolios, key employee incentives, stability, and potential conflicts of interest also will be considered.

The consultant will identify a semi-finalist group of candidates. All semi-finalists will be judged by the consultant as capable of meeting the Council's needs. The Council will interview all or a portion of the semi-finalist group and make the final selection. The IWG's recommendations to the Executive Director shall be solicited as an integral part of this process.

#### Guidelines for Manager Termination

The performance of the Council's investment managers will be monitored on an ongoing basis. The Council may place a manager on a "Watch List" or terminate a manager at any time. The Council may, by separate resolution, adopt specific criteria to be utilized in identifying developments, which would cause a manager to be placed on a "watch list" and removed from such a list.

#### Securities Lending

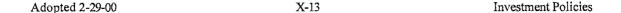
The Council may enter into a securities lending arrangement with an agent(s) when the Council concludes that such arrangements would be beneficial to the Joint Trust Funds. Securities lending services may be provided by the Council's bank custodian or an independent service provider. Securities lending programs result in the agent undertaking a direct or indirect asset management function. The Council will use the same skill and due diligence in the evaluation and selection of such agent(s) as utilized in the selection of money managers.

#### Rebalancing Guidelines

The Council may periodically instruct staff to shift and/or limit staff's authority to shift assets within asset classes and/or among asset classes. Unless restricted by Council action, the Executive Director or an appropriate designee shall have discretion to move assets among investment managers and asset categories provided that such actions are consistent with movement of the actual asset allocation within the variability bands of the Council's strategic asset allocation policy and manager structure targets. Such adjustments to the actual asset allocation may be made without prior Council approval when the actual asset allocation falls outside of the variability target bands at end of a calendar month. The Executive Director shall make the necessary adjustments to the initial target allocation within 30 calendar days. Staff shall report any asset shifts at the next regular Council meeting. Such reports will include a description of the rationale for the shift.

#### INDIVIDUAL ACCOUNT PROGRAM OBJECTIVES

The Council is responsible for the prudent investment of the Joint Trust Fund within the defined purpose and investment objectives of each program mandated by law and policies of the Council. The Council anticipates that the Joint Trust Fund (Restoration Reserve), along with



other unallocated funds and accrued interest, will have a fair market value of approximately \$170 million on or about October 1, 2002. Consistent with the March 1, 1999 resolution funds in the Restoration Reserve and other remaining unobligated settlement funds available October 1, 2002, shall be allocated in the following manner:

- \$55 million of the estimated funds remaining on October 1, 2002 and the associated earnings thereafter will be managed as a long-term funding source, with a significant proportion of these funds to be used for small parcel habitat protection.; and
- The remaining balance of the funds on October 1, 2002 will be managed so that the annual earnings, adjusted for inflation, will be used to fund annual work plans that include a combination of research, monitoring, and general restoration.

Consequently, the Joint Trust Fund has a twofold investment mandate: (1) short-term liquidity for ongoing habitat restoration purposes, including the probable acquisition of lands, and (2) a long-term endowment to generate future income. Future land purchases are subject to ongoing negotiations and the timeline of their corresponding investments cannot be determined until such negotiations are concluded. The investment horizon of these funds would change based upon the probable acquisition date.

Each program mandate shall be evaluated relative to an appropriate market benchmark and also relative to an appropriate peer group of competitive alternatives. The number of investment options and the market benchmarks shall be determined by the Council.

#### STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES

#### Introduction

The Council hereby establishes the following Statement of Investment Objectives and Policies ("the Statement") for the investment of the Joint Trust Fund. The Council assumes full and complete responsibility for establishing, implementing and monitoring adherence to the Council's policies. The Council reserves the right at any time to amend, supplement or rescind this Statement.

#### Investment Objectives

- Provide adequate liquidity for ongoing restoration purposes.
- Preserve the inflation-adjusted value of invested capital on endowment funds.
- Realize competitive, total rates of return.
- Incur minimum levels of risk that are appropriate to other long-term investment objectives.

#### Time Horizon

Establish short and long-term investment objectives

• Evaluate performance over one-, three-, and five-year time periods, with primary emphasis for endowment funds placed on the longer time periods.

#### Benchmarks

Given the investment objectives and time horizons of the Joint Trust Fund, benchmarks are established to gauge progress towards their achievement. The benchmarks are as follows:

- <u>Variability of total market value</u>. The percentage change in the market value shall be contrasted to that expected from normal investment strategy.
- <u>Competitive rates of return</u>. (Unless specified otherwise, the following benchmarks are based on time-weighted rates of return.)
- 1. For liquidity purposes, total annualized returns equal to inflation as measured by the U.S. Consumer Price Index of all Urban Wage Earners.
- 2. For endowment purposes, the total annualized returns shall be established by separate resolution and shall be in excess of inflation as measured by the U. S. Consumer Price Index of all Urban Wage Earners.
- 3. Total annualized returns should equal or exceed the return on a *passively* managed (market index based) portfolio with the same asset mix as the normal strategic asset mix.
- 4. Total Joint Trust Funds' annualized returns should exceed the median return on an *actively* managed portfolio with the same asset mix as the normal strategic asset mix and comparable risk.
- 5. The time-weighted, total rates of return shall be compared to the total rates of return for similar public funds.
- Passively Managed Strategic Benchmark. Performance shall be compared on a quarterly basis to that of a passively managed strategic benchmark. On a biannual basis, performance will be presented to the Council. However, the main purpose of this comparison shall be to contrast the long-term, actively-managed, pre-investment fee performance results versus that of a passively managed portfolio with an asset mix identical to the normal strategic asset mix. The passively managed strategic benchmarks shall be as follows:

Asset Class	Market Indexes				
Cash	90-Day U.S. Treasury Bills				
Broad Domestic Equity	Russell 3000 Index				
Domestic Large Cap	S&P 500 Index				
Domestic Small Cap	Russell 2000 Index				
International Equity	EAFE Index				
Domestic Fixed Income	Lehman Aggregate Index				
Intermediate Fixed Income	Lehman Intermediate Gov't Index				
International Fixed Income	Salomon Non-Dollar Gov't Bond Index				

On a quarterly basis, an independent contractor shall calculate the *passively* managed strategic benchmark by multiplying the respective index total return times the normal strategic asset mix percentage. These statistics will be summed to generate a weighted average total passively managed benchmark return. For periods longer than one quarter, the quarterly returns, in factor form, will be chain-linked. In the case of periods longer than one year, the return shall be annualized.

- Actively Managed Strategic Benchmark. On a quarterly basis, an independent contractor shall calculate the actively managed strategic benchmark by multiplying the median actively managed portfolio return for each asset class segment times the normal strategic asset mix percentage. These statistics will be summed to generate a weighted average total actively managed benchmark return. For periods longer than one quarter, median returns for each asset class segment shall be determined for the length of the period and then multiplied times the appropriate normal strategic mix percentage. Those statistics will also be summed to generate a weighted average total actively managed strategic benchmark return.
- Asset Class Segments. To maintain an efficient risk/return profile and for the purpose of setting objectives and policies for the different asset classes, assets shall be structured into domestic equity, international equity, domestic fixed income, and international fixed income segments. Collectively and/or individually, portfolios shall be called Managed Account(s), whether the investments are direct or through units of commingled funds. Managed Account investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a like capacity and familiar with these matters would use in the conduct of Trust Funds of like character and with like aims.

# RESOLUTION of the Exxon Valdez Oil Spill Trustee Council concerning the Restoration Reserve and Long-term Restoration Needs

WHEREAS, in November 1994, following an extensive public process, the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") adopted the *Restoration Plan* to guide a comprehensive and balanced program to restore resources and services injured by the oil spill,

WHEREAS, since that time the Trustee Council has used the *Restoration Plan* to guide development of the annual work plans as well as the acquisition and protection of large and small habitat parcels important to the long-term recovery of injured resources and services:

WHEREAS, the *Restoration Plan* identified a series of large parcel purchases and the Trustee Council has been successful in obtaining habitat protection agreements with willing-seller landowners to provide protection for approximately 635,000 acres;

WHEREAS, the *Restoration Plan* recognized that complete recovery from the oil spill would not occur for decades and that through long-term observation and, as needed, restoration actions, injured resources and services could be fully restored,

WHEREAS, the *Restoration Plan* specifically recognized establishment of the Restoration Reserve to provide a secure source of funding for restoration into the future beyond the last annual payment from the Exxon Corporation.

WHEREAS, the Trustee Council has sponsored an extensive public involvement process to provide opportunity for comment on possible future uses of the Restoration Reserve including public meetings in communities throughout the spill impact region and also in Anchorage, Fairbanks and Juneau;

WHEREAS, a large volume of public comment regarding the Restoration Reserve has been solicited and received urging a wide range of uses for remaining settlement funds including a strong showing of support for additional habitat protection efforts as well as research and other restoration efforts;

WHEREAS, numerous Native tribal members and other community residents from the spill area have indicated a strong interest in continued support for community-based efforts consistent with those that have been previously funded by the Trustee Council such as subsistence restoration, Traditional Ecological Knowledge, youth area watch, cooperative management, and local stewardship efforts;

WHEREAS, the Public Advisory Group (PAG) has reviewed and discussed long-term restoration needs and use of the Restoration Reserve at considerable length and the views of the PAG members have been communicated to the Trustee Council,

WHEREAS, upon consideration of the restoration mission as provided by the settlement and the *Restoration Plan*, past restoration program efforts and accomplishments, public comments received by the Trustee Council, the views of the Public Advisory Group members, and the most current information regarding the status of recovery of the resources and services injured by the oil spill, the Trustee Council has identified substantial and continuing long-term restoration needs;

WHEREAS, full recovery of many injured resources and services is not yet complete and long-term restoration, conservation and improved management of these resources and services will require a substantial on-going investment to improve our understanding of the biology and marine and coastal ecosystems that support the resources as well as the people of the spill region;

WHEREAS, prudent use of the natural resources of the spill area without unduly impacting their recovery requires increased knowledge of critical ecological information about the northern Gulf of Alaska that can only be provided through a long-term research and monitoring program,

WHEREAS, together with scientific research and monitoring, a continuing commitment to habitat protection and general restoration actions, where appropriate, will help ensure the full recovery of injured resources and services,

WHEREAS, consistent with the *Restoration Plan*, restoration needs identified by the Trustee Council require a long-term comprehensive and balanced approach that includes a complementary commitment to scientific research and monitoring, applied science to inform and improve the management of injured resources and services, continued general restoration activities where appropriate, support for community-based efforts to restore and enhance injured resources and services, and protection for additional key habitats,

WHEREAS, by October 2002, as a result of the past and anticipated future deposits into the Restoration Reserve, it is estimated that the principal and interest in the reserve, together with remaining unobligated settlement funds, will be approximately \$170 million unless, prior to that time, on-going negotiations concerning the Karluk and Sturgeon rivers and adjacent lands or other potential habitat transactions result in habitat acquisition agreements that obligates some of these funds,

WHEREAS, absent such additional acquisition agreements, \$170 million is the total of the funds estimated to be available to support long-term restoration based on projected investment returns allowable through the Court Registry under its existing authority and thus reasonably anticipated as available for restoration purposes by the Trustee Council starting with FY 2003 ("estimated funds remaining on October 1, 2002"), and

WHEREAS, the limits of the existing investment authority of the Trustee Council have resulted in the loss of millions of dollars in potential earnings that would have been available to effectively address restoration needs in the future and support a comprehensive program that maintains its value over time, and it is necessary that the limits on the investment authority for the joint settlement funds be amended by Congress if we are to optimize our potential restoration program,

THEREFORE BE IT RESOLVED, that the Trustee Council has determined that recovery from the *Exxon Valdez* oil spill remains incomplete and there is need for establishing at this time a continuing long-term, comprehensive and balanced restoration program consistent with the *Restoration Plan*:

BE IT FURTHER RESOLVED, that funds in the Restoration Reserve and other remaining unobligated settlement funds available on October 1, 2002 (for expenditure starting in FY 2003) be allocated in the following manner consistent with the "Outline of Action Under Existing Authority" dated 3/1/99 attached to this resolution

- \$55 million of the estimated funds remaining on October 1, 2002 and the associated earnings thereafter will be managed as a long-term funding source with a significant proportion of these funds to be used for small parcel habitat protection and it is recognized that any funding that may be authorized for purchase of lands along or adjacent to the Karluk or Sturgeon rivers or other potential habitat acquisitions would be made from within this allocation, and
- the remaining balance of funds on October 1, 2002 will be managed so that the annual earnings, estimated at approximately 5% per year, will be used to fund annual work plans that include a combination of research, monitoring, and general restoration including those kinds of community-based restoration efforts consistent with efforts that have been previously funded by the Trustee Council, such as subsistence restoration, Traditional Ecological Knowledge, Youth Area Watch, cooperative management, and local stewardship efforts, as well as local community participation in ongoing research efforts;

BE IT FURTHER RESOLVED, that the Restoration Office and the Chief Scientist, under the direction of the Executive Director, shall begin to develop a long-term research and monitoring program for the spill region that will inform and promote the full recovery and restoration, conservation and improved management of spill-area resources, and

BE IT FURTHER RESOLVED, that it is the intent of the Trustee Council that this long-term reserve for research, monitoring and general restoration be designed to ensure the conservation and protection of marine and coastal resources, ecosystems, and habitats in order to aid in the overall recovery of those resources injured by the *Exxon Valdez* oil spill and the long-term health and viability of the spill area marine environment,

BE IT FURTHER RESOLVED, that in developing a long-term restoration research, monitoring and general restoration program for the spill region, the Executive Director shall solicit the views of the Public Advisory Group, community facilitators, resource management agencies, researchers and other public interests as well as coordinate restoration program efforts with other marine research initiatives including the North Pacific Research Board,

BE IT FURTHER RESOLVED, that the Executive Director shall work with the Alaska Congressional delegation and appropriate State and federal agencies to obtain the necessary investment authority to increase the earnings on remaining settlement funds, so that the Trustee Council will be able to conduct an effective restoration program that maintains its value over time, and

BE IT FURTHER RESOLVED, that in developing long-term implementation options for consideration by the Trustee Council, the Executive Director shall:

- investigate possible establishment of new or modified governance structures to implement long-term restoration efforts,
- explore alternative methods to ensure meaningful public participation in restoration decisions, and
- report back to the Trustee Council by September 1, 1999 regarding these efforts.

Adopted this 1st day of March, 1999, in Anchorage, Alaska

DAVE GIBBONS

Trustee Representative

Alaska Region -

**USDA** Forest Service

Attorney General State of Alaska

Special Assistant to the Secretary for Alaska

US Department of the Interior

Director, Alaska Region

National Marine Fisheries Service

Commissioner Alaska Department of

Fish and Game

Commissioner

Alaska Department of

**Environmental Conservation** 

3/9/99 final

#### **OUTLINE OF ACTION UNDER EXISTING AUTHORITY**

#### Assumptions:

- Use of the Restoration Reserve funds will commence with FY 2003 (October 2002)
- The Trustee Council will allocate an additional \$36M to the Restoration Reserve (annual \$12M payments in FY 2000, 2001 and 2002)
- Additional restoration program authorizations from March 1999 to October 2002, exclusive of contractual land payments and other habitat commitments, will amount to not more than \$35M
- Remaining unobligated balance of restoration funds in October 2002 will be \$170M including funds that may be needed for a possible Koniag Karluk-Sturgeon acquisition
- Trustee Council receives no new investment authority and continues to invest settlement funds in treasury instruments that yield approximately 5%

#### Elements of a Long-Term Restoration Program.

- Consistent with the Restoration Plan, the core elements of a long-term restoration effort would focus on research, monitoring, and general restoration including community-based restoration, and habitat protection
- Starting in FY 2003, and except as otherwise approved by the Council for habitat protection, restoration efforts would be funded from the earnings of remaining funds
- Earnings estimated at approximately 5% per year from treasury investments (nominal yield)
- The approximately \$170M in restoration funds remaining on October 1, 2002 will be allocated into two parts:

  - ✓ remainder (estimated at \$115M plus, under the current assumptions) for research-monitoring, general restoration and community-based projects (e.g., subsistence, TEK, stewardship)
- Absent changes in the investment authority and consequent increased yield on investments, there would be no inflation-proofing with the consequent loss of purchase power over time in proportion to prevailing inflation rates (in order to support an annual restoration program of effective size)
- Cost of program management apportioned according to relative expense (public involvement, agency participation, peer review, habitat acquisition support, administration, etc.) to either the habitat or research, monitoring and general restoration funds as appropriate

#### Habitat Protection:

 \$55M of remaining funds on October 1, 2002 (FY 2003) for Habitat Protection would include any amounts needed to complete the Koniag Karluk-Sturgeon acquisition or other potential habitat protection purchases

- \$55M of the estimated funds remaining on October 1, 2002 and the associated earnings thereafter will be managed as a long-term funding source with a significant proportion of these funds to be used for small parcel habitat protection and it is recognized that any funding that may be authorized for purchase of lands along or adjacent to the Karluk or Sturgeon rivers or other potential habitat acquisitions would be made from within this allocation
- After December 2001 (the end of the current easement), the \$16 5M previously allocated for the Koniag Karluk-Sturgeon acquisition, if not obligated at that point, would be available for other habitat protection efforts
- Issues that require further consideration:
  - ✓ priority, criteria and decision-making process for specific parcel selection
  - ✓ possible role of non-governmental organization to implement program after October 2002
  - ✓ extent of public involvement in future program

#### Research, Monitoring and General Restoration:

- Remaining balance of funds (estimated at \$115M plus under the current assumptions) for Restoration Research, Monitoring, and General Restoration would be managed so that earnings-only would be used to support annual work plans starting with FY 2003
- Annual earnings currently estimated at 5% per year if within the U.S. Treasury (nominal yield, no inflation proofing)
- Annual work plan would support continuing restoration and enhancement of oil spill injured resources including long-term research-monitoring, development of improved management tools, synthesis of results, general restoration activities, and community-based restoration projects such as subsistence restoration, Traditional Ecological Knowledge, Youth Area Watch, cooperative management, and local stewardship efforts as well as local community participation in on-going research efforts
- Issues that require further consideration.
  - whether changes in the annual work plan process are appropriate in light of reduced scale
  - means and extent of scientific peer review

  - how and to what extent communities and tribes of the spill area would be involved in long-term research, monitoring, stewardship and cooperative management efforts
  - √ whether a new organization or governance structure is needed.



3/1/99

#### Executive Director WORKING DRAFT Recommendation

### SUMMARY OF PAST AND ESTIMATED FUTURE USES OF SETTLEMENT (in \$millions)

REIMBURSEMENTS FOR SPILL RESPONSE	213 1	•				
RESTORATION MANAGEMENT	FFY 92-99	FFY 00-02	FFY 03+			
Science Management, Public Involvement & Administration	24 7	51	TBD	(a)		
RESTORATION IMPLEMENTATION	FFY 92-99	FFY 00-02	Remaining Funds	(b)	TO	TAL
Research, Monitoring, General Restoration	145 0	25 4	1150		285 4	39 8%
Habitat Protection	372 1	4 5	55 0		431 6	60 2%
•	517 1	29 9	170 0		717 0	100 0%

<sup>(</sup>a) To date, Restoration Office science management, public involvement and administration has cost approximately 5% of restoration program expenditures overall. Beyond FFY 02, science management, public involvement and administration costs will be allocated in proportion to program area costs



<sup>(</sup>b) Estimate of remaining funds includes Restoration Reserve (with \$12 million per year to be placed into the reserve FFY 00 - FFY 02), interest accrued, the \$16.5 million committed to a Koniag purchase through 2001 plus additional funds currently unallocated

Sec. 350. Investment of Exxon Valdez Oil Spill Court Recovery in High Yield Investments and in Marine Research. (1) Notwithstanding any other provision of law and subject to the provisions of paragraphs (5) and (7), upon the joint motion of the United States and the State of Alaska and the issuance of an appropriate order by the United States District Court for the District of Alaska, the joint trust funds, or any portion thereof, including any interest accrued thereon, previously received or to be received by the United States and the State of Alaska pursuant to the Agreement and Consent Decree issued in United States v. Exxon Corporation, et al. (No. A91-082 CIV) and State of Alaska v. Exxon Corporation, et al. (No. A91-083 CIV) (hereafter referred to as the "Consent Decree"), may be deposited in-- (A) the Natural Resource Damage Assessment and Restoration Fund (hereafter referred to as the "Fund") established in title I of the Department of the Interior and Related Agencies Appropriations Act, 1992 (Public Law 102-154; 43 U.S.C. 1474b); (B) accounts outside the United States Treasury (hereafter referred to as "outside accounts"); or (C) both. Any funds deposited in an outside account may be invested only in income-producing obligations and other instruments or securities that have been determined unanimously by the Federal and State natural resource trustees for the Exxon Valdez oil spill ("trustees") to have a high degree of reliability and security. (2) Joint trust funds deposited in the Fund or an outside account that have been approved unanimously by the Trustees for expenditure by or through a State or Federal agency shall be transferred promptly from the Fund or the outside account to the State of Alaska or United States upon the joint request of the governments. (3) The transfer of joint trust funds outside the Court Registry shall not affect the supervisory jurisdiction of the district court under the Consent Decree or the Memorandum of Agreement and Consent Decree in United States v. State of Alaska (No. A91-081-CIV) over all expenditures of the joint trust funds. (4) Nothing herein shall affect the requirement of section 207 of the dire emergency supplemental appropriations and transfers for relief from the effects of natural disasters, for other urgent needs, and for the incremental cost of "Operation Desert Shield/Desert Storm" Act of 1992 (Public Law 102-229; 42 U.S.C. 1474b note) that amounts received by the United States and designated by the trustees for the expenditure by or through a Federal agency must be deposited into the Fund. (5) All remaining settlement funds are eligible for the investment authority granted under this section so long as they are managed and allocated consistent with the Resolution of the Trustees adopted March 1, 1999, concerning the



Restoration Reserve, as follows: (A) \$55 million of the funds remaining on October 1, 2002, and the associated earnings thereafter shall be managed and allocated for habitat protection programs including small parcel habitat acquisitions. Such sums shall be reduced by-- (i) the amount of any payments made after the date of enactment of this Act from the Joint Trust Funds pursuant to an agreement between the Trustee Council and Koniag, Inc., which includes those lands which are presently subject to the Koniag Non-Development Easement, including, but not limited to, the continuation or modification of such Easement; and (ii) payments in excess of \$6.32 million for any habitat acquisition or protection from the joint trust funds after the date of enactment of this Act and prior to October 1, 2002, other than payments for which the Council is currently obligated through purchase agreements with the Kodiak Island Borough, Afognak Joint Venture and the Eyak Corporation. (B) All other funds remaining on October 1, 2002, and the associated earnings shall be used to fund a program, consisting of-- (i) marine research, including applied fisheries research; (ii) monitoring; and (iii) restoration, other than habitat acquisition, which may include community and economic restoration projects and facilities (including projects proposed by the communities of the EVOS Region or the fishing industry), consistent with the Consent Decree. (6) The Federal trustees and the State trustees, to the extent authorized by State law, are authorized to issue grants as needed to implement this program. (7) The authority provided in this section shall expire on September 30, 2002, unless by September 30, 2001, the Trustees have submitted to the Congress a report recommending a structure the Trustees believe would be most effective and appropriate for the administration and expenditure of remaining funds and interest received. Upon the expiration of the authorities granted in this section all monies in the Fund or outside accounts shall be returned to the Court Registry or other account permitted by law.

[[Page 113 STAT. 1501A-207-208]]

ASSET ALLOCATION

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September 5, 2012

# Exxon Valdez Oil Spill Trustee Council

**Investment Presentation** 

Michael O'Leary, CFA
Executive Vice President

## **Presentation Overview**

"Now is always the most difficult time to invest!"

- Market Overview
  - Domestic Equities
  - Fixed Income
  - International Equity
- Historic Performance & Asset Values
  - Cumulative
  - Calendar Year Periods
  - Asset Class Performance
- Capital Market Background & Projections
  - Projection Process
  - Building Blocks
  - Changes in Projections from 2011
  - Existing Policy with 2012 Long-term Projections
  - Alternative Policy Choices
- Other Issues

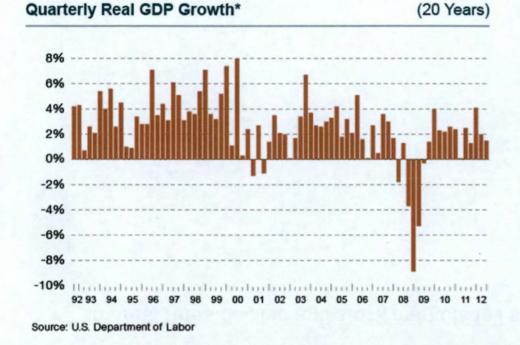


## 2011 and Early 2012 Overview

- Renewed concern regarding European credit
- Continued real economic growth but initial estimates subsequently reduced
- Concern regarding policy tightening as many emerging economies began to fight inflation
- Domestic interest spreads widen as fear of slower recovery grow
- Interest rates decline and stock markets fall sharply

## **Economic Indicators**

Through June 30, 2012



#### Inflation Year-Over-Year



- The U.S. job market is stagnant; unemployment rises to 8.3%.
- 2<sup>nd</sup> quarter GDP increased 1.7%; down from 2.0% in the 1<sup>st</sup> quarter.
- Headline & Core CPI increased 1.7% and 2.2%, respectively, over the trailing twelve-months.
- The Fed extended "Operation Twist" through the end of 2012 (additional \$267B).

### **Asset Class Performance**

### Periods Ending June 30, 2012

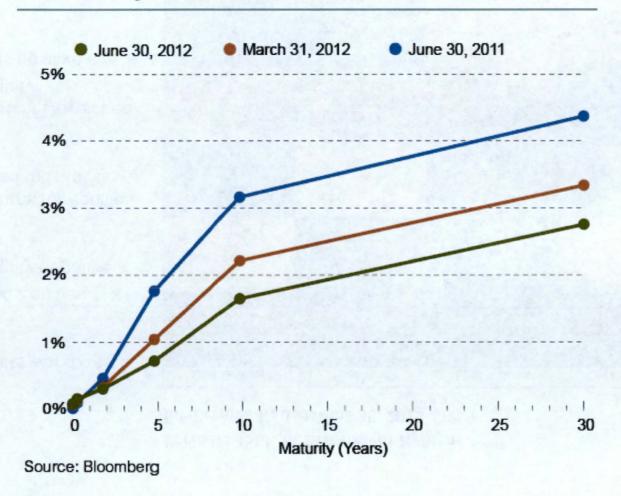
- For Quarter:
  - Bonds on top
  - Emerging Markets worst
- For Year:
  - Bonds exceeded Equities
  - International Equity negative
- Last 3 years:
  - Double digit returns for equities, except developed Intl stocks
- Last 10 years:
  - Bonds still ahead of Developed International Equity
  - All asset classes positive

#### Periodic Table of Investment Returns for Periods Ended June 30, 2012

Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Barclays Aggregate Index	Barclays Aggregate Index	Russell:3000 Index	Barclays Aggregate Index	MSCI:Emer Markets
2.1%	7.5%	16.7%	6.8%	14.4%
3 Month T-Bill	Russell:3000 Index	MSCI:Emer Markets	3 Month T-Bill	Russell:3000 Index
0.0%	3.8%	10.1%	1.0%	5.8%
Russell:3000 Index	3 Month T-Bill	Barclays Aggregate Index	Russell:3000 Index	Barclays Aggregate Index
(3.1%)	0.1%	6.9%	0.4%	5.6%
MSCI:EAFE US\$	MSCI:EAFE US\$	MSCI:EAFE US\$	MSCI:Emer Markets	MSCI:EAFE US\$
(7.1%)	(13.8%)	6.0%	0.2%	5.1%
MSCI:Emer Markets	MSCI:Emer Markets	3 Month T-Bill	MSCI:EAFE US\$	3 Month T-Bill
(8.8%)	(15.7%)	0.1%	(6.1%)	1.9%

# Fixed Income – Treasury Yield Curve

### **U.S. Treasury Yield Curves**





### **Recent Asset Values**

Portfolio	AUM (\$MM) 7/31/2012	AUM (\$MM) 12/31/2011
AY02 - Research Fund	93,723,897	87,644,775
AY2H - Habitat Fund	36,851,016	34,010,201
AY2J - Koniag Fund	51,944,289	47,932,411
TOTAL AUM	182,519,202	169,587,387

- Note that asset values advanced markedly during the first 2 months of 2012
- Performance comparisons focus on periods ended 6/30/12
- Historic values and returns were obtained from State Street Global Advisors

### **Asset Distribution**

As of July 31, 2011

Portfolio	AUM (\$MM)	AUM (%)
AY02 - Research Fund	93,723,897	100.0%
AY02 - Russell 3000 Index	43,377,710	46.3%
AY02 - Fixed Income	28,473,190	30.4%
AY02 - International Equity	21,871,948	23.3%
AY02 - Money Market	1,048	0.0%
AY2H - Habitat Fund	36,851,016	100.0%
AY02 - Russell 3000 Index	17,052,999	46.3%
AY02 - Fixed Income	11,270,064	30.6%
AY02 - International Equity	8,527,736	23.1%
AY02 - Money Market	216	0.0%
AY2J - Koniag Fund	51,944,289	100.0%
AY02 - Russell 3000 Index	24,033,928	46.3%
AY02 - Fixed Income	15,216,795	29.3%
AY02 - International Equity	12,019,808	23.1%
AY02 - Money Market	673,758	1.3%
TOTAL AUM	182,519,202	

Each of the 3 sub-funds is well-diversified & close to target



# **Total Fund Cumulative Peformance versus Target Index**

Periods Ending June 30, 2012

Portfolio	Last Quarter	Last 2 Quarters	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Since Inception	Inception Date
AY02 - Research Fund	-2.09	6.79	2.94	12.64	2.71	5.27	5.03	11/01/2000
AY2H - Habitat Fund	-2.08	6.81	2.97	12.66	2.55	5.16	6.65	11/01/2002
AY2J - Koniag Fund	-2.08	6.81	3.01	12.57	2.48	5.12	6.61	11/01/2002
S AL ST HE DICKY		10000						
EVOS Target Index	-2.41	5.94	1.06	11.68	2.11	4.90	4.55	11/01/2000
			4-1		A - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2		6.53	11/01/2002

- Calendar 2011 market returns were dominated by European economic concerns and Q3
  "flight to quality." While remaining volatile, domestic stocks have rebounded thus far in 2012
  and interest rates have continued to decline.
- All 3 funds have outpaced their target indices since inception, and during the first six months of 2012.
- While the post "meltdown" returns have been attractive, trailing 5 and since inception returns are still dominated by the 2008-early 2009 bear market.

EVOS Target is: 47.0% Russell 3000 Index, 23.0% MSCI EAFE Index, and 30.0% Barclays Aggregate Bond Index.



### **Total Fund Cumulative Returns**

### Returns for Periods Ended June 30, 2012 Group: CAI Endowment / Foundation DB

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 9 Years	Last 11 Years
10th Percentile	0.52	4.06	13.14	3.31	7.17	8.93	7.49
25th Percentile	(0.60)	2.12	12.36	2.40	6.03	7.74	6.33
Median	(1.54)	0.75	10.89	1.66	5.09	6.79	5.27
75th Percentile	(2.42)	(0.65)	9.63	0.29	4.18	5.94	4.57
90th Percentile	(3.09)	(2.22)	8.53	(0.79)	3.06	5.04	3.64
AY02 - Research Total Fund	(2.09)	2.94	12.64	2.71	5.27	6.40	5.38
AY2H - Habitat Total Fund	(2.08)	2.97	12.66	2.55	5.16	6.35	
AY2J - Koniag Total Fund	(2.08)	3.01	12.57	2.48	5.12	6.30	-
EVOS Target Index	(2.41)	1.06	11.68	2.11	4.90	6.24	4.93
Russell:3000 Index	(3.15)	3.84	16.73	0.39	4.29	6.39	3.48
MSCI:EAFE US\$	(7.13)	(13.83)	5.96	(6.10)	2.31	6.52	3.72
Barclays Aggregate Index	2.06	7.47	6.93	6.79	5.58	5.11	5.90

 While comparative performance is less important than performance relative to an appropriate policy benchmark, it provides a useful frame of reference for assessment of your policy & its implementation.



### **Total Fund Calendar Year Returns**

Returns for Calendar Years 12 Years Ended June 30, 2012

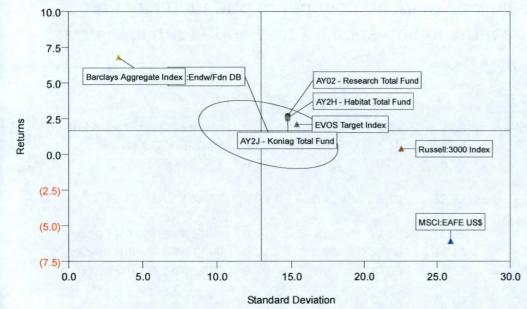
**Group: CAI Endowment / Foundation DB** 

	2 Qtrs.											
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
10th Percentile	7.02	5.02	15.28	27.31	(19.21)	14.92	17.56	12.17	15.21	29.27	(2.98)	4.14
25th Percentile	6.18	2.37	14.15	24.28	(23.29)	12.06	15.72	9.83	13.13	25.32	(6.67)	0.74
Median	5.54	0.04	12.79	18.60	(26.42)	8.93	14.00	7.97	11.41	22.26	(9.30)	(2.51)
75th Percentile	4.66	(1.72)	11.33	13.45	(29.29)	7.16	12.53	6.47	10.12	18.58	(12.22)	(5.58)
90th Percentile	3.53	(3.53)	9.16	8.72	(31.73)	5.48	11.00	5.13	7.50	14.42	(15.79)	(8.05)
AY02 - Research Total Fund	6.79	1.57	13.06	21.21	(24.24)	6.64	13.05	6.24	9.89	19.74	(7.18)	(2.01)
AY2H - Habitat Total Fund	6.81	1.58	13.06	21.10	(24.75)	6.74	13.09	6.09	10.15	19.81		
AY2J - Koniag Total Fund	6.81	1.63	13.10	20.87	(24.91)	6.74	13.13	6.13	10.04	19.75	-	-
EVOS Target Index	5.94	0.15	12.78	22.12	(25.06)	6.96	13.26	6.29	10.13	20.44	(7.76)	(4.97)
Russell:3000 Index	9.32	1.03	16.93	28.34	(37.31)	5.14	15.72	6.12	11.95	31.06	(21.54)	(11.46)
MSCI:EAFE US\$	2.96	(12.14)	7.75	31.78	(43.38)	11.17	26.34	13.54	20.25	38.59	(15.94)	(21.44)
Barclays Aggregate Index	2.37	7.84	6.54	5.93	5.24	6.97	4.33	2.43	4.34	4.10	10.26	8.43

 Calendar period performance demonstrates that the 3 funds have tended to outperform endowment and foundation peers in declining markets while often lagging slightly in strong equity markets.

