





































**VMT Operations:**

- **Operations:**

	<u>YTD 2020</u>
○ Tankers Loaded	140
○ Tankers Escorted	148
○ Barrels Loaded	108,905,837
	<u>Since start up</u>
○ Tankers Loaded	22,784
○ Tankers Escorted	14,101
○ Barrels Loaded	17,398,822,808

- **Safety:**

- Days away from work cases 0.00
- TAPS Combined Recordable Rate % 0.25\*  
(\*Morales noted that another incident was reported since this activity report was prepared, that of a cut finger that required stitches. The earlier incident was a fractured finger that led to amputation of the tip of the finger.)

- **Environment:**

- Spill Volume (Gallons) 1,453.02
- Number of Spills 9  
(Two boat spills of diesel and hydraulic fluid.)

- **VMT Administrative Sump Incident:**

Morales updated the report he gave at the May meeting on an incident discovered at the VMT on April 12, 2020, where oil was found in Port Valdez 700 feet away from Sump Pump 58 SU-3 with no visible flow path on the surface of the ground. Alyeska investigated and determined that there was a dual failure -- both the check valve failed (debris caused the valve to be stuck in the open position) and the level indicator failed on that sump pump. A culvert had since been cut and all waters coming through had been diverted to another sump and automatic pump to the ballast water treatment system and the culvert had been plugged. He updated the Board on actions taken by Alyeska since its initial mitigation measures and fixes:

Admin Sump Communications

- Weekly meetings on the Admin Sump Communication began May 13.
- As of September 9, those meetings have moved to bi-weekly.
- Changes/upsets are communicated as needed.
- Participants include: Alyeska, ADEC, USCG, BLM, and PWSRCAC.
- Standing meeting agenda per GL#44713 Enclosure D includes:
  - Shoreline cleanup and wildlife observations.
  - Water management.
  - Site characterization, remediation and delineation.
  - Engineering.

### Engineered Solution for Water Management

- Moved from shoreline to SU-6 week of 8/17/2020.
- Outfall is currently plugged and shoreline restoration is underway.
- Procedure is in place to use SU-6 for low flow and use pipeline to SU-15 for high flow.
- Level alarms are in place to monitor SU-6 level.

### **COVID-19 Response:**

[In response to the COVID-19 pandemic, Alyeska initiated an incident management team to limit the exposure and impacts to TAPS workers and facilities while maintaining personnel safety, environmental stewardship, and critical operations.]

Examples of actions taken to limit the impact of COVID-19 include:

- Development of processes and procedures for personnel and facilities.
  - Screening process.
  - Travel guidance.
  - Return to work guidelines.
  - Telecommuting process.
  - Site-specific isolation and evacuation plans.
  - Robust internal/external communication plan.
- To date, there was one COVID case reported on TAPS at the VMT. Contact tracing and isolation measures were implemented.

### **Fishing Vessel Availability by Port** (end of 2<sup>nd</sup> quarter 2020):

<u>Port</u>	<u>Tier 1</u>	<u>Tier 2</u>
Valdez	23	21
Cordova	36 (8 Rapid Resp.)	139
Whittier	6	26
Seward		28
Homer		50
Kodiak		34
<b>Totals</b>	<b>65</b>	<b>299</b>

### **Contingency Plan Activities:**

- VMT contingency plan Sensitive Area Protection (SAP) Amendment 2020-1:
  - Application submitted to ADEC on 1/29/20.
  - 30 days of Public Review from 2/21/20 - 3/21/20.
  - RFAs received on 5/25/20; Responses sent on 6/12/20.
  - 10 days of Public Review of RFAs from 7/6/20 - 7/17/20.
  - ADEC decision due by 9/23/20.
- VMT contingency plan minor Amendment 2020-3 for administrative updates submitted 9/9/20. ADEC response is pending.

## 2020 VMT/PWS Training & Exercises

- 2<sup>nd</sup> and 3<sup>rd</sup> Quarter Activities:
  - Quarterly exercises for Emergency Towing, Tethered Escorts, and Rapid Response Vessel Call-Out Drills.
  - GRS deployments for Solomon Gulch Hatchery & Valdez Duck Flats.
  - Protective booming of Saw and Seal Islands.
  - Six Current Buster 8/Crucial Skimmer Task Force Training Exercises.
  - Eleven Tug Open Water U & J Booming Training Exercises.
  - One *Valdez Star* Training Exercise.
  - One Decanting Training Exercise.
- Upcoming 2020 Exercises:
  - Nearshore Training Exercises 9/18/20 & 9/19/20.
  - Current Buster 8/Crucial Skimmer TF Training at Sheep Bay - 9/24/20.
  - Sawmill Bay Hatchery Triennial Deployment - 9/24/20 - 9/26/20.
  - Cannery Creek Hatchery Triennial Deployment - 9/29/20 - 9/30/20.

## 2020 Valdez Projects:

Morales reported that Alyeska had significantly pulled back on projects and maintenance because of COVID-19. Any project that could be pushed back was rescheduled to 2021, with the goal of keeping large concentrations of people from coming into the worksite areas.

- Z730 - VMT Berth 4 & 5 Gangway Replacement.
- Z757 - VMT Crude Oil Piping Over-Pressure Protection.
- Z773 - 2020 Ballast Header Inspection.
- 90s Tanks Retaining Wall Repairs.
- 80s Tanks Retaining Wall Repairs.
- Chemical Sewer Line Inspection.
- BTT Tank 74 Cleaning and Inspection.

