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Attorneys for the State of Alaska

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

STATE OF ALASKA,)	
)	
Plaintiff,)	No. 3:91-CV-0083 (HRH)
)	
v.)	NINETEENTH JOINT
)	NOTICE OF
EXXON CORPORATION, and EXXON)	EXPENDITURES FROM
SHIPPING COMPANY,)	THE INVESTMENT
)	FUND
Defendants.)	
)	

The State of Alaska and the United States (the "Governments") jointly provide notice of the expenditure of \$472,567.00 from the EXXON VALDEZ Oil Spill Investment Fund ("Investment Fund"), specifically from the Koniag Investment Sub-Account of the Investment Fund. The Governments' natural resource trustee agencies will use these funds

**NINETEENTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND**

for purposes consistent with the Memorandum of Agreement and Consent Decree entered by this Court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991 ("MOA").

On September 25, 1991 the State of Alaska and the United States settled their claims against the Exxon Corporation, Exxon Shipping Company, Exxon Pipeline Company, and the T/V EXXON VALDEZ arising from the EXXON VALDEZ oil spill. All funds resulting from these settlements were subsequently ordered by this Court to be placed in an interest-bearing account in the Court Registry Investment System ("CRIS") administered through the United States District Court for the Southern District of Texas.

On June 7, 2000 this Court entered its Third Amended Order for Deposit and Transfer of Settlement Proceeds ("Third Amended Order"). The Third Amended Order allows the Governments the option of investing the money in an account outside the United States Treasury. On September 29, 2000, upon application by the Governments, the Court entered an Order Re: Transfer of Funds from the Exxon Valdez Liquidity Account and the Reserve Fund to an Investment Fund Within the Alaska Department of Revenue, Division of Treasury, authorizing transfer of settlement proceeds to an account within the State. On October 5, 2000 all funds and securities were transferred from the CRIS to the Investment Fund. The Third Amended Order further allows the Governments to establish separate sub-accounts within the primary account as the Trustee Council determines appropriate. On October 1, 2002 three sub-accounts were created in the Investment Fund, to wit:

**NINETEENTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND**

the Research Investment Sub-Account, the Habitat Investment Sub-Account, and the Koniag Investment Sub-Account. These sub-accounts were established to carry out the Trustee Council's decision in its Resolution of March 1, 1999 to separately manage the remaining assets of the Joint Trust Funds for the specific purposes of funding a long term research and monitoring program, the acquisition of lands along the Karluk River and the establishment of a fund to purchase small parcels of land that may become available in the future.

Paragraph 27 of the Third Amended Order provides that "funds in an Investment Fund shall remain on deposit in that Fund until such time as the Exxon Valdez Oil Spill Trustee Council unanimously resolve to expend all or part of the funds." The funds may then be expended, for purposes consistent with the MOA, upon the joint notification of the Governments to the Investment Fund and the Court.¹ The notification is to inform the Court of the proposed uses of the funds in the same manner and to the same extent as was the Governments' practice when the funds were in the registry of the Court.

The Governments provide notice of this nineteenth expenditure from the Investment Fund for payment of \$472,567.00 to Koniag, Inc. (fourth of multiple payments) for a non-development easement on lands it owns on Kodiak, including lands along the

¹ A copy of the notice provided to the Investment Fund pursuant to paragraph 27 of the Third Amended Order for Deposit and Transfer of Settlement Proceeds is appended to this Notice as Attachment A, pp. 1 - 2.

NINETEENTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND

Karluk River.² The entirety of this amount will be provided to the United States.

A complete summary of the Council's activities since approval of the settlement was appended to our Second Application, filed January 19, 1993, as Attachment B, and interim updates of activities appeared as Attachments to each of the Governments' Third through Sixth, Eighth through Twelfth, Fifteenth, Nineteenth, Twenty-First, Twenty-Second, Twenty-Fourth through Twenty-Ninth, Thirty-First, and Thirty-Third through Forty-Fifth applications for disbursement, the Fifth through Seventh and Tenth through Fourteenth Joint Notices of Expenditure From Settlement Account Monies Previously Disbursed, and the First, Second, Fourth, and Seventh through the Eighteenth Joint Notices of Expenditures From Investment Fund. The Trustee Council has met once since the Governments' filing on July 6, 2006 of their Eighteenth Joint Notice of Expenditures from Investment Fund and from Monies Previously Disbursed. The meeting notes for that July 28, 2006 meeting will be provided with the next notice; those for the May 23, 2006 meeting appear in Attachment B.