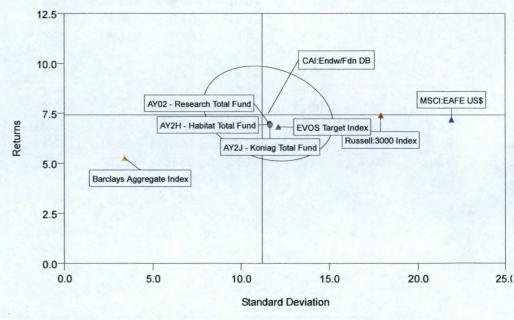
### **Total Fund Risk and Return**

#### Scatter Chart for 5 Years Ended June 30, 2012



- These graphs examine risk (standard deviation of annualized return) versus return.
- The crosshairs represent the database median return & risk for each period.

#### Scatter Chart for 9 1/2 Years Ended June 30, 2012





### **Russell 3000 Index Fund Cumulative Returns**

Returns for Periods Ended June 30, 2012

Group: CAI All Cap: Broad

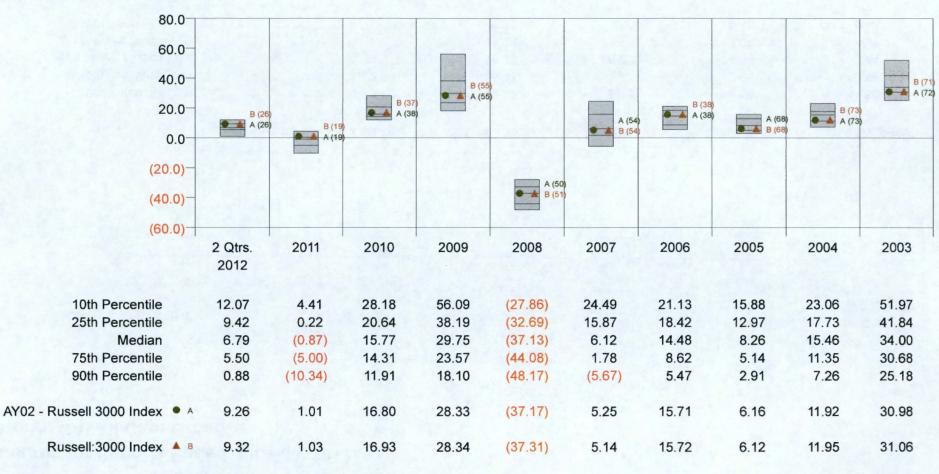


 This and the following graphs depict performance by major asset class. Again, the key frame of reference should be the market benchmark.

### Russell 3000 Index Fund Calendar Year Returns

Returns for Calendar Years 9 1/2 Years Ended June 30, 2012

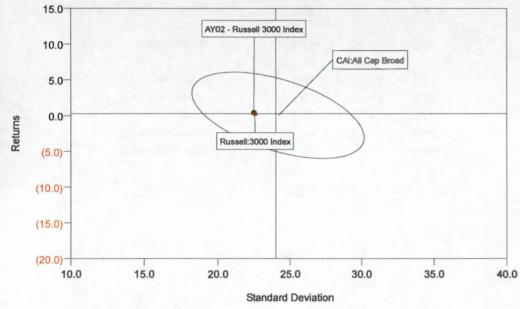
Group: CAI All Cap: Broad



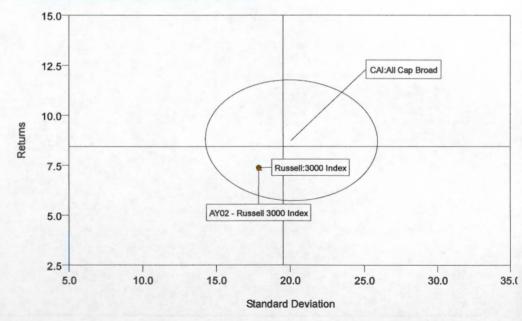


### Russell 3000 Index Fund Risk and Return

#### Scatter Chart for 5 Years Ended June 30, 2012

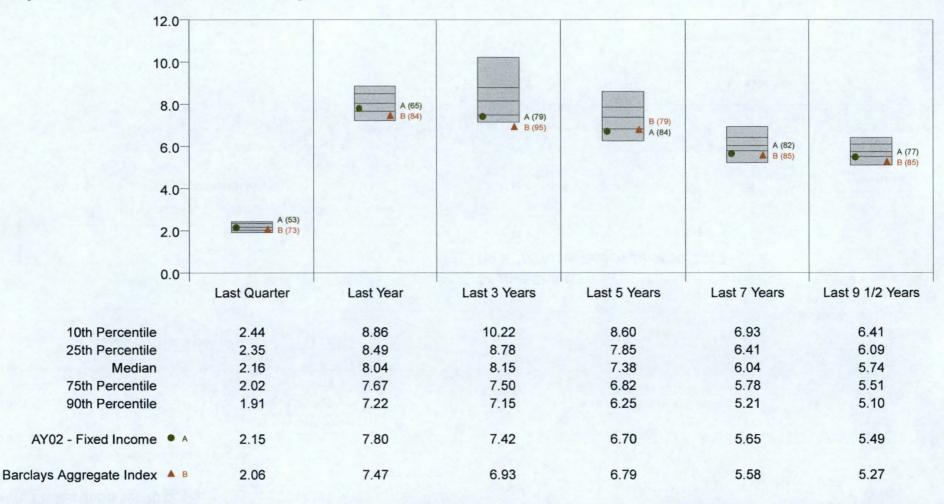


#### Scatter Chart for 9 1/2 Years Ended June 30, 2012



### **Fixed Income Fund Cumulative Returns**

Returns for Periods Ended June 30, 2012 Group: CAI Core Bond Fixed-Inc Style



 The comparative universe includes portfolios that employ more aggressive strategies that EVOST. Again the primary objective is to match or exceed the market benchmark.



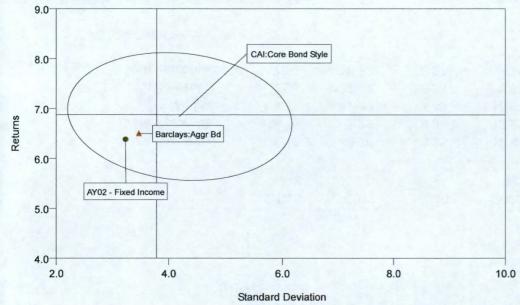
### **Fixed Income Fund Calendar Year Returns**

Returns for Calendar Years
9 1/2 Years Ended June 30, 2012
Group: CAI Core Bond Fixed-Inc Style



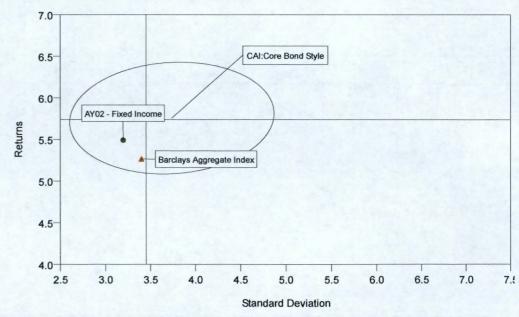
### **Fixed Income Fund Risk and Return**

# Scatter Chart for 5 Years Ended December 31, 2011



 Graphs demonstrate that your bond portfolios have been less volatile than the typical portfolio and have achieved market-like returns or better returns at slightly less risk.

#### Scatter Chart for 9 1/2 Years Ended June 30, 2012



# **International Equity Fund Cumulative Returns**

Returns for Periods Ended June 30, 2012 Group: CAI Non-U.S. Equity Database



- Your international exposure is achieved through an "actively" managed fund rather than the
  passive management approach used in the domestic equity asset class. The long-term record
  includes a period during which the portfolio was passively managed.
- Cumulative returns have been better than benchmark.

# **International Equity Fund Calendar Year Returns**

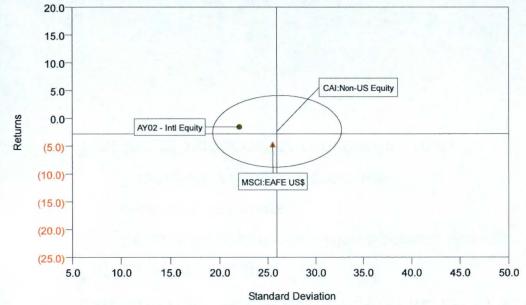
Returns for Calendar Years 9 1/2 Years Ended June 30, 2012 Group: CAI Non-U.S. Equity Database





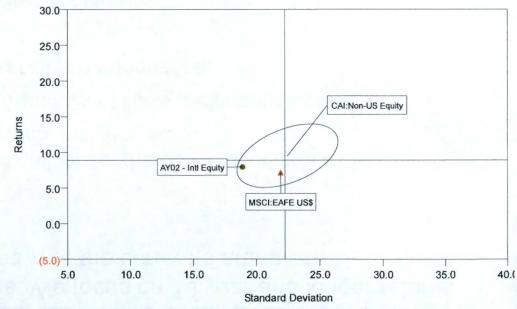
# **International Equity Fund Risk and Return**

# Scatter Chart for 5 Years Ended December 31, 2011



 Performance has been better than "market" at lower than market risk.

Scatter Chart for 9 1/2 Years Ended June 30, 2012



# **Capital Market Projection Process**

Long-term economic outlook drives the process. We focus on 10 year and longer returns and carefully assess the implications associated with the current starting point.

- Evaluate the current environment and economic outlook for the U.S. and other major industrial countries (business cycles, relative growth, inflation, etc.).
- Examine the relationships between the economy and asset class performance patterns.
- Examine both recent and long-run trends in asset class performance.
- Apply market insight:
  - Consultant experience Plan Sponsor, Manager Search, Specialty
  - Industry consensus
  - Client Policy Review Committee
- Test the projections for reasonable results.



# The Economy and the Capital Markets

- The economy was fully expected to meander through a weak recovery, as the combination of recession, financial crisis and deleveraging required time to work through the system.
  - GDP growth was expected to slacken in 2011, but events and emotions combined to spur investors into a series of risk on/risk off trades that drove market volatility.
  - Economic data suggest the economy continues to grow, but such growth will remain modest.
  - Double-dip recession is possible, but not the expected outcome.

#### Callan's outlook:

- Inflation will likely drift higher, but not immediately. Painfully low interest rates will persist, now that the Fed has "guaranteed" low rates through 2013. We expect interest rates to rise gradually after 2013.
- Historic nominal return averages will be hard to achieve over the short, medium and even the longer run.
- Stocks rallied in the fourth quarter of 2011, saving the results for the year. However, prospects for above-trend growth are weak; companies are strong enough to attain trend profit growth, but not a lot more.
- Current political and tax uncertainty combined with European deleveraging risks have dominated the financial markets in 2012. The pace of domestic economic growth remains slow and fragile.
- The path to a rational set of long-term capital market outcomes is likely through an ugly shorter term period of rising interest rates, capital losses in fixed income, and volatile equity markets.

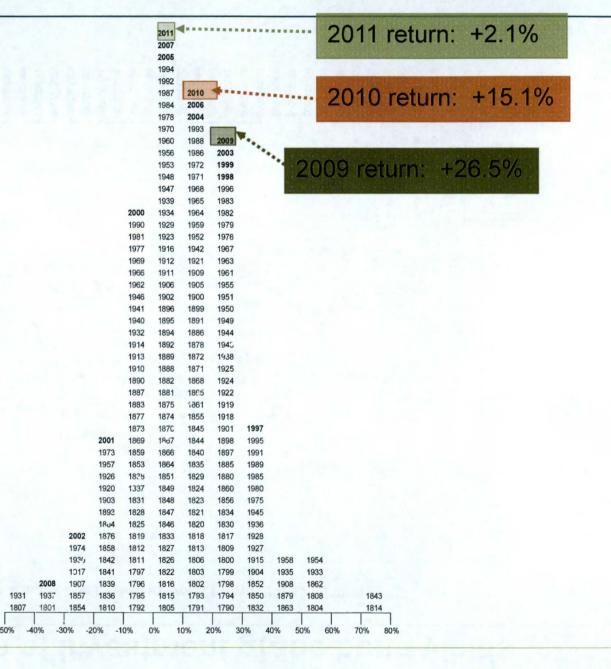
# **Building Long-term US Equity Expectations**

- Dividend Yields Likely to Stay Near Current Levels.
  - Financing uncertainty continues so cash unlikely to be returned to investors.
  - Fixed income yields expected to remain low.
- Equity Valuations Currently Moderate to Attractive After Market Angst During 2010 and 2011.
- Corporate Profits Near Long-Term Growth Rate.
  - Companies may be able to sustain trend or above trend profit growth even in a weak recovery.
- Company Balance Sheets Are Strong, But No One is Eager to Spend. Large Cash Holdings a Drag on ROE.
- Consumption Still Dominates Economic Growth.
  - Unemployment high but finally declining slightly,
  - Wealth depleted,
  - Deleveraging continues,
  - Savings replenished.
- Have We Entered a New Era of Lower Trend Growth in GDP?



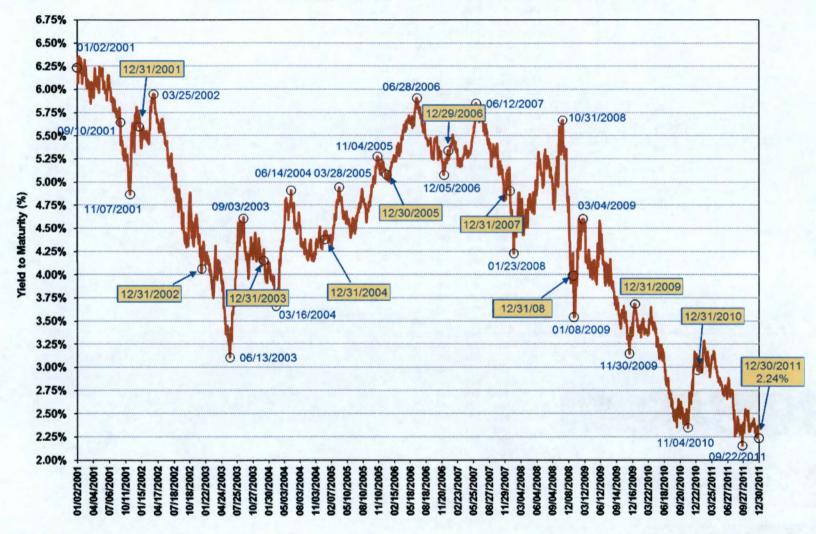
# 2011 Performance Perspective – History of the U.S. Stock Market





# Longer term illustration of investment grade bond yields



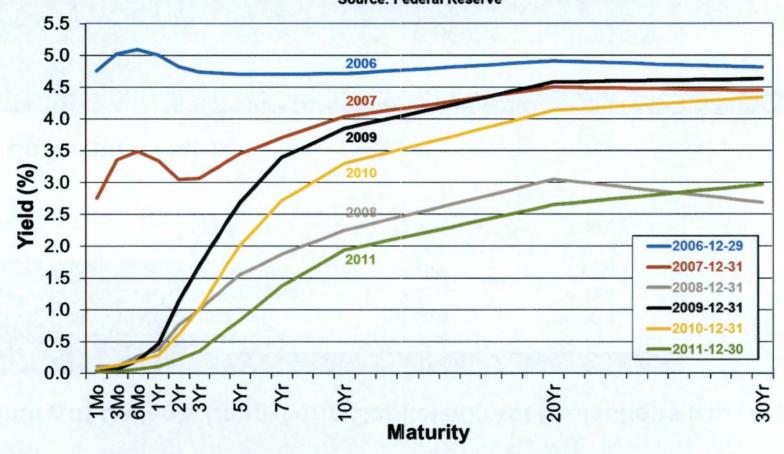




### **Yield Curve Illustration**

**U.S. Treasury Yield Curves** 

Constant Maturities: 1Mo/3Mo/6Mo/1Yr/2Yr/3Yr/5Yr/7Yr/10Yr/20Yr/30Yr Source: Federal Reserve





# **Callan 2012 Capital Market Assumptions**

### Summary of Callan's Long-Term Capital Market Projections (2012 - 2021)

Asset Class	Index	Projected Return*	Projected Risk
Domestic Equity	Russell 3000	7.75%	18.70%
International Equity	MSCI EAFE	7.60%	20.00%
Domestic Bonds	BC Aggregate	3.25%	4.25%
Cash Equivalents	90-Day T-Bill	2.75%	0.90%
Inflation	CPI-U	2.50%	1.40%

### **2012 Correlation Matrix**

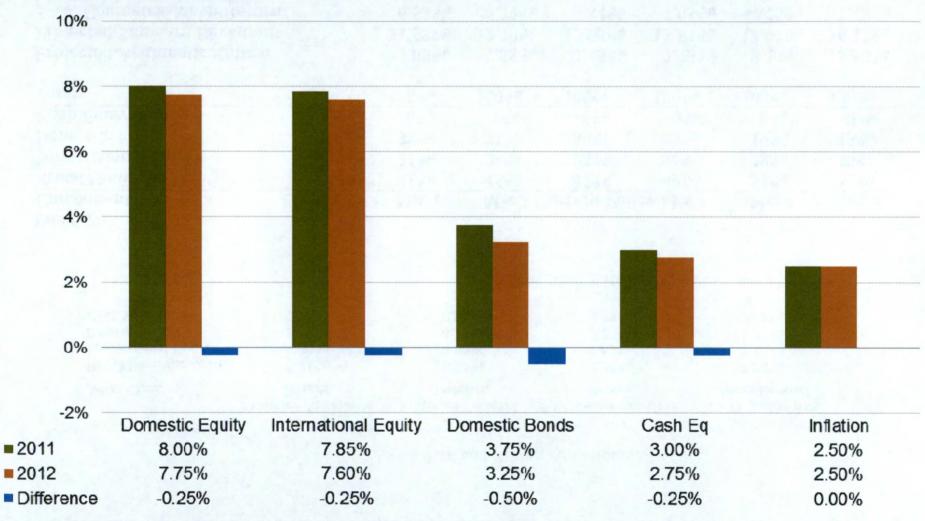
Correlations	Domestic Equity	International Equity	Domestic Bonds	Cash Eq
Domestic Equity	1.000			
International Equity	0.833	1.000		
Domestic Bonds	0.003	0.000	1.000	
Cash Equivalents	-0.043	-0.010	0.100	1.000



<sup>\*</sup> These are geometric returns derived from arithmetic returns and the associated risk (standard deviation).

# **Change in Callan Capital Market Assumptions**

#### 10 Year Geomtric Return





# 2012 Capital Market Inputs & Resultant "Efficient" Mixes

### Last year's return & risk for the current policy were 7.14% and 12.54% respectively

#### Risk and Return Assumptions

Asset Class	Projected Arithmetic Return	Projected Standard Deviation	5 Yr. Geometric Mean Return	10 Yr. Geometric Mean Return
Broad Domestic Equity	921%	18.72%	7.78%	7.74%
International Equity	9.30%	20.00%	7.63%	7.58%
Domestic Fixed	3.30%	4.25%	3 <i>2</i> 5%	3.25%
Cash Equivalents	2.75%	0.90%	2.77%	2.77%

#### Asset Mix Alternatives

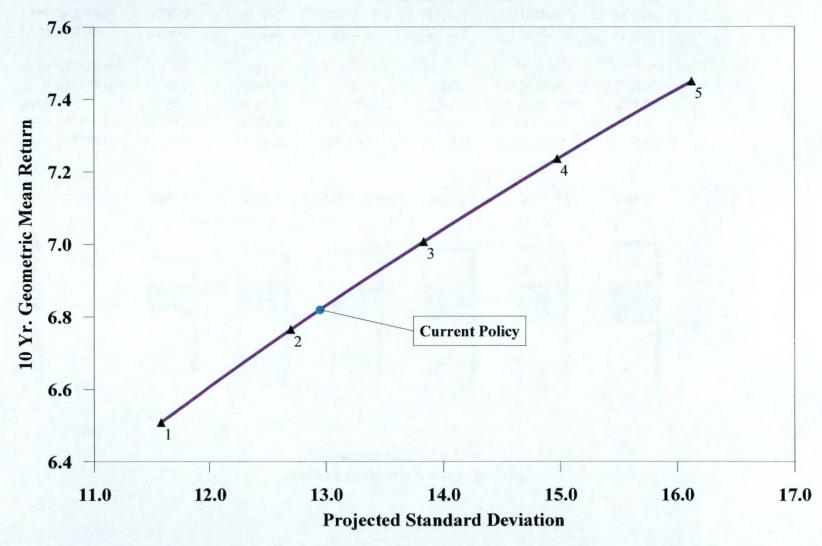
ix 5
7%
1%
3%
]%
196
50%
12%
48%
45%
29%





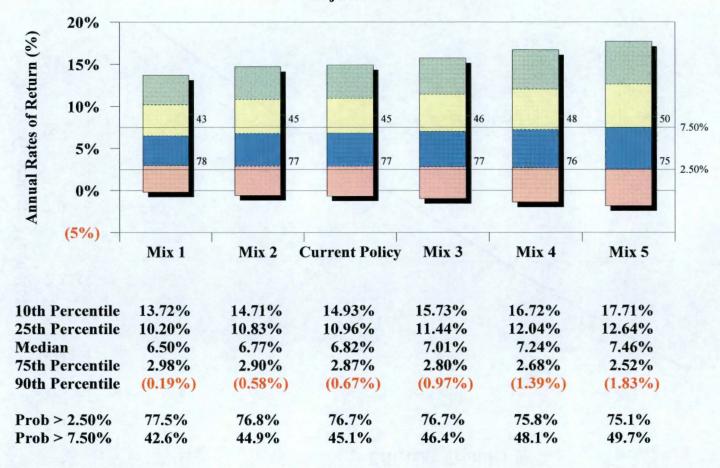
# **Efficient Frontier**

#### **Efficient Frontier**



# **5-Year Range of Returns**

#### Range of Projected Rates of Return Projection Period: 5 Years



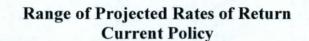


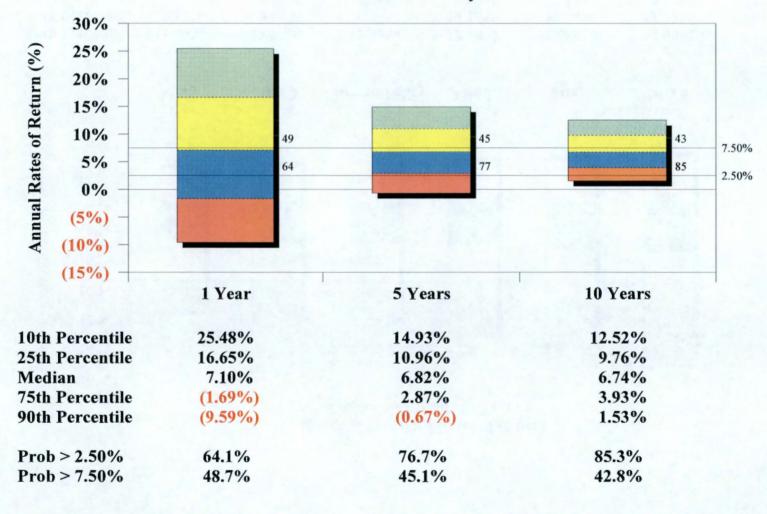
# 10-Year Range of Returns

Range of Projected Rates of Return **Projection Period: 10 Years** 16% 14% Annual Rates of Return (%) 12% 10% 8% 6% 4% 2% 0% (2%)**Current Policy** Mix 3 Mix 1 Mix 2 Mix 4 Mix 5 10th Percentile 11.60% 12.35% 12.52% 13.10% 13.85% 14.60% 25th Percentile 9.13% 9.64% 9.76% 10.15% 10.64% 11.13% Median 6.69% 6.92% 7.35% 6.44% 6.74% 7.14% 3.93% 3.93% 75th Percentile 3.93% 3.92% 3.88% 3.84% 90th Percentile 1.78% 1.58% 1.53% 1.35% 1.10% 0.84%



# **Current Policy – Multiple Time Frames**







### Other Items

- Several thoughts on structure & costs
  - Extensive use of low cost investment vehicles: Russell 3000 Index Fund; Revenue Department managed bond and cash funds. Returns are unknown but costs are known and should be minimized. EVOST, in our opinion, has done an excellent job of minimizing controllable costs.
- o Callan is not a law firm and never provides legal advice
  - However, it is important to note that at recent interest rate levels, high quality fixed income obligations and short-term investment instruments are expected to provide investors with a negative real return (i.e. the expected return for such instruments is less than the expected rate of inflation and therefore provide a negative real return).
- o Diversification remains a critical requirement
  - Total portfolio risk is dominated by equity risk. Equity risk is much greater than bond risk.
  - Increasing the targeted equity allocation would raise expected return but would increase total fund volatility by a large amount.
- o Introduction of Treasury Inflation Protected Securities may warrant future consideration
  - This would further diversify the fixed income portfolio.
  - Callan would be pleased to discuss this matter at an appropriate time.

### Exxon Valdez Oil Spill Trustee Council

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



To:

Trustee Council Members

FROM:

Elise Hsieh

**Executive Director** 

DATE:

May 10, 2012

RE:

Long-Term Spending Scenario for Council Research Sub-Account

During 2009-2010, the Council engaged in intensive discussion with the goal of implementing a strategic and efficient use of the remaining funds. This effort began with informal Council discussions and then continued its development with six public meetings in spill-area communities and multiple Council meetings. This effort resulted in the Fall 2010 release of a FFY'12 Invitation, which requests research in four focus areas, including two 20-year programs. Please refer to the 2010 NEPA update documents for additional information regarding the Council's planning during 2009-2010.

In September 2011, the Council approved funding for the first annual installment of five-year contracts for two long-term programs, herring and long-term monitoring, as well as additional projects in the focus areas established in 2009-2010. The attached table illustrates spending scenarios based upon current spending. This table is updated annually to review the need for course corrections and adjustments based upon actual spending and market performance.

This memo and related table do not address spending from the Habitat or Koniag sub-accounts.

#### Using the Spending Scenarios for Long-Term Planning

When these scenarios were first created, the Council and the Alaska Department of Revenue (ADOR) acknowledged that the investment funds are based on a market which had very recently proven its volatility, but there was also agreement that these spending scenarios, based upon the best information available at the time, allow the Council to plan strategically for the use of the remaining funds into the future and to begin implementing those plans. Thus, the Council considered various spending scenarios before determining to implement long-term research programs based on the scenario in the attached table. It is assumed that future councils will respond to market fluctuations with appropriate course-corrections and spending adjustments.



The attached table includes the spending scenario used by the Council to implement and fund proposals in four research areas, including two 20-year programs. As noted above, the table does not include the Habitat or Koniag sub-accounts, which are not necessarily amendable to the same level of future planning. These figures are also estimations and may be able to be further reduced, or may demand an increase if the Council expands its program and in reaction to the performance of the investment funds.

Bob Mitchell at ADOR originally created the attached table and helpfully produced the materials upon which this document is based, as well as those used heavily by the Council during the initial planning phase.

#### The Spending Scenario Model how the simulations were produced

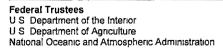
The attached table was created with a model to estimate the likelihood that the research fund will survive through FFY32, with given assumptions about annual spending and annual investment performance. The investment performance was simulated using Callan's most recent capital market assumptions (developed in early 2012). The research fund is assumed to maintain its existing asset allocation through the end of FFY27, then go to a 100% bond (fixed income) allocation for the remaining 5 years. A Monte Carlo simulation was conducted with 250,000 iterations. The specific assumptions for this iteration of the model are listed in notes to the table.

#### Interpreting the Results

The main table is accompanied by a companion table which analyzes the "probability of ruin" for this spending scenario. The "probability of ruin" is the proportion of model iterations that resulted in the fund balance going negative at some point through the end of FFY32. The terminal value distribution provides a sense of the range of possible outcomes. These figures assume that one takes all 250,000 iterations and orders them by ending market value from the lowest to the highest. The 25<sup>th</sup> % number indicates the market value of the iteration for which 25% of all iterations lie below that value. Half of the simulations had a terminal market value below the 50<sup>th</sup> % number and half had terminal market values above that value. About one-quarter of all iterations had a market value above the 75<sup>th</sup> % number. Notice that the 25<sup>th</sup> and 50<sup>th</sup> % numbers are closer to each other than the 50<sup>th</sup> and 75<sup>th</sup> % numbers. This indicates that most of the iterations cluster together at a lower terminal market value than would be suggested by looking only at the 50<sup>th</sup> and 75<sup>th</sup> % numbers.

111 111 111





May 10, 2012 Long-Term Spending Scenario for Council Research Focus Areas Page | 3

#### Limitations of the model:

The model has some limitations which may underestimate actual downside risk, including:

- 1. Asset class returns are assumed to be normally distributed, with relatively few extreme returns. Equity returns have historically experienced large negative and positive returns more frequently than is assumed in the distribution incorporated in the model.
- 2. Asset class correlations tend to vary over time. In particular, the diversification benefits normally associated with incorporating multiple asset classes tend to wane during times of market stress. The model assumes constant correlation relationships between asset classes.
- 3. The model assumes there is no relationship between returns from period to period. The market may experience periods of strong or weak asset class performance that persist over time. Conversely: the extreme ends of the distribution produced by the model may be the result of a string of either very positive or very negative outcomes. The extremes of the distribution should be interpreted with caution.
- 4. Inflation is assumed to be constant at 2.50%. Variations in inflation levels over time are not reflected in the model.

Attachment: 5.8.12 Long-Term Spending Scenario Table

# Long Term Sending Scenario: May 2012 Update es not include Habitat)

	FFY12	FFY13	FFY14	FFY15	FFY16	FFY17	FFY18	FFY19	FFY20	FFY21
APDI (ADMIN) (inc. 9% GA)	1,591,170	1,630,949	1,671,723	1,713,516	1,756,354	1,800,263	1,845,269	1,891,401	1,938,686	1,987,153
Trustee Council Admin Lease Costs*	118,000									
Lingering Oil Studies*	1,319,562				F					
FFY12 - FFY16 Cont. PJs (inc. 9% GA)	3,112,540	1,813,293	360,657	347,670	347,670					
Long-Term Monitoring*	2,257,300	2,028,500	2,311,100	2,077,200	2,138,700	2,100,000	2,152,500	2,206,313	2,261,470	2,318,007
Herring* (P)	908,700	985,400	1,251,500	1,095,800	1,042,600	1,030,000	1,055,750	1,082,144	1,109,197	1,136,927
Herring* (B)	33,860	79,829	89,758	92,116	96,257	25,000	25,625	25,625	25,625	25,625
Stormwater*	162,725	914,349	278,500	303,500	19,000	100				
Marine Debris*	352,700	377,300	285,000							
Data Management*	407,396	426,339	341,398	347,847	67,766	250,000	256,250	262,656	269,223	275,953
Pigeon Guillemont*	7 1 1 1 1 1 1 1	532,185	532,185	330,678	318,991	319,147				
9% GA for areas* listed above	769,930	596,251	442,612	383,772	334,079	306,450	314,111	321,906	329,896	338,086
Total Expenses	11,033,883	9,384,395	7,564,433	6,692,099	6,121,417	5,830,860	5,649,506	5,790,045	5,934,098	6,081,752

#### NOTES:

Orange shading indicates the beginning of estimated contractual or other amounts adjusted for 2.50 % inflation through FFY32

Costs for projects not including GA, (those with \*) were calculated using DPD/WorkPlan budget figures, with 9% GA backed out using divisor of 1.09.

#### FFY12 Projects INCLUDED for above amounts:

Lingering Oil: Nixon, Irvine

Marine Debris: Pallister w/ Addendums 1, 2, 3 Stormwater: Anderson (City of Seward), Jennings Long-Term Monitoring: McCammon, Carls, Ballachey

Herring: Pegau (P), Branch (B)

Data Mgmt: NCEAS (additional data mgmt costs included in Long-Term Monitoring and Long-Term Herring Prgms)

#### FFY12 Projects NOT INCLUDED:

Ammann, Whissel, Pegau (PJ 113)

**FFY11 Continuing Project INCLUDED:** 

Lingering Oil: Boufadel (PJ 836) (added 2012 amendment)

Pigeon Guillemont: Irons (PJ 853)

inflation 2.50%

# Long Term Sending Scenario: May 2012 Update oes not include Habitat)

FFY22	FFY23	FFY24	FFY25	FFY26	FFY27	FFY28	FFY29	FFY30	FFY31	FFY32	Total
2,036,832	2,087,753	2,139,947	2,193,445	2,248,282	2,304,489	2,362,101	2,421,153	2,481,682	2,543,724	2,607,317	43,253,210
				The table							1,319,562
									The same and		5,981,830
2,375,957	2,435,356	2,496,240	2,558,646	2,622,612	2,688,178	2,755,382	2,824,267	2,894,873	2,967,245	3,041,426	51,511,272
1,165,350	1,194,484	1,224,346	1,254,955	1,286,329	1,318,487	1,351,449	1,385,235	1,419,866	1,455,363	1,491,747	25,245,632
25,625	25,625	25,625	25,625	25,625	25,625	25,625	25,625	25,625	25,625	25,625	801,195
											1,678,074
		K 15			2 13 19						1,015,000
282,852	289,923	297,171	304,601	312,216	320,021	328,022	336,222	344,628	353,243	362,075	6,435,802
346,481	355,085	363,904	372,944	382,210	391,708	401,443	411,421	421,649	432,133	442,879	8,458,953
6,233,098	6,388,227	6,547,234	6,710,217	6,877,274	7,048,507	7,224,022	7,403,924	7,588,324	7,777,334	7,971,069	147,851,715

#### May 2012

Prob Ruin	Terminal Market Value		
	25th %	50th %	75th %
23.60%	2,676	53,448	124,903

#### Aug 2011

Prob Ruin	Terminal Market Value (\$000)		
	25th %	50th %	75th %
28.90%	-7,611	43,047	114,825

#### Notes on Terminal Market Value:

The FFY12 earnings are projected over a 5-month period, instead of a full 12 months.