Following his report, Morales took questions from the Board and made the following additional remarks.

In response to questions from Jim Herbert as to sheen on the water from the Admin Sump incident, the fibrous debris that caused the check valve to malfunction, and the procedures of the watch standards, Morales stated that there continued to be a sheen from the sump spill but it was tapering off. It was being continually monitored and booms were still in place. The fibrous material that caused the check valve to malfunction was being looked at, and Alyeska is making sure it is

properly screened. Alyeska is also looking at increasing protections as a result of the watch stander's failure to detect the failure of the check valve or the level switch.

Robert Archibald asked about the alarm systems on the sumps. Morales stated that in this instance it was a single point failure that caused the loss of both the float switch on the level alarm and the high-level alarm. Alyeska is looking at the entire system (i.e., all the sumps) to determine their failure modes, whether there is a single point failure, and then how to monitor that. Alyeska is also looking at whether remote monitoring at the Operations & Control Center (OCC) should be instituted, as opposed to relying solely on the high-level alarm.

Joe Lally asked about Project 757 Crude Oil Piping Over-Pressurization Protection and how Alyeska determined a pipe was over pressurized and whether there was any damage resulting from that. Morales stated that there was long stretch of pipe that was monitored for pressure. It heated in the sun and became over pressurized. Alyeska opened the block valve and released the pressure, and there was no damage. Alyeska investigated and did a complete engineering analysis and a report, and PWSRCAC staff should have a copy. He offered to have someone on his staff talk to PWSRCAC staff if they needed more info.

Amanda Bauer pointed out to Morales that PWSRCAC was not receiving the information it requested and needed for its Tank 8 review and the cathodic protection review. Bauer pointed out that PWSRCAC is mandated to do this review, and asked Morales how PWSRCAC could better obtain the information. Morales said it would be helpful if PWSRCAC could align its projects during the winter which is Alyeska's slower season. But Morales admitted that the main gap in this particular information exchange was his fault when it landed on his desk in the March-May timeframe. He said a lot of the requests were for record retrieval and that it may serve PWSRCAC better if record requests were narrowed in scope, rather than asking for "all records" relating to a subject. He emphasized that he did support PWSRCAC's requests, but it had been a tumultuous year for him with COVID and the summer activities.

Austin Love explained the inspection records requested and why the contractor asked for them.

Archibald asked about the proper vetting of the TK ship coming in for export cargo. Morales explained the general vetting and inspections which are performed before a vessel gets to the specific vetting for Prince William Sound. Alyeska then verifies that the ship specifications and equipment can meet Prince William Sound c-plan and equipment requirements. The vessel has to have its own vessel response plan, etc.

Morales concluded that it was important for everyone to stay vigilant and focused on task with all the changing situations.

*Lunch Recess: 12:05 p.m. - 1:00 p.m.*

### **3-1, 3-2 CONSENT AGENDA**

The consent agenda consisted of two items:

- 3-1 Rescue Tugboat Best Available Technology Assessment Contract Approval Delegation.
- 3-2 Marine Winter Bird Survey Contract Approval.

Mako Haggerty moved to approve the consent agenda, Dorothy Moore seconded, and the consent agenda was approved as follows:

- **3-1 RESCUE TUGBOAT BEST AVAILABLE TECHNOLOGY ASSESSMENT CONTRACT APPROVAL**  
Approval of a contract for Project 8010 Rescue Tugboat Best Available Technology Assessment with Glosten in an amount not to exceed \$63,475.
- **3-2 MARINE WINTER BIRD SURVEY CONTRACT APPROVAL**  
Authorization for contract negotiation with the Prince William Sound Science Center to conduct the scope of work for Project 9110 Marine Winter Bird Survey at an amount not to exceed \$39,000.

#### **4-4 REPORT ACCEPTANCE: 2019 DRILL MONITORING ANNUAL REPORT**

Project Manager Roy Robertson presented the 2019 Drill Monitoring Annual Report that summarized the drills and exercises attended, observed, and evaluated by PWSRCAC staff and contractors in 2019. Staff and the OSPR Committee requested Board acceptance of this annual report.

Amanda Bauer moved to accept the 2019 Annual Drill Monitoring Report for distribution. Thane Miller seconded, and the motion passed without objection.

#### **PRESENTATION BY HILCORP/HARVEST ALASKA ON ITS SPILL RESPONSE ORGANIZATION.**

Lori Nelson (Manager, Public Affairs), Diane Dunham (Senior Emergency Response Specialist), and Rob Kinnear (Business Development & Shipping Manager) for Hilcorp Alaska gave a presentation on Hilcorp Alaska's takeover of BP assets and its TAPS operations.

Lori Nelson introduced herself to the Board and gave a brief outline of her background. She announced that the TAPS transition approval from BP had been delayed and Hilcorp did not have an approval date at that time.

Diane Dunham gave a brief synopsis of her Alaska background, her experience in the industry, and Hilcorp Alaska's preparedness for response. She pointed out that Hilcorp addresses response internally and Hilcorp Alaska's internal incident management team is homegrown (Alaska) which has been trained from the ground up. It currently has approximately 300 trained responders.

Rob Kinnear also gave a synopsis of his Alaska background and his experience in the industry with BP and Tesoro. He stated that he is in contact daily with ATC and their team, and that there is a tight relationship between ATC and Hilcorp as the time charterer of ATC's ships. ATC has its c-plans in place for Prince William Sound and ATC captains are required to notify Hilcorp Alaska of any adverse event that happens. Kinnear went on to state that ATC has an agreement with SERVS for immediate response in the first 72 hours of a spill and that during that 72-hour

period the incident command would transition over to Gallagher (ATC's response action contractor).