RESPECTFULLY SUBMITTED this 24th day of August, 2006 at Anchorage,

Alaska.

² The resolution evidencing the Trustee Council's approval for the purchase of this easement appeared as part of the Sixth Joint Notice Of Expenditures From Settlement Account Monies Previously Disbursed at Attachment A, pp. 32-42. A description of the non-development easement may be found in the Third Joint Notice of Expenditures From Investment Fund.

NINETEENTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND

FOR THE STATE OF ALASKA

DAVID W. MÁRQUEZ
ATTORNEY GENERAL

By: s/Rita H. Lovett

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Assistant Attorney General
State of Alaska
Department of Law
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FOR THE UNITED STATES OF AMERICA
SUE ELLEN WOOLDRIDGE
Assistant Attorney General
Environment & Natural Resources Division

WILLIAM D. BRIGHTON, Asst. Section Chief
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
Washington, D.C. 20530

By: s/Regina R. Belt (consent)

Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
801 B Street, Suite 504
Anchorage, Alaska 99501-3657
(907) 271-3456

NINETEENTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 24th day of August, 2006, a copy of the foregoing NINETEENTH JOINT NOTICE OF EXPENDITURES FROM THE INVESTMENT FUND, together with attachments A and B thereto were served by U.S. mail, first class, postage prepaid, on the following:

Regina R. Belt
U.S. Dept. of Justice
801 B Street, Suite 504
Anchorage, AK 99501-3657

James F. Neal
Neal & Harwell
2000 One Nashville Place
150 Forth Avenue North
Nashville TN 37219

Douglas J. Serdahely
Patton Boggs LLP
601 W. 5th Avenue, Suite 700
Anchorage, AK 99501

Patrick Lynch
O'Melveny & Meyers
400 South Hope Street
Los Angeles, CA 90071

John F. Clough III
Clough & Associates
PO Box 211187
Auke Bay, AK 99821-1187

s/Rita H. Lovett

NINETEENTH JOINT NOTICE OF EXPENDITURES
FROM THE INVESTMENT FUND

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FRANK H. MURKOWSKI,
GOVERNOR**DEPARTMENT OF LAW**
OFFICE OF THE ATTORNEY GENERAL*Environmental*
1031 WEST 4th AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907) 269-5274
FAX: (907) 278-7022

August 24, 2006

Mr. Gary Bader
Chief Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: Exxon Valdez Oil Spill Investment Fund

Dear Mr. Bader:

The Exxon Valdez Trustee Council has unanimously determined to expend \$472,567.00 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991. This entire amount will come from the Koniag Investment Sub-Account, which is currently held by the State of Alaska in the Exxon Valdez Oil Spill Investment Fund and invested by the Treasury Division, Alaska Department of Revenue. Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amount from cash held in the Exxon Valdez Oil Spill Investment Fund to the account described below:

United States

Amount: \$472,567.00

Beneficiaryaccount: 14X5198
name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)**Beneficiary**account: 14010001
name: Department of the Interior
Financial Management Services National Business CenterAttachment A
Page 1 of 2

Mr. Gary Bader
Treasury Division, Department of Revenue

Page Two
August 24, 2006

Beneficiary Bank

account: 021030004

name: Treasury, NYC

OBI Text

Natural Resource Damage Assessment Restoration Fund 14X5198

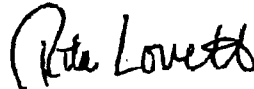
EVOS Exxon Valdez, Civil Settlement, FY06 Joint Funds

Beneficiary Reference

A91-082Civil

The transfer should take place when most financially advantageous, but no later than August 31, 2006, or as soon thereafter as possible. If you have any questions, please call Rita Lovett at (907) 269-5274.

Sincerely,



Rita H. Lovett
Assistant Attorney General
State of Alaska



Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
United States of America

- cc: Divina Pelayo, Alaska Department of Fish and Game
- Sue Bump, Alaska Department of Revenue
- Bob Mitchell, Alaska Department of Revenue
- Barbara Hannah, Exxon Valdez Oil Spill Trustee Council Restoration Office

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

May 23, 2006

Chaired by: McKie Campbell
Trustee Council Member

Trustee Council Members Present:

Joe Meade, USFS
Drue Pearce, DOI
Craig O'Connor, NMFS *

• McKie Campbell, ADF&G
Kurt Fredriksson, ADEC
David Márquez, ADOL

• Chair
* Craig O'Connor alternate for James Balsiger

The teleconferenced meeting convened at 8: 35 a.m., May 23, 2006 in Anchorage at the EVOS Conference Room.