There are no expected expenses left for FFY12 so I zeroed out the ~\$11 million in expenses from the table you sent to me when I input the annual expenses into the model. I used the existing target asset allocation and continue to assume the portfolio converts to all-bonds 5 years before the FFY32 end date.

I have also incorporated Callan's 2012 Capital Market Assumptions. The results are above, as are the results from the last run made in August 2011.

GOAK

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#### Gulf of Alaska Keeper

5933 E 12th Avenue Anchorage, Alaska 99504

July 8, 2012

To: EVOSTC

From: Gulf of Alaska Keeper

Re: Report and proposed Gulf of Alaska Keeper response to Japanese tsunami generated marine debris.

Marine debris originating from the 2011 Japanese tsunami is washing ashore along the northern Gulf of Alaska (GOA) coast. Immense amounts of broken pieces of Styrofoam, urethane, and styrene foam insulation board have been cast upon the eastern Montague Island shore, along with several other northern GOA island shorelines. The Styrofoam ranges in size from large 2-foot by 4-foot by 8-foot blocks to countless tiny bead-sized pieces. Storms and surf will pound it into billions of bits unless it is cleaned up. In addition, animals will shred and eat it. We have already found much evidence that birds and many other animals are eating the Styrofoam.

In addition to the Styrofoam, there were countless containers dumped into the ocean by the tsunami, ranging from small bottles to large fuel tanks. Nearly empty light-weight wind-driven containers have already hit our shore. Many of the containers hold hazardous chemicals. Containers that are fuller will arrive later. Gulf of Alaska Keeper (GoAK), while cleaning southern PWS shorelines and surveying on the eastern side of Montague Island, has already found hundreds of containers partially filled with fuel, other petroleum products and unknown chemicals. The drums of fuel, petroleum products, and industrial chemicals pose a serious environmental threat to inter-tidal ecosystems.

The full extent of the tsunami debris environmental threat is not yet known as it is currently still unfolding. However, GoAK has recently surveyed hundreds of miles of coast including shorelines along several of the islands ringing the north GOA, and the region around Gore Point on the Kenai Peninsula. Between June 18 and 25, we also re-cleaned 14 marine-debris monitoring sites within PWS. Among all of these areas, the northern two thirds of Montague Island's eastern shore is the worst area we have surveyed in terms of the amount of tsunami debris already deposited on it. However, not only is a tremendous amount of Styrofoam and other debris hitting the northern GOA coast, it has penetrated through Hinchinbrook Entrance into PWS and made its way to island beaches in the mid-Sound region. Newly deposited Styrofoam on the Block Island monitoring plot was 111 times the 6-year average, and on the Mega Byte site on northeast Knight Island there was at least a 7 fold increase in the amount of new Styrofoam marine debris. Unfortunately, even as imposing as this is, the outer coast of Montague Island is magnitudes worse. Other sites, such as the eastern Peak Island monitoring site and the Applegate Island site at the southern end of Culross Passage, also had substantial increases in the annual Styrofoam marine debris deposition.

In addition to all of the broken Styrofoam from crushed buildings and other structures, thousands of large Styrofoam Japanese aquaculture floats are being tossed upon GOA shorelines. While the Styrofoam aquaculture floats are gradually being scattered throughout the Sound, until now most of them have been deposited in the Naked Island to northeast Knight Island area. However, we have seen them along the shore south of Eshamy Bay on the western Sound shoreline. The floats appear fairly innocuous until you consider they will quickly become shredded by bears and storms and in the process creating an incredible mess. There are also tremendous amounts of urethane spray-in foam building insulation scattered on the monitoring sites and northern GOA shorelines. The imprints left by building structural members in the urethane foam insulation can be clearly seen. Likewise, crushed and broken blue styrene foam insulation board is everywhere. It is clearly from destroyed Japanese structures. It has Japanese writing on it that has been positively identified by several different Japanese reporters that accompanied GoAK on cleanup project over the past two months.

Over the past two weeks, GoAK cleanup crews have also encountered large rafts of tsunami debris floating in tidal rips in the southern entrance of Montague Straits and off Elrington Island. We also received a report of a very large concentration of floating tsunami debris just east of the Barren Islands. Clearly, more tsunami debris continues to arrive and the worst of it is probably not yet behind us.

GoAK has studied this problem closely and attempted to design a meaningful and cost-effective response to the problem. Unfortunately, how the tsunami debris may ultimately impact the EVOSTC marine debris cleanup projects planned for this summer and the next two is not yet clear. Styrofoam cleanups can be very time consuming, particularly if storms or bears tear the foam into uncountable bits. The foam also takes up a tremendous volume on our landing craft and in the disposal dumpsters. That means more landing craft trips to and from port and more disposal-related transport and other fees. Labor and fuel cost will undoubtedly go up, but as of yet, how much is just a guess.

Over the next two months, GoAK will clean beaches along the southern PWS coast, and between PWS and Resurrection Bay. By mid-August we should have a much better idea of what we face and the effort that will be required to deal with the problem. Given the current situation, and the degree of uncertainty surrounding how much debris will eventually make landfall on northern GOA shores, GoAK believes that the best option for dealing with the tsunami-debris crisis in our area might be to delay the next two seasons of EVOSTC-sponsored GoAK cleanup projects by one year, thereby clearing next season for cleanup work focused solely on removing Styrofoam and hazardous material from identified concentration areas. That would shove the Barren Island and Patton Bay marine debris cleanups back to 2014 and 2015 respectively rather than 2013 and 2014 as scheduled. This would also have the benefit of allowing more tsunami debris to concentrate in those planned cleanup areas before we initially clean them. However, most importantly we believe it is critical to clean the outer PWS shorelines in order to prevent the bulk of the tsunami debris from migrating into PWS and

causing more damage to the inner PWS ecosystem. Delaying the Barren Island and Patton Bay cleanups by one season and additional funding support would allow us to do that.

If the Council should consider this idea worth pursuing, GoAK would be pleased to submit a proposal to accomplish those goals. However, at this date we believe the situation is too unsettled and fluid to attempt to put together a proposal because we do not yet have the information needed to honestly do so. At this juncture, the situation is just too speculative.

We believe delaying planned cleanups one year and focusing on the removal of Styrofoam and hazardous chemicals as the highest priority next year would be the best course of action for protecting the PWS environment. Please contact me at your earliest convenience to discuss this proposed plan of action.

Sincerely,

Chris Pallister President Gulf of Alaska Keeper

# Tsunami Marine Debris in Alaska

Alaska Department of Environmental Conservation Airborne Technologies, Inc Gulf of Alaska Keeper September 14, 2012

#### **Tsunami-Generated Marine Debris Background**

- •Devastating March 2011 Earthquake and Tsunami in Japan
- •Government of Japan estimates 5 million tons of debris swept into Pacific Ocean
  - Estimated 70% sank almost immediately
  - •1.5 million tons floating off coast of Japan, caught by wind and ocean currents
- Composition
  - •Materials typically found in urban areas, homes, and fishing communities
  - •Styrofoam, buoys, bottles, jugs, household items (refrigerators, freezers, etc)
  - •Rigid urethane insulation and wood from destroyed buildings and homes
  - Fishing & boating docks, floats, bumpers, nets,
- •NOAA models show debris will reach US and Canadian shores for next several years
  - •High-windage (lighter) debris carried by wind; arrived much sooner than expected
  - Low-windage (heavier) debris carried by ocean current;

### Detailed Aerial Survey Airborne Technologies, Inc (ATI)

- Approximately 2500 miles of coastline surveyed
- Over 8200 high resolution images
  - Southeast Alaska
  - Gulf of Alaska
  - Prince William Sound
  - Alaska Peninsula
  - Bristol Bay
- Data analysis and GIS mapping

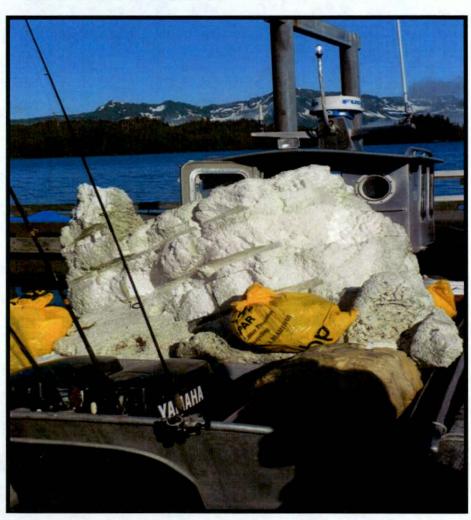


### Observations Relating to Amount, Location and Composition of Tsunami Marine Debris in Alaska

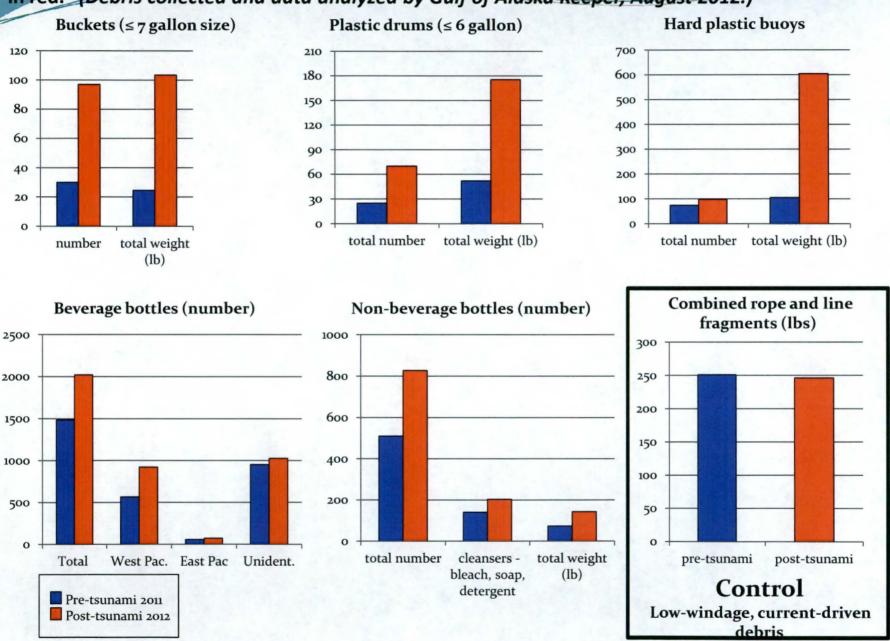
- Significant increase in volume
- Large volume of high windage items
- Evidence of March 2011 Tsunami-generated debris
  - Oyster Buoys
  - Rigid Urethane Insulation
  - Common Japanese household items
  - White Styrofoam

#### Gulf of Alaska Keeper Tsunami Debris - Summer 2012





Combined changes in amount of high-windage MD 2011 to 2012, pre- and post-tsunami, on two Gore Point monitoring sites and two Prince William Sound sites. Pre-tsunami in blue, post-tsunami in red. (Debris collected and data analyzed by Gulf of Alaska Keeper, August 2012.)







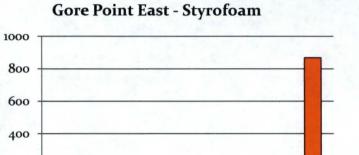
#### Gulf of Alaska Keeper Marine Debris Monitoring Program. Styrofoam Data Summary as of August 20, 2012.

Effect Of The 2011 Japanese Tsunami On Marine Debris In PWS And Gore Point.

#### Styrofoam Weight

2012

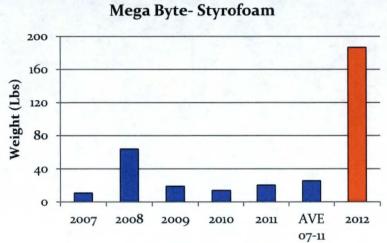
07-11

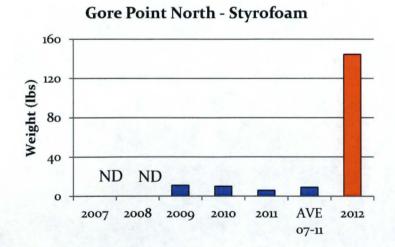


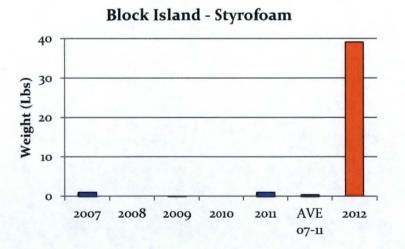
2010

2009

2011







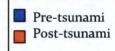
Weight (Ibs)

200

ND\*

2007

2008

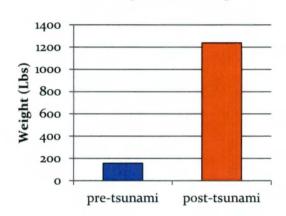


<sup>\*</sup> ND, no data

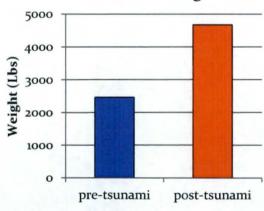


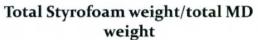
## Gulf of Alaska Keeper Marine Debris Monitoring Program. Styrofoam data summary as of August 20, 2012. Average percentages, before and after tsunami. Totals for the 4 sites.

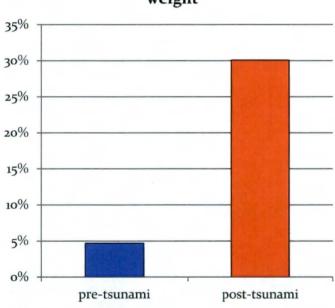
Total Styrofoam weight

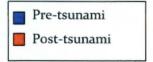


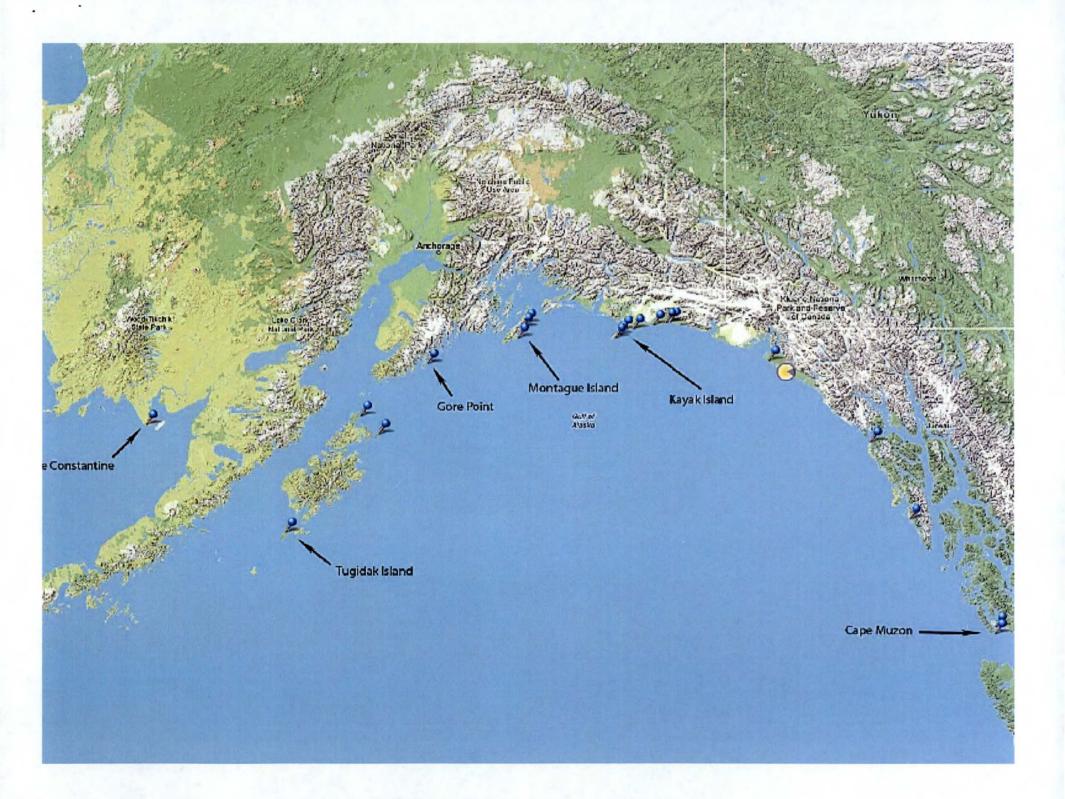
Total MD weight











#### **More Tsunami Debris Observations**

- New Debris Lines
- Storm Surges Move Debris Farther Up Beach
- Wind Carries Debris Inland
- Collector Beaches
- Heavier Debris Appears to be Arriving Now



#### **Concerns Related to Marine Debris**

- Unknown total quantity or composition
- Potential toxicity of components
- Breaking up and Disbursement
- Potential Impact of Small Styrofoam Pieces on Marine and Terrestrial Life
- Smothering of Sensitive Habitats
- Invasive Species
- Disposal
- •Safety Risks (weather, remote sites, sea conditions, wildlife)
- Potential Navigation Risks Due to Large Debris

#### **Cleanup Cost Considerations**

- Re-Cleaning a Beach
- •First Time Marine Debris Removal
- Landing Craft, Crew Vessel, Skiffs, Equipment, Supplies
- Crew Costs: Wages or Contractors
- Helicopters and Planes: Site Access or Debris Movement
- Disposal

#### **Funding Tsunami Marine Debris Removal**

- \$5 Million goodwill gesture from Government of Japan
  - Not approved yet by the Japanese National Diet (Parliament)
  - Procedure for acceptance and disbursement of funds not established yet by U.S. Government
  - · Timeframe for arrival uncertain
- Funding from Federal Government
  - \$50,000 grant from NOAA; Fall 2012 tsunami debris removal project pending final procurement action
- Funding from State of Alaska
  - \$200,000 for aerial survey and data analysis



LT WI SLIPE PRESENTATION

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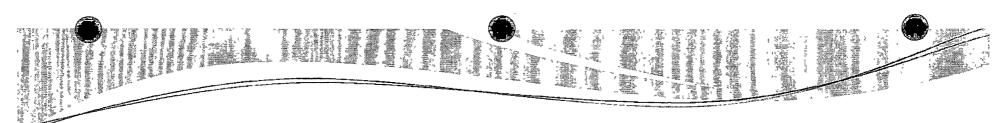


## Long-term Monitoring Program funded by the Exxon Valdez Oil Spill Trustee Council

Status Report to the EVOSTC Public Advisory Committee

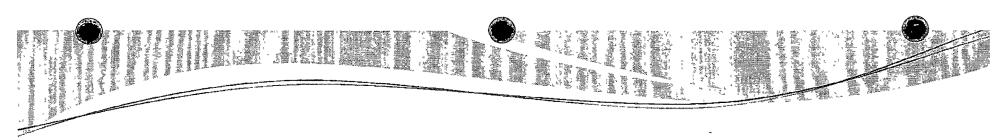
July 9, 2012

Katrina Hoffman, Program Administrative Lead



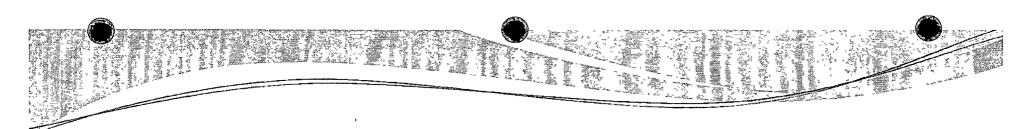
#### Program Highlights

- Program underway effective February 1, 2012
- Year 1 field activities underway; no major issues
- Outreach & Community Involvement committee active
- Status report and Year 2 funding request submitted
- Ocean Workspace web portal launched



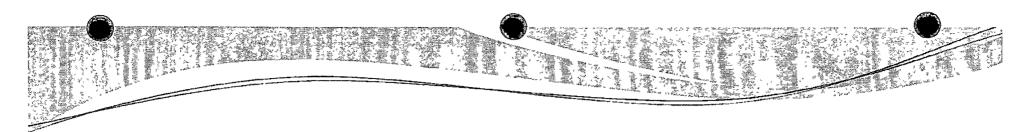
#### Administrative

- 5-year PWSSC cooperative agreement with NOAA in place
- Subawards & contracts in place
- ° 2 PI in-person meetings held: Nov 2011 & Jan 2012
- Program Management Team (PMT) and Science Coordinating Committee (SCC) meeting regularly
- Recruiting for members for programmatic science advisory panel
- Next PI meeting Nov 28-30



#### Outreach and Community Involvement

- Committee made up of representatives from: PWSSC, ASLC, KBRR, NPRB, AOOS, COSEE Alaska and NOAA
- Facilitated by AOOS
- Phase I: Focus is on development of programmatic branding/marketing materials (e.g., logo, name, website, brochure, powerpoint template, etc.). Currently underway.
- Phase II activities: presentations at community events, radio programs, educational programs at KBRR & ASLC. In planning stages.
- Phase III activities: community involvement; planning for community based monitoring. In Year 2. Hope to work with PAC on this.



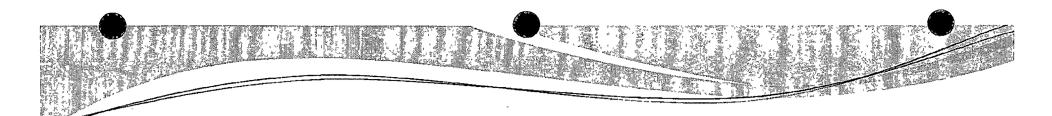
#### Outreach and Community Involvement

• Name for program:

Gulf Watch Alaska

The long-term monitoring program of the Exxon Valdez Oil Spill Trustee Council

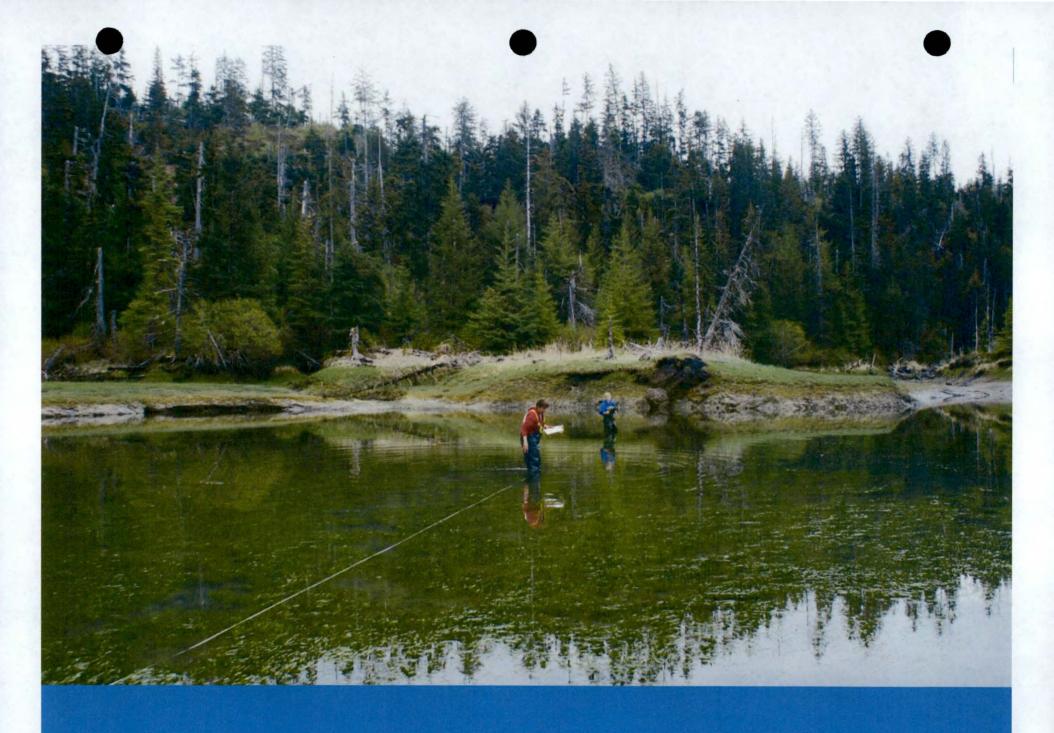
- PIs very excited about this
- Logo in development that reflects this concept
- Other materials will build off of this