PWSRCAC's Project Manager Roy Robertson asked about Hilcorp's plans to bring in external resources after the 72-hour initial response. Kinnear stated that ATC would be best to address that issue. Dunham added that Hilcorp has an incident management team (IMT) that is a little larger than BP's global team. Hilcorp has the same number of personnel as BP had, but they are not coming in from international areas. They are already within Alaska. In addition to its membership with SERVS, Hilcorp Alaska is working on a contract with Marine Spill Response Corporation (MSRC). There is also a mutual aid agreement among all of the other in-state oil spill removal organizations (OSROs). If Hilcorp could not obtain what it needed from SERVS, other OSROs would help.

Mako Haggerty asked how Hilcorp's communications were with Cook Inlet Regional Citizens Advisory Council (CIRCAC) during the gas leak in Cook Inlet in 2017. Nelson said that Hilcorp's communication exchanges were good and CIRCAC was involved in all of Hilcorp's drill scenarios. During the gas leak incident, CIRCAC had been a good disseminator of information to a large number of people and organizations. Nelson stated that as Hilcorp Alaska's public information officer she would be the main contact for Hilcorp in Prince William Sound.

Steve Lewis asked Kinnear about the oil spill response for a foreign-flagged charter. Kinnear explained that the agreements are in place with Alyeska/SERVS for the initial 72-hour response, then Hilcorp's IMT would step in. Dunham confirmed that Hilcorp would transition over from SERVS to its own resources either during or after the initial 72-hour response.

*[Roy Totemoff joined the meeting at 1:45 p.m.; 17 directors present.]*

Dunham stated that Hilcorp relies heavily on SERVS for response but will supplement with its own resources if necessary. When the need is there for more response in a spill, the Unified Command would be the one to make the decision whether additional resources should be brought in from other areas of the Alaska or out-of-state.

Jim Herbert questioned whether Hilcorp/Harvest Alaska would have the financial resources to reimburse the State of Alaska if the state had to step in during a response. Dunham reiterated that the decision to bring in state resources would be that of the Unified Command and the additional resources would be funded from the Oil Spill Liability Trust Fund (OSLTF). The reimbursements would be worked out later with the USCG and the OSLTF. Kinnear added that in order to bring a vessel in to Prince William Sound, Hilcorp has to prove its financial responsibility through a parent company guaranty, bonding or, in the case of Hilcorp, an insurance policy that is to be paid immediately.

In response to concerns voiced by Robert Beedle, Dunham stated that she understood the concerns about Hilcorp's ability to respond to a spill immediately. She emphasized that Hilcorp relies heavily on SERVS to make sure a Hilcorp spill is covered. Hilcorp does not have its own oil spill removal organization but will augment with its own responders when necessary. Beedle countered that those

additional responders would still need boats and boom (and other resources) to effectively respond.

Robert Archibald asked at what point the responsibility for a spill from a foreign-flagged vessel would transfer. Dunham stated that a Hilcorp foreign-flagged vessel would be operating under the Hilcorp North Slope c-plan. Harvest Alaska, LLC, is the agent for that and Hilcorp would be the responsible party for cleaning up the spill anywhere in state waters. Kinnear confirmed that Hilcorp was the owner of the oil until it exits state waters and Hilcorp is responsible for it for that entire duration.

Kinnear expanded on issues relating specifically to foreign-flagged vessels and others in the Alaska fleet that are in shipyards because of summertime shipyard delays caused by the COVID-19 pandemic worldwide. Kinnear stated that there is likely to be more foreign-flagged vessels (operating in Prince William Sound) this winter than other winters because of the shipyard backups. Archibald stated to Kinnear that the Council would appreciate notice when foreign-flagged vessels come into Prince William Sound trade and would like information on the pre-vetting that is done, generally, and specifically the vetting for Prince William Sound trade. It would give PWSRCAC a better sense of security as to these vessels. Kinnear went on to give vetting specifics of the *Zenith Spirit* that was coming into Prince William Sound shortly.

Alyeska's Morales added that Alyeska has a lot of additional contracts that it maintains beyond SERVS, but the vast majority of spill response resources in the Western Hemisphere are between MSRC and SERVS. SERVS also has the ability to reach out to OSROs in Alaska and the Lower 48, has contracts for additional labor, and implementation of the Tier 3 fishing vessel program. Morales emphasized that there is a lot that happens in the first 72 hours of a spill when SERVS is the primary response action contractor.

Steve Lewis cautioned that conditions for responders in Prince William Sound or Cook Inlet are vastly different from the North Slope and he strongly urged Hilcorp to consider this fact and to provide extensive Prince William Sound and Cook Inlet-specific training for its response personnel.

Morales explained the logistics of transitioning equipment and personnel after the 72-hour initial response from SERVS to a primary response action contractor.

Archibald emphasized to Hilcorp that Alaska's 470 Fund (SPAR Response fund) is going to be limited. The present financial conditions of ADEC and SPAR look strapped, so in the event Hilcorp needed to depend on state assets as far as financial response goes, it might be limited. Dunham responded that Hilcorp would be looking to the state for personnel, not for equipment resources. Nelson added that looking to the state is something Hilcorp never wants to do. She emphasized that Hilcorp has the financial capability to respond and treats the availability of state resources as a last resort.

