

**Briefing for PWSRCAC Board of Directors – September 2023**

**ACTION ITEM**

**Sponsor:** Joe Lally and Donna Schantz

**Project number and name or topic:** 5053: VMT System Integrity and Safety Culture Issues

1. **Description of agenda item:** Staff will provide an update on efforts to follow through on the recommendations contained in the Board-approved report titled “Assessment of Risks and Safety Culture at Alyeska’s Valdez Marine Terminal” by contractor Billie Garde dated April 2023. Staff is also seeking Board approval of a budget modification and corresponding approval to enter into a professional services agreement with Billie Garde for continued assistance following up on the report recommendations.

2. **Why is this item important to PWSRCAC:** Following an incident in late February/early March 2022 involving the crude oil storage tanks vents damaged by snow and ice at the Valdez Marine Terminal (VMT), PWSRCAC received numerous allegations regarding safety and environmental concerns at the VMT from current and former Alyeska employees. In response to these concerns, PWSRCAC retained contractor Billie Garde to assist in reviewing, validating, and assessing concerns related to system integrity and safety culture issues at the VMT. Billie Garde’s report concluded that “there currently is no reasonable assurance that the VMT is operating safely and in compliance with its regulatory requirements.” The PWSRCAC Board unanimously approved Billie Garde's report and its recommendations, and it is important for PWSRCAC to ensure that the concerns identified in the report are adequately addressed, and that the VMT is operating safely and in compliance with all regulatory requirements.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
XCOM	4/5/22	Authorized a transfer of \$50,000 from the contingency fund to a new project #5053 titled VMT System Integrity and Safety Culture Issues, and authorized the Executive Director to enter into a sole source contract with Ms. Billie Garde to assist with work under project 5053 VMT System Integrity and Safety Culture Issues.
Board	12/20/22	Authorized a budget modification from the contingency fund to project 5053: System Integrity and Safety Culture Issues in the amount of \$5,000; and authorized a \$5,000 increase to the agreement with Billie Garde for graphic design/publishing services, bringing the total contract amount for project 5053 to a not to exceed amount of \$55,000.
Board	4/14/23	Accepted the report titled “Assessment of Risks and Safety Culture at Alyeska’s Valdez Marine Terminal” by Billie Garde as meeting the terms of contract 5053.22.01.

4. **Summary of policy, issues, support, or opposition:** The PWSRCAC Board of Directors unanimously approved Billie Garde’s report and endorsed all of the report recommendations. Alyeska leadership has expressed that they are taking the recommendations in the report seriously and are addressing the concerns contained in it.

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- 5. **Committee Recommendation:** None.
  
- 6. **Relationship to LRP and Budget:** This action item requests to create project 5053 in the FY2024 budget. No funds are allocated for these efforts in FY2024 thus far.
  
- 7. **Action Requested of the Board of Directors:**
  - a. Authorize a FY2024 budget modification moving \$15,000 from the contingency fund to project 5053.
  - b. Authorize a professional services agreement with Billie Garde in the amount of \$15,000 to assist staff in following up on the recommendations contained in the report titled "Assessment of Risks and Safety Culture at Alyeska's Valdez Marine Terminal."
  
- 8. **Alternatives:** None recommended.
  
- 9. **Attachments:** None.