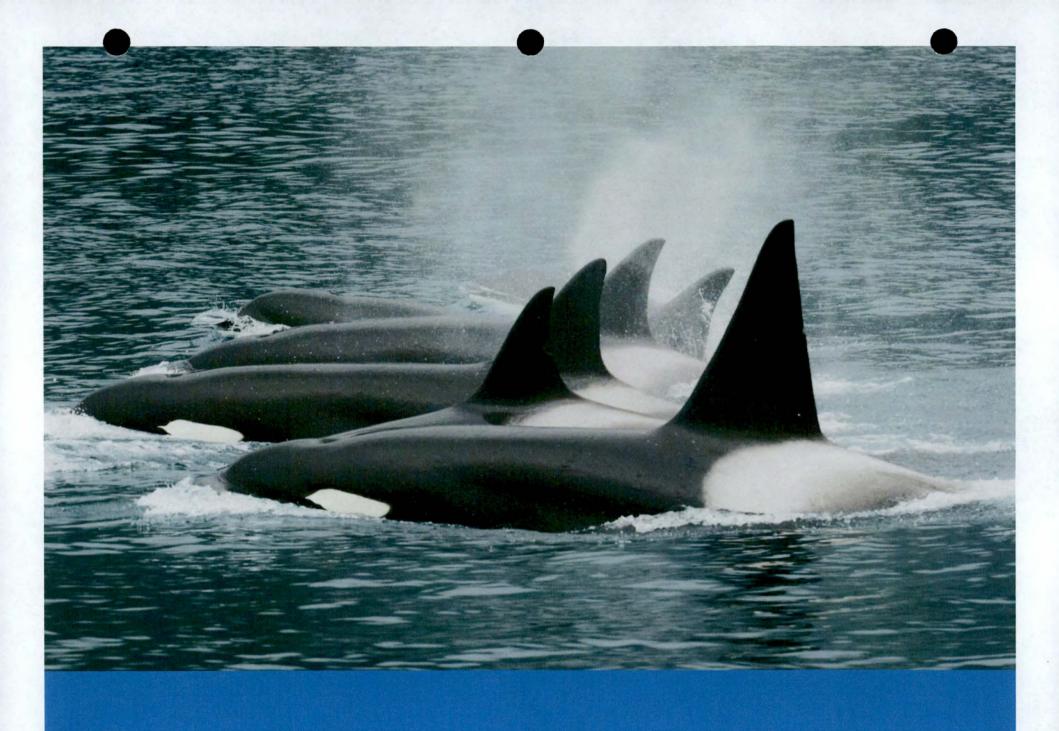


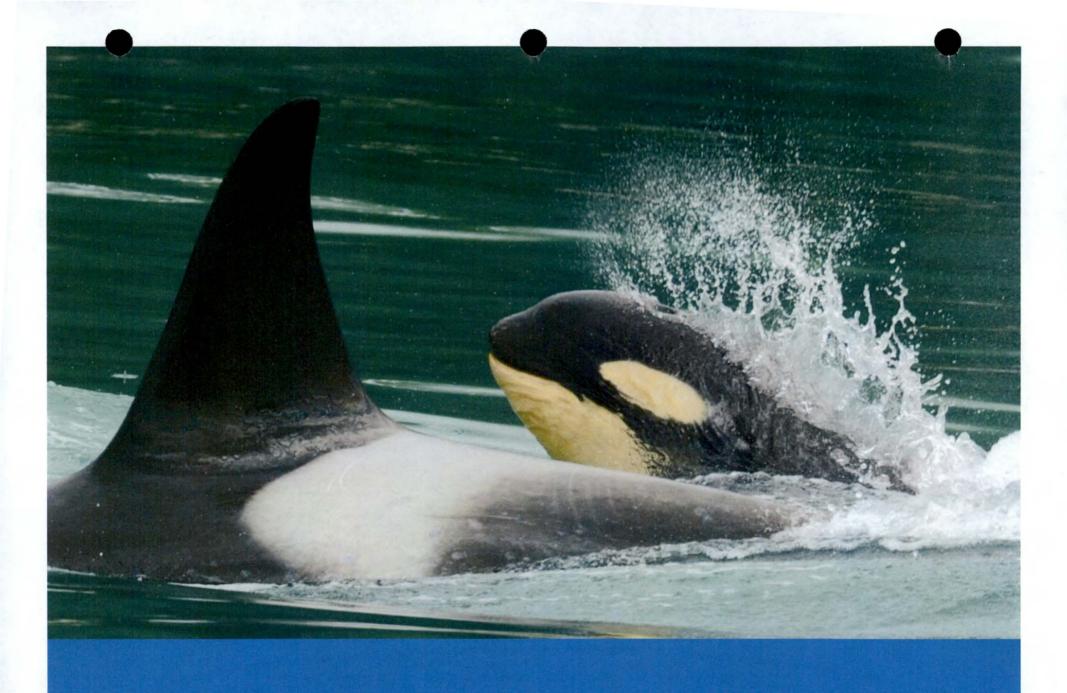
#### Field Highlights

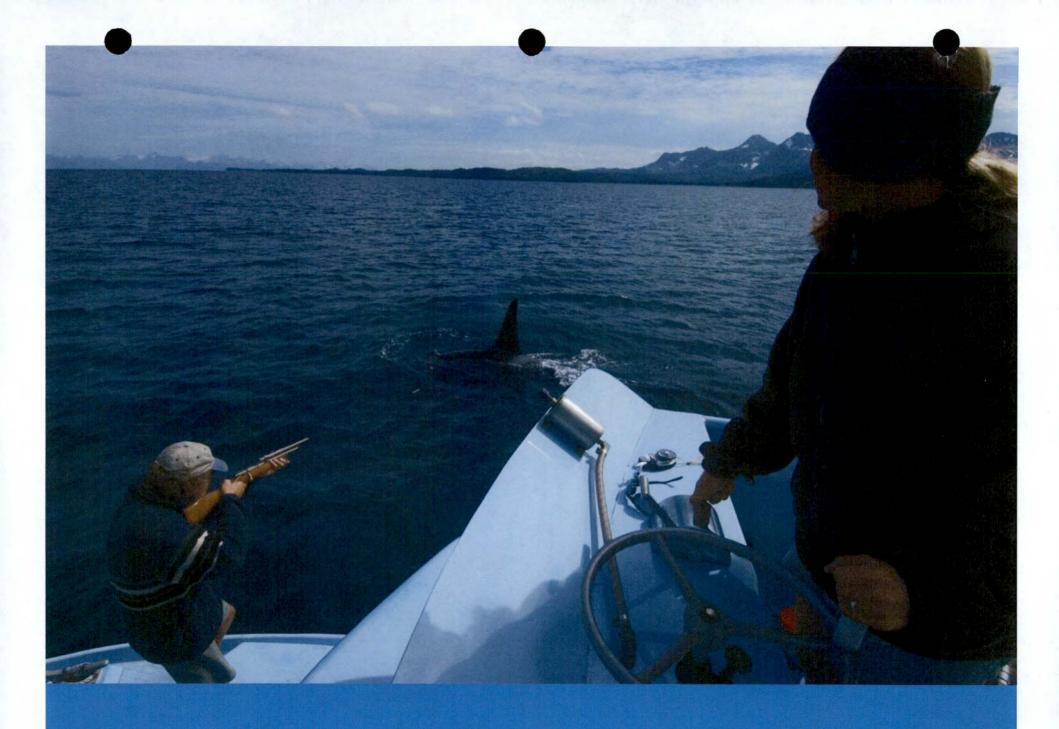
Photos from the field season underway



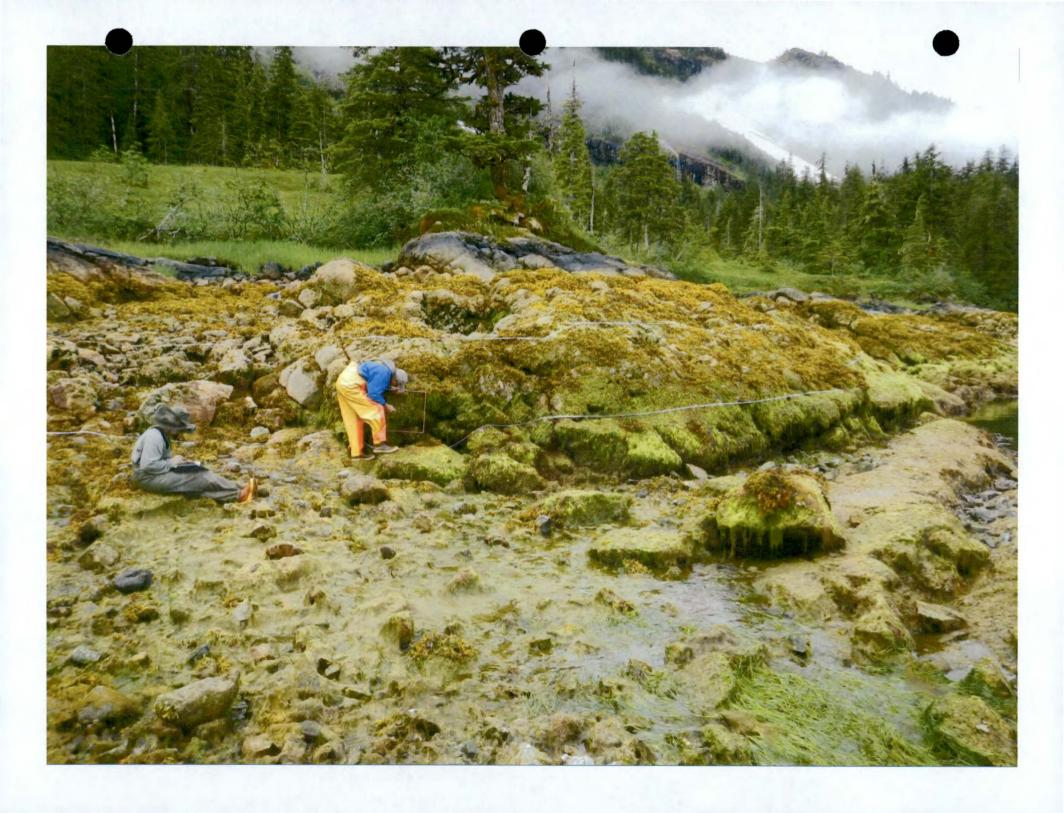




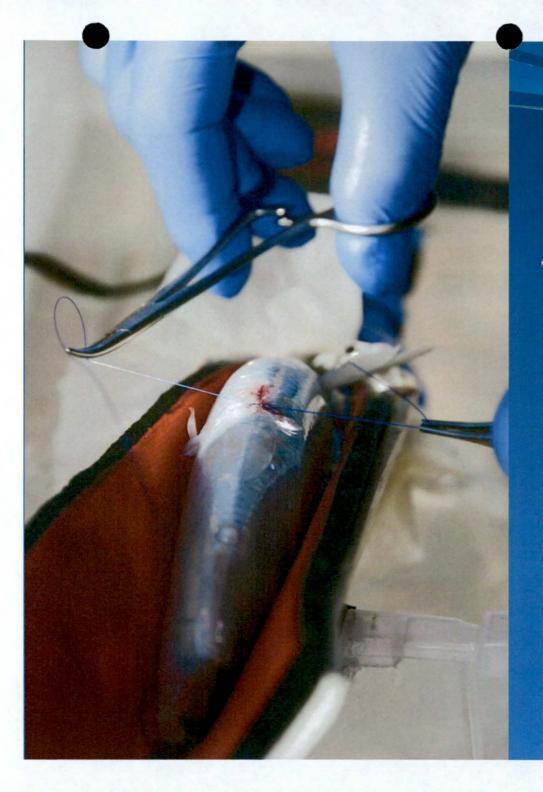






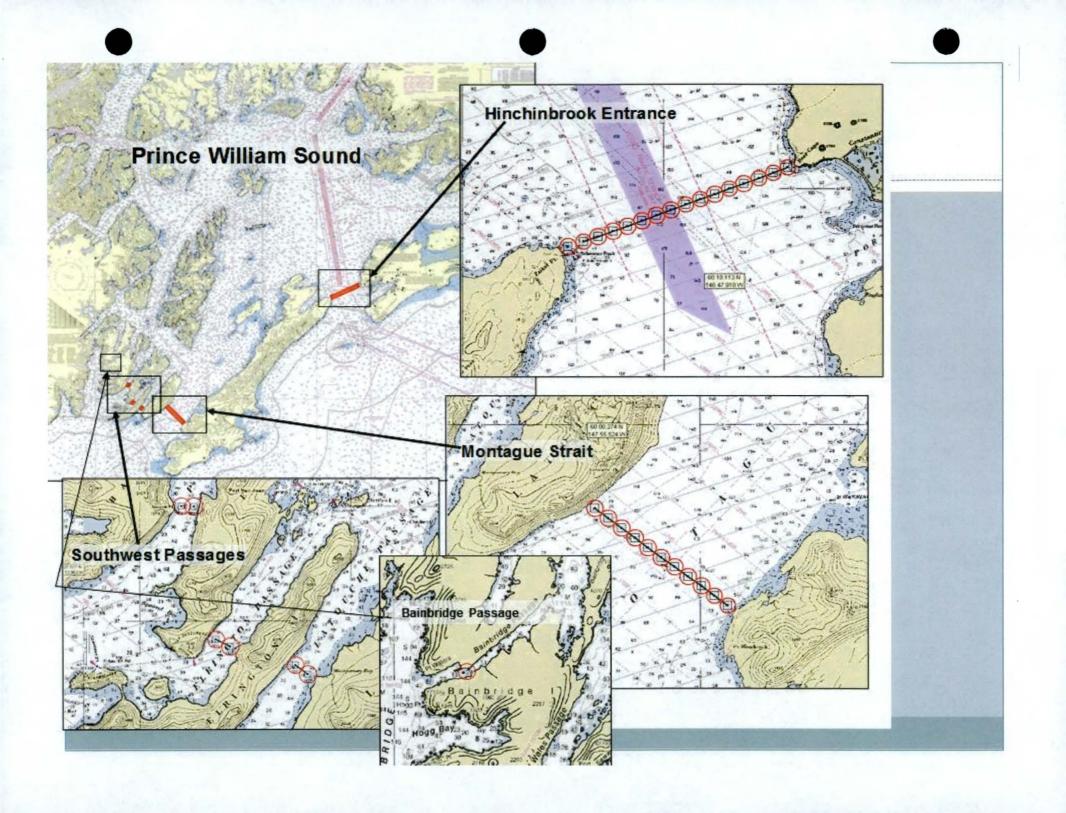


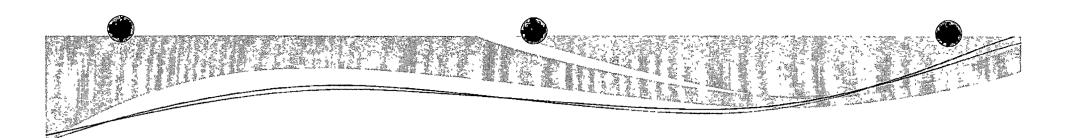




Tagging Pacific herring—Port Gravina







# Thank you

PAC NominaTiONS

160

## Exxon Valdez Oil Spill Trustée Council

4210 University Drive · Anchorage, AK 99508-4650 · 907 278 8012 · fax 907 276 7178



#### **MEMORANDUM**

TO:

Trustee Council

FROM:

Elise Hsieh

**Executive Director** 

**SUBJECT: PAC Nominations** 

DATE:

August 21, 2012

I recommend the following 10 names to be selected and approved by the Trustees for the EVOS Public Advisory Committee. The applicants are qualified and experienced in more than the principal interest group indicated. Selecting this group of nominees will provide a diverse group from the spill impacted area.

Aquaculture/Mariculture

Gary Fandrei, Kenai

Commercial Fishing

Steven Aberle, Anchorage

Commercial Tourism

Amanda Bauer, Valdez

Conservation/Environmental

Kate McLaughlin, Chenega Bay

Native Landowners

David Totemoff, Tatitlek

Public at Large

Emilie Springer, Homer

Recreational Users

Stacy Studebaker, Kodiak

Science/Technical

John French, Seward

Sport Hunting and Fishing

Kurt Eilo, Anchorage

Subsistence

Patience Andersen Faulkner, Cordova

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# Exxon Valdez Oil Spill Trustee Council FY13 Annual Program Development and Implementation (APDI) Budget October 1, 2012 – January 31, 2014

This budget structure is designed to provide a clearly identifiable **16-month** allocation of the funds supporting Trustee Council activities. At its September 14, 2012 meeting, the Council will be reviewing shifting its administrative funding cycle from the federal October 1<sup>st</sup> cycle to a February 1<sup>st</sup> cycle. The program components are:

- Administration Management
- Data Management
- Science Program
- Public Advisory Committee (PAC)
- Habitat Protection Program
- Trustee Council Member Expenses
- Trustee Agency Support/Project Management
- Alaska Resources Library & Information Services (ARLIS)

The budget estimates detailed within those specified program components are projected based upon prior year actual expenditures and include the application of estimated merit step increases, as well as payroll benefits increases. Detailed 16-month budget component items cover necessary day-to-day operational costs of the Exxon Valdez Oil Spill Restoration Office and administrative costs associated with overseeing current Trustee Council program objectives.

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Public Advisory Committee (PAC)	
Trustee Council Member Expenses	13
Habitat Protection Program	
Trust Agency Support/Project Management	
Alaska Resources Library & Information Services (	(AKDIS) 18

## **BUDGET SUMMARY INFORMATION - \$2,025,279**

The Council's FY13APDI Budget is funded by the *Exxon Valdez* Oil Spill Investment Fund which is managed by the Alaska Department of Revenue. The following summary tables show budget allocations by component, budgeted amount, and include General Administration costs, typically 9%. The remainder of the document provides additional **16-month** detail for each component and, where applicable, the agency distribution for the funds.

	j= (/5+, 1)	FY13 Total	FY13
	FY12	12- Month	Total
	Total	Budget for	16- Month
Component	Budget	Comparison	Budget
Administration Management	\$708,137	\$726,893	\$957,272
Data Management	\$137,885	\$57,143	\$74,555
Science Program	\$287,471	\$160,662	\$197,866
Public Advisory Committee (PAC)	\$16,132	\$16,486	\$18,258
Trustee Council Member Expenses	\$1,199	\$1,635	\$2,180
Habitat Protection Program	\$192,274	\$208,311	\$277,929
Trust Agency Support/Project Management	\$297,510	\$297,510	\$396,677
Alaska Resources Library & Information Services (ARLIS)	\$71,182	\$75,406	\$100,542
Total	\$1,711,790	\$1,544,046	\$2,025,279

(\$167,744 less than FY12 per 12-month allocation/\$313,489 more than FY12 per 16-month allocation)

APDI 5-Year 12-Month Budget Comparison FY09 - FY13					
Component	FY09 Budget	FY10 Budget	FY11 Budget	FY12 Budget	FY13 Budget
ministration Management	\$720,572	\$804,663	\$813,693	\$708,137	\$726,893
Data Management	\$210,902	\$149,991	\$152,080	\$137,885	\$57,143
Science Management	\$696,129	\$468,539	\$231,336	\$287,471	\$160,662
Public Information & Outreach	\$183.665	\$136,850	\$0	\$0	\$0
Public Advisory Committee (PAC)	\$48,505	\$37,605	\$37,060	\$16,132	\$16,486
Trustee Council Member Direct Expenses	\$29,975	\$29,975	\$29,975	\$1,199	\$1,635
Habitat Protection Program	\$109,000	\$109,000	\$109,000	\$192,274	\$208,311
Trust Agency Support/Project Management	\$354,339	\$367,033	\$339,774	\$297,510	\$297,510
Alaska Resource Library & Information Services	\$177,565	\$166,372	\$137,119	\$71,182	\$75,406
Total	\$2,530,652	\$2,270,028	\$1,834,123	\$1,711,790	\$1,544,046

APDI 5-Year 12-Month Budget Cost Type Comparison FY09 - FY13						
Cost Type	FY09 Request	FY10 Request	FY11 Request	FY12 Request	FY13 Request	
Personnel	\$1,433,092	\$1,312,115	\$1,112,766	\$913,325	\$959,996	
Travel	\$78,000	\$69,000	\$67,000	\$45,100	\$23,000	
Contractual	\$795,607	\$632,480	\$473,095	\$554,775	\$395,634	
Commodities	\$15,000	\$34,000	\$32,500	\$32,250	\$28,701	
Equipment	\$0	\$35,000	\$24,500	\$25,000	\$9,225	
Subtotal	\$2,321,699	\$2,082,595	\$1,682,681	\$1,570,450	\$1,416,556	
GA – 9%	\$208,953	\$187,433	\$151,442	\$141,340	\$127,490	
Total	\$2,530,652	\$2,270,028	\$1,834,123	\$1,711,790	\$1,544,046	

Total FY13 16-1 Budget from I Sub-Acc	Restoration		
Admin Mgmt	\$957,272		
Data Mgmt	\$74,555		
Science Prgm	\$197,866		
PAC \$18,2			
TC Expense	\$2,180		
Trust Agency	\$396,677		
ARLIS \$100,542			
Total	\$1,747,350		

Total FY13 16-N	Month Budget
from Habitat S	Sub-Account
Habitat	\$277,929
Total	\$277,929

Vacant, but	Cost Not
Retaining:	Budgeted in
PCN/Title	APDI
11-7703/Sci Coord	\$131,585
Total	\$131,584

(PCN 11-7707 deleted and PCNs 11-7701, 11-7705, & 11-7706 were transferred to ADF&G)

	To	tal FY13 10	6-Month AP	DI Budget by	Agency fr	om Research	h Sub-Accoun	it	
Cost Type	ADF&G	ADEC	NOAA	DOI USGS	DOI FWS	DOI SEC	DOI OEPC	USFS	Total Budget
Personnel	\$820,585	\$0	\$108,000	\$65,527	\$12,533	\$29,733	\$6,250	\$41,466	\$1,084,094
Travel	\$23,000	\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$25,000
Contractual	\$288,345	\$0	\$0	\$155,000	\$0	\$0	\$0	\$0	\$443,345
Commodities	\$37,800	\$0	\$0	\$533	\$0	\$0	\$0	\$0	\$38,333
Equipment	\$12,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,300
Subtotal	\$1,182,030	\$0	\$108,000	\$221,060	\$12,533	\$31,733	\$6,250	\$41,466	\$1,603,072
GA - 9%	\$106,384	\$0	\$9,720	\$19,895	\$1,128	\$2,856	\$563	\$3,732	\$144,278
Total	\$1,288,414	\$0	\$117,720	\$240,955	\$13,661	\$34,589	\$6,813	\$45,198	\$1,747,350

	Total FY1		APDI Budg at Sub-Acco		cy from	
Cost Type	ADF&G	ADOL	ADNR	DOI FWS	DOI BLM	Total Budget
Personnel	\$0	\$87,481	\$66,667	\$33,333	\$8,000	\$195,481
Travel	\$3,500	\$0	\$0	\$0	\$0	\$3,500
Contractual	\$0	\$0	\$53,333	\$0	\$2,667	\$56,000
Commodities	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$3,500	\$87,481	\$120,000	\$33,333	\$10,667	\$254,981
GA - 9%	\$315	\$7,873	\$10,800	\$3,000	\$960	\$22,948
Total	\$3,815	\$95,354	\$130,800	\$36,333	\$11,627	\$277,929

## **ADMINISTRATION MANAGEMENT - \$957,272**

Cost Category	FY12 Total Budget	FY13 Total 12- Month Budget for Comparison	FY13 Total 16- Month Budget
Personnel	\$440,677	\$466,260	\$621,680
Travel	\$3,000	\$2,500	\$4,000
Contractual	\$194,740	\$177,063	\$224,418
Commodities	\$11,250	\$18,426	\$24,633
Equipment	\$0	\$2,625	\$3,500
Subtotal	\$649,667	\$666,874	\$878,231
GA - 9%	\$58,470	\$60,019	\$79,041
Total	\$708,137	\$726,893	\$957,272

(Increase due to COLAs, move costs: \$18,756 more per 12-month/\$249,135 more per 16-month)

## PERSONNEL (16-month) - \$621,680

Position	Range/Step	Months	Monthly Cost	16-Month Cost
Executive Director – Elise Hsieh	28/D	16	\$14,326	\$229,216
Librarian III – Carrie Holba	19/N	8	\$11,530	\$92,240
Associate Coordinator – Cherri Womac	18/K	16	\$9,876	\$158,016
Administrative Manager – Linda Kilbourne	19/C	16	\$8,888	\$142,208
F	Personnel Total		\$44,620	\$621,680

(Cost includes benefits. Librarian 16-month allocation split between ARLIS/Admin.)

#### TRAVEL (16-month) - \$4,000

These funds are for travel support for meetings and trainings.

## CONTRACTUAL (16-month) - \$224,418

#### Professional Development

\$750

Administrative funds are budgeted for in-state training and professional meetings with state, federal or program agency representatives on administrative, program or budget issues as necessary.

## Trustee Council's Office Space

\$120,000

The Trustee Council's office relocated to Grace Hall on the Alaska Pacific University campus in Anchorage during summer 2012. The space for the Trustee Council's office is administered through a Memorandum of Agreement (MOA) with the U.S. Geological Survey of the Department of Interior. This move allowed the Council to downsize its office space and reduce lease costs. The Grant Hall lease reduces annual costs over \$40,000 a year and the lease for the building is negotiated through 2028. We thus anticipate this may be the final, agency-based home for the Council for its last stage of restoration work.

• Remodeling \$35,000

These funds are for any equipment, mechanical, electrical or other necessary modifications to the space. This includes a door to the space for fire and security requirements, an air system installed in the server room, one moveable wall taken down and the wiring for the phone system adjusted. We would like to keep our changes to a minimum, and thus these funds will be released only as needed. This allows us flexibility to make any necessary adjustments without having to call a Council meeting.

#### Agreed-Upon Services Contract

\$20,000

These funds support an Agreed-Upon Procedures (AUP) contract (currently Elgee Rehfeld Mertz) for the review of targeted financial transactions of the Trustee Office and agencies receiving EVOSTC funds.

#### • Investment Services Contract

\$10,667

These funds support Callan Associates to provide investment consultation services in association with the Investment Working Group.

• Telephone Service

\$8,000

These funds are for telecommunications, teleconferencing meetings, and long distance phone services.

Public Notices

\$2,667

These funds are for advertising Trustee Council public meetings and workshops in newspapers in the spill-affected areas.

Postage & Courier Services

\$667

These funds are for US Postal Service mailings, express mailings, and courier services.

Transcription

60

These funds are for the transcription service contract to record & preserve Trustee Council meetings. (Current contract period: July 1, 2011 - June 30, 2012. YTD expenditures: \$1,331.25 as of 7/9/12. Remaining FY12 funds, approximately \$8,700, to be rolled-over.)

#### Interagency Contracted Services

\$26,667

These funds are for the Trustee Office's share of the Reimbursable Services Agreement costs for the EPR Telecommunications, Computer Services, ADA, Central Mail and AKSAS & AKPAY charge-backs paid by all ADF&G divisions. These costs are based on the number of full time positions divided by the total cost. As an example of these recurring charges, see table below for the previous year's charges:

#### Actual FY12 12-Month ADFG Interagency Contracted Services

Vendor:	Amount:	Department-wide Charges For:
State of Alaska	\$37.50	Risk Management Core Services
State of Alaska	\$472.00	AKSAS-AKPAY Core Services
State of Alaska	\$102.00	ADA Statewide Allocation
State of Alaska	\$13,922.32	Telecommunication Services
State of Alaska	\$4,880.48	Computer Services
State of Alaska	\$305.24	Central Mail Services
FY12 Total:	\$19,719.54	As of 05/30/12
Annual Microsoft Acres	The state of the s	

(Annual Microsoft Agreement charges moved to Data)

## COMMODITIES (16-month) - \$24,633

#### Office Supplies

\$4,000

These funds are for miscellaneous office supplies, paper, toner, meeting materials, etc. Also includes anticipated supplies needed to complete the official record.

### Trustee Council Meetings

\$1,600

These funds are for materials and incidentals for one teleconferenced and one in-person TC meeting.

## Administrative Operations

\$15,000

These funds are for unanticipated expenses due to the extensive tailoring of the budget coupled with 16-month allocations.

## • Interpretive Information

\$3,500

These funds are to purchase materials to produce documents, including those for meetings, public outreach, and general information.

### • Interagency Supplies

\$533

These funds are for the Trustee Office's share of the costs for commodities.

## Estimated FY13 USGS 16-month Interagency Supplies

#### Amount:

#### **Charges For:**

\$200 Office Supplies

\$250 Postage usage

\$83 Copier usage

\$533 Total

## **EQUIPMENT (16-month) - \$3,500**

These funds are to purchase equipment (i.e. fax, scanner, and /or printer) as needed to meet the needs of the EVOSTC office.

## **AGENCY DISTRIBUTION:**

Admin Management Cost Category	ADF&G	USGS	16- Month TOTAL
Personnel	\$621,680	\$0	\$621,680
Travel	\$4,000	\$0	\$4,000
Contractual	\$69,418	\$155,000	\$224,418
Commodities	\$24,100	\$533	\$24,633
Equipment	\$3,500	\$0	\$3,500
Subtotal	\$722,698	\$155,533	\$878,231
GA - 9%	\$65,043	\$13,998	\$79,041
Component Total	\$787,741	\$169,531	\$957,272

## **DATA MANAGEMENT - \$74,755**

Cost Category	FY12Total Budget	FY13 Total 12- Month Budget for Comparison	FY13 Total 16- Month Budget
Personnel	\$0	\$0	\$0
Travel	\$0	\$0	\$0
Contractual	\$81,000	\$35,925	\$46,399
Commodities	\$20,500	\$9,900	\$13,200
Equipment	\$25,000	\$6,600	\$8,800
Subtotal	\$126,500	\$52,425	\$68,399
GA - 9%	\$11,385	\$4,718	\$6,156
Total	\$137,885	\$57,143	\$74,755

(Decrease due to roll-over of unused contract funds: \$80,742 less per 12-month/\$63,130 less per 16-month)

PERSONNEL (16-month) - \$0

TRAVEL (16-month) - \$0

**CONTRACTUAL (16-month) - \$46,399** 

• Equipment Maintenance

\$1,500

These funds are for minor equipment maintenance and repairs.

• IT Services Contract: John Wojtacha of Superior Computer Service

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These funds provide data management support to the Trustee Council office. (YTD expenditures: \$13,202 as of 7/9/12. Remaining FY12 funds, approximately \$47,111, to be rolled-over.)

• IT Services RSA: Alaska Dept. of Fish & Game

\$46,399

The funds are for supporting the IT needs of the Trustee Council office. (RSAs for support from Sport Fish IT group: \$33,066 and \$13,333 from DAS IT group).

#### COMMODITIES (16-month) - \$10,500

Computer Software, Hardware & Upgrades

\$10,000

These funds are for necessary purchases and upgrades to computer hardware, software, software licenses, and networking equipment for the Trustee Council Office. (i.e. annual Microsoft licensing Agreement, replacement of aging laptop & desktop computers which were last updated in 2006).

Equipment Supplies

\$500

These funds are for miscellaneous supplies.

#### **EQUIPMENT (16-month) - \$8,000**

• These funds are for the replacement of obsolete equipment including the completion of the server upgrade, purchase of battery backup devices for the server and computers (only 2 of the 6 battery backups for the desktops are currently functioning), and other unforeseen equipment needs at new office site.

## AGENCY DISTRIBUTION

		1
	ADF&G	1
Data Management	16- Month	
Cost Category	TOTAL	
Personnel	\$0	
Travel	\$0	
Contractual	\$46,399	
Commodities	\$13,200	
Equipment	\$8,800	
Subtotal	\$68,399	
GA 9%	\$6,156	
Component Total	\$74,555	
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## SCIENCE PROGRAM – \$197,866

Cost Category	FY12 Total Budget	FY13 Total 12- Month Budget for Comparison	FY13 Total 16- Month Budget	
Personnel	\$0	\$0	\$0	
Travel	\$30,500	\$7,500	\$10,000	
Contractual	\$233,235	\$139,896	\$171,528	
Commodities	\$0	\$0	\$0	
Equipment	\$0	\$0	\$0	
Subtotal	\$263,735	\$147,396	\$181,528	
GA - 9%	\$23,736	\$13,266	\$16,338	
Component Total	\$287,471	\$160,662	\$197,866	

(Decrease due to rollover of contract funds; and no LTM program travel: \$126,809 less per 12-month/\$89,605 less per 16month)

PERSONNEL (16-month) - \$0

TRAVEL (16-month) - \$10,000

Includes support for meetings and symposia.

## CONTRACTUAL (16-month) - \$170,528

Science Coordinator Contract: Catherine Boerner of Natura Consulting

\$119,028

This contract provides science management services including project management, proposal coordination, implementation and oversight, and Work Plan support.

**Annual Marine Science Symposium** 

\$10,000

These funds are to assist with the support of the Annual Marine Science Symposium. This annual funding will cease this fiscal year, with the last payment made on or about December, 2012.

Science Panel \$35,000

The Science Panel provides advice and feedback to the Executive Director and Council. Their work includes: Providing funding recommendations on scientific proposals to the Executive Director, providing assistance on special projects at the Executive Director's or Trustee Council's request, and participating at one in-person meeting.

The members are: George Boehlert, Gary Cherr, Douglas Hay, Gordon Kruse, Steven Morgan, Roger Nisbet, Ronald O'Dor, Charles Peterson, Robert Spies, and John Stachowicz. Our Community Outreach Reviewer is Marilyn Sigman. Each contract covers services provided for the period of October 1, 2012 through January 31, 2014, and payable by actual time invoiced. The remaining funds for FY12 member's contracts (varied amounts) will be rolled over and the five (5) new member's contracts are to be set at \$7,000 each.

Herring Small Group

\$4,000

This group works with the Long-Term Herring Program to ensure the Program meets its goals, assist setting future research priorities, and to provide feedback to the Council, through the Executive Director. Members approved by the EVOSTC Executive Director, in consultation with the Program, ADF&G and NOAA. Current members include ADF&G representative: Sherri Dressel; NOAA representative: Jeep Rice; an Academic position: Ted Cooney, UAF Professor emeritus; and Herring Program Team Lead: Scott Pegau.

To ensure the scientific integrity of findings, and to assist with the review of the Council's programs, the Trustee Council requires peer review by nationally-recognized experts within applicable scientific and technical disciplines

COMMODITIES (16-month) - \$0

EQUIPMENT (16-month) - \$0

## **AGENCY DISTRIBUTION:**

		3
Science Program		ADF&G
Cost Category	I	16- Month
Cost Category	,	TOTAL
Personnel		\$0
Travel		\$10,000
Contractual	,	\$171,528
Commodities	7 - 1	'\$0
Equipment		\$0
· S	ubtotal	\$181,528
G	A - 9%	\$16,338
Componen	t Total	\$197,866

## PUBLIC ADVISORY COMMITTEE (PAC) - \$18,258

Cost Category	FY12 Total	FY13 Total 12- Month Budget	FY13 Total 16- Month
	Budget	for Comparison	Budget
Personnel	\$5,000	\$5,000	\$6,250
Travel	\$8,000	\$9,000	\$9,000
Contractual	\$1,300	\$750	\$1,000
Commodities	\$500	\$375	\$500
Equipment	\$0	\$0	\$0
Subtotal	\$14,800	\$15,125	\$16,750
GA 9%	\$1,332	\$1,361	\$1,508
Component Total	\$16,132	\$16,486	\$18,258

(Due to increased travel expenses: \$354 more per 12-month/\$2,126 more per 16-month)

#### PERSONNEL (16-month) - \$6,250

Annual funds are provided for the **designated federal officer** assigned to the PAC as required by the Federal Advisory Committee Act (FACA). This individual coordinates the scheduling of meetings, development of the agenda and meeting minutes, and provides assistance to the PAC Chair and the Restoration Office as needed.

#### TRAVEL (16-month) - \$9,000

• PAC Meetings \$9,000

Travel support for 10 PAC members for one teleconferenced PAC meeting and to attend one in-person PAC meeting at an estimated average cost of \$900 per person per trip to include: airfare, ground transportation, per diem, and lodging.

#### CONTRACTUAL (16-month) - \$1,000

• Public Notices \$1,000

These funds are for advertising PAC meetings in newspapers in the spill-affected areas.

## COMODITIES (16-month) - \$500

PAC Meetings
 \$500

These funds are for materials and incidentals for one teleconferenced and one in-person PAC meeting.

#### AGENCY DISTRIBUTION

PAC Cost Category	ADF&G	DOI-OEPC	16-Month Total
Personnel	\$0	\$6,250	\$6,250
Travel	\$9,000	\$0	\$9,000
Contractual	\$1,000	\$0	\$1,000
Commodities	\$500	\$0	\$500
Equipment	\$0	\$0	\$0
Subtotal	\$10,500	\$6,250	\$16,750
GA - 9%	\$945	\$563	\$1,508
Component Total	\$11,445	\$6,813	\$18,258

## TRUSTEE COUNCIL MEMBER EXPENSES- \$2,180

Cost Category	FY12 Total Budget	FY13 Total 12- Month Budget for Comparison	FY13 Total 16- Month Budget
Personnel	\$0	\$0	\$0
Travel	\$1,100	\$1,500	\$2,000
Contractual	\$0	\$0	\$0
Commodities	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Subtotal	\$1,100	\$1,500	\$2,000
GA - 9%	\$99	\$135	\$180
Component Total	\$1,199	\$1,635	\$2,180

(Increase due to increased travel costs: \$436 more per 12-month/\$981 more per 16-month)

## PERSONNEL (16-month) - \$0

TRAVEL (16-month) - \$2,000

### DOI Trustee Council Member Travel

\$2,000

Travel support for the Trustee Council member or Alternate's travel expenses to participate in one one-day meeting in Anchorage.

CONTRACTUAL (16-month) - \$0

COMMODITIES (16-month) - \$0

EQUIPMENT (16-month) - \$0

## AGENCY DISTRIBUTION

Trustee Council Cost Category	ADF&G	DOI-SEC	NOAA	ADEC	ADOL	16-Month Total
Personnel	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$2,000	\$0	\$0	\$0	\$2,000
Contractual	\$0	\$0	\$0	\$0	\$0	\$0
Commodities	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$2,000	\$0	\$0	\$0	\$2,000
GA - 9%	\$0	\$180	\$0	\$0	\$0	\$180
Component Total	\$0	\$2,180	\$0	\$0	\$0	\$2,180

## **HABITAT PROTECTION PROGRAM - \$277,929**

Cost Category	FY12 Total Budget	FY13 Total 12- Month Budget for Comparison	FY13 Total 16- Month Budget
Personnel	\$129,398	\$146,611	\$195,481
Travel	\$2,500	\$2,500	\$3,500
Contractual	\$44,500	\$42,000	\$56,000
Commodities	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Subtotal	\$176,398	\$191,111	\$254,981
GA - 9%	\$15,876	\$17,200	\$22,948
Component Total	\$192,274	\$208,311	\$277,929

(Increase due to ADOL salary cost based on ½ attorney rate versus FY12 cost based on ½ EVOSTC Deputy Director rate: \$16,037 more per 12-month/\$85,655 more per 16-month)

## PERSONNEL (16-month) - \$195,481

• ADOL \$87,481

Funds are for an RSA to cover ½ salary for designated ADOL personnel (currently Jen Schorr) who provides legal oversight for habitat acquisitions, easements, timber rights, etc., and provides information to the public and Council regarding this program. (FY12 salary based on ½ EVOSTC Deputy Director costs; FY13 based on ½ ADOL cost)

• ADNR \$66,667

Funds provided for designate habitat personnel (currently Samantha Carroll) who oversees large and small parcel habitat acquisitions, easements, timber rights, etc., and provides information to the public and Council regarding this program.

## • DOI-FWS/DOI-BLM \$41,333

Funds provided to assist with habitat acquisitions, easements, timber rights, etc.

>	DOI-FWS	All tell and	\$33,333
A	DOI-BLM		\$8,000
	Total		\$41,333

#### TRAVEL (16-month) - \$3,500

Funds for Jen Schorr travel.

#### CONTRACTUAL (16-month) - \$56,000

## PARCEL ACQUISITION

\$56,000

Funds are provided in support of agency efforts to bring viable proposals to the Council for consideration. Expenses such as title review, hazmat review and survey review and similar expenses are appropriate due diligence efforts which may be undertaken by sponsoring agencies under this program. The budgeted due diligence expenditures under contractual services are those contracted out by the agency as most efficient and/or cost effective. The purchase of any interest in land requires additional Trustee Council review and approval.

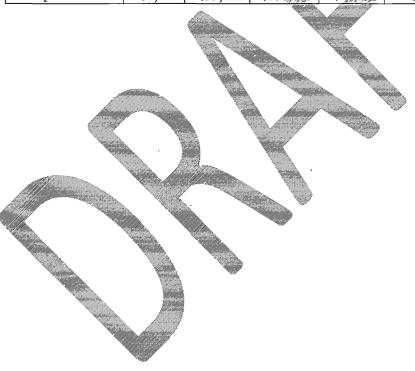
>	ADNR	\$53,333
	DOI-BLM	\$2,667
	Total	\$56,000

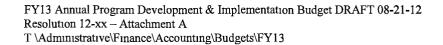


## EQUIPMENT (16-month) - \$0

## AGENCY DISTRIBUTION

Habitat	ADF&G	ADOL	ADNR	DOI-	DOI-	16-Month
Cost Category	TIDIAG	TIDOD	710111	FWS	BLM	Total
Personnel	\$0	\$87,481	\$66,667	\$33,333	\$8,000	\$195,481
Travel	\$3,500	\$0	\$0_	\$0	\$0	\$3,500
Contractual	\$0	\$0	\$53,333	\$0	\$2,667	\$56,000
Commodities	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$3,500	\$90,928	\$120,000	\$33,333	\$10,667	\$254,981
GA - 9%	\$315	\$8,184	\$10,800	\$3,000	\$960	\$22,948
Component Total	\$3,815	\$99,112	\$130,800	\$36,332	\$11,627	\$277,929





## TRUST AGENCY SUPPORT/PROJECT MANAGEMENT - \$396,677

Cost Category	FY12Total Budget	FY13 Total 12- Month Budget for Comparison	FY13 Total 16- Month Budget
Personnel	\$272,945	\$272,945	\$363,924
Travel	\$0	\$0	\$0
Contractual	\$0	\$0	\$0.
Commodities	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Subtotal	\$272,945	\$272,945	\$363,924
GA - 9%	\$24,565	\$24,565	\$32,753
Component Total	\$297,510	\$297,510	\$396,677

(Increase \$99,167due to 16-month allocation)

## PERSONNEL (16-month) - \$363,924

#### Project Management - \$173,527

Project Management funds to provide lead Trustee Agencies with funds necessary to manage contracts and report on the status of projects; to facilitate communication between the agencies, Principal Investigators, and the Restoration Office; to assist with the annual financial audit; and perform other administrative functions necessary for implementation of projects authorized by the Trustee Council. Project management funds are also included below for management of multi-year projects that have been previously authorized. Additional funds (one month's salary per project managed - up to 12 months maximum) will be included in this approved budget to manage the new FY13 projects once they have been approved.