Archibald thanked the Hilcorp representatives for coming to this meeting, answering questions, and helping the Council understand their corporate structure, operations, and response capabilities.

*Recess: 2:35 p.m. - 2:45 p.m.*

**4-3 REPORT ACCEPTANCE: METAGENETIC ANALYSIS OF PRINCE WILLIAM SOUND PLANKTON SAMPLES.**

This agenda item sought Board acceptance of the report titled “Metagenetic Analysis of 2018 and 2019 Plankton Samples from Prince William Sound, Alaska.” The overall goal of the analysis was to identify any marine invasive species in samples taken in 2018 and 2019. Project Manager Austin Love provided a summary of the results and Dr. Jonathan Geller of contractor Moss Landing Marine Laboratory was online to answer questions from the Board.

Love summarized the key points and findings of the report, as follows:

- No alarming species identified to date in Prince William Sound.
- Need to monitor in and around harbors.
- Expand genetic databases.
- Combine monitoring methods.
- Increase sampling frequency.

Following the briefing the Board was asked to accept the report.

Dorothy Moore **moved to accept** the report titled “Metagenetic Analysis of 2018 and 2019 Plankton Samples from Prince William Sound, Alaska” by Dr. Jonathan Geller, Melinda Wheelock, and Martin Guo dated April 13, 2020, as meeting the terms and conditions of Purchase Order 17255, and for distribution to the public. Robert Beedle **seconded**, and the **motion passed** without objection.

**Recess:**

The meeting recessed for the day at 3:12 p.m., to reconvene the following day.

**Friday, September 18, 2020.**

**CALL BACK TO ORDER**

President Archibald called the meeting back to order at 8:30 a.m. on September 18, 2020. A roll call was taken. There were 18 Directors present at the time of the call back to order: Archibald, Bauer, Beedle, Bender, Chadwell, Cutrell, Donaldson, Faulkner, Haggerty, Hasenbank, Malchoff, Miller, Moore, Shavelson, Skinner, Vigil, Totemoff, and Zinck.

**UPDATE ON ADEC REGULATORY REFORM SCOPING PROCESS BY ADEC COMMISSIONER JASON BRUNE**

ADEC Commissioner Jason Brune updated the Council on the department’s regulatory scoping process, SPAR Division funding, and other issues. He was joined by SPAR Director Denise Koch during this update.

Commissioner Brune prefaced his address to the Council by congratulating Craig Ziolkowski on receiving the Governor’s Denali Peak Performance Award for Customer Service Excellence and wished him well in his future endeavors as he departs the agency.



Commissioner Brune went on to review the agency's regulatory reform scoping efforts to Article 4 of 18 AAC 75 and Alaska Statute 46.04 and updated the Council on its current status. He reported that 130 comments were received during the public comment period and all the comments were posted online. Staff is going through the statutes and the regulations line by line, twice a week, along with the comments. He reported that ADEC staff had had discussions about aligning 18 AAC 75.445 and 18 AAC 75.425, as well as adjustments to the best available technology provisions, but there were no definitive proposals at that time. ADEC staff is still working through the process. Commissioner Brune stated that he did not know when any proposed regulations would be ready for public review, but there would be a 60 to 90-day comment period and ADEC would give as much notice to the regional citizens advisory councils as possible. He also noted that ADEC would continue to accept additional comments or ideas during this ongoing scoping process. He wanted it to be a completely transparent process. At the conclusion of the status report, the Commissioner took questions from the floor.

In response to a question from Jim Herbert about proposed changes in the statutes that would need legislative action, Commissioner Brune stated that he had been asked to give draft legislative updates a few weeks previously and that was submitted, but there were no specific recommended changes to statutes at that time. He stated that agency staff was going through everything line by line, as the agency wants to understand the comments and to justify what is currently in the regulations. He also confirmed that everything is on the table, whether crude oil or refined products. He said he wanted to make sure that the agency understands every comment before it proposed any changes.

Thane Miller asked the Commissioner to address the agency's long-term funding and specifically that of the SPAR Division, the 470 Fund, and the efforts ADEC has made to ensure full funding of SPAR and ADEC in the future. Commissioner Brune said he saw that the 470 Fund would not be sufficient in four years' time to run the SPAR Division at current levels when he assumed his position as commissioner. Several department positions were eliminated. Concurrently, ADEC worked with the Administration to propose an increase in the refined fuel tax to bring more to the 470 Fund. Unfortunately, that legislation stalled because of the COVID-19 shutdown during the past legislative session. Brune stated that the approach remains the same - to ensure sustainability of the Fund -- and one effort is to increase the refined fuels tax. He pointed out that the SPAR Division has no general fund appropriation and he is looking at that. Noting that some contaminated sites are not oil related, the use of the 470 Fund and the refined fuels tax monies may not be appropriate. He stated that increased oil production on the North Slope and in Cook Inlet would solve the problem of the SPAR budget. He stated that he planned to raise the issue of general funds with the Office of Management & Budget later that day as part of his department's 2022 budgeting process. He pointed out that a general fund pitch would be difficult to achieve at this time and in the current political climate.

Bob Shavelson expressed concern about the "brain drain" of the experience and knowledge from the department, as personnel like Craig Ziolkowski leave. He emphasized to Brune that it is not only the number of personnel leaving but the quality of experience that will be missing from the department going forward.

Shavelson went on to ask about the use of SPAR's Response Fund for PFAS contaminated sites.