1. Approval of the Agenda

APPROVED MOTION: Approval of the May 23, 2006 agenda

Motion by O'Connor, second by Márquez

APPROVED MOTION: Amend the agenda to move discussion of the FY 07 Invitation to follow the executive director's report

Motion by Fredriksson, second by O'Connor

APPROVED MOTION: Amend the agenda moving discussion of FY 07 Invitation to follow the herring workshop report but before monitoring projects

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

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

Attachment B

Page 1 of 5

Motion by O'Connor, second by Fredriksson

2. Approval of March 29 and May 9, 2006 meeting notes

APPROVED MOTION: Approval of the March 29 and May 9, 2006 Trustee Council meeting notes, noting inclusion of a motion by the Trustees in the May 9 notes to appoint Michael Baffrey as Executive Director

Motion by Fredriksson, second by Márquez

Public Advisory Committee (PAC) comments: Stacy Studebaker reported on the recently revised Public Advisory Committee Charter for the 2006-2008 term.

Public comment period began at 9:10 a.m.

One public comment was received.

Public comment closed at 9:15 a.m.

3. Integral Reports

WITHDRAWN MOTION: Motion to approve release of Integral's report for the peer review and to the public simultaneously and have EVOS staff compile the input to modify the report to create an update on the injured resources and services

Motion by Fredriksson, second by Márquez

4. Implementation of Herring Restoration Plan

DEFERRED MOTION: Motion to implement a Herring Restoration Plan effective to run in tandem with FY 07

Motion by Meade, no second

Deferred until of FY 07 Invitation discussion

Off the record: 10:10 a.m.

On the record: 10:28 a.m.

5. Implementation of Herring Restoration Plan

APPROVED MOTION: \$75,000 will be spent by the Trustee Council Restoration Office to develop a Pacific Herring Restoration Plan (Plan) for Prince William Sound. Funds will be used to support travel and logistics work sessions needed by a 6 – 8 person Restoration team to initiate planning efforts. Funds will also be used to pay for services of non-agency personnel to write, edit and review drafts of the Plan as it is developed. Finally, if remaining funds are available, they will be used to print, bind and distribute the Plan when completed. Initial efforts including selection of a Restoration team will begin in summer of 2006.

Motion by Meade, second by O'Connor

6. FY 07 Invitation – Trustee Council staff directed to revise the FY07 Invitation for Proposals with the suggestions from the Trustee Council, circulate it for final concurrence and issue it

Off the record: 11:58 a.m.

On the record: 1:00 p.m.

7. Monitoring projects

APPROVED MOTION: Motion to include the four monitoring projects in the FY 07 Invitation

Motion by Márquez, second by Pearce

APPROVED MOTION: Motion to fund monitoring projects 040624 - Batten, 040699 - Cokelet, 040614 - Okkonen, and 040340 - Weingartner in the absence of alternative funding, between the end of FY 06 and the date upon which

FY 07 funding is made available so that there is no disruption in collecting information for this period of time. FY 07 funding pursuant to the invitation is subject to approval by the Trustee Council.

Motion by O'Connor, second by Meade

8. Public Advisory Committee (PAC) Charter

APPROVED MOTION: Motion to approve submitting the PAC Charter for the term of October 2006-September 2008 to the Secretary of the Interior for approval

Motion by Pearce, second by Fredriksson

9. Small Parcel

FAILED MOTION: Motion to review parcels KEN 3001 – Corr, KEN 3002 – Russell/Long, KAP 3001 – Chokwak, and KAP 3002 – Capjohn and consider them in the broader context of the FY 07 Invitation

Motion by Fredriksson, no second

APPROVED MOTION: Motion to move forward with appraisals and HAZMAT inspections on parcels KEN 3001 – Corr, KEN 3002 – Russell/Long, KAP 3001 – Chokwak, and KAP 3002 – Capjohn (\$44,000)

Motion by O'Connor, second by Pearce

10. Trustee Travel Funds

APPROVED MOTION: Motion to approve additional \$4,800 for DOI, \$3,000 for ADF&G, and \$1,000 for ADEC travel funds

Motion by Meade, second by Fredriksson

APPROVED MOTION: Motion to amend previous motion to include \$4,500 for NOAA

Motion by O'Connor, second by Meade

11. Executive Session

APPROVED MOTION: Motion to move into executive session to discuss legal issues

Motion by Pearce, second by O'Connor

Off the record: 3:25 p.m.

Adjourned

NOTE: The Trustees adjourned from executive session at 4:00 p.m. without going back on the record or taking further action.