DOI/USGS – Dede Bohn	\$65,527
NOAA – Pete Hagen	\$108,000
TOTAL	\$173,527

#### Project Management: ADF&G Herring Program Coordinator - \$93,333

This funding provides for 70% of an ADF&G position, such as a Biometrician III or Fisheries Specialist I, to coordinate with the Council's Herring program. This position will provide review and feedback to the Council and work with the Program to ensure coordination and relevancy with ADF&G resource management and Council goals.

ADF&G – 70% of Herring Program Coordinator	\$93,333
TOTAL	\$93,333

#### Project Management- USFS - \$29,333

This funding provides for administration of the issuance of special use permits for EVOSTC projects on Chugach National Forest lands. It includes the environmental assessment and tribal consultation work needed to issue special use permits related to EVOSTC projects within Prince William Sound. These funds also include development of the Minimum Guidance documents related to projects within the Prince William Sound Wilderness Study area.

DOI/USFS	\$29,333
TOTAL	\$29,333



## TC Council Staff Support - \$67,731

Trustee Council Staff Support funds to cover staff costs related to preparing for, communicating with, and representation of the Trustee Agency at EVOSTC sponsored meetings or when participating in EVOSTC program activities, and providing future program direction, unless waived by the agency.

ADF&G – Tom Brookover or other ADF&G staff		\$13,332
USFS – Steve Zemke or other USFS staff		\$12,133
DOI /FWS – FWS staff		\$12,533
DOI/SEC - Federal Budget Officer - Bruce Nesslage		\$29,733
TOTAL	Allino.	\$67,731

TRAVEL (16-month) - \$0

CONTRACTUAL (16-month) - \$0

EQUIPMENT (16-month) - \$0



				1000 miles 11 1000 miles		**20000220			
Agency									16-
Support Cost	ADEC	ADF&G	ADNR	DOLUSGS	USES	NOAA	FWS	DOI/SEC	Month
Category			(0000000				<b>.</b>		Total
Personnel	\$0	\$106,665	\$0	\$65,527	\$41,466	\$108,000	\$12,533	\$29,733	\$363,924
Travel	\$0	\$0	<b>\$0</b>	\$0	\$07	\$0.	\$0	\$0	\$0
Contractual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commodities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0,,	\$0 <sup>®</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$106,665	\$0,	\$65,527	\$41,466	\$108,000	\$12,533	\$29,733	\$363,924
GA - 9%	\$0	\$9,600	\$0	\$5,897	\$3,732	\$9,720	\$1,128	\$2,676	\$32,753
Component, Total	\$0	\$116,265	\$0	\$71,424	\$45,198	\$117,720	\$113,661	\$32,409	\$396,677



# ALASKA RESOURCES LIBRARY & INFORMATION SERVICES – \$100,542 (ARLIS)

Cost Category	FY12 Total Budget	FY13 Total 12- Month Budget for Comparison	FY13 Total 16- Month Budget
Personnel	\$65,305	\$69,180	\$92,240
Travel	\$0	\$0	\$0
Contractual	\$0	\$0	\$0
Commodities	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Subtotal	\$65,305	\$69,180	\$92,240
GA - 9%	\$5,877	\$6,226	\$8,302
Component Total	\$71,182	\$75,406	\$100,542

(Increase due to COLA: \$4,225 more per 12-month for 6 months of salary/\$29,360 more per 16-month for 8 months of salary)

## PERSONNEL (16-month) - \$92,240

Position	Range/Step	Months	Monthly Cost	16-Month Cost
Librarian III – Carrie Holba	19/N	8	\$11,530	\$92,240
P	ersonnel Total		\$11,530	\$92,240

(Cost includes benefits. Librarian 16-month allocation split between ARLIS/Admin.)

Funding provides one .50 FTE librarian to meet the ongoing information and research needs of the Trustee Council staff, Public Advisory Committee, researchers, and the general public, manage the EVOS collection at ARLIS; and represent the Trustee Council on the ARLIS Management Team.

TRAVEL (16-month) - \$0

CONTRACTUAL (16-month) - \$0

COMMODITIES (16-month) - \$0

EQUIPMENT (16-month) - \$0

**AGENCY DISTRIBUTION:** 

ARLIS	ADF&G 16-
Cost Category	Month Total
Personnel	\$92,240
Travel	\$0
Contractual	\$0
Commodities	\$0
Equipment	\$0
Subtotal	\$92,240
GA - 9%	\$8,302
Component Total	\$100,542

2013 WORK PLA

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## Exxon Valdez Oil Spill Trustee Council



DRAFT Work Plan for Federal Fiscal Year 2013

Issued July 3, 2012 Revised August 29, 2012



Exxon Valdez Oil Spill Trustee Council 4210 University Drive Anchorage, AK 99508-4650 Tel: 907-278-8012 Fax: 907-276-7178 www.evostc.state.ak.us

## FISCAL YEAR 2013

## DRAFT WORK PLAN

Issued July 3, 2012 Revised August 29, 2012

# Prepared by: Exxon Valdez Oil Spill Trustee Council

CORA CAMPBELL Commissioner Alaska Dept. of Fish and Game

LARRY HARTIG Commissioner Alaska Dept. of Environmental Conservation

STEVE ZEMKE
Trustee Alternate
Chugach National Forest
US Department of Agriculture

JOHN BURNS Attorney General Alaska Department of Law

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KIM ELTON Special Assistant to the Secretary for Alaska Office of the Secretary US Department of the Interior

## Notice

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

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

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

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

## PLEASE COMMENT

You can help the Trustee Council by reviewing this draft work plan and letting us know your priorities for Fiscal Year 2013. You can comment by:

Mail: Exxon Valdez Oil Spill Trustee Council

4210 University Drive

Anchorage, AK 99508-4650

Attn: Draft Fiscal Year 2013 Work Plan

**Telephone:** 1-800-478-7745

Collect calls will be accepted from fishers and boaters who call

through the marine operator.

**Fax:** 907-276-7178

E-mail: <u>elise.hsieh@alaska.gov</u>

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## PROPOSAL DURATIONS

## **Non-Program Continuing Projects**

Requested Project Duration: October 1, 2012 – September 30, 2013

Project #	Principal Investigator	Project Title
10100132-G	Bishop	PWS Herring Survey: Top-Down Regulation by Predatory Fish
10100750	Bodkin	Evaluation of Recovery and Restoration of Injured Nearshore Resources
10100132-F	Brown	PWS Herring Survey: Herring, Predator, and Competitor Density
10100624	Bychkov	Measuring Interannual Variability in the Herring's Forage Base
10100132-A	Campbell	PWS Herring Survey: Plankton and Oceanographic Observations
10100290	Carls	The Exxon Valdez Trustee Hydrocarbon Database
10100132-E	Gay	PWS Herring Survey: Nursery Habitats of Juvenile Pacific Herring
10100132-D	Heintz	PWS Herring Survey: Predictors of Winter Performance
10100132-I	Hershberger	PWS Herring Survey: Herring Disease Program (HDP)
10100132-C	Kline	PWS Herring Survey: Pacific Herring Energetic Recruitment Factors
10100132-Н	Kuletz	PWS Herring Survey: Seasonal & Interannual Trends in Seabird Predation
10100132	Pegau	PWS Herring Survey: Comm. Involvem., Outreach, Logistics, & Synthesis
10100132-B	Thorne	PWS Herring Survey: Assessment of Juvenile Herring Abundance

## **Non-Program Continuing Projects**

Requested Project Duration: February 1, 2013 - January 31, 2014

Project Number Principal Investigator		Project Title	
12120115	Anderson	on Vessel Wash-Down and Wastewater Recycling Facility	
12120116	Pallister	Marine Debris Removal	

## Non-Program & Project Amendments Proposals

Requested Project Duration: October 1, 2012 – January 31, 2014

Project Number	Principal Investigator	Project Title
13120100	EVOS Admin	EVOS Administration
11100112B Irvine Amendment - Lingering Oil on Boulder Armored Beaches		

## PWS Herring Research & Monitoring Proposals

Requested Project Duration: February 1, 2013 – January 31, 2014

Project Number	Principal Investigator	Project Title	
13120111A	Bishop	PWS Herring Program - Validation of Acoustic Surveys	
13120111B	Bishop	WS Herring Program - Tracking Seasonal Movements	
13120111C	Bochenek	PWS Herring Program - Data Management Support	
13120111E	Buckhorn	PWS Herring Program - Expanded Herring Surveys	
13120111F	Buckhorn	PWS Herring Program - Juvenile Herring Abundance Index	
13120111G	Buckhorn	PWS Herring Program - Intensive survey of juv herring	
13120111H	Pegau	PWS Herring Program - Outreach and Education	
131201111	Heintz	PWS Herring Program - Fatty Acid Analysis	
13120111J	Heintz	PWS Herring Program - Age at first spawning for herring	
13120111L	Kline	PWS Herring Program - Herring Condition Monitoring	
13120111M	Kline	PWS - Juvenile Herring Intensive Monitoring	
13120111N	Moffitt	PWS Herring Program - Scales as growth history records	
13120111P	Wildes	PWS Herring Program - Herring Genetics	
131201110	Pegau	PWS Herring Program - Coordination and Logistics	
13120111Q	Branch	PWS Herring Program - Population Dynamics Modeling	
13120111	Pegau	PWS Herring Program - Coordination and Logistics	

## **PWS Long-Term Monitoring Projects**

Requested Project Duration: February 1, 2013 – January 31, 2014

Project Number	Principal Investigator	Project Title  LTM Program - Continuous Plankton Recorders	
13120114A	Batten		
13120114B	Hoffman	LTM Program - Coordination and Logistics	
13120114C	Bishop	LTM Program - Seabird Abundance in Fall and Winter	
13120114D	Bochenek	LTM Program - Data Management	
13120114E	Campbell	LTM Program - Oceanographic Conditions in PWS	
13120114G	Doroff	LTM Program - Oceanographic Monitoring in Cook Inlet/Kachemak Bay	
13120114H	Holderied	LTM Program - Science Coordination and Synthesis	
13120114I	Hollmen	LTM Program - Conceptual Ecological Modeling	

Project Number	Principal Investigator	Project Title	
13120114J	Hopcroft	TM Program - Seward Line Monitoring	
13120114K	Irons	LTM Program - PWS Marine Bird Surveys	
13120114L	Konar	LTM Program - Ecological Communities in Kachemak Bay	
13120114M	Matkın	TM Program -Long-term killer whale monitoring	
13120114N	Moran	LTM Program - Humpback Whale Predation on Herring	
131201140	Pıatt	LTM Program - Forage Fish Distribution, Abundance, and Body Condition	
13120114P	Weingartner	LTM Program - GAK1 Monitoring	
13120114R	Ballachey	LTM Program - Nearshore benthic systems in the Gulf of Alaska	
13120114S	Carls	LTM Program - Oil Level and Weathering Tracking	
13120120	Jones	Data Management and Synthesis	
13120114	McCammon	LTM - Marine Conditions and Injured Resources and Services	

## Non-Program FY13 Continuing Projects

Project #	Principal Investigator	Project Title	FY13 Funding	First Year Funded
10100132-G	Bishop	PWS Herring Survey Top-Down Regulation by Predatory Fish	\$116,700.00	FY10
10100750	Bodkın	Evaluation of Recovery and Restoration of Injured Nearshore Resources	\$103,411 00	FY10
10100132-F	Brown	PWS Herring Survey Herring, Predator, and Competitor Density	\$35,001 00	FY10
10100624	Bychkov	Measuring Interannual Variability in the Herring's Forage Base	\$15,000 00	FY10
10100132-A	Campbell	PWS Herring Survey Plankton and Oceanographic Observations	\$64,400 00	FY10
10100290	Carls	The Exxon Valdez Trustee Hydrocarbon Database	\$9,300 00	FY10
10100132-E	Gay	PWS Herring Survey Nursery Habitats of Juvenile Pacific Herring	\$91,500 00	FY10
10100132-D	Heintz	PWS Herring Survey Predictors of Winter Performance	\$9,600 00	FY10
10100132-I	Hershberger	PWS Herring Survey Herring Disease Program (HDP)	\$313,500 00	FY10
10100132-C	Kline	PWS Herring Survey Pacific Herring Energetic Recruitment Factors	\$218,300 00	FY10
10100132-Н	Kuletz	PWS Herring Survey Seasonal & Interannual Trends in Seabird Predation	\$102,900 00	FY10
10100132	Pegau	PWS Herring Survey Comm Involvem, Outreach, Logistics, & Synthesis	\$97,400 00	FY10
10100132-В	Thorne	PWS Herring Survey. Assessment of Juvenile Herring Abundance	\$56,200 00	FY10
12120115	Anderson	Vessel Wash-Down and Wastewater Recycling Facility	\$641,300 00	FY12
12120116	Pallister	Marine Debris Removal	\$450,497 00	FY12
		TOTAL FY13 FUNDING:	\$2,325,009.00	

## FY13 Proposal Funding Recommendations

Project Number	Principal Investigator	Project Title	Total Requested	FY13 Requested	FY12 Approved	Science Panel	Science Coord	PAC	Executive Director	Trustee Council
13120100	EVOS Admin	EVOS Administration	\$2,025,279	\$2,025,279	\$1,702,634	Not Reviewed	Not Reviewed	No Consensus	Fund	Pending
11100112B	Irvine	Amendment - Lingering Oil on Boulder Armored Beaches	\$31,000	\$31,000	\$0	Fund	Pending	No Consensus	Fund	Pending
13120114	McCammon	LTM - Marine Conditions and Injured Resources and Services	\$11,938,225	\$2,675,810	\$2,460,457	Fund	Fund	No Consensus	Fund	Pending
13120111	Pegau	PWS Herring Program - Coordination and Logistics	\$5,159,696	\$1,385,321	\$1,262,992	Fund	Fund	No Consensus	Fund	Pending
		TOTALS	\$19,154,200	\$6,117,410	\$5,426,083					

PWS Herring Program Projects
\*The total for these projects can be found above under 13120111-Pegau

Project	Principal	*The total fo	Total	FY13	FY12	Science	Science	DAG	Executive	Trustee
Number	Investigator	Project Title	Requested	Requested	Approved	Panel	Coord	PAC	Director	Council
13120111A	Bishop	PWS Herring Program - Validation of Acoustic Surveys	\$593,100	\$90,600	\$68,100	Fund	Fund	No Consensus	Fund	Pending
13120111B	Bishop	PWS Herring Program - Tracking Seasonal Movements	\$100,600	\$17,700	\$65,500	Fund	Fund	No Consensus	Fund	Pending
13120111C	Bochenek	PWS Herring Program - Data Management Support	\$331,400	\$130,800	\$130,800	Fund	Fund	No Consensus	Fund	Pending
13120111Q	Branch	PWS Herring Program - Population Dynamics Modeling	\$394,820	\$79,829	\$36,860	Fund	Fund	No Consensus	Fund	Pending
13120111E	Buckhorn	PWS Herring Program - Expanded Herring Surveys	\$333,800	\$84,400	\$6,300	Fund	Fund	No Consensus	Fund	Pending
13120111F	Buckhorn	PWS Herring Program - Juvenile Herring Abundance Index	\$400,900	\$80,100	\$86,800	Fund	Fund	No Consensus	Fund	Pending
13120111G	Buckhorn	PWS Herring Program - Intensive survey of Juv herring	\$131,400	\$29,757	\$48,300	Fund	Fund	No Consensus	Fund	Pending
13120111I	Heintz	PWS Herring Program - Fatty Acid Analysis	\$67,500	\$49,100	\$18,400	Fund	Fund	No Consensus	Fund	Pending
13120111J	Heintz	PWS Herring Program - Age at first spawning for herring	\$71,400	\$21,800	\$49,600	Fund	Fund	No Consensus	Fund	Pending
13120111L	Kline	PWS Herring Program - Herring Condition Monitoring	\$607,800	\$141,700	\$0	Fund	Fund	No Consensus	Fund	Pending
13120111M	Kline	PWS - Juvenile Herring Intensive Monitoring	\$297,100	\$77,300	\$199,400	Fund	Fund	No Consensus	Fund	Pending
13120111N	Moffitt	PWS Herring Program - Scales as growth history records	\$129,500	\$43,300	\$86,200	Fund	Fund	No Consensus	Fund	Pending
131201110	Pegau	PWS Herring Program - Coordination and Logistics	\$1,891,196	\$508,435	\$315,200	Fund	Fund	No Consensus	Fund	Pending
13120111H	Pegau	PWS Herring Program - Outreach and Education	\$154,000	\$30,500	\$16,500	Fund	Fund	No Consensus	Fund	Pending
13120111P	Wildes	PWS Herring Program - Herring Genetics	\$103,600	\$0	\$0	Fund	Fund	No Consensus	Fund	Pending

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PWS Long-Term Monitoring Projects
\*The total for these projects can be found above under 13120114-McCammon

*The total for these projects can be found above under 13120114-McCammon										
Project Number	Principal Investigator	Project Title	Total Requested	FY13 Requested	FY12	Science Panel	Science Coord	PAC	Executive Director	Trustee Council
13120114R	Ballachey	LTM Program - Nearshore benthic systems in the Gulf of	\$1,559,946	\$304,100	<b>Approved</b> \$282,446	Fund	Fund	No Consensus	Fund	Pending
13120114A	Batten	Alaska  LTM Program - Continuous Plankton Recorders	\$279,400	\$66,800	\$0	Fund	Fund	No Consensus	Fund	Pending
13120114C	Bishop	LTM Program - Seabird Abundance in Fall and Winter	\$379,000	\$78,600	\$49,800	Fund	Fund	No Consensus	Fund	Pending
13120114D	Bochenek	LTM Program - Data Management	\$811,500	\$163,400	\$157,500	Fund	Fund	No Consensus	Fund	Pending
13120114E	Campbell	LTM Program - Oceanographic Conditions in PWS	\$1,032,800	\$193,200	\$229,300	Fund	Fund	No Consensus	Fund	Pending
13120114S	Carls	LTM Program - Oil Level and Weathering Tracking	\$217,100	\$13,100	\$19,600	Fund	Fund	No Consensus	Fund	Pending
13120114G	Doroff	LTM Program - Oceanographic Monitoring in Cook Inlet/Kachemak Bay	\$778,300	\$177,400	\$191,900	Fund	Fund	No Consensus	Fund	Pending
13120114B	Hoffman	LTM Program - Coordination and Logistics	\$1,408,500	\$274,700	\$253,700	Fund	Fund	No Consensus	Pending	Pending
13120114H	Holderied	LTM Program - Science Coordination and Synthesis	\$708,500	\$139,000	\$123,500	Fund	Fund	No Consensus	Fund	Pending
131201141	Hollmen	LTM Program - Conceptual Ecological Modeling	\$428,000	\$91,900	\$80,000	Fund	Fund	No Consensus	Fund	Pending
13120114J	Hopcroft	LTM Program - Seward Line Monitoring	\$466,600	\$59,900	\$94,500	Fund	Fund	No Consensus	Fund	Pending
13120114K	Irons	LTM Program - PWS Marine Bird Surveys	\$681,500	\$24,200	\$206,300	Fund	Fund	No Consensus	Fund	Pending
13120120	Jones	Data Management and Synthesis	\$1,717,618	\$464,710	\$427,766	Fund	Fund	No Consensus	Fund	Pending

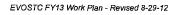
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Project Number	Principal Investigator	Project Title	Total Requested	FY13 Requested	FY12 Approved	Science Panel	Science Coord.	PAC_	Executive Director	Trustee Council
13120114L	Konar	LTM Program - Ecological Communities in Kachemak Bay	\$238,100	\$48,200	\$46,300	Fund	Fund	No Consensus	Fund	Pending
13120114M	Matkın	LTM Program -Long-term kıller whale monitoring	\$538,300	\$132,800	\$6,900	Fund	Fund	No Consensus	Fund	Pending
13120114N	Moran	LTM Program - Humpback Whale Predation on Herring	\$591,800	\$128,800	\$127,400	Fund	Fund	No Consensus	Fund	Pending
13120114O	Pıatt	LTM Program - Forage Fish Distribution, Abundance, and Body Condition	\$967,700	\$202,500	\$209,900	Fund	Fund	No Consensus	Fund	Pending
13120114P	Weingartner	LTM Program - GAK1 Monitoring	\$575,300	\$112,500	\$105,500	Fund	Fund	No Consensus	Fund	Pending





## Non-Program Continuing FY13 Projects

10100132-G

**Project Title:** 

PWS Herring Survey: Top-Down Regulation by Predatory Fish on Juvenile Herring

Principal Investigator: Mary Anne Bishop

Affiliation:

Prince William Sound Science Center

Co-Pls/Personnel:

Sean Powers

Disbursing Agency:

NOAA

**Project Location:** 

Prince William Sound

Project Type:

Continuina

#### Funding Approved by Fiscal Year:

FY10: \$185,500 00

FY11: \$183,300 00

FY12: \$193,400 00

FY13: \$116,700 00

FY14: \$0 00

FY15: \$0 00

Total Funding Approved: \$678,900.00

#### Abstract:

Based on population trends, the Prince William Sound (PWS) Pacific herring population does not show signs of recovering Predation pressure on juvenile herring has been cited as an important factor in preventing recovery Juvenile herring are heavily predated by multiple species of fish, including rockfish, a species group injured by the Exxon Valdez Oil spill with unknown recovery status This proposal is for a four-year study to investigate fish predation on the 0 age class herring over winter, a critical bottleneck for recruitment. We will examine the spatial and temporal abundance of fish predators in and around juvenile herring schools, as well as the physical and biological characteristics of the herring schools on which they feed We will also conduct laboratory experiments to determine fish predators' daily rations and prey preferences. Our project is a component of the PWS Herring Survey program and relies on predator surveys being performed on integrated November and March cruises. Our models will provide estimates of juvenile herring consumption by the most important fish predators. Ultimately, this study will improve understanding of the role of fish predation on herring recruitment, will provide protocols and recommendations for long-term fish predator monitoring and management, and will help to identify candidate sites for herring supplementation efforts

#### **Science Panel Comments:**

Predation has been identified as a significant constraint to the recovery of herring in PWS. The Trustees have recently funded two projects investigating the impact of seabird and whale predation on herring. This study will provide a more complete picture of the role predation plays in the herring lifecycle by determining the influence of fish predators

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

The effects of predatory fish on herring have not been studied even though it has been identified as a potential limiting factor for the restoration of herring. The data collected in this project will further our understanding of the impact of this type of predation and will give a deeper understanding of herring's lack of recovery

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

10100750

**Project Title:** 

Monitoring for Evaluation of Recovery and Restoration of Injured Nearshore Resources

Principal Investigator: James Bodkin

Affiliation:

US Geological Survey

Co-Pls/Personnel:

Tom Dean

Disbursing Agency:

**USGS** 

**Project Location:** 

Western Prince William Sound

Project Type:

Continuing

Funding Approved by Fiscal Year:

FY10: \$187,129 00

FY11: \$166,419 00

FY12: \$165,329 00

FY13: \$103,411 00

FY14: \$0 00

FY15: \$0.00

Total Funding Approved: \$622,288 60

#### Abstract:

The proposed project is designed to assist in the evaluation of recovery and restoration of injured resources in Prince William Sound The primary objective is to initiate or continue recovery and restoration monitoring in the nearshore in Prince William Sound following the plan developed in Restoration Project 050750 and tested in Restoration Project 070750 The goal of this program is to evaluate the current status of EVOS injured resources and services (recreational. subsistence, and passive use), to determine when populations may be considered recovered, and to foster recovery of those resources by identifying and recommending actions in response to factors limiting recovery. The National Park Service and USGS began implementation of a similar nearshore monitoring plan outside of Prince William Sound (i.e., along the Katmai, Kenai Fjords, and Lake Clark National Park coasts, including both oiled and unoiled sites) in 2006 This program is collecting information similar to the data sets that have been used to assess recovery of injured resources in Prince William Sound (e.g., population abundance and survival of sea otters, population abundance of harlequin ducks and other nearshore birds, abundance estimates for mussels, clams, and other intertidal organisms) Contrasts among trends in injured resources in and outside Prince William Sound, including both oiled and unoiled areas will provide the primary means of resource evaluation Funds for conducting some of these studies in Prince William Sound (e.g., bird and mammal surveys, D. Irons USFWS) are being sought by other proposals submitted to the Trustee Council and are not addressed herein. Our purpose is to implement a nearshore monitoring program in Western Prince William Sound related to EVOS injured resources and to make it comparable to the program being carried out by the National Park Service in the Gulf of Alaska outside of Prince William Sound. This proposed nearshore sampling in Prince William Sound, in conjunction with nearshore sampling and data management supported by NPS and USGS will provide the foundation of a comprehensive restoration monitoring program for the entire oil spill area

#### Science Panel Comments:

This proposal provides a logical next step in development of a program to determine long-term health of the intertidal community and associated resources that were clearly impacted by the spill. It specifically addresses recovery status of injured intertidal communities for which little current information is available. The proposal builds on work funded by other agencies to provide an important gulf-wide perspective.

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel recommendation

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: Fund

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Priority Fund** 

**Trustee Council Comments:** 

Not Available

10100132-F

Project Title:

PWS Herring Survey: Sound Wide Juvenile Herring, Predator, and Competitor Density

via Aerial Surveys, submitted under the BAA AB133F-09-RP-0059

Principal Investigator: Evelyn Brown

Affiliation:

Flying Fish Ltd

Co-Pls/Personnel:

None

Disbursing Agency:

NOAA

**Project Location:** 

**PWS** 

Project Type:

Continuina

Funding Approved by Fiscal Year:

FY10: \$160,140 60

FY11: \$153,055 60

FY12: \$153,055 60

FY13: \$35,001.00

FY14: \$0 00

FY15: \$0 00

Total Funding Approved: \$501.252 80

#### Abstract:

As a component of the integrated PWS Herring Survey (Pegau, P I ), this project provides 1) a sound-wide, spatiallyexplicit map of juvenile herring densities, 2) synoptic distributions of herring predator and competitors, and 3) builds on 5 years of previous PWS surveys June-August surveys map age 1 overwinter survivorship, the timing, spatial extent, and density of age 0 recruiting to nursery habitat, summer mortality of age 1 herring, as well as associated changes in predator/competitor densities Validation sampling will be provided by a shared vessel with the PWS Herring Survey monthly zooplankton cruises (Campbell, PI) Combined with data from other projects within and outside of the PWS Herring Survey, this project's data provides 1) inputs, outputs, and validation for overwinter survival and densitydependent models of predation, growth and disease, 2) an initial estimate of age 2 immature herring recruitment, and 3) spatial information needed to plan, initiate, and evaluate intervention actions

#### Science Panel Comments:

The objectives, while good, are probably not achievable with the proposed level of effort suggested. Consequently the results could fall short of the objectives Regardless some of the results could be very useful, even with inherent limitations. The main technical issues noted by the panel concern species identification from the air it is not sufficient that the observer is convinced of the species identity – there must be a validation process that is transparent and convincing. Some form of ground-truthing is required. The Science panel also wondered about limitation of quantitative estimates of fish schools and why there was no explicit reference to analysis of photographic records. Although the Science panel was highly skeptical of many of the claims made in the proposal it recognized that interest and dedication of the researchers, and acknowledges that areal work could provide a valuable support for the herring Survey team. Therefore the recommendation was to fund the project for one year and re-evaluate the proposal before further support

Science Panel Recommendation: Fund Reduced

#### Science Coordinator Comments:

While I concur with several of the science panel's comments on this project, I do believe that this work will provide valuable data for the Council's herring restoration efforts. The researcher is experienced in this type of data collection and will be coordinating closely with the other members of the PWS Herring Survey team to ground-truth the aerial observations

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132.

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

10100624

**Project Title:** 

Measuring Interannual Variability in the Herring's Forage Base from the GOA -

Submitted Under the BAA

Principal Investigator: Alexander Bychkov

Affiliation:

**PICES** 

Co-Pls/Personnel:

Sonia Batten

Disbursing Agency:

NOAA

**Project Location:** 

Shelf waters SW of PWS, Cook Inlet, northern GOA

Project Type:

Continuina

Funding Approved by Fiscal Year:

FY10: \$61,900 00

FY11: \$63,600 00

FY12: \$65.100.00

FY13: \$15,000.00

FY14: \$0 00

FY15: \$0.00

Total Funding Approved: \$205,600 00

#### Abstract:

Herring from Prince William Sound feed on zooplankton, some originating within the Sound and some from the Gulf of Alaska (GOA) introduced to PWS via a variety of processes. Additionally, adult herring almost certainly forage outside of the Sound, feeding on zooplankton over the wider Alaskan shelf. Understanding the sources of variability in the herring forage base is essential to efforts to understand the herring recovery process and to address basic resource management questions. Direct measurements inside PWS do not explain how the interannual variation in ocean food sources creates interannual variability in PWS zooplankton, nor when changes in ocean zooplankton are to be seen inside PWS. A ten-year time series of seasonal zooplankton data from the Alaskan shelf and northern oceanic GOA has been maintained through support from a variety of agencies including the EVOS TC The Continuous Plankton Recorder (CPR) survey is a cost-effective, ship-of-opportunity based sampling program that includes community involvement and has a proven track record. The existing time series shows considerable interannual variation in GOA zooplankton abundance and is essential baseline data to underpin herring restoration efforts. EVOS TC support is now requested to maintain the sampling in this region at the current resolution while we examine the linkages between PWS and GOA zooplankton

#### Science Panel Comments:

This project provides the only long-term record of plankton abundance and species composition important to understanding the inter-annual variation in herring food from the Gulf of Alaska This information is necessary to understand herring mortality and long-term trends in herring abundance. The proposers are global leaders in the field and have successfully maintained a time series of such information for a decade using a consortium of funders, including the EVOSTC The approach using vessels of opportunity and continuous plankton recorders has provided information of the highest quality for the lowest costs for over 50 years. This is the longest plankton time series in the Pacific

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

I concur with the science panel recommendation

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: Fund

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

Trustee Council Comments:

Not Available

10100132-A

**Project Title:** 

PWS Herring Survey: Plankton and Oceanographic Observations, Submitted Under the

BAA

Principal Investigator: Robert Campbell

Affiliation:

Prince William Sound Science Center

Co-Pls/Personnel:

None

Disbursing Agency:

NOAA

Project Location:

Prince William Sound

Project Type:

Continuing

#### Funding Approved by Fiscal Year:

FY10: \$201,500 00

FY11: \$197.300.00

FY12: \$200,100 00

FY13: \$64,400 00

FY14: \$0 00

FY15: \$0 00

Total Funding Approved: \$663,300 00

#### Abstract:

Herring stocks collapsed in the years following the Exxon Valdez Oil Spill The cause of the collapse remains highly controversial, and several empirical and theoretical studies have implicated different factors, including the spill, disease outbreaks, fishing activity, and ecosystem productivity. Herring stocks have not rebounded since the collapse in the early 90's and show no signs of recovery, similarly controversial, varied, and not necessarily mutually exclusive The work described in this proposal is part of several collaborative proposals to survey herring in PWS, and seeks to monitor the environmental and food climate experienced by herring in order to address the hypothesis that carrying capacity can be limiting the recovery of herring Observations of environmental conditions and plankton abundance over time will be integrated with observations of herring distributions and energetics, in order to assess how the food climate in Prince William Sound may structure herring populations in space and time

#### Science Panel Comments:

The science panel endorsed this project because it addressed fundamental issues related to the role of food availability and the decline or lack of recovery of herring Food limitation over the winter is seen to be a credible explanation as a factor affecting the survival of age 0+ herring over the winter. This project will address a basic part of the hypothesis The work also could have implications for factors affecting other species, including competitors and predators of herring The reviews were positive and the PI appears to be productive. Also the proposal is connected and coordinated with other concurrent projects in the herring survey

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel recommendation

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

10100290

Project Title:

The Exxon Valdez Trustee Hydrocarbon Database

Principal Investigator: Mark Carls

Affiliation:

NOAA/NMFS Auke Bay Laboratory

Co-Pis/Personnel:

Marie Larsen

Disbursing Agency:

NOAA

Project Location:

Auke Bay Laboratories - TSMRI, Juneau, AK

**Project Type:** 

Continuing

Funding Approved by Fiscal Year:

FY10: \$9,300 00

FY11: \$9,300 00

FY12: \$9,300 00

FY13: \$9,300 00

FY14: \$0 00

FY15: \$0 00

Total Funding Approved: \$37,200 00

#### Abstract:

This is an on-going service project that provides data and sample archiving services for all samples collected for hydrocarbon analysis in support of Exxon Valdez Oil Spill Trustee Council projects. These data represent samples collected since the oil spill in 1989 to the present and include National Resource Damage Assessment (NRDA) studies (environmental and laboratory) and Restoration and Recovery data. This project serves as an archive for chemical analyses and sample data and storage of physical samples that have not been analyzed and provides copies of the ACCESS database to interested parties The project also responds to several Freedom of Information Act (FOIA) requests each year for information associated with these data. Interpretative services for these data are available.



#### Science Panel Comments:

This proposal provides ongoing support for maintaining, updating, and serving hydrocarbon data that are critical to future evaluations of recovery and restoration.