Brune acknowledged that the loss of experienced personnel was a concern for him also. He noted that there had been a 33% annual turnover rate in state employees generally and 20-25% in ADEC. He stated that he was trying hard to reverse that trend.

As to the \$9.4 million that was allocated by the legislature for PFAS contamination, the Commissioner stated that ADEC has created a reimbursable services agreement for airports contaminated with PFAS in the state. He assured that, as of that date, ADEC is not going to buy equipment for an in-state testing lab. SPAR Division Director Denise Koch added that ADEC had spent only a few hundred thousand dollars of the \$9.4 million appropriation because bills were only just starting to come in. Koch stated that ADEC has tested the high-risk airports for PFAS and was now working through the medium risk and then the low risk locations. Brune added that ADEC has a responsibility to recover monies it can from responsible parties.

Steve Lewis commented that it is a known fact that increased production would not bail out the 470 Fund's fiscal problem and he urged the Commissioner to look to other areas for funding. Brune said he saw great opportunities, but ADEC was looking at other revenue sources.

Wayne Donaldson pointed out that in his comments on the scoping process, he had highlighted the importance of the commercial fishing industry in the region and its value of over \$1 billion/year. He asked the Commissioner if there would be an economic analysis that would look at the impact on the economy of the oil spill region, employment, and all user groups if there were proposed changes to regulations. Commissioner Brune stated that ADEC has a responsibility to do an economic analysis of any regulatory package it proposes, so there would be an economic analysis of any proposed regulatory changes but he was not sure it would include all user groups. He said he would like to hear more from Donaldson as to how he would anticipate changes would impact the fishing industry so Brune could better understand Donaldson's perspective. Donaldson stated that it was difficult to do that without knowing the proposed changes, but anything that increased the risk of an oil spill would directly impact not only commercial fisheries but subsistence and sport fisheries, charter boat industries, and possibly hunting. Donaldson emphasized that those were all important sectors of the oil spill region and he pointed out that in 1989 all those sectors were shut down for at least a year, and some for several years because of the EVOS spill, all of which resulted in severe economic impacts to the region.

Commissioner Brune assured that ADEC would do nothing that would increase the risk of an oil spill with any regulatory changes that ADEC may propose. He went on to say that he was looking at all industries and their impact on the environment to ensure that regulations reduce environmental impact across all industries.

In response to a question from Executive Director Schantz about the agency accepting additional comments, Commissioner Brune stated that agency staff have asked for clarification of comments in some instances, mostly verbal. He emphasized that it was important for his staff to understand what the comments

meant, so if the agency proposed regulatory changes that they make sense. He committed that if additional comments are submitted in writing, they would be shared with PWSRCAC.

Archibald mentioned an article he saw about a federal executive order bonding new oil wells. Brune confirmed he had seen it, had sent it to Director Koch, and they will be looking at that to see if it puts Alaska at any additional risk.

Archibald thanked the Commissioner and Director for attending the meeting and engaging with the Board.

#### **ALASKA DEPT. OF FISH & GAME PRESENTATION ON SUBSISTENCE WAY OF LIFE REPORT**

Project Manager Austin Love introduced a draft report presentation by ADF&G's Division of Subsistence on a project that looked at changes over time in subsistence harvest of natural resources in the EVOS-impacted communities and attempted to determine what was causing observed trends. This project was conducted by ADF&G on behalf of the Council. Love gave a brief background of the project. Love pointed out that the draft report was reviewed by the SAC and ADF&G had since revised its report based on SAC's comments.

Jackie Keating, one of the leading researchers in the Division of Subsistence, gave an overview of the project. The project did not entail the gathering of subsistence harvest data, instead it used data previously collected by ADF&G. Through this project a large amount of historic subsistence harvest data (pre-1989 to 2014) was organized and interpreted in a new way.

The results were summarized into the draft report, which was included in the meeting notebook as Attachment 4-5. Keating presented its key findings.

The report was being presented in draft at this meeting because some of the key ADF&G staff for the project would be unavailable to present the final report at the Board's January 2021 meeting because of other work priorities. Council staff were not anticipating significant changes between this draft and the final version of the report. If significant changes were made to the final report, they will be presented by Council staff during the January 2021 Board meeting, when acceptance of the final report will be requested.

In response to a question from Ben Cutrell, Keating confirmed that the research team factored in changes in subsistence regulations over the years and the effects they may have had on the subsistence harvest levels. Keating said nothing they saw in terms of this project indicated any overwhelming changes to access in those regulations that may have affected the harvest levels.

*(This was an informational item. No action was requested of the Board.)*

*Recess: 9:55 a.m. - 10:05 a.m.*

#### **4-6 CONNECTING WITH OUR COMMUNITIEIS LOGO ADJUSTMENT**

The Board was asked to take action on the recommendation from the Information & Education Committee (IEC) to approve a logo adjustment developed through project

3620 - Connecting With Our Communities. Director of Communications Brooke Taylor reviewed the history of the project and introduced the action item to the Board. A briefing sheet was included in the meeting notebook at Item 4-6, along with the proposed logo adjustments.

Heidi Embley of contractor Helvey Communications explained the challenges with the current logo, the process of developing the proposed adjustments, and introduced the two options that the Council was asked to choose from.

Executive Director Schantz pointed out that a lot of work had gone into this project by staff and the contractor. Schantz also said the logo update was only one piece of Project 3620, and a number of other deliverables were dependent on a decision at this time. She encouraged the Board to consider the recommendation of the technical committees on the logo adjustments.

Directors were given the opportunity to express their likes, dislikes, and preferences of the two options presented.