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel recommendation

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: Fund

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

10100132-E

Project Title:

PWS Herring Survey: Physical Oceanographic Characteristics of Nursery Habitats of

Juvenile Pacific Herring, submitted under the BAA AB133F-09-RP-0059

Principal Investigator: Shelton Gay

Affiliation:

Prince William Sound Science Center

Co-Pls/Personnel:

None

Disbursing Agency:

NOAA

**Project Location:** 

Prince Willam Sound, Alaska

**Project Type:** 

Continuing

Funding Approved by Fiscal Year:

FY10: \$88,400 00

FY13: \$91,500 00

FY11: \$83,100 00

FY12: \$90,000.00

Total Funding Approved: \$353,000 00

FY14: \$0 00

FY15: \$0 00

#### Abstract:

The objectives of this research are to build upon a physical oceanographic data base started during the SEA project and continued under a recent EVOS funded project. Physical Oceanographic Factors Affecting Productivity in Juvenile Pacific Herring Nursery Habitats The rationale of this project is based upon past research of juvenile Pacific herring in PWS, which has shown that recruitment is highly influenced by conditions within nursery sites affecting survival within the first year. Important among these conditions is the pre-winter condition of juvenile (age-0) herring and the effects of water temperatures on metabolism and hence over-winter survival. Past studies of the physical oceanography of nursery fiords has indicated that each site has a unique set of hydrographic conditions that are influenced by both local processes and water exchange between the GOA and PWS. These factors vary significantly depending on geographic location, basin morphometry, watershed topography and proximity to tidewater glacial fjords. The proposed study will continue monitoring the physical properties within the four SEA nursery fjords and additional sites as determined by future herring surveys, and collect time-series data on temperature, salinity and fluorescence to determine the variation among nurseries in factors such as ocean climate, stratification, mixing, phytoplankton biomass, and energy constraints imposed on juvenile herring by seasonal changes in water temperatures. The data will also assist in evaluating potential sites for future supplementation efforts in restoring the herring population

#### Science Panel Comments:

This project will continue to make key hydrographic and circulation measurements in PWS. Such measurements are critical to other studies, like that of Kline, and to constructing a synthetic population model for herring

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel recommendation

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**



Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

10100132-D

**Project Title:** 

PWS Herring Survey: Value of Growth and Energy Storage as Predictors of Winter

Performance in YOY Herring from PWS

Principal Investigator: Ronald Heintz

Affiliation:

NOAA/NMFS Auke Bay Laboratory

Co-Pls/Personnel:

JJ Vollenweider

Disbursing Agency:

NOAA

**Project Location:** 

Eaglek, Simpson, Whale and Zaikof and other bays

Project Type:

Continuing

#### Funding Approved by Fiscal Year:

FY10: \$99,000 00

FY11: \$99,000 00

FY12: \$99,000 00

FY13: \$9.600.00

FY14: \$0 00

FY15: \$0 00

Total Funding Approved: \$306,600.00

#### Abstract:

This proposal examines the reliability of fall growth rates as an indicator of over-winter performance among YOY herring in Prince William Sound The Trustee Integrated Herring Restoration Program cites the need for identifying parameters that reliably indicate condition. Parameters such as size or energy density can provide misleading results. While size is a good predictor of over-winter survival in a given year, there is no critical size that predicts survival across years. Similarly changes in energy density may not reflect the severity of winter. We propose that fall growth rate predicts performance because herring acquire the bulk of their lipid in fall. Individuals experiencing high growth in fall are likely to obtain disproportionately large energy reserves. We propose using models relating RNA/DNA ratios to growth obtained under another Trustee study to estimate growth in field specimens collected during the survey period. In addition we will examine how energy is partitioned between structural and storage compartments. Combining these data with those of other projects being proposed under the PWS Herring Survey will allow us to test the hypothesis that growth in fall is the most consistent indicator of over winter survival because fall growth provides for the greatest provisions of stored energy

#### Science Panel Comments:

The science panel noted concern that ongoing work by the PI should be brought to completion before starting a new project. Further there was concern that the proposed sample size was too small and not random enough to provide convincing results

Science Panel Recommendation: Do Not Fund

#### **Science Coordinator Comments:**

This project will provide information that will be important in understanding over winter performance of young of the year herring in PWS.

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132.

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Do Not Fund

**Trustee Council Comments:** 

Not Available

Project Number: 10100132-I

Project Title: PWS Herring Survey: Herring Disease Program (HDP)

Principal Investigator: Paul Hershberger

Affiliation: US Geological Survey

Co-Pls/Personnel: Maureen Purcell, Jim Winton

Disbursing Agency: USGS

Project Location: Prince William Sound, Sitka Sound, Puget Sound, USGS - Marrowstone Marine Field Station

Project Type: Continuing

Funding Approved by Fiscal Year:

FY10: \$81,800 00 FY11: \$284,100 00 FY12: \$295,800 00

FY13: \$313,500 00 FY15: \$0 00 FY15: \$0 00

Total Funding Approved: \$975,200 00

#### Abstract:

The Herring Disease Program (HDP) is part of a larger integrated effort, the PWS herring survey. Community Involvement, Outreach, Logistics, and Synthesis submitted under the BAA (outlined in a separated proposal by Dr. Scott Pegau), that is intended to identify juvenile rearing bays, measure factors limiting the success of juvenile herring, and provide recommendations for spatial and temporal coverage of future monitoring efforts. Within this integrated effort, the HDP is intended to evaluate the impact of infectious and parasitic diseases on the failed recovery of the PWS herring population by placing special emphasis on disease processes affecting juvenile cohorts. The framework for the 2010 - 2013 HDP involves a combination of field surveillance efforts and laboratory-based empirical disease process studies. Field surveillance efforts will provide continued and expanded infection and disease prevalence data for herring populations in Prince William Sound (PWS), Sitka Sound, and Puget Sound. Additionally, samples from field surveillance efforts will be processed using newly-developed disease forecasting tools to provide annual risk assessments that quantify the potential for future disease epizootics. Empirical disease process studies will provide an understanding of cause and effect epidemiological relationships between the host, pathogen, and environment, understanding of these relationships represents a first step towards developing additional disease forecasting tools. Specific emphasis will be placed on refining our understanding disease processes specific to viral hemorrhagic septicemia (VHS) and ichthyophoniasis, two primary diseases of herring in PWS.

#### **Science Panel Comments:**

This proposal describes continuation of herring disease monitoring and research into its role in combination with other interacting stressors in suppressing herring recovery in PWS. This is done in coordination with the broader Herring Survey program proposed by Scott Pegau. Although a continuation of an ongoing project, this proposal clearly identifies a set of new objectives that are appropriate and compelling. Specifically, the laboratory experiments evaluating the cause-effect epidemiology of how host, parasite, and environmental factors interact to dictate disease impacts is especially promising. The survey work also focuses on disease effects on YOY herring in ways that may lead to much improved understanding of disease impacts on herring because of the complex role of historical exposure and immunity in determining impacts later in the life history. Herschberger and colleagues have been exceptionally productive in their past EVOS work. Although this project is expensive over its 4 years, the costs are appropriate for the type of research required, involving sophisticated lab assessments of multiple diseases.

The Science Panel recommends FUND – even if the entire Herring Survey is not funded or slow to be funded because this project can stand on its own merits (although needs field ship platforms for collections of herring)

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel recommendation.

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132.

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Priority Fund

**Trustee Council Comments:** 

Not Available

10100132-C

Project Title:

PWS Herring Survey: Pacific Herring Energetic Recruitment Factors

Principal Investigator: Thomas Kline

Affiliation:

Prince William Sound Science Center

Co-Pls/Personnel:

None

Disbursing Agency:

NOAA

**Project Location:** 

Prince William Sound

Project Type:

Continuing

#### Funding Approved by Fiscal Year:

FY10: \$258,700 00

FY11: \$256,600 00

FY12: \$265,000 00

FY13: \$218,300 00

FY14: \$0 00

FY15: \$0 00

Total Funding Approved: \$998,600 00

#### Abstract:

This project is one component of the greater integrated study titled PWS herring survey. Community Involvement. Outreach, Logistics, and Synthesis (Pegau, P I) This proposed effort seeks to improve understanding of habitat utilization by juvenile herring, especially age 0, and to help identify candidate sites that could be potentially used for supplementation efforts. This particular proposal builds on 15 years of experience in assessment of juvenile herring in PWS using isotope and energetic techniques We propose to measure energy levels of juvenile herring and other fishes in 8 juvenile herring nursery areas. Four of these areas, Simpson Bay, Eaglek Bay, Whale Bay and Zaikof Bay, were the focus of earlier investigation by the Sound Ecosystem Assessment (SEA) program in 1995-96 as well as a current Council-funded "PWS Herring Forage Contingency" project Four additional sites will be selected based on historical data and community input and the 'blitz' sampling program. We propose to conduct surveys three times per year, preand post-winter and summer, for three years (including a planning year) The pre- and post-winter series will complement other studies that propose to examine overwinter change in energetics. The pre- and post-winter periods have been examined for the past three years. The summer period will provide a link between a more dispersed age 0 herring distribution following larvae drift and the subsequent overwintering locations. The fourth year of the project will focus on data analysis, synthesis and reporting

#### Science Panel Comments:

The science panel recognized that although highly specialized, past work has made a substantial contribution to the scientific literature on herring in PWS and elsewhere 
The reviews were positive and the only negative comment concerned the high costs of sample analysis. Now there is increasing recognition that herring research in PWS must be coordinated with other projects, both conceptually and operationally The Science panel would have preferred to see how this proposal would be connected and integrated with other concurrent work

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel recommendation

Science Coordinator Recommendation: Fund

### **Public Advisory Committee Comments:**

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 10100132-H

Project Title: PWS Herring Survey: Seasonal & Interannual Trends in Seabird Predation on Juvenile

Herring

Principal Investigator: 'Katherine Kuletz

Affiliation: US Fish & Wildlife Service

Co-Pls/Personnel: Mary Anne Bishop

Disbursing Agency: USFWS

Project Location: Prince William Sound

Project Type: Continuing

Funding Approved by Fiscal Year:

FY10: \$147,200 00 FY11: \$163,900 00 FY12: \$150,900 00

FY13: \$102,900 00 FY14: \$0 00 FY15: \$0 00

Total Funding Approved: \$564,900 00

#### Abstract:

Predation pressure on juvenile Pacific herring has been identified by the 2008 Integrated Herring Restoration Plan as one of five potential factors limiting recovery of Prince William Sound herring. Juvenile herring are heavily predated by multiple species of seabirds, including six species initially injured by the Exxon Valdez oil spill and three species that have not yet recovered (Marbled Murrelet, Kittlitz's Murrelet and Pigeon Guillemot). This study will investigate the spatial and temporal abundance of seabird predators in and around juvenile herring schools during three time periods. August, November and March. We will also examine the physical and biological characteristics of the fish schools seabirds feed on. Our project is a component of the integrated, multi-project PWS Herring Survey program and relies on seabird surveys being performed on vessels associated with hydroacoustic juvenile herring surveys. Our bioenergetic models will provide estimates of juvenile herring consumption by the most important seabird predators, including inter- and intra-annual variability in consumption rates. This study will improve understanding of the role of seabird predation on herring recruitment and will help to identify candidate sites for herring supplementation efforts.

#### Science Panel Comments:

This study will investigate the spatial and temporal abundance of seabirds around juvenile herring schools during three time periods. August, November and March. It will also examine the physical and biological characteristics of the herring schools on which seabirds feed. This is a fairly well conceived and systematic approach to evaluating one source of predation pressure on Pacific herring. However, the project is strongly oriented towards herring as a source of nutrition for seabirds rather than as predators of herring. The most important objective of this study should be to quantify the amount of juvenile herring consumed by sea birds rather than the importance of herring to the diet of sea birds. Sea birds are likely important predators on juvenile herring, but it should not take 3 or 4 years to make a rough estimate of how important seabirds are as juvenile herring predators relative to other predators, i.e. marine mammals. A first order estimate might even be reasonably done with the data at hand

Science Panel Recommendation: Do Not Fund

#### **Science Coordinator Comments:**

While I agree with some of the science panel's concerns, only five surveys have been completed to date and more data will be needed to make an educated estimate of the effect of seabird predation on herring. The addition of night surveys will allow the team to relate seabird densities concurrent with Dr. Richard Thorne's nighttime herring hydroacoustic surveys.



Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Do Not Fund

**Trustee Council Comments:** 

Not Available

10100132

Project Title:

PWS Herring Survey: Community Involvement, Outreach, Logistics, and Synthesis,

Submitted Under the BAA

Principal Investigator: William Pegau

Affiliation:

Prince William Sound Science Center

Co-Pls/Personnel:

None

Disbursing Agency:

NOAA

**Project Location:** 

Prince William Sound

Project Type:

Continuing

Funding Approved by Fiscal Year:

FY10: \$343,100 00

FY11: \$385,600.00

FY12: \$354,300 00

FY13: \$97,400.00

FY14: \$0 00

FY15: \$0 00

Total Funding Approved: \$1,180,400 00

Abstract:

This proposal contains the overview of a coordinated set of ten proposals from multiple organizations that are designed to address the Herring Surveys section of the Invitation for Proposals It describes how individual components are being integrated to provide information needed to make informed decisions on herring restoration

The objectives of the integrated herring survey program are

1) Id entify juvenile rearing bays for use in restoration planning

2) M easure factors that may limit the success of herring recruitment including factors of oceanographic conditions, food availability, disease, overwinter energetics of juvenile herring, and predation

3) Provid e protocols and recommendations for spatial and temporal coverage of monitoring projects for potential inclusion in the core herring restoration effort

This proposal describes the community involvement and outreach efforts, the integration of programs, sharing of logistics, and the responsibility for developing the final synthesized report

#### Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

This proposal will serve as the unifying point for the entire PWS Herring Survey team and will provide appropriate outreach to the spill-effected communities Dr Pegau will be responsible for synthesizing the nine scientific research projects completed as part of the herring survey, which will be critical in understanding the state of herring in the Sound and assisting the Council in determining next steps for herring restoration

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

The PAC recommended an overall 10% decrease in funding on the entire suite of 10100132 PWS Herring Survey proposals. This decrease would be determined by the team leader/synthesizer for this effort.

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

10100132-B

Project Title:

PWS Herring Survey: Assessment of Juvenile Herring Abundance and Habitat

Utilization, Submitted Under the BAA

Principal Investigator: Richard Thorne

Affiliation:

Prince William Sound Science Center

Co-Pls/Personnel:

None

Disbursing Agency:

NOAA

**Project Location:** 

Prince William Sound

Project Type:

Continuing

Funding Approved by Fiscal Year:

FY10: \$170,200 00

FY11: \$196,700.00

FY12: \$173,600,00

FY13: \$56,200 00

FY14: \$0.00

FY15: \$0.00

Total Funding Approved: \$596,700 00

#### Abstract:

The objectives of the proposed effort are to improve understanding of habitat utilization by juvenile herring, especially age 0, and to help identify candidate sites that could be potentially used for supplementation efforts. The proposal builds on three years of experience in assessment of juvenile herring in PWS using hydroacoustic techniques. We proposed to measure juvenile herring and other fish abundance in several potential juvenile herring nursery areas. Four of these areas, Simpson Bay, Eaglek Bay, Whale Bay and Zaikof Bay, were the focus of earlier investigation by the SEA program in 1995-96 as well as a current Council-funded project, "Trends in adult and juvenile herring distribution and abundance in Prince William Sound". Additional sites will be selected based on historical data and community input. We propose to conduct surveys three times per year pre- and post-winter and summer. The pre- and post-winter series will complement other studies that propose to examine overwinter mortality, including energetics. The pre- and post-winter periods have been examined for the past three years. The summer period will provide a link between a more dispersed age 0 herring distribution following larvae drift and the subsequent overwintering locations. In addition, a 4-day survey of adult herring will be conducted in conjunction with the post-winter juvenile survey. This project will provide essential data on the distribution and abundance of juvenile herring and their competitors and predators. It will also assist development of a "Core Data Collection" program. The project is one part of a collaborative program for PWS herring surveys coordinated through the Prince William Sound Science Center

#### Science Panel Comments:

This proposal represents a continuation of basic acoustic survey work for herring in PWS. The reviews were positive with the only concern mentioned was that the work had developed into a monitoring exercise and not a test of hypotheses. Indeed, past work has provided support for ADFG assessment work, but there also are a number of peerreviewed scientific papers that have developed from this work. The Science panel noted that this proposal supports several other projects in the herring survey Team proposal. The Science panel also recognized the cooperative work with the ADFG and the solid publication record from previous work.

Science Panel Recommendation: Fund

Science Coordinator Comments:

I concur with the science panel recommendation

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Possible reduction as a function of the recommended overall 10% decrease of the 10100132 PWS Herring Survey - see 10100132

Public Advisory Committee Recommendation: Fund Reduced

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

12120115

**Project Title:** 

Seward Marine Industrial Center Vessel Wash-Down and Wastewater Recycling Facility

Principal Investigator: Karı Anderson

Affiliation:

City of Seward

Co-Pls/Personnel:

None

Disbursing Agency:

**ADEC** 

**Project Location:** 

Prince William Sound

Project Type:

Continuing

Funding Approved by Fiscal Year:

FY12: \$97,800 00

FY13: \$641,300 00

FY14: \$0 00

FY15: \$0.00

FY16: \$0 00

FY17: \$0 00

Total Funding Approved: \$739,100 00

#### Abstract:

The City of Seward is requesting \$739,100 from the Exxon Valdez Oil Spill Trustee Council (EVOSTC) to construct a Vessel Wash-Down and Wastewater Recycling Facility at the Seward Marine Industrial Center. The project would include a concrete pad that drains into a system that collects, treats, and recycles 100 percent of the wastewater for subsequent vessel washing. The project would involve hiring consultants to design and permit the facility and a contractor to build the facility. To engage the public, newsletters, meetings, website updates, and other activities would occur throughout the project. It is expected that the project would take two years to complete. The Vessel Wash-Down and Wastewater Recycling Facility is proposed under the Harbor Protection and Marine Restoration focus area under the Storm Water, Wastewater, and Harbor Projects subject area of the EVOSTC FY 2012 grant program Seward was initially impacted by EVOS in April 1989. In the years following the Spill, the area has struggled to recover. The City of Seward is proposing the Vessel Wash-Down and Wastewater Recycling Facility because standard vessel wash-down procedures can release toxic metals and liquid and solid wastes from antifoulants and hull maintenance debris into the marine environment. The project would help protect Resurrection Bay from incremental pollution associated with vessel cleaning and maintenance activities, which could keep the area from recovering from Spill

#### Science Panel Comments:

Marine pollution from vessel washdown is a concern in the spill area and can negatively affect the injured and recovering species The proposal is detailed and the PIs have a high degree of experience

The project should describe how the long term maintenance of the facility will be supported by the community or harbor operators It is not clear if there is a long term operating and maintenance commitment by City of Seward A 5-month timeline (including design) may not be enough time to acquire all necessary permits

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel and Executive Director.

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Outstanding legal issues have been resolved and Trustee Council questions have been answered

Public Advisory Committee Recommendation: Fund

#### **Executive Director Comments:**

I concur with the Science Panel's recommendations I have requested and received needed additional information and recommend this project for funding

Executive Director Recommendation: Fund

#### **Trustee Council Comments:**

#### April 2011 comments

The Council requests the proposer provide additional detail and confirmation that the proposed facility is not legally required. In addition, the Council requests additional information regarding which other spill communities have such a facility, the fee structure for those facilities, and a rationale as to why the Council funding this facility would not disadvantage these other communities economically

#### June 2011 comments

With regard to the question of whether the proposed Facility is legally required, the proposer has submitted an ADEC APDES Inspection report from June 2010 and the City attorney's letter summarizing the status of the 2005 lawsuit against the City of Seward It appears that there are no outstanding legal requirements. ADOL and USDOJ are currently reviewing this additional information and have not indicated that they have reached an alternate conclusion

With regard to whether the Council funding of the proposed project give the City of Seward an unfair economic advantage over other Harbor's facilities. The proposed project is for a vessel wash down and wastewater recycling facility. The City notes that vessel owners chose a facility based upon their homeport, fuel cost involved to reach the facility, size/cost of the travelift services and the availability of parts and maintenance. The availability of a wash-down pad, as proposed in this project, is not typically a consideration. Each spill-area community had the opportunity to submit an application, though only the City of Seward made the effort to do so

With regard to the timeline of construction, there is a two-year planning and construction plan

12120116

Project Title:

Marine Debris Removal

Principal Investigator: Chris Pallister

Affiliation:

Gulf of Alaska Keeper

Co-Pls/Personnel:

None

Disbursing Agency:

**ADEC** 

Project Location:

Gulf of Alaska

Project Type:

Continuing <sup>1</sup>

Funding Approved by Fiscal Year:

FY12: \$490,000 00

FY13: \$450.497 00

FY14:

\$358,400 00

FY15: \$0 00

FY16: \$0 00

FY17: \$0 00

Total Funding Approved: \$1,320,900 00

#### Abstract:

GoAK is submitting a comprehensive 3-part marine debris cleanup program. We understand that the call of this grant is to provide \$1,000,000 of funding for marine debris removal over a 2-year period. Immediately following are two proposed cleanup projects for 2012 and 2013 that request a total EVOSTC funding level of \$730,000. The proposed projects for 2012 and 2013 have also been included as part of the marine debris proposal submitted to EVOSTC by the NOAA team However, at the urging of Peter Murphy, NOAA's MD Regional Coordinator (see attached letter from Peter Murphy, NOAA MD Regional Coordinator, pg 54), and after consultation with EVOSTC staff, GoAK is also submitting an alternative proposal. This alternative proposal includes the proposed 2012 and 2013 removal projects, plus a request for a third year of funding for a project in 2014. We hope this proposal is considered carefully. These three projects in total request \$1,015,000 in EVOSTC funding. Over a three year period, GoAK can match EVOSTC funding at more than a 1 to 1 level Stretching the funding over three years allows GoAK to raise more matching funds to help clean another 20 miles of horribly fouled coast and remove an additional 80 to 100 tons of plastic marine debris. We submit these projects with the intention that if EVOSTC decides not to fund a third year project, then it would consider the 2012 and 2013 projects as the complete proposal. For that reason, we have submitted complete project budgets and descriptions for each individual cleanup season

GoAK solicited project proposals from five separate organizations with past experience in marine debris work and community outreach The Center for Alaskan Coastal Studies, the Chugach National Forest and Alaska Geographic jointly submitted Proposal 1 The Marine

Conservation Alliance Foundation submitted Proposals 2 and 3 The Alaska Sea Life Center submitted Proposal 4 Each of the proposed outreach projects are stand-alone programs. As such, the Council can select any combination of the projects to satisfy the public outreach objective. All projects selected by the Council will coordinate in such than components of each project do not overlap. Projects will also use the same educational data, such as miles cleaned, the amount of marine debris removed per mile up in the cleanup area; the types and quantities of marine debris, habitat and animals impacted, etc., in their individual projects so that a consistent message is delivered

Outreach Proposal 1 The Center for Alaskan Coastal Studies, Chugach Forest Service and Alaska Geographic "Youth Action on Marine Debris from the field to the classroom" Total Cost \$151,946

Outreach Proposal 2 Marine Conservation Alliance Foundation "EVOSTC Marine Debris Cleanup Documentation Film" Total Cost \$30.584

Outreach Proposal 3 Marine Conservation Alliance Foundation "EVOSTC Outreach Marine Debris Prevention Tide Book Project" Total cost \$26,090

Outreach Proposal 4: Alaska SeaLife Center "Marine Debris Exhibit at the Alaska SeaLife Center". Total Cost: \$166,051

#### **Science Panel Comments:**

This long term marine debris removal program has been ongoing for the past 10 years. The costs seem to be reasonable considering the logistics, although it was unclear if they are relying on the NOAA grant to complete the work. The PI's are experienced but outreach efforts are weak and the project lead is in Anchorage. The team leader should speak with Village of Eyak team to see if there might be an opportunity for partnership.

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

I concur with the science panel and the Executive Director.

Science Coordinator Recommendation: Fund

#### **Public Advisory Committee Comments:**

Not Available

Public Advisory Committee Recommendation: Fund

#### **Executive Director Comments:**

I concur with the Science Panel's recommendations. The proposal is extremely detailed and the PIs are already achieving a high level of debris survey and removal. Their familiarity with and effectiveness in this area is impressive.

Gulf of Alaska Keeper has worked to strengthen their public outreach and determine whether Council funds would be eligible for fed match. In between debris cleanup trips this summer, they have are collaborating with the Chugach Children's Forest.org project, Alaska Geographic, and the Chugach School District to involve students from Chenega and Tatitlek, and the Alaska Sealife Center regarding an interactive marine debris exhibit. They have made excellent inroads to expand their outreach.

As requested by the Council, GoAK has submitted an addendum with a menu of four public outreach proposals. My preliminary recommendation is in favor of funding Proposal 1, Youth Action on Marine Debris, with the Center for Alaskan Coastal Studies, Chugach Forest Service and Alaska Geographic. This proposal is diversified, highly leveraged and well-designed.

**Executive Director Recommendation: Fund** 

#### **Trustee Council Comments:**

The Council recommends this proposal's outreach component be strengthened. In particular, the Council encourages the Proposer to consult with Village of Eyak with regard to enhancing GoAK outreach in that community and to pursue additional involvement from other spill communities and organizations that reach youth involvement, such as the Alaska Geographic program and the USFS Chugach Childrens' Group. Please consult with NOAA as to whether Council funds would be eligible for matching fund programs, as noted in your proposal, and provide this information to us and as part of your final proposal. If this proposal is funded by the Council, Council staff will request that NOAA be the project manager, which may lend additional, NOAA expertise to the project.

# Non-Program Proposals & Project Amendments

13120100

Project Title:

**EVOS Administration** 

Principal Investigator:

Affiliation:

Not Available

Co-Pls/Personnel:

None

Project Location:

Funding Requested:

FY13: \$2,025,279 00

Total Funding Requested: \$2,025,279 00

Funding Approved in Previous Years: FY12: \$1,702,634 00

# Abstract:

The budget structure is designed to provide a clearly identifiable allocation of the funds supporting Trustee Council activities. The program components are

- · Administration Management
- · Data Management
- · Science Management
- Public Advisory Committee (PAC)
- Habitat Protection Program
- Trustee Council Member Direct Expenses
- · Liaison Program Support/Project Management
- Alaska Resources Library & Information Services (ARLIS)

The budget estimates detailed within those specified program components are projected based upon prior year actual expenditures and include the application of estimated merit step increases, as well as payroll benefits increases. Detailed budget component items are either "continuing" or "ongoing" from program directives already approved by the Trustee Council and cover necessary day-to-day operational costs of the Exxon Valdez Oil Spill Restoration Office and administrative costs associated with overseeing current Trustee Council program objectives

# Science Panel Comments:

Not Applicable

Science Panel Recommendation: Not Reviewed

**Science Coordinator Comments:** 

Not Applicable

Science Coordinator Recommendation: Not Reviewed

**Public Advisory Committee Comments:** 

Not Available

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

11100112-B

**Project Title:** 

Amendment to Lingering Oil on Boulder-Armored Beaches in the Gulf of Alaska 23

Years after the Exxon Valdez Oil Spill

Principal Investigator: Gail Irvine

Affiliation:

Not Available

Co-Pls/Personnel:

Mark Carls, Dan Mann

Project Location:

Funding Requested:

FY13: \$0 00

Total Funding Requested: \$31,000 00

Funding Approved in Previous Years: FY12: \$31,000 00

#### Abstract:

This amendment to Project 11100112 solely requests funding for additional hydrocarbon analyses. Our request is prompted by 1) findings from chemical analyses of passive samplers that were deployed in 2011, and 2) the opportunity to obtain additional samples in 2012 because the majority of our field work was delayed by weather until this summer. The findings from 2011 indicated the presence of dissolved oil constituents at one of the two oiled sites where we deployed passive samplers There was also some visual indication that the boulder armor at that site had been disturbed. Redeploying passive samplers at the same oiled and control sites this year, prior to our more extensive sampling via chartered vessel, will allow us to make within-site and between-site assessments of oil release over two years. We have sufficient funds for the logistic costs, therefore this is a potentially very high-benefit, low-cost proposition. In this amendment, we are requesting funds for the analysis of hydrocarbon samples by comprehensive two-dimensional gas chromatography (GCxGC), these would be analyzed by Woods Hole Oceanographic Institution (Dr Chris Reddy) This analytical technique offers an order of magnitude improvement in detection limit and has greater ability to discriminate components of the remaining hydrocarbons than traditional gas chromatography (GC). GCxGC-based techniques use all GC amenable compounds within an oil to examine weathering trends, not just those compounds whose identities are known (or visible using one-dimensional chromatography). We feel it would make a very worthwhile addition to this project. There are no changes to objectives nor to due dates under this amendment The accompanying budget details our funding request

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

# PWS Herring Research and Monitoring Program Projects

Project Title: Herring Research and Monitoring Program

Principal Investigator: William Pegau

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

Funding Requested:

FY13: \$1,385,321.00 Total Funding Requested: \$5,159,696.00

Funding Approved in Previous Years: FY12: \$1,262,992.00

#### Abstract:

Robust Pacific herring (Clupea pallasii) populations, suitable for exploitation by commercial fisheries, are typically sustained by periodic recruitment of strong year classes into the adult spawning population. However, the Prince William Sound (PWS) herring population has not had a strong recruitment class since 1989, when the Exxon Valdez Oil Spill (EVOS) occurred. In the EVOS settlement herring were identified as an injured resource and they remain listed as an unrecovered species by the EVOS Trustee Council (EVOSTC). Understanding why herring have not recovered in Prince William Sound requires understanding potential bottlenecks in the herring life cycle. The identification of the limiting conditions to herring recovery requires a series of focused process studies combined with monitoring of the natural conditions that affect herring survival.

Described here are projects for a program that will enhance the current monitoring efforts of the Alaska Department of Fish and Game (ADF&G), and examine aspects of particular life stages to allow better modeling of herring populations. The long-term goal of the program is to improve predictive models of herring stocks through observations and research. While we do not anticipate that there will be a major change in our modeling ability in the next five years, we expect that the combination of monitoring and focused process studies will provide incremental changes over the next twenty years and result in a much better understanding of herring populations by the end of the program.

## **Science Panel Comments:**

FY2012 Comments:

April 2011 comments:

This program seeks to add to the existing body of knowledge that began under the PWS Herring Survey program in FY10. The proposed projects will provide both new and continuing information regarding the current status of herring in PWS. The data collected under this program will be made available to researchers and the public and will provide critical information for resource managers. The continuation of current outreach and education strategies from the PWS Herring Survey projects and the additional strategies in the proposal have the potential to provide effective means to disseminate information and engage the fishing community and other community members in understanding the results of the integrated monitoring program.

The Panel recommends funding most components of this proposal, but reiterates the same serious concern about the data management components. Again the science panel strongly recommends that the Council provide assistance from an organization such as the National Center for Ecological Analysis and Synthesis (NCEAS) for peer review and technical assistance to the data management team.

The success of this proposal will depend on the reliability of herring spawn surveys which are not part of the present groups of proposals. Herring assessments in PWS, and everywhere else in the eastern Pacific, use spawn surveys as an essential part of the assessment. The approach currently used in PWS differs from all others in the use of miledays, whereas all other jurisdictions use a static measure of spawn, once spawning is completed. Also, the completeness of the spawn surveys has been questioned. (Note: these comments should not be construed as criticism

of ADFG or their staff because the panel recognizes the effort and dedication made by such staff. On the contrary, the comments and recommendations related to spawn surveys should be seen as an initiative to provide assistance to field staff associated with herring assessment. The benefits of such assistance will accrue both to the science and management of PWS herring). Nearly all of the proposals are predicated on the availability of reliable herring spawning biomass assessments that are, in turn, dependent on accurate spawn surveys. To provide credible support for these proposals and for management advice future estimation of spawn must be made with a level of accuracy that consistent with that used in other jurisdictions. To provide credible management advice future estimation of spawn must be made with a level of accuracy that is required to support the assessments. There are concerns that substantial amounts of spawn may have gone undetected in some years and that some of the past spawn estimates may have been made inaccurately through error in the estimated width and density of spawn. Such concerns may not be valid but there is no way to determine this without additional work. Therefore to evaluate whether the accuracy and reliability of present and past estimation of herring spawn in PWS is accurate, we recommend developing diver-assisted surveys. The science panel noted that diver surveys, yielded different results in the past (details provided in Recommendations to Team Leader). This would also include an assessment model and biological sampling review.

Herring Stock Assessment Modeling A Science Panel Recommendation for Review Success of the herring program will depend on the reliability of ADF&G herring spawn surveys Nearly all of the proposals are predicated on the availability of reliable herring spawning biomass assessments that are, in turn, dependent on accurate herring assessments

Herring assessments in PWS, like everywhere else in the eastern Pacific, use spawn surveys as an essential part of the assessment. The approach used in PWS, however, differs from all others in that PWS uses mile-days, whereas all other jurisdictions use a static measure of spawn, once spawning is completed. Herring assessments also rely on accurate bio-sampling for estimates of size and age of herring. Recently, the completeness of the spawn surveys has been questioned and many have questioned the reliability of the present assessments. Additional effort may be required for all aspects of herring assessments to ensure that they are done well and are well-regarded. These comments above should not be construed as criticism of ADFG or their staff, as their present staff are clearly dedicated and hard-working.

To provide credible support for these proposals and for management advice future estimation of spawn must be made with a level of accuracy that consistent with that used in other jurisdictions. To provide credible management advice future estimation of spawn must be made with a level of accuracy that is required to support the assessments

## June 2011 Individual panel member comments

Linkages among the projects is done in a thoughtful and detailed fashion. I see huge progress in how well the leaders of the herring program are viewing this Program as a whole and integrating its pieces. I commend the PIs. Specifically, the logistic coordination is compelling and achieves cost efficiencies as well as intellectual linkages. The temporal staging of various research efforts is likewise logical and well conceived. And I concur that the acoustics studies do involve three different efforts with different gear, sampling methods, and targets, so that any synergies are limited, largely to whether adult herring are encountered during sampling targeting juveniles and this is addressed.

Science Panel Recommendation: Fund

# **Science Coordinator Comments:**

## FY2012 Comments

I concur with the science panel I also have serious concerns regarding the data program and would encourage the Council to assist the team by providing funding for a comprehensive review of the data program. I also concur with the science panel that the fundamental data that will be utilized by the program should be rigorously reviewed to ensure the best possible platform for the herring projects. I do believe that the data that has been gathered by ADF&G for PWS herring has been carefully gathered and reviewed. I would like to continue working with staff at ADF&G to determine what actions would have the greatest benefit to both the herring program and ADF&G managers. The possible addition of a staff position at ADF&G that would work closely with herring program would be of tremendous value to both the program and the management agency.

Science Coordinator Recommendation: Fund

# **Public Advisory Committee Comments:**

Not Available

Public Advisory Committee Recommendation: No Consensus

## **Executive Director Comments:**

April 2011 Comments

There has been strong concern about the program's data manager serving the entire program. Since April, the data manager's work has been favorably reviewed, has submitted late deliverables to the Council and several data management options have been produced by this program and outside entities. These options presented are in conjunction with leaders in the field of heterogeneous scientific database management and are excellent options. I recommend the Council pursue one of these options to ensure successful management of the data produced by this and past Council-funded efforts.

In addition, the program and ADF&G have discussed what actions would enhance the program's value to the management of herring. Both entities recommend the Council fund 70% of a ADF&G biometrician III or a fisheries scientist I to coordinate with the herring program and to also focus on a modeling effort. This is included in our draft administrative budget and has the strong support of individual Science Panel members. We have continued to decrease our admin budget, but are also positioning our staff and agency staff to support the long-term programs.

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

13120111-A

**Project Title:** 

PWS Herring Program - Validation of Acoustic Surveys for Pacific Herring Using Direct

Capture

Principal Investigator: Mary Anne Bishop

Affiliation:

Prince William Sound Science Center

Co-Pis/Personnel:

None

Project Location:

Funding Requested:

FY13: \$90,600 00

Total Funding Requested: \$593,100 00

Funding Approved in Previous Years: FY12: \$68,100 00

## Abstract:

Acoustic surveys provide a relatively low-cost, remote sensing tool to estimate species-specific fish biomass and abundance Interpreting acoustic data requires accurate ground truthing. In Prince William Sound, juvenile herring acoustic surveys have been conducted at the beginning (November) and end (March) of every winter since March 2007 Until now, a variety of methods have been used with limited success to ground truth these surveys

Pelagic trawls are the recommended method for validating species composition and for obtaining relatively unbiased information on length frequency distribution, age, and other biological information. Here we propose to use a lowresistance, light-weight midwater trawl capable of increased towing speeds (up to 4 knots) as a method to ground truth acoustic surveys for juvenile and adult herring. Our pelagic trawl surveys will take place in conjunction with and onboard the same vessel as three studies in the PWS Herring Research and Monitoring program a) Juvenile Herring Abundance Index (years 2-5), b) Acoustic Consistency Intensive Surveys of Juvenile Herring (year 3), and, c) Expanded Adult Herring Surveys (years 2-5) In year 1 we will also use the trawl to collect juvenile herring during the 9month intensive Study to Validate the Separate Herring Condition Monitoring Programs. Our project will provide data on species composition and length frequency to aid in the interpretation of current and historical acoustic surveys. In addition it will provide adult herring samples to Alaska Department of Fish and Game for the adult herring age-structureanalyses model and will provide juvenile herring samples to researchers investigating juvenile herring fitness and disease Our trawls will also provide fishery-independent surveys for non-herring species, thus increasing our knowledge of pelagic fishes in Prince William Sound

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

13120111-B

**Project Title:** 

PWS Herring Program - Tracking Seasonal Movements of Adult Pacific Herring in Prince

William Sound

Principal Investigator: Mary Anne Bishop

Affiliation:

Not Available

Co-Pls/Personnel:

Sean Powers, Sean Powers

Project Location:

Funding Requested:

FY13: \$17,700 00

Total Funding Requested: \$100,600 00

Funding Approved in Previous Years: FY12: \$65,500 00

## Abstract:

Knowledge of fish movements and migrations are critical to understanding fish population dynamics. In Prince William Sound (PWS) adult herring disperse after spawning, however their movement patterns are poorly understood. Currently the only information on adult herring movements are a small number of observations from fishers that suggest PWS herring are regularly migrating out of PWS and onto the shelf. This proposal focuses on verifying adult Pacific herring movements using detections of tagged fish. The Herring Marking Workshop sponsored by EVOS in December 2008. reviewed all potential marking methods for herring and conditionally endorsed acoustic tagging as a method for determining herring movements. This pilot project will acoustic tag adult herring during November around Port Gravina, a spring spawning area. During the second season a small sample of adult herring will be tagged during spring at other spawning areas. We will then examine detections from two, established Pacific Ocean Shelf Tracking (POST) Project's acoustic arrays as well as new arrays to be deployed at the major entrances and passages to Prince William Sound These acoustic arrays will enable us to determine seasonal movement patterns within and out of Prince William Sound. The proposed project builds on our previous and current research on acoustic-tagged fishes. This project will synergize with efforts of POST and the Ocean Tracking Network (OTN) The ability to track herring is critical to answer many questions including those about stock structure, migration habits, and the occurrence of skip-spawning. Determining the capabilities of this technology will help quide our choice of future research emphasis

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120111-C

Project Title: PWS Herring Program - Data Management Support

Principal Investigator: Robert Bochenek

Affiliation: Not Available

Co-Pls/Personnel: Shane StClair

**Project Location:** 

**Funding Requested:** 

FY13: \$130,800.00 Total Funding Requested: \$331,400.00

Funding Approved in Previous Years: FY12: \$130,800.00

## Abstract:

This project supports the EVOS Integrated Herring Research Program with critical data management support to assist study teams in efficiently meeting their objectives and ensuring data produced or consolidated through the effort is organized, documented and available to be utilized by a wide array of technical and non technical users. This effort leverages, coordinates and cost shares with a series of existing data management projects, cyber-infrastructure and partnerships which contribute capacity and information to this effort. During year one and two, this project would focus on providing informatics support to streamline the transfer of information between various study teams and isolate and standardize historic data sets in the general spill affected area for use in retrospective analysis, synthesis and model development. This work would scale down in year three thru five to provide support for general project level data management and archival.

\*Funding for this project is included as part of Project 12120111 - PWS Herring Research and Monitoring Program.

# **Science Panel Comments:**

Fy2012 Comments:

Please refer to comments which can be found under 12120114 - McCammon and 1210120 - Jones. Funding recommendation: Fund modify

Science Panel Recommendation: Fund

## Science Coordinator Comments:

Fv2012 Comments:

Please refer to comments which can be found under 12120114 - McCammon and 1210120 - Jones. Funding recommendation: Fund modify

Science Coordinator Recommendation: Fund

## **Public Advisory Committee Comments:**

Fy2012 Comments:

Funding recommendation: Fund modify

Fy2012 Comments:

Please refer to comments which can be found under 12120114 - McCammon and 1210120 - Jones. Funding recommendation: Fund modify

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120111-Q

Project Title: PWS Herring Research and Monitoring Program - Modeling the Population Dynamics of

**PWS Herring** 

Principal Investigator: Trevor Branch

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

Funding Requested:

FY13: \$79,829.00 Total Funding Requested: \$394,820.00

Funding Approved in Previous Years: FY12: \$36,860.00

## Abstract:

Robust Pacific herring (Clupea pallasii) populations, suitable for exploitation by commercial fisheries, are typically sustained by periodic recruitment of strong year classes into the adult spawning population. However, the Prince William Sound (PWS) herring population has not had a strong recruitment class since 1989, when the Exxon Valdez Oil Spill (EVOS) occurred. In the EVOS settlement herring were identified as an injured resource and they remain listed as an unrecovered species by the EVOS Trustee Council (EVOSTC). Understanding why herring have not recovered in Prince William Sound requires understanding potential bottlenecks in the herring life cycle. The identification of the limiting conditions to herring recovery requires a series of focused process studies combined with monitoring of the natural conditions that affect herring survival.

Described here is a single project that is a part of an integrative program that will enhance the current monitoring efforts of the Alaska Department of Fish and Game (ADF&G), and examine aspects of particular life stages to allow better modeling of herring populations. The long-term goal of the program is to improve predictive models of herring stocks through observations and research. While we do not anticipate that there will be a major change in our modeling ability in the next five years, we expect that the combination of monitoring and focused process studies will provide incremental changes over the next twenty years and result in a much better understanding of herring populations by the end of the program.

# **Science Panel Comments:**

#### Fv2012 Comments:

The Herring Program team clearly gave careful thought to how modeling should be done and who should do it. Their choice and recruitment of Trevor Branch at UW is superb. This is a young rising star in fisheries dynamics modeling, who has many experienced colleagues with whom to interact. His proposal represents a good guideline for the modeling work he will begin, identifying some key processes of high value to the herring program. We expect to see evolution of the modeling as the project develops and see Branch as a leader who will make adaptive additions and modifications as new issues arise. We would like to have seen a more overt mention of how competing drivers of herring mortality will be tested against one another – physiological stress, starvation, top-down predation, and disease. These are clearly embedded in the life history modeling, but model fits to choose the factor or combinations of factors that best fit observed abundance changes would be welcome.

# Comments from Agency Staff (8/31/2011):

#### Overall

The proponent is a great choice for this work, and having this as a doctoral project is a cost-effective way to get some very good work done. The project description is light on details, and that is acceptable to a limited extent, given that the work includes an investigation of what has been done and the available data (via the management strategy evaluation), and that it is important to be flexible in model development.

It would be helpful to have more details on the "holistic" model. For example, the Hulson et al. age structured analysis is referenced in relation to the management strategy evaluation, but there is no clear description of how the proposed holistic life-stage model relates to or builds off of the ASA, i.e., what the structure of the "holistic" model will be.

Another concern is that is not clear if or how the "holistic" model will be used to aid in identifying the limiting factors in herring recruitment and recovery. That could be an important aspect of the overall herring program.

The disclaimer in the second paragraph of the "Statement of the Problem" is disconcerting given the intellectual effort that the proposal aims to expend on model development:

"While we do not anticipate that there will be a major change in our modeling ability in the next five years, we expect that the combination of monitoring and focused process studies will provide incremental changes over the next twenty years and result in a much better understanding of herring populations by the end of the program."

Perhaps the proponent could offer a more detailed, though conditional description of what the expected benefits might be.

#### Other items

The order of the three tasks is a bit confusing. The tasks given in Methods (p. 3-4) are:

- 1. Management strategy evaluation to identify most informative datasets -
- 2. Predict future levels of recruitment a meta-analysis of time series for other herring and clupeid stocks.
- 3. Holistic model of herring dynamics life stage model (age based), tasks conducted by UW students and faculty with access to Hilborn, Punt, and Essington.

The expected order of completion of these tasks as given under Milestones (p.7) is

- 1. model (by 9/14),
- 2. MSE (by 9/15), and
- 3. predict recruitment (by 9/16)

It is not clear why a model will be developed first, and then a different model (ASA) used in the management strategy evaluation. Also, the work to predict future recruitment, as described, appears correlational and doesn't appear to involve the "holistic" model or a mechanistic understanding of herring dynamics, yet the timeline has this work occurring after initial model development. How would this work be related to the "holistic" model?

Timeline (p. 7) FY12 dates are given as beginning October 1, 2013. Should that be 2011?

The budget includes research assistant-ship and tuition for a Ph.D. student – essentially a half time position dedicated to this research. This is a cost efficient use of funds.

Science Panel Recommendation: Fund

#### **Science Coordinator Comments:**

FY2012 Comments:

I concur with the Science Panel's comments. The PI's identified are skilled and well-respected in their field and will bring valuable experience to this complex project.

Science Coordinator Recommendation: Fund

# **Public Advisory Committee Comments:**

FY2012 Comments:

The PAC concurs with the Science Panel recommendation to fund the Branch modeling project. There were no objections.

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

Project Number: 13120111-E

Project Title: PWS Herring Program - Expanded Adult Herring Surveys

Principal Investigator: Michele Buckhorn

Affiliation: Not Available

Co-Pls/Personnel: Dick Thorne

**Project Location:** 

**Funding Requested:** 

FY13: \$84,400.00 Total Funding Requested: \$333,800.00

Funding Approved in Previous Years: FY12: \$6,300.00

## Abstract:

Prince William Sound herring stock biomass estimates from hydroacoustic surveys provide a direct measure of the stock abundance and are also a primary input into the age-structured assessment (ASA) model that is the forecasting tool used for managment. Prior to 2001, the hydroacoustic surveys were conducted exclusively by the Prince William Sound Science Center (PWSSC). Since 2001, the effort has been shared between PWSSC and the Cordova office of Alaska Department of Fish and Game (ADF&G). While the ADF&G considers the hydroacoustic surveys to be critical (Steve Moffitt, personal communication) the lack of a commercial herring fishery in PWS since 1998 has reduced management priorities for herring. Thus the PWSSC contribution has become critically important for the long-term, especially if a future fishery appears only a remote possibility. With the level of effort available over the past several years, PWSSC and ADF&G individually have achieved herring biomass estimates with a precision of about ±30%, which is insufficient for management purposes. However, the combined effort currently meets management requirements for precision. Current stock assessment efforts by ADF&G resource managers in PWS focus on the largest spawning aggregations. The objective of this study is to increase the current survey area of adult spawning beyond the Port Gravina and Fidalgo areas to provide a more precise estimate of spawning biomass. We propose to extend the PWSSC acoustic surveys to help identify the relative contributions of additional spawning aggregations over temporal and spatial scales. This will help establish more accurate estimates of the total herring biomass in PWS and provide an alert to changes in biomass in different regions. Beginning in FY2013 and continuing until 2016. hydroacoustic surveys will be conducted in late spring (April-May) to assess adult spawning biomass. ADF&G will continue to conduct direct sampling for age/length/weight. Additional direct capture will be conducted using a midwater trawl at adult spawning sites (See Bishop proposal).

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

13120111-F

**Project Title:** 

PWS Herring Program - Juvenile Herring Abundance Index

Principal Investigator: Michele Buckhorn

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$80,100.00

Total Funding Requested: \$400,900.00

Funding Approved in Previous Years: FY12: \$86,800.00

#### Abstract:

Management of the Pacific herring stock in Prince William Sound (PWS), Alaska, is based primarily on an agestructured-assessment (ASA) model. The current model, developed in 2005, incorporates both hydroacoustic estimates of the adult herring biomass and an index of the male spawning, called the "mile-days of spawn". Unfortunately, the forecast is based on measurements from the previous year and does not have a direct measure of future age 3 recruitment. Current knowledge suggests that most mortality occurs during the first winter of life, so the relative recruitment may be fixed by the end of the first year. Consequently, estimates of relative abundance of age 1 and age 2 fish should provide an index of future recruitment. An index of age 0 fish would also provide a forecast of recruitment if additional information were available on the magnitude of the first year mortality. We will conduct annual fall surveys (FY2013-2016) of 8 bays; four of which will be the Sound Ecosystem Assessment (SEA) bays (Cooney et al. 2001). This will maintain a continual database from these locations. The other 4 bays will be selected based upon the survey results of the current EVOSTC FY10 Herring Survey Project (# 10100132). Surveys will be conducted using 120 kHz split-beam hydroacoustic unit in a stratified systematic survey design (Adams et al. 2006). For this study, direct capture will be directed to size and species composition. A midwater trawl will be used to sample randomized transects within each strata

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: Pending

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120111-G

Project Title: PWS Herring Program - Intensive surveys of juvenile herring

Principal Investigator: Michele Buckhorn

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$29,757.00 Total Funding Requested: \$131,400.00

Funding Approved in Previous Years: FY12: \$48,300.00

## Abstract:

Hydroacoustic surveys of juvenile herring nursery areas in Prince William Sound have been conducted during fall and late-winter for the last several years. The number of locations surveyed have varied from 5-9, including the 4 Sound Ecosystem Assessment (SEA) bays. However, each seasonal effort has conducted only a single night survey in each of these locations. Thorne (2010) examined seasonal changes from fall 2006 to spring 2009. He showed that apparent overwinter mortality of age 0 herring appeared to be greatest in Simpson Bay and least in Whale Bay. However, the differences in seasonal abundance could be attributed to mortality, emigration, or changes in ambient light. We propose to address these uncertainties with an intensive fall and late winter/spring intensive survey. The fall series will start mid-October 2014 and extend to the first week of December. The late winter/spring series will begin the 3rd week of February 2015, and extend into the 2nd week of April. We propose to conduct the surveys in two bays sufficiently adjacent to cover each bay each night, such as Simpson Bay, Port Gravina, Windy Bay or St. Mathews Bay. In addition to the hydroacoustic surveys, we propose a single night of direct capture effort in each location for each of the survey weeks (See Bishop, this proposal). The survey design will follow the historic zig zag transects run by Thorne since 1993 in order to remain consistent with that sampling design and to put the long term fall and spring surveys into context.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

13120111-1

**Project Title:** 

PWS Herring Program - Fatty Acid Analysis as Evidence for Winter Migration of Age-0

Herring in Prince William Sound

Principal Investigator: Ronald Heintz

Affiliation:

Not Available

Co-Pls/Personnel:

None

Project Location:

Funding Requested:

FY13: \$49,100 00

Total Funding Requested: \$67,500 00

Funding Approved in Previous Years: FY12: \$18,400 00

## Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et al. Monitoring of age-0 herring should be an important component of the Trustee herring program, but the appropriate spatial scale for monitoring is unknown. The current program assumes age-0 herring remain in their nursery bays over winter If true, observations of differences among bays in terms of age-0 condition and marine conditions will allow for identifying conditions that lead to improved recruitment to age-1. We propose to test the assumption by monitoring the fatty acid (FA) composition of age-0 herring over winter. The FA composition of depot lipids derives from diets (Budge et al. 2006), so differences in the prey fields in different bays should produce differences in the FA compositions of herring in those bays (Otis et al. 2009). Therefore, the FA composition of age-0 herring in fall can act as a natural tag for identifying migration. Changes in FA composition due to winter feeding are likely to be minimal because age-0 herring experience energy deficits in winter, proscribing lipid storage. We plan to test this assumption in a laboratory study. We hypothesize that migration of herring will result in increasing similarity of herring FA compositions over winter. Alternatively, if the FA composition of age-0 herring in given bays remains constant over winter then migration must be limited

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

13120111-J

**Project Title:** 

PWS Herring Program - What is the age at first spawning for female herring in PWS?

Principal Investigator: Ronald Heintz

Affiliation:

Not Available

Co-Pis/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$21,800.00

Total Funding Requested: \$71,400.00

Funding Approved in Previous Years: FY12: \$49.600 00

## Abstract:

The predictive capabilities of current population models of herring in Prince William Sound may be improved by validating the estimated proportions of fish in each age class that spawn and knowing the proportions of primiparous individuals in each age class. Determination of age at first spawn has been accomplished via 1) analysis of differential growth increments on scales, 2) histological analysis of egg development in ovaries. While the histological method provides direct observation of the spawning history of individuals it is unlikely that developing oocytes can be observed among spawners. Hence the histological analysis must occur some months after spawning. We propose to examine scales of female herring collected from spawning aggregates in PWS to identify the spawning history of each year class. We will also validate the scale technique by comparing the results of scale analysis with that of histological analysis of oocyte development. The validation will likely be used on fish sampled some time after spawning. In order to identify the optimal time we will iteratively sample ovaries in fish held in the lab after spawning. Estimates of the proportion of primiparous fish in the spawning population will provide a means for adjusting estimates of the total postspawning biomass in the ASA by indicating proportion of each age class that was not on the spawning grounds in the previous year. This study will consequently serve to develop an inexpensive method for improving the accuracy of spawning stock biomass estimates.

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

13120111-L

**Project Title:** 

PWS Herring Program - Herring Condition Monitoring

Principal Investigator: Thomas Kline

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$141,700 00

Total Funding Requested: \$607,800 00

Funding Approved in Previous Years: FY12: \$0 00

#### Abstract:

Outlined here is a single herring monitoring project that is a part of an integrative program that will enhance the current herring monitoring efforts and examine aspects of particular life stages to allow better modeling of Prince William Sound herring populations. The long-term goal of the program is to improve predictive models of herring stocks through observations and research

This project will be furthering the development of a herring overwintering mortality model that began with an ongoing monitoring project that began in 2007 and incorporates results from Prince William Sound herring research dating as far back as the 1990's The model runs by applying herring condition observations made before and after winter Accordingly, herring are sampled in November and the following March. Present sampling will end in March 2012. Proposed sampling will commence in November 2012 and end in March 2016 A future project is expected to continue the time series beginning in November 2016. The purpose of the time series is to relate overwinter mortality to herring recruitment

This project will be furthering the development of a herring overwintering mortality model with additional data types as well energy levels per se. The goal is use physiological indicators to realistically modify the daily energy loss rate in the overwintering model. The results of model improvement will be tested using the March data model validation approach begun during the project that began in 2007

Additionally, we will be assessing effects of competition of other juvenile fishes on condition of age-0 herring using stable isotope analysis on an opportunistic basis

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

13120111-M

**Project Title:** 

PWS Herring Program - A high temporal and spatial resolution study to validate the

separate herring condition monitoring program.

Principal Investigator: Thomas Kline

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

Funding Requested:

FY13: \$77,300 00

Total Funding Requested: \$297,100 00

Funding Approved in Previous Years: FY12: \$199,400 00

## Abstract:

Described here is a single process study project that is a part of an integrative program that will enhance the current monitoring efforts, and examine aspects of particular life stages to allow better modeling of Prince William Sound herring populations. The long-term goal of the program is to improve predictive models of herring stocks through observations and research. The herring monitoring program is necessarily of coarse temporal and spatial resolution with just two observations per year at narrowly defined sampling sites spread around the large area comprising Prince William Sound Data interpretation requires a greater context to impart greater meaning. In the case of temporal variation of herring condition it would be useful to know (1) how sensitive the herring overwinter mortality model is to starting time, and (2) the timing of recovery from winter starvation. In the case of spatial variation of herring condition it would be useful to know how sensitive the herring overwinter mortality model is to immigration and emigration from areas immediately adjacent to where herring are sampled at the time of our November and March surveys.

Fine-scale temporal and spatial variability at designated herring monitoring sites has never been characterized and therefore remains a data gap with potential ramifications for interpreting observed variation of herring condition that is part of the herring monitoring program as well as the aforementioned modeling. This will be addressed by sampling at Simpson Bay, which has been a key monitoring site for juvenile herring since the 1990's Energy content and RNA/DNA will be measured monthly from September 2011 until June 2012 to assess fine-scale temporal variability. Fine-scale spatial variability will be assessed by sampling in November and March five separate sub-areas of a more extensive Simpson Bay than what is typically done during surveys. The results of the analysis will be contributed to the herring synthesis effort that will take place in FY14

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

Science Coordinator Comments:

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

13120111-N

**Project Title:** 

PWS Herring Program - Scales as growth history records for Pacific herring

Principal Investigator: Steven Moffitt

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

Funding Requested:

FY13: \$43,300,00

Total Funding Requested: \$129,500 00

Funding Approved in Previous Years: FY12: \$86,200 00

#### Abstract:

Robust Pacific herring (Clupea pallasii) populations, suitable for exploitation by commercial fisheries, are typically sustained by periodic recruitment of strong year classes into the adult spawning population. However, the Prince William Sound (PWS) herring population has not had a strong recruitment class since 1989, when the Exxon Valdez Oil Spill (EVOS) occurred Identification of conditions limiting herring recovery requires a series of focused process studies combined with monitoring of the natural conditions that affect herring survival

Fish grow in response to the extrinsic influences of their environment constrained by the intrinsic influences of genetic predisposition for growth and of size already attained. Understanding how these intrinsic and extrinsic sources of variability influence growth is important for several reasons. Variation in growth has a strong affect on the selection of appropriate harvest policies that are based on demographic models that reflect the natural processes

Analysis of growth increments between annular patterns on scales can provide a means to reconstruct past growth changes that can assist in determining the possible environmental and density-dependent causes of growth variation Growth increment information incorporates a longitudinal history of growth that increases the effective degrees of freedom and can be used in modeling changes in growth in relationship to environmental and population indices Determining the underlying distribution of individual growth patterns can provide improved inputs into population dynamics models that are used to establish harvest guidelines

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120111-H

Project Title: PWS Herring Program - Outreach and Education Program

Principal Investigator: William Pegau

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13**: \$30,500.00 **Total Funding Requested**: \$154,000.00

Funding Approved in Previous Years: FY12: \$16,500.00

## Abstract:

The Outreach & Education project is designed to enhance the PWS Herring Program research activities by showcasing their relevancy, broadening their applicability and extending their impact to people in the community. PWSSC educators will work with PWS Herring Research and Monitoring principal investigators (PI) and project collaborators to prepare public education materials that communicate the purpose, goals and results of the research program to "non-scientist" audiences and stakeholders in communities in and beyond the spill affected area.

Outreach and education products will extend and transfer Pacific herring and marine ecosystem information to inform the public of local research activities and improve their ecological and ocean science literacy.

The specific objectives of this proposal, which includes the outreach and education components of the PWS Herring Research and Monitoring Program, are to:

- 1) Disseminate PWS herring research information and lessons learned in this program to individuals, groups, policy makers, resource managers and institutions in PWS, including the effected fishing community.
- 2) Extend and transfer PWS herring research-based outreach and education products to general audiences in and beyond the spill affected areas of PWS.
- 3) Integrate community involvement into the planning and sampling programs through citizen science opportunities and public workshops

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120111-O

Project Title: PWS Herring Program - Coordination and Logistics

Principal Investigator: William Pegau

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13:** \$508,435.00 **Total Funding Requested:** \$1,891,196.00

Funding Approved in Previous Years: FY12: \$315,200.00

## Abstract:

This project is for the coordination and logistics aspects of the proposed program titled, "PWS Herring Research and Monitoring". The objectives of the program are 1) Provide information to improve input to the age-structure-analysis (ASA) model, or test assumptions within the ASA model, 2) Inform the required synthesis effort, 3) Address assumptions in the current measurements, and 4) Develop new approaches to monitoring. The Coordination and Logistics program objectives are to 1) ensure coordination between projects to achieve the program objectives, 2) Provide a synthesis from existing results, and 3) provide logistical support to the various projects.

Coordination includes scheduling of projects to ensure the maximum sharing of vessel time and so that projects dependent on results or samples from another project are in the correct order. Coordination will be primarily through email and teleconference, but each year all the investigators are required to meet in person. Coordination is also taking place with the existing Herring Survey program, the Long-Term monitoring program, and ADF&G herring sampling.

Logistics is primarily in providing vessel time although a remotely operated vehicle is requested in this budget to support non-lethal fish identification and being able to search under the ice.

The synthesis to be provided by this project is leveraging the required synthesis of the existing Herring Survey program. We intend to update that effort with new results and add a section on how environmental conditions affect herring growth.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120111-P

Project Title: PWS Herring Program - Herring Genetics

Principal Investigator: Sharon Wildes

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13:** \$0.00 **Total Funding Requested:** \$103,600.00

Funding Approved in Previous Years: FY12: \$0.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et. al. The purpose of this proposal is to determine the genetic stock structure of Pacific herring in Prince William Sound using available microsatellite markers. Samples will be collected and their genetic characteristics compared between locations, spawning times and years. In addition, year classes within spawning stocks will also be analyzed for genetic differences. Herring will be collected from two geographical disparate locations within Prince William Sound, one from the east and one from the west. Each location will be extensively sampled such that at least 200 samples from each group (for a specific location, year, spawn time, and age class) will be available for analysis. As a control, a small group of 200 Pacific herring will also be collected from Lynn Canal, Lynn Canal herring are (1) easily accessible from Auke Bay Laboratories, (2) of high priority to the National Marine Fisheries Service and the Alaska Department of Fish and Game, and (3) have been part of our herring program for the last 2. years. DNA will be isolated from each collection of 200 herring and the samples genotyped using a group of microsatellite markers, many of which have already been standardized in our laboratory for Pacific herring (Wildes et al., accepted Fish Bull). To date, over 40 herring microsatellite markers have been described and each loci contains multiple alleles making them ideal genetic markers for analyzing migratory fish like herring with limited stock structure. Resulting genotypes will be compared to determine the genetic uniqueness of each collection using standard analyses (FST and G-test). Principle component analyses will be performed to illustrate stock separations. Chord distances will be calculated and a phlyogenetic tree constructed to illustrate genetic relationships. Finally, genetic results will be summarized to communicate their biological significance, as well as their significance to management and restoration.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Pending

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Pending

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: Pending

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Pending** 

**Trustee Council Comments:** 

Not Available

# Long-Term Monitoring of Marine Conditions and Injured Resources and Services Program Projects

Project Number: 13120114

Project Title: Long-Term Monitoring of Marine Conditions and Injured Resources and Services

Principal Investigator: Molly McCammon

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

FY13: \$2,675,810.00 Total Funding Requested: \$11,938,225.00

Funding Approved in Previous Years: FY12: \$2,460,457.00

### Abstract:

In the two decades following the Exxon Valdez oil spill (EVOS), and after extensive restoration, research and monitoring efforts, it has been recognized that full recovery from the spill will take decades and requires long-term monitoring of both the injured resources and factors other than residual oil that may continue to inhibit recovery or adversely impact resources that have recovered. Monitoring information is valuable for assessing recovery of injured species, managing those resources and the services they provide, and informing the communities who depend on the resources. In addition, long-term, consistent, scientific data is critical to allow us to detect and understand ecosystem changes and shifts that directly or indirectly (e.g. through food web relationships) influence the species and services injured by the spill.

An integrated monitoring program requires information on environmental drivers and pelagic and benthic components of the marine ecosystem. Additionally, while extensive monitoring data has been collected thus far through EVOS Trustee Council-funded projects as well as from other sources and made publicly available, much of that information needs to be assessed holistically to understand the range of factors affecting individual species and the ecosystem as a whole. Interdisciplinary syntheses of historical and ongoing monitoring data are needed to answer remaining questions about the recovery of injured resources and impacts of ecosystem change. We propose to develop and implement a long-term monitoring program that meets the need for information to guide restoration activities, including data on the status and condition of resources, whether they are recovering, and what factors may be constraining recovery. The ultimate goal of the long-term monitoring program is to provide sound scientific data and products to inform management agencies and the public of changes in the environment and the impacts of these changes on injured resources and services.

#### Science Panel Comments:

FY2012 Comments: April 2011 Comments:

This proposal is well presented and provides a thorough long-term monitoring program for the spill area. The team is experienced and well -qualified to complete the proposed work. The outreach and education strategies and partnerships are well thought-out and have the potential to provide effective means to disseminate information and engage community members in understanding the results of the integrated monitoring program. The potential future development of a citizen monitoring program would provide another effective strategy. The Science Panel was especially impressed with the section called 'cross-cutting' that showed the linkages with the Herring Program.

Gathering and making data available will be the keystone of this program. The Science Panel expressed serious concerns about past performance of some participants and that the data management team does not have sufficient expertise or scientific guidance to deliver a useable data system. In addition, it is not clear at all there is a plan for the inclusion of structurally diverse data: where and how will such data be organized so that relevant data and metadata from a broad array of disciplines can be assembled in one database. The panel viewed this as this as an informatics problem that, if not resolved at the onset, will jeopardize the long-term program. There is a very clear need to overcome critical technological impediments to accomplishing synthetic, integrative environmental science, while at the

same time promoting more open access to information and data sharing. It is critical that this database be open source and be compliant with the Knowledge Network for Biocomplexity metadata compliant with Ecological Metadata Language. In addition, there should be a plan from the outset as to how to incorporate this data into NPRB's GOAIERP program at the end of the first five-year contract cycle.

Therefore, we strongly recommend that the Council provide assistance from an organization such as the National Center for Ecological Analysis and Synthesis (NCEAS) for peer review and technical assistance to the data management team.

With regard to the separate lingering oil monitoring proposal included within the Program proposal, the Panel has no objection to the funding of this additional project.

June 2011 Individual panel member comments:

Seabird monitoring costs double in year 3 – The explanation is clear, although the basis for why two surveys may be needed in year 3 and what is lost when only 1 is done is unclear.

Cost breakdown for Coordination, data management, outreach, and administration – The suite of activities included under this heading is now explicit as are the total costs associated with each one in the budgets provided. I wish to note, however, the "conceptual modeling" project of Hollmen does not fall into any of these categories – it is a scientific study, not an administrative service, outreach activity, coordination, or data management task, and should be reviewed as such. In that context, I examined the Hollmen proposal and have some concerns. Although intended to be "conceptual modeling", I find no mention of any concepts in the proposal. I cannot find indication of the methodological approaches to be used and why they were chosen. For example, will this be a Bayesian process? Will modeling be ecosystem based? Will ECOPATH of something analogous be employed? There are no literature cotations in this proposal. For 395K over 5 years, more detail would seem to be called for. I cannot find a CV included for the PI, Hollmen. Does she have modeling experience, and, if so, in what types of models?

Synthesis concerns – the PIs provide a thoughtful and compelling response to this issue, providing an excellent overview and demonstrating potential for meaningful syntheses.

Data management – The PIs make a strong case for the cost efficiencies associated with leveraging that lower the costs of the data management for EVOS Trustee projects by joining with AOOS in a coordinated effort with a single consultant-provider. The response also makes a justifiable case for why teaming up with AOOS makes sense – because of their presumed permanence as compared to other science programs. I am impressed that Phil Mundy chairs the AOOS external advisory committee and concur that he has the experience and wisdom to provide rational advice and guidance. Nevertheless, the bottom line after all is said and done is – Does Axiom deliver the data products that are acceptable to the scientists it is serving. This response document appears to argue that the scientists that participate in the Monitoring Program are indeed satisfied. So that helps me side with continuing the relationship with Axiom. Nevertheless, this document implies a willingness to interact with NCEAS and to discuss their recommendations for improvements in all aspects of Axiom's data management services and I think that facilitating that set of interactions in a meaningful way (meaning to sufficient depth and not just superficial) is important for piece-of-mind given delays in delivery of reports from Axiom on past EVOS Trustee contracts. I am also curious to know of the outstanding final reports have indeed been completed successfully at this time. I see argued in this response document that the past scientist clients of AXIOM are satisfied with the company's services, which addresses one major issue raised by the science Panel.

I am pleased by the acceptance of specific suggestions by the science panel.

Science Panel Recommendation: Fund

# **Science Coordinator Comments:**

FY2012 Comments: I agree with the science panel and Executive Director. I also have serious concerns regarding the data program and would encourage the Council to assist the team by providing funding for a collaborator to assist the data team in their development of the data program. My concerns regarding the proposed contractor are based on a poor past performance with meeting deadlines and producing deliverables. I also believe that the final product would greatly benefit if Axiom was given assistance from a group that has experience working with large heterogeneous data sets.