President Archibald called for a verbal poll (by roll call) which would be followed by a vote to adopt whichever version had the highest number of votes in favor.

Roll Call Poll - Version 1 or Version 2 logo option:

Robert Archibald	Version 2
Amanda Bauer	Version 1
Robert Beedle	Version 1
Mike Bender	Version 1
Ben Cutrell	Version 2
Rob Chadwell	Version 1
Wayne Donaldson	Version 2
Patience Andersen Faulkner	Version 2
Mako Haggerty	Version 1
Luke Hasenbank	Version 1
Melvin Malchoff	Version 1
Thane Miller	Version 2
Dorothy Moore	Version 1
Bob Shavelson	Version 1
Rebecca Skinner	Version 2
Roy Totemoff	Version 1
Michael Vigil	Version 1
Kirk Zinck	Version 2

(11 in favor of Version 1, 7 for Version 2.)

Following the preference poll, Amanda Bauer moved to adopt Version 1 logo adjustment as the new logo for the Prince William Sound Regional Citizens' Advisory Council. Rob Chadwell seconded, and the motion passed with one opposed (Miller).

Taylor then asked the Board to consider and make a decision on the next adjustment to the Council's logo (i.e., whether to drop the apostrophe from the

Council's name: Prince William Sound Regional *Citizens'* Advisory Council). The briefing sheet 4-6 set out the reasons for this request.

President Archibald asked the Board to express its preference by a verbal poll (by roll call) to be followed by formal action to adopt the majority preference.

Roll Call Poll: To Keep or Drop the Apostrophe from the Council's name:

Robert Archibald	Keep
Amanda Bauer	Drop
Robert Beedle	(Abstained)
Mike Bender	Drop
Ben Cutrell	Drop
Rob Chadwell	Drop
Wayne Donaldson	Keep
Patience Andersen Faulkner	Keep
Mako Haggerty	Keep
Luke Hasenbank	Keep
Melvin Malchoff	Keep
Thane Miller	Keep
Dorothy Moore	Drop
Bob Shavelson	Drop
Rebecca Skinner	Drop
Roy Totemoff	Keep
Michael Vigil	(Abstained)
Kirk Zinck	Drop

(Tie: 8 to Keep, 8 to Drop.)

Following the poll, Thane Miller moved to keep the apostrophe in the Council's name. Wayne Donaldson seconded, and the motion passed.

Taylor thanked all the committee members who worked on the project. Archibald recognized Taylor for all her efforts on this project.

**4-1 FY2020 FINANCIAL AUDIT ACCEPTANCE**

Gregory Dixon introduced Joy Merriner of BDO, the Council's auditors who presented the Council's June 30, 2020 audited financial statements and audit report.

Joy Merriner went through the results of the audit and the process. She said BDO planned to issue an unmodified (clean) opinion. She noted that auditors were seeing COVID-19 impacts on financial statements generally, but it was less of an impact to PWSRCAC in that its revenue is not dependent on sales or restaurant/hospitality revenue, but some supply issues may impact how operations are affected going forward.

Merriner reported that it was a clean audit and there were no audit adjustments. Some internal controls changed with COVID-19, as staff worked from home, etc., but there were no adverse impacts.

Executive Director Schantz recognized Dixon's work since 2001 with no significant adjustments in annual audits. She thanked him for his exceptional work efforts.

There was a general discussion by the Board of the protection of the organization's funds on deposit at First National Bank Alaska (FNBA) and the risk versus benefit of the repurchase agreement with FNBA given the current low interest rates. *(No action was taken as a result of the discussion.)*

Michael Vigil moved to accept the June 30, 2020 audited financial statements and audit report. Mako Haggerty seconded, and the motion passed without objection.

*Recess: 11:33 a.m. - 11:43 a.m.*

#### **4-11 APPROVAL OF BUDGET MODIFICATIONS**

The Board was asked to approve modifications to the FY2021 budget as outlined in Attachments A and B to the 4-11 briefing sheet, in the meeting notebook. These adjustments were necessary to account for timing differences between the actual start and completion of projects or because new information was available that was not known at the time of the original budget approval. The Finance Committee reviewed the adjustments and recommended Board approval. Financial Manager Gregory Dixon reviewed the adjustments with the Board:

- A deduction of \$146,545 from the Alyeska contract payment (pursuant to the contract addendum finalized with Alyeska in June 2020 which will apply to payments in FY2020-2021).
- Adjustments for projects that were scheduled to finish in FY2020 and needed to be carried over to FY2020-2021.
- Modifications as a result of the impact of COVID-19, such as travel and other expenses that would not be incurred, etc.
- The addition of \$248,854 of actual undesignated net assets, which was the difference between Dixon's original estimate and the actual amount on the audited financial statements. Dixon pointed out that if the Board approved these modifications, it would be using all the undesignated net assets available.

Amanda Bauer moved to approve the FY2021 budget modifications as listed on Attachment A to the provided briefing sheet (4-11), with a total revised contingency in the amount of \$102,079. Thane Miller seconded, and the motion passed without objection.

#### **PRESIDENT'S REPORT TO THE BOARD**

President Archibald followed up on some of the comments from the previous day on the problems encountered by the shippers to meet USCG certifications during the pandemic, noting it was a tough time for shippers and mariners.

He also noted the many maritime casualties around the world that had occurred since COVID-19 appeared where the virus was showing what pressures can do to everyone. Archibald pointed out that there had been 26 major incidents in the maritime industry in the past year, many resulting from a rash of bad decisions. Archibald said that from massive wildfires to hurricanes and the COVID-19

pandemic, never had he seen so many being affected by events and forces beyond their control, and that everyone was in a very vulnerable time because of these pressures. Every day the news points out another incident. As an Alaska resident and a representative of PWSRCAC, he thanked those workers who were enduring these hardships and maintaining the utmost dedication to their profession and keeping in mind that not to do so would jeopardize Alaska's environment, the safe movement of oil in TAPS, the safe operation of tankers, and the lives of their coworkers. He said that as a long-time Alaskan he realized the stresses that everyone was under, but that a bad decision was one that should never be made. He urged everyone to maintain vigilance and make the best decisions, so there was only a positive outcome, and so Alaska did not become a statistic as it had in the past.

*(This was an information item. No action was requested of the Board.)*

## **2-1 EXECUTIVE DIRECTOR'S REPORT TO THE BOARD**

A written Executive Director's Report was previously distributed to the Board ahead of the meeting. In addition to her written report, Executive Director Schantz added the following comments:

- A COVID-19 mitigation plan for opening the Council's offices was in place. A couple of staff were working regularly in the Anchorage office; otherwise all staff were working from home and coordinating times when someone needed to be in either office temporarily, such as to pick up files, etc.
- The remodel of conference room in the Valdez office was ongoing and going well.
- A limited number of staff would start permanently working from both offices in the near future and all staff will return when it is safe to do so. Schantz said it was fortunate that staff were able to work effectively from home during this uncertain time.
- She spoke of the challenging times for everyone with so many distractions and emergency events going on. She emphasized that despite all of the distractions, PWSRCAC could not let its guard down on safety and prevention of oil spills.
- She gave an overview of the letter that the LAC delivered to Alaska's congressional delegation about making sure Alaska maintains one of the best and most effective oil spill prevention and response system in the world (i.e., the system at the VMT and the TAPS oil tankers). The letter also expressed the Council's concern about the rollbacks of regulations, oversight, and enforcement of many environmental laws and key regulators calling regulations "unnecessary and too burdensome" for industry; and the budget cuts and cutbacks in staffing levels across all key state and federal oversight agencies.
- There was now only one BLM employee overseeing TAPS operations in Valdez and while all agencies have experienced reductions, the most significant cutback is oversight of TAPS. This is very concerning to PWSRCAC.

- Schantz commended ADEC staff in Valdez for doing an amazing job under the present circumstances, especially Anna Carey's team. ADEC, along with other agencies, has experienced significant reductions in funding and staffing levels, and there are significantly fewer staff to do all the planning, training and responding to spills. This was a lot of responsibility to supervise and oversee. Schantz said she had heard rumor that agency credit cards had been suspended, it was difficult for ADEC staff to get funding for core duties, and public statements from ADEC staff or other agencies had to be run through management channels, such that staff are effectively muzzled, for the most part, in fear of touching on a controversial topic in public. She emphasized that she had not heard these rumors from ADEC personnel in Valdez but rather from SPAR staff who had recently left the department. She said she was disappointed to hear at this meeting that Craig Ziolkowski was also leaving SPAR and his departure, along with the loss of other SPAR positions, would be a huge loss to the division and will only add to the "brain drain" that Bob Shavelson mentioned. She pointed out that the remaining SPAR staff were so busy they were mostly in a reactive mode with no time to be proactive, which did not dovetail well with the agency's oil spill prevention responsibilities.
- She wished Craig Ziolkowski well in his future endeavors and said he would be missed as the ADEC representative for the Council.
- PWSRCAC has serious concerns about ADEC staffing and oversight, in addition to the unsustainability of the 470-Fund, and if the revenue stream is not solved, there will not be a SPAR Division in the future, and there will be no one to enforce the regulations.

In wrap up, Schantz stated that PWSRCAC had a lot of work to do in the midst of a pandemic. There has been the recent slump in oil prices, with industry looking for ways to reduce costs, the declining trend in TAPS throughput, and a new majority owner of TAPS coming on that has a reputation for cutting costs. There are serious problems with USCG communications and a complete breakdown of critical radar systems needed to track vessels. PWSRCAC was raising these issues in the hope that they can be rectified before there is another major accident. She emphasized that PWSRCAC needed to do whatever it could in its advisory role to encourage efforts to address these concerns. If these risks are weakening the oil spill prevention and response systems that were put in place to prevent another disaster like the EVOS, that is the type of complacency that PWSRCAC was put in place to prevent. She emphasized that it was a critical time in the Council's history and PWSRCAC needed to find creative and constructive ways to protect Prince William Sound and the downstream communities. She recognized all the volunteers and staff and the expertise they all bring to the Council and she thanked everyone for their support.

*(This was an information item. No action was requested of the Board.)*

## **2-2 FINANCIAL MANAGER'S REPORT TO THE BOARD**

Gregory Dixon updated the Board on financial matters and outlined the items he would be working on in the near future:



Sometime in October, Council staff would go through the financial statements and identify additional budget modifications that may be required and adjustments that needed to be made. There would be a Finance Committee meeting in October to go over renewal of insurance policies, including how worker's comp insurance may be affected because of staff working from home. The committee will also review and discuss what is likely to occur with the organization's group health insurance, which was scheduled to renew on January 1, 2021. If there is another huge increase in premiums, then the Board may have to visit whether it is fiscally feasible to offer it or whether other options should be considered.

Dixon stated that the Council's IRS Form 990 informational tax return would be extended until May 15, 2021.

He stated that he would be moving to half-time hours in the near future. He noted that it will be challenging to train someone during the reduced staff in-office hours because of the pandemic, as the work really had to be done in the office where all the records are located.

On the issue of the option to defer payroll deductions and taxes under President Trump's recent executive order, Dixon reported that PWSRCAC had elected not to participate because those deferrals would eventually have to be paid.

Dixon cautioned that there is a heightened awareness of computer security issues with people working from home and staff is making recommended updates to the network. Cisco would be doing a major update to server security shortly. Staff are periodically tested on phishing security issues through test emails; everyone passed the last test. The Council's computers were recently upgraded to the latest version of FileMaker software which is used for the Council's document management system.

*(This was an information item. No action was requested of the Board.)*

*Lunch Recess: 12:17 p.m. - 1:00 p.m.*

#### **AVTEC VIRTUAL SIMULATOR DEMONSTRATION**

Steve Fink, AVTEC, Simulator Technician & Operator, presented a virtual demonstration of the AVTEC maritime training simulator, who uses it, and its capabilities.

*(This was an information item. No action was requested of the Board.)*

#### **4-7 LONG-RANGE PLANNING**

Director of Programs Joe Lally brought to the Board for approval a list of proposed protected projects for the upcoming Long-Range Planning (LRP) cycle. The proposed protected projects were included in Attachment A to the briefing sheet at Item 4-7.

Lally reported that the committee had seated Cathy Hart as Chair at a recent meeting.

Lally encouraged each Board member to take individual action over the next several months by identifying potential projects and participating in the LRP process. Steve Lewis also strongly encouraged each Board member to give input to the process.

Amanda Bauer moved to approve the protected project list for the upcoming LRP process as presented in Attachment A to the Item 4-7 briefing sheet. Each Director was also asked to take individual action over the next several months by participating in the LRP process. Dorothy Moore seconded, and the motion passed without objection.

#### **4-8 APPROVAL OF PROPOSED AMENDMENTS TO PWSRCAC BYLAWS**

Director of Administration Walt Wrede introduced a proposed amendment to Section 3.8 of the PWSRCAC Bylaws entitled "Meetings by Telephone." The proposed amendment explicitly provided that the Board, the Executive Committee, and other committees designated by the Board can conduct meetings by videoconference. In addition, the current Section 3.8 is narrowly focused on a member attending by phone or other electronic means if she/he is not able to attend in person. The amendment authorizes the entire meeting to be conducted by electronic means. The proposed bylaw amendment was included in the meeting notebook as an Attachment under Item 4-8.

Amanda Bauer moved to approve the proposed amendment to Section 3.8 of the PWSRCAC Bylaws as presented in the Attachment to the Item 4-8 briefing sheet as recommended by the Board Governance Committee. Mako Haggerty seconded.

A roll call vote was taken, as follows:

Robert Archibald	Yes.
Amanda Bauer	Yes.
Robert Beedle	Yes.
Mike Bender	Yes.
Ben Cutrell	Yes.
Rob Chadwell	Yes.
Wayne Donaldson	Yes.
Patience Andersen Faulkner	Yes.
Mako Haggerty	Yes.
Luke Hasenbank	(No response.)
Melvin Malchoff	Yes.
Thane Miller	Yes.
Dorothy Moore	Yes.
Bob Shavelson	(No response.)
Rebecca Skinner	Yes.
Roy Totemoff	Yes.
Michael Vigil	Yes.
Kirk Zinck	Yes.

The motion passed by 16 affirmative votes (2/3rds vote). The amendment passed and reads as follows:

*3.8 Meeting by Telephone or Videoconference. The Board of Directors, Executive Committee, and any standing or designated committees established*

*by the Board are authorized to meet by teleconference or through other electronic communications media, including video conferencing, so long as all members may simultaneously hear each other and participate in the meeting.*

*For in-person meetings, members of the Board or any committee designated by the Board may participate in a meeting of such Board or designated committee through use of a conference telephone call, video conferencing, or similar electronic communications media. Participation by such means shall constitute presence in person at the meeting.*

#### **4-9 APPROVAL OF BOARD POLICY AMENDMENTS**

Director of Administration Walt Wrede introduced proposed amendments to the Board Policies. The proposed amendments were included in the meeting notebook as an Attachment under Item 4-9. The proposed amendments were primarily policy updates, edits for clarifications purposes, and new cross-references so that policies are easier to navigate. There was one new proposed policy related to vessel charters and one policy proposed for deletion dealing with exceptions to policies (because it was redundant).

Amanda Bauer moved to adopt the amendments to the Board Policies forwarded by the Board Governance Committee (as presented in the Attachment to the Item 4-9 briefing sheet). Dorothy Moore seconded, and the motion passed without objection.

#### **4-10 SCHEDULING OF PWSRCAC DECEMBER 2020 EVENTS**

Executive Director Schantz, on behalf of staff, asked for Board guidance on how to proceed with the upcoming December 2020 events and the January 2021 Board meeting, all of which would be impacted by the most recent State of Alaska COVID-19 guidelines and directives, and the advisories and prevention directives from the CDC. The December events impacted would be Science Night, the Volunteer Workshop, and Volunteer Party.

Schantz noted that with the current COVID situation, PWSRCAC would not be able to conduct these events as in the past under the present local government COVID-19 restrictions. As an organization that prides itself on prevention, it seemed prudent to cancel these events as in-person gatherings for 2020. Because the Council's in-person connections are so important, Betsi