The PI's that are included in this program proposal have extensive experience gathering data in PWS and have contributed to several long-term data sets that will be the foundation of this program. The team's quick response to our data set questions demonstrates their ability to work together and to openly share information with their fellow researchers.

Science Coordinator Recommendation: Fund

## **Public Advisory Committee Comments:**

FY2012 Comments: No specific comments were provided.

Public Advisory Committee Recommendation: No Consensus

## **Executive Director Comments:**

There was strong concern about the program's data manager serving the entire program. Since April, the data manager's work has been favorably reviewed, has submitted late deliverables to the Council and several data management options have been produced by this program and outside entities. These options presented are in conjunction with leaders in the field of heterogeneous scientific database management and are excellent options. I recommend the Council pursue one of these options to ensure successful management of the data produced by this and past Council-funded efforts.

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-R

Project Title: LTM Program - Nearshore benthic systems in the Gulf of Alaska

Principal Investigator: Brenda Ballachey

Affiliation: Not Available

Co-Pls/Personnel: Jim Bodkin

**Project Location:** 

**Funding Requested:** 

**FY13**: \$304,100.00 **Total Funding Requested**: \$1,559,946.00

Funding Approved in Previous Years: FY12: \$282,446.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et al. in 2011. This component focuses on resources within the nearshore ecosystem. The primary objective is to continue recovery and restoration monitoring in nearshore areas in the Gulf of Alaska, including study areas within Prince William Sound, Kenai Fjords, Katmai, and Kachemak Bay, following the plan initially developed in Restoration Project 050750 and tested in Restoration Project 070750. We will evaluate the current status of EVOS injured resources and services (recreational, subsistence, and passive use) to determine when populations may be considered recovered, and to foster recovery of those resources by identifying and recommending actions in response to any factors that may be limiting recovery. The USGS, National Park Service and the University of Alaska Fairbanks are partnering to accomplish these goals. Information collected will include data sets that have been used previously to assess recovery of injured resources in Prince William Sound (e.g., population abundance and survival of sea otters, abundance estimates for mussels, clams, and other intertidal organisms). Contrasts among trends in injured resources across study areas, including both oiled and unoiled areas, will provide the primary means of resource valuation. Our purpose is to implement a nearshore monitoring program that is comparable at multiple locations across the Gulf of Alaska. The nearshore sampling in Prince William Sound, in conjunction with sampling of other areas, will provide the foundation of a comprehensive restoration nearshore monitoring program for the entire oil spill area and form an integral part of the larger Long-Term Monitoring project.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-A

Project Title: LTM Program - Long-term Monitoring of zooplankton populations on the Alaskan Shelf

and Gulf of Alaska using Continuous Plankton Recorders

Principal Investigator: Sonia Batten

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13:** \$66,800.00 **Total Funding Requested:** \$279,400.00

Funding Approved in Previous Years: FY12: \$0.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et. al. Many important species, including herring, forage outside of Prince William Sound for at least some of their life history (salmon, birds and marine mammals for example) so an understanding of the productivity of these shelf and offshore areas is important to understanding and predicting fluctuations in resource abundance. The Continuous Plankton Recorder (CPR) has sampled a continuous transect extending from the inner part of Cook Inlet, onto the open continental shelf and across the shelf break into the open Gulf of Alaska monthly through spring and summer since 2004. There are also data from 2000-2003 from a previous transect. The current transect intersects with the outer part of the Seward Line and provides complementary large scale data to compare with the more local, finer scale plankton sampling on the shelf and in PWS. We propose to continue sampling this transect through 2016. Resulting data will enable us to identify where the incidences of high or low plankton are, which components of the community are influenced, and whether the whole region is responding in a similar way to meteorological variability. Evidence from CPR sampling over the past decade suggests that the regions are not synchronous in their response to ocean climate forcing. The data can also be used to try to explain how the interannual variation in ocean food sources creates interannual variability in PWS zooplankton, and when changes in ocean zooplankton are to be seen inside PWS. The CPR survey is a cost-effective, ship-of-opportunity based sampling program supported in the past by the EVOS TC that includes local involvement and has a proven track record.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

**Project Number:** 

13120114-C

**Project Title:** 

LTM Program - Long-term monitoring of seabird abundance and habitat associations

during late fall and winter in Prince William Sound.

Principal Investigator: Mary Anne Bishop

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$78,600.00

Total Funding Requested: \$379.000.00

Funding Approved in Previous Years: FY12: \$49,800.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et. al. The vast majority of seabird monitoring in areas affected by the Exxon Valdez oil spill has taken place around breeding colonies during the reproductive season, a time when food is generally at its most plentiful. However, seabirds spend most

of the year widely dispersed. Late fall through winter are critical periods for survival as food tends to be relatively scarce or inaccessible, the climate more extreme, light levels reduced, day length shorter and water temperatures colder. Postspill ecosystem recovery and changing physical and biological factors all have the potential to affect PWS seabird populations. Of the seabirds that overwinter in PWS, nine species were initially injured by the Exxon Valdez oil spill, including three species that have not yet recovered (marbled murrelet, Kittlitz's murrelet and pigeon guillemot). Here we propose to continue to monitor from 2012 through 2016 seabird abundance, species composition, and habitat associations using multiple surveys (up to 5 surveys per season) during late fall and winter. The data will improve our predictive models of seabird species abundance and distribution in relation to biological and physical environmental factors. In addition, by monitoring the top-down forcing by seabirds, a major source of herring predation, this project will complement the suite of PWS Herring Research & Monitoring studies, including improved mortality estimates for herring population models. This project is part of the pelagic component within the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et, al. Our project uses as observing platforms the vessels associated with the LTM Humpback Whale surveys and PWS Herring Research & Monitoring Juvenile Herring Abundance Index as well as the Extended Adult Herring Biomass Surveys and integrates the seabird observations with those studies.

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-D

Project Title: LTM Program - Data Management Support for the EVOSTC Long Term Monitoring

**Program** 

Principal Investigator: Robert Bochenek

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

FY13: \$163,400.00 Total Funding Requested: \$811,500.00

Funding Approved in Previous Years: FY12: \$157,500.00

### Abstract:

This project supplies the EVOS Long Term Monitoring (LTM) effort with critical data management support to assist study teams in efficiently meeting their objectives and ensuring data produced or consolidated through the effort is organized, documented and available to be utilized by a wide array of technical and non technical users. This effort leverages, coordinates and cost shares with a series of existing data management projects which are parallel in scope to the data management needs of the long term monitoring program. In the first two years, this project would focus on providing informatics support to streamline the transfer of information between various study teams and isolate and standardize historic data sets in the general spill affected area for use in retrospective analysis, synthesis and model development. These efforts would continue into year three through five but efforts would also focus on developing management and outreach applications for the data and data products produced from the LTM program.

## **Science Panel Comments:**

Fv2012 Comments:

Please refer to comments which can be found under 12120114 - McCammon and 1210120 - Jones. Funding recommendation: Fund modify

Science Panel Recommendation: Fund

## **Science Coordinator Comments:**

Fv2012 Comments:

Please refer to comments which can be found under 12120114 - McCammon and 1210120 - Jones. Funding recommendation: Fund modify

Science Coordinator Recommendation: Fund

## **Public Advisory Committee Comments:**

Fy2012 Comments:

Funding recommendation: Fund modify

Public Advisory Committee Recommendation: No Consensus

#### **Executive Director Comments:**

Fy2012 Comments:

Please refer to comments which can be found under 12120114 - McCammon and 1210120 - Jones. Funding

recommendation: Fund modify

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-E

Project Title: LTM Program - Long-term monitoring of oceanographic conditions in Prince William

Sound

Principal Investigator: Robert Campbell

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13:** \$193,200.00 **Total Funding Requested:** \$1,032,800.00

Funding Approved in Previous Years: FY12: \$229,300.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et. al. This project is intended to provide physical and biological measurements that may be used to assess bottom-up impacts on the marine ecosystems of Prince William Sound. Specifically, it is proposed to deploy an autonomous profiling mooring in central Prince William Sound that will provide high frequency (~daily) depth-specific measurements of physical (temperature, salinity, turbidity), biogeochemical (nitrate, phosphate and silicate) and biological (Chlorophyll-a concentration) parameters that will be telemetered out in near real-time. Several regular vessel surveys are also proposed to provide ground-truth data for the mooring, and to attempt to capture some of the spatial variability in PWS. As well as the mooring site, the surveys will visit all four of the SEA bays to maintain ongoing EVOSTC funded time series measurements at those sites and to support proposed herring research (Pegau et. al). The major entrances (Hinchinbrook Entrance and Montague Strait) will also be visited. The surveys will make the same suite of measurements as the mooring, and will also collect water and plankton samples. This project will also link significantly with the herring research efforts proposed by Pegau et al., and will analyze plankton samples collected during intensive studies of juvenile herring feeding and energetics.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-S

Project Title: LTM Program - Extending the Tracking of oil levels and weathering (PAH composition)

in PWS through time.

Principal Investigator: Mark Carls

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

FY13: \$13,100.00 Total Funding Requested: \$217,100.00

Funding Approved in Previous Years: FY12: \$19,600.00

#### Abstract:

Intertidal areas in western Prince William Sound were extensively coated with Exxon Valdez oil; oil still remains in many beaches, presumably with declining impacts on intertidal invertebrates such as mussels, and also predators such as sea otters and harlequin ducks. This project would revisit approximately 12 of the worst case sites to continue the long term data set that tracks oil quantity and weathering composition in the contaminated sediments, and establish long term oil monitoring sites that would be re-sampled every 5 years over the next 20 years.

This project fills two needs: understanding the "dose" levels (past and present) for species such as mussels, intertidal invertebrates, sea otters, and harlequin ducks; and (2) understanding the natural degradation of quantity and composition of PAH over a long time course. Understanding exposure doses is important to injured species, and this would complement the biomarker analyses of lingering exposure on sea otters and harlequin ducks (Ballachey; Esler). Understanding oil loss over time is important for understanding full recovery of the habitat; in Alaska, this time course is apparently longer than in lower latitude environments. This study would complement and extend previous work, and would complement the remediation studies by Boufadel in 2011-12 as well as the Irvine study outside of PWS in 2011-12.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

**Project Number:** 

13120114-G

**Project Title:** 

LTM Program - Long-term monitoring of oceanographic conditions in Cook

Inlet/Kachemak Bay to understand recovery and restoration of injured near-shore

species.

Principal Investigator: Angela Doroff

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$177,400.00

Total Funding Requested: \$778,300.00

Funding Approved in Previous Years: FY12: \$191,900.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et. al. The Kachemak Bay Research Reserve (KBRR) and NOAA Kasitsna Bay Laboratory jointly propose to continue and enhance oceanographic monitoring in Kachemak Bay and lower Cook Inlet, in order to provide the physical data needed for a comprehensive restoration monitoring program in the Exxon Valdez oil spill (EVOS) affected area. This project will leverage and enhance KBRR water quality monitoring stations, establish routine small boat oceanographic and plankton surveys to assess spatial, seasonal and inter-annual variability in water mass movement, leverage information from previous oceanographic surveys, provide environmental information to aid separately proposed benthic monitoring projects, and benefit from a new NOAA ocean circulation model for Cook Inlet. Longterm monitoring of physical changes and connectivity in the marine environment is essential to understand what drives both gradual and sudden changes in coastal ecosystems and estuarine systems in the affected area, including Prince William Sound and Cook Inlet. In addition to longterm effects from the EVOS, these coastal waters and habitats are impacted by the other physical stressors including climate change, ocean acidification, and continuing land-level and sedimentation changes from the 1964 earthquake and isostatic rebound from melting glaciers. The Cook Inlet/Kachemak Bay oceanographic information from this project will allow determination of patterns and trends in ocean circulation and plankton and aid in interpretation of biological monitoring data on the status and trends of injured resources in the near-shore environment. In conjunction with separately proposed oceanographic monitoring projects in PWS and the Gulf of Alaska, the project will enable assessment of whether circulation patterns in the Gulf of Alaska are synchronous with near-shore trends, which has implications for biological abundance and diversity. Our objective is to implement an enhanced, long-term Cook Inlet near-shore oceanographic monitoring program that directly informs management for sustained recovery and restoration of EVOS-injured resources in the face of environmental variability, shifts and long-term changes.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-B

Project Title: LTM Program - Administration, Science Review Panel and PI Meeting Logistics, and

**Outreach and Community Involvement** 

Principal Investigator: Katrina Hoffman

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

FY13: \$274,700.00 Total Funding Requested: \$1,408,500.00

Funding Approved in Previous Years: FY12: \$253,700.00

## Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et al. This Detailed Project Description(DPD) addresses administration and fiscal management of the program, travel and logistics for science review, principal investigator annual meetings, and the Outreach Steering Committee, and administrative support for the Outreach and Community Involvement component of the LTM program.

In order to be most fiscally efficient, the Prince William Sound Science Center is serving as the administrative lead and fiscal agent for the consortium submitting this proposal, as well as for the Herring Program. The Outreach and Community Involvement component will be coordinated by the Alaska Ocean Observing System.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

**Project Number:** 

13120114-H

**Project Title:** 

LTM Program - Science Coordination and Synthesis for the Long Term Monitoring

Program

Principal Investigator: Kristine Holderied

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$139,000.00

Total Funding Requested: \$708,500.00

Funding Approved in Previous Years: FY12: \$123,500.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et al. Long-term monitoring has been implemented within the Exxon Valdez Oil Spill (EVOS)-affected region, with support from the EVOS Trustee Council (TC), agencies, North Pacific Research Board, Alaska Ocean Observing System, other research grant organizations, and citizen science programs. However, many of these efforts have been conducted independently, with emphasis on monitoring of single species or within individual disciplines. By explicitly providing for science coordination and syntheses of data from our proposed long-term monitoring program, as well as incorporating an interdisciplinary framework into program development and implementation, we seek to improve open access to multi-disciplinary data and promote use of integrated information from the entire program for both research and resource management in the EVOS-affected region. The science coordination and synthesis component of our integrated program will improve linkages between monitoring in different regions (Prince William Sound, Gulf of Alaska shelf, lower Cook Inlet) as well as between disciplines in a given region, as a way to better discern the impacts of environmental change on restoration and continued recovery of injured resources. Science coordination will include facilitating program planning and sharing of information between principal investigators, developing annual reports on the science program, and coordinating ongoing evaluation of the overall program. Science synthesis efforts will help integrate information across the entire program and will be closely coordinated with the conceptual ecological modeling and data management teams in our integrated program.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

**Project Number:** 

13120114-1

**Project Title:** 

LTM Program - Conceptual Ecological Modeling

Principal Investigator: Tuula Hollmen

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$91,900.00

Total Funding Requested: \$428,000.00

Funding Approved in Previous Years: FY12: \$80,000.00

#### Abstract:

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et. al. Under this research project, we will develop conceptual ecological models to support the synthesis and planning relating to the long term monitoring program in Prince William Sound, outer Kenai coast, and lower Cook Inlet/Kachemak Bay. To develop these models, we will summarize system components, processes, and influences into a synthetic framework. The conceptual models will assist in identification of data needs and development of further long term monitoring priorities, and support ecosystem based understanding, monitoring, and management of resources within our study area. The conceptual models will also provide guidance for development of numerical and quantitative models of system function and responses to external influences, Finally, the conceptual models will provide a communication tool among scientists, resource managers, policy-makers, and the general public, and will offer

outreach opportunities for our project by using data visualization and interactive web-based tools. Development of conceptual ecological models is a multi-step, iterative process, responding to evolving understanding of the structure

and dynamics of the system by

revising and refining models throughout the process. Specific steps of the process involve: defining goals and scope of the modeling, summarizing current understanding of system structure and processes, defining environmental and anthropogenic influences included in the modeling, development of relevant hierarchies and submodels, refining models with increased understanding of system function, and development of interactive and visualization tools to provide methods to use models for long term planning, development of hypotheses, data exploration, and outreach.

Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-J

Project Title: LTM Program - The Seward Line: Marine Ecosystem monitoring in the Northern Gulf of

Alaska.

Principal Investigator: Russell Hopcroft

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

FY13: \$59,900.00 Total Funding Requested: \$466,600.00

Funding Approved in Previous Years: FY12: \$94,500.00

#### **Abstract:**

This project is a component of the integrated Long-term Monitoring of Marine Conditions and Injured Resources and Services submitted by McCammon et. al. The ocean undergoes year-to-year variability in the physical environment, superimposed on longerterm cycles, and potential long-term trends. These variations influence ocean chemistry, and propagate through the lower trophic levels, ultimately influencing fish, seabirds and marine mammals. Over the past 50 years the Northern Pacific appears to have undergone at least one clear "regime shift", while the last 12 years have seen multi-years shifts of major atmospheric indices, leaving uncertainty about what regime the coastal Gulf of Alaska is currently in. Regime shifts are often expressed as fundamental shifts in ecosystem structure and function, such as the 1976 regime shift that resulted in a change from a shrimp dominated fisheries to one dominated by pollock, salmon and halibut. Long-term observations are also critical to describe the current state, and natural variability inherent in an ecosystem at risk of significant anthropogenic impact. Given the potential for such profound impacts, this proposal seeks to continue multidisciplinary observations which began in 1997 along the Seward Line and in PWS that assess the current state of the Northern Gulf of Alaska, during 2012-2017. Such observations form critical indices of ecosystems status that help us understand some key aspects of the stability or change in upper ecosystems components for both the short and longerterm. By analogy, the weather has been for more than a hundred years, yet regular observations are still needed to know what is happening and what can be expected in the near future.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-K

Project Title: LTM Program - Continuing the Legacy: Prince William Sound Marine Bird Population

**Trends** 

Principal Investigator: David Irons

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

FY13: \$24,200.00 Total Funding Requested: \$681,500.00

Funding Approved in Previous Years: FY12: \$206,300.00

#### Abstract:

We propose to conduct small boat surveys to monitor abundance of marine birds in Prince William Sound, Alaska, during July 2012, 2014, and 2016. Eleven previous surveys have monitored population trends for marine birds and mammals in Prince William Sound after the Exxon Valdez oil spill. We will use data collected to examine trends from summer to determine whether populations in the oiled zone are increasing, decreasing, or stable. We will also examine overall population trends for the Sound. Continued monitoring of marine birds and synthesis of the data are needed to determine whether populations injured by the spill are recovering. Data collected from 1989 to 2010 indicated that pigeon guillemots (Cepphus columba) and marbled murrelets (Brachyramphus marmoratus)) are declining in the oiled areas of Prince William Sound. We have found high inter-annual variation in numbers of some bird species and therefore recommend continuing to conduct surveys every two years. These surveys are the only ongoing means to evaluate the recovery of most of these injured marine bird species. Surveys would also benefit the benthic monitoring and forage fish monitoring aspects of the Long-term Monitoring Project as well as the Herring Project.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120120

Project Title: Collaborative Data Management and Holistic Synthesis of Impacts and Recovery Status

Associated with the Exxon Valdez Oil Spill

Principal Investigator: Matthew Jones

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13:** \$464,710.00 **Total Funding Requested:** \$1,717,618.00

Funding Approved in Previous Years: FY12: \$427,766.00

## Abstract:

The AOOS-led Long-Term Monitoring (LTM) and the PWSSC-led Herring Research and Monitoring (HRM) programs propose an ambitious monitoring and research agenda over the next five years. These efforts could facilitate a more thorough understanding of the effects of the oil spill if the new data and information on the spill-affected ecosystems are effectively managed and collated along with historical data on these systems, and then used in a comprehensive synthesis effort. We propose a collaboration among NCEAS and the AOOS LTM and HRM teams to help build an effective data management cyberinfrastructure for proposed monitoring efforts and organize these data with historical data, including previous EVOSTC-funded efforts, to prepare for synthesis and ensure all data are organized, documented and available to be used by a wide array of technical and non-technical users. Building on the LTM and HRM syntheses and modeling efforts and the 20-year historical data from EVOSTC projects and any available current data, NCEAS would convene two cross-cutting synthesis working groups to do a full-systems analysis of the effects of the 1989 oil spill on Prince William Sound and the state of recovery of the affected ecosystems.

## **Science Panel Comments:**

FY2012 Comments:

These comments are from the two science panel members that have been tasked by the panel to with work with the EVOSTC staff on the data management and synthesis topic.

The Panel does not believe that Axiom currently has the capacity to conduct the most effective management of the data. The biological investigations produced by the suite of projects included in this proposal package generate data that are challenging to code in ways that facilitate their combination with other data such as physical or chemical variables. The discipline that handles these challenges is known as informatics. The Science Panel views the inexperience of Axiom personnel as a critical problem. This concern does not imply inadequate capability of the key staff of Axiom. It is a reflection of their limited experience. Consequently, establishing a partnership between Axiom and NCEAS makes sense because Matt Jones and NCEAS are willing to share their cutting-edge expertise. NCEAS is the "National" Center for Ecological Analysis and Synthesis and the principals of the NCEAS proposal are leaders in this field. Pairing NCEAS with Axiom, would promote information sharing of NCEAS' expertise, such emerging data standards as DateOne and on a suite of data manipulation and synthesis tools, such as meta-analysis methods. This information transfer represents critical capacity building within Alaska that would greatly benefit EVOSTC, AOOS, NPRB, and other important research and monitoring enterprises.

The willingness of NCEAS to collaborate with Axiom is evident from their proposals and discussions with Rob Bochenek, Elise, Molly, and others. Nevertheless, the most creative and appealing aspect of the proposal provided by NCEAS, and which builds on technical metadata processing that NCEAS excels in, relates to the second phase of work – the synthesis activities. Some syntheses have indeed been supported by the EVOS Trustee Council over the years. These include very important outputs of the program – a synthesis of novel oil toxicity mechanisms in pink salmon by Rice et al. 2003; a book edited by Spies that placed the oil and natural resources of coastal Alaska in a

context of changing climate; reviews of the delayed and indirect mechanisms by which EVOS oil caused ecological injuries by Peterson et al. (2003); and reviews of multi-year EVOS oil persistence on Alaskan beaches by Short and colleagues. Despite these valuable legacies, more synthesis is needed into the future, including on herring, where numerous potential explanations for its lack of recovery exist and a growing body of diverse data requires synthesis to extract now cryptic insights.

Phase II of the NCEAS proposal promises facilitation of just such synthesis outputs. This activity is extremely important for both the Herring and especially the Long-term Monitoring programs. The Panel recommends funding of this Phase II, under conditions that reflect engagement of the PIs from these two programs to develop the questions to be addressed and help select the experts who will participate in the study groups and synthesis efforts.

The Panel notes that failure to solve the problem of creating an enduring depository for EVOS-Trustee funded data is a long-standing problem. At least 10 year ago, the EVOS Trustee Council and staff endorsed the responsible and ethically necessary principle that each study funded by the Council must deliver all resulting data in electronic form to the council staff as part of their final reporting obligations. Despite this mandate, there exists now no data base of the historically-funded projects. This issue has great capacity to embarrass the Council and the memory of the past failures motivates the Panel to recommend finally solving this problem by engaging the undeniable expertise and preeminence of NCEAS to collaborate in this venture.

Science Panel Recommendation: Fund

## **Science Coordinator Comments:**

FY2012 Comments:

I concur with the science panel and strongly recommend that this proposal be funded. Data may be the single largest legacy of these programs and it is critical that the work starts on the strongest foundation possible.

Science Coordinator Recommendation: Fund

### **Public Advisory Committee Comments:**

Fy2012 Comments:

Funding recommendation: Not Reviewed

Public Advisory Committee Recommendation: No Consensus

# **Executive Director Comments:**

FY2012 Comments:

I also strongly concur with the science panel and science coordinator. The PAC was also strongly in favor of this very important collaboration, historical data recovery and the synthesis work.

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-L

Project Title: LTM Program - Long-term monitoring of Ecological Communities in Kachemak Bay: a

comparison and control for Prince William Sound.

Principal Investigator: Brenda Konar

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

FY13: \$48,200.00 Total Funding Requested: \$238,100.00

Funding Approved in Previous Years: FY12: \$46,300.00

#### Abstract:

This project will evaluate ecological communities in Kachemak Bay. Following protocols established for Prince William Sound, we will monitor sea otter abundance, diet and carcasses, seabird carcasses, marine debris, abundance and distribution of rocky intertidal plants and invertebrates, abundance and size frequency of clams and mussels on gravel beaches, and selected environmental parameters in Kachemak Bay. All protocols have been established and are described for Prince William Sound. These same protocols as will be used in this study. These Kachemak Bay data will be compared with those being collected in Prince William Sound and may be able to act as a control if an oil spill were to occur in the Sound again. The data will also be comparable to data being collected in Kenai and Katmai National Parks (National Park Service SWAN Nearshore Monitoring Program) using the same methods as used in Prince William Sound.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

**Project Number:** 

13120114-M

**Project Title:** 

LTM Program - Long-term killer whale monitoring in Prince William Sound/ Kenai Fjords

Principal Investigator: Craig Matkin

Affiliation:

Not Available

Co-Pls/Personnel:

None

**Project Location:** 

**Funding Requested:** 

FY13: \$132.800.00

Total Funding Requested: \$538,300.00

Funding Approved in Previous Years: FY12: \$6,900.00

#### Abstract:

The proposed project is a continuation of the monitoring of AB pod and the AT1 population killer whale populations in Prince William Sound on an annual basis. These groups of whales suffered serious losses at the time of the oil spill and have not recovered at projected rates. Monitoring of all the major pods and their current movements, range, feeding habits, and contaminant levels will help determine their vulnerability to future perturbations, including oil spills. The project also extends the scope of the basic monitoring to include an innovative satellite tagging program used to examine habitat preference, feeding ecology and assist in relocating whales for feeding studies. It continues examination of feeding habits using observational and innovative chemical techniques. The study will delineate important habitat, variations in pod specific movements and feeding behavior within a temporal and geographic framework. We will describe the role of both fish eating and mammal eating killer whales in the near-shore ecosystem and their impacts on prey species. Community based initiatives, educational programs, and programs for tour boat operators will continue to be integrated into the work to help foster restoration by improving public understanding and reducing harassment of the whales.

**Science Panel Comments:** 

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation:** Fund

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-N

Project Title: LTM Program - Long-term monitoring of humpback whale predation on Pacific herring

in Prince William Sound

Principal Investigator: John Moran

Affiliation: Not Available

Co-Pls/Personnel:

Jan Straley

**Project Location:** 

**Funding Requested:** 

FY13: \$128,800.00 Total Funding Requested: \$591,800.00

Funding Approved in Previous Years: FY12: \$127,400.00

### Abstract:

We will evaluate the impact by humpback whales on Pacific herring populations in Prince William Sound. Following protocols established during the winters of 2007/08 and 2008/09(EVOSTC project PJ090804). We will continue to monitor the seasonal trends and abundance of humpback whales in Prince William Sound. Prey selection by humpback whales will be determined through acoustic surveys, visual observation scat analysis and prey = sampling. Chemical analysis of blubber samples (stable isotopes and fatty acid analysis) will provide a longer term perspective on whale diet and shifts in prey type. These data will be combined in a bioenergetic model to determine numbers of herring consumed by whales, with the long term goal of enhancing the age structure modeling of population with better estimates of predation mortality.

## **Science Panel Comments:**

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-0

Project Title: LTM Program - Monitoring long-term changes in forage fish distribution, abundance,

and body condition in Prince William Sound.

Principal Investigator: John Piatt

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13:** \$202,500.00 **Total Funding Requested:** \$967,700.00

Funding Approved in Previous Years: FY12: \$209,900.00

#### Abstract:

In response to a lack of recovery of wildlife populations following the Exxon Valdez Oil Spill (EVOS), and evidence of natural background changes in forage fish abundance, there was a significant effort to document forage fish distribution, abundance, and variability in Prince William Sound (PWS) in the 1990's. We propose to adopt some of these earlier sampling schemes and protocols to continue monitoring forage fish in Prince William Sound with fishing and acoustic surveys of forage fish, and to measure indices of forage fish condition and foraging success.

#### Science Panel Comments:

Not Available

Science Panel Recommendation: Fund

**Science Coordinator Comments:** 

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

**Executive Director Comments:** 

Not Available

**Executive Director Recommendation: Fund** 

**Trustee Council Comments:** 

Not Available

Project Number: 13120114-P

Project Title: LTM Program - Long-term Monitoring of Oceanographic Conditions in the Alaska

Coastal Current from Hydrographic Station GAK 1.

Principal Investigator: Thomas Weingartner

Affiliation: Not Available

Co-Pls/Personnel: None

**Project Location:** 

**Funding Requested:** 

**FY13:** \$112,500.00 **Total Funding Requested:** \$575,300.00

Funding Approved in Previous Years: FY12: \$105,500.00

## Abstract:

This program continues a 40-year time series of temperature and salinity measurements at hydrographic station GAK 1. The data set, which began in 1970, now consists of monthly CTDs and a mooring with 6 temperature/conductivity recorders throughout the water column, a fluorometer and nitrate sensor at 20 m depth and a nitrate sensor at 150 m depth. The project monitors four important Alaska Coastal Current ecosystem parameters that will quantify and help understand interannual and longer period variability in:

- 1. Temperature and salinity throughout the 250 m deep water column,
- 2. Near surface stratification,
- 3. Near and subsurface nitrate supply on the inner shelf,
- 4. Fluorescence as an index of phytoplankton biomass, and

In aggregate these variables are basic descriptors of the Alaska Coastal Current, an important habitat and migratory corridor for organisms inhabiting the northern Gulf of Alaska, including Prince William Sound.

#### **Science Panel Comments:**

Not Available

Science Panel Recommendation: Fund

## **Science Coordinator Comments:**

Not Available

Science Coordinator Recommendation: Fund

**Public Advisory Committee Comments:** 

Not Available

Public Advisory Committee Recommendation: No Consensus

#### **Executive Director Comments:**

Not Available

Executive Director Recommendation: Fund

**Trustee Council Comments:** 

Not Available

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September 13, 2012

Ms. Elise Hsieh
Executive Director
Exxon Valdez Oil Spill Trustee Council
4210 University Drive
Anchorage, AK 99508-4626



Re: Proposed Amendments to a Master Agreement for

Protection of Certain Lands and Resources Dated July 31, 2002

Dear Ms. Hsieh:

This is to advise you and the Exxon Valdez Oil Spill Trustee Council ("Council") that Koniag, Inc., the State of Alaska, and the United States Fish and Wildlife Service have reached an agreement with respect to the process which they wish to follow to consider amendments to the Master Agreement and to the Conservation Easement and the Camp Island Limited Development Easement ("Camp Island Easement," collectively the "Easements") which were initially executed pursuant to the Master Agreement. I would appreciate it if you would circulate this letter to the members of the Council. I am also providing copies of this letter to the other Parties. It reflects my understanding of the process that has been agreed to.

As you are aware, without further action by Koniag, the Conservation Easement will expire on October 14, 2012 (Conservation Easement Section 2(a)), and that the Parties have been in discussions regarding the status of the Easements since February. It is the understanding of the Parties that any extension of the expiration date of the initial term of the Conservation Easement and the adoption of substantive amendments to the Master Agreement or to the Easements require the approval of not only the Parties, but also the Council. To this end, we are submitting to the Council for its consideration and approval the following summary of the Parties' agreement, which if approved by the Council, will be memorialized in a formal agreement and executed by the Parties prior to October 1, 2012.

# RECEIVED

SEP 1 3 2012
EXXON VALUEZ OIL SPILL
TRUSTEE Council

4300 B Street, Suite 407 Anchorage, Alaska 99503 (907) 561-2668 FAX (907) 562-5258

## AGREEMENT SUMMARY

The primary or initial terms of the Conservation Easement and the Camp Island Easement will be extended for thirty (30) days, until 11:59 p.m. on November 13, 2012 ("Initial Extension"). During the Initial Extension, the Parties will discuss the topics/issues set out on Attachment A to this letter, and determine whether the provisions of the Conservation Easement should be amended to further address these topics and if so, how it should be amended. If an agreement is reached by all three Parties as to the treatment of these issues in the Conservation Easement, then the Initial Extension of the term of the Conservation Easement and the Camp Island Easement will be extended until the tenth day following the first meeting of the Council after April 1, 2013 ("Second Extension").

During the Second Extension, the Parties will prepare formal amendments to the Master Agreement, Conservation Easement and Camp Island Easement which reflect their agreement ("Formal Amendments"). These amendments will be submitted to the Council for its approval at the first council meeting after April 1, 2013.

Should the Parties fail to reach an agreement on the issues during the Initial Extension and as the result the Second Extension is not triggered, then Koniag shall have the right, upon written notice to the United States and the State of Alaska, to elect to continue under the existing Conservation Easement and Camp Island Easement or to permit the Conservation Easement and the Camp Island Easement to expire as of 11:59 p.m. on November 13, 2012.

Should the Formal Amendments not be satisfactory to Koniag or should the Parties be unable to agree upon Formal Amendments, then Koniag shall have the right, upon written notice to the United States and the State of Alaska, to elect to continue under the existing Conservation Easement and Camp Island Easement or to elect to terminate the Conservation Easement and the Camp Island Easement as of 11:59 p.m. on April 1, 2013.

On behalf of Koniag, I would like to express our appreciation for the Council's consideration of this proposal. This has been a long process, but please be aware that Koniag is committed to the protection of these lands.

Yours truly,

KONIAG, INC.

William Anderson, Jr. President and CEO

Enclosure: Attachment A

cc with Attachment:

Mr. Geoff Haskett, Regional Director, Region 7
U.S. Fish and Wildlife Service
Mr. Mitch Ellis, Regional Refuge Chief of Alaska
U.S. Fish and Wildlife Service
Mr. Ed Fogels, Deputy Commissioner
Department of Natural Resources, State of Alaska

Mr. Thomas Brookover, Deputy Director

Division of Sport Fish, State of Alaska

Mr. Brad Palach, Natural Resource Manager, III

Department of Fish & Game, State of Alaska

## ATTACHMENT A

# Issue Agenda

- 1. Unguided Use and Reporting
- 2. Agency Use and Reporting
- 3. Alternate Bear Viewing Locations
- 4. Designated Campsites
- 5. Vessel Operations
- 6. Internships and Enforcement
- 7. Function and Authority of Management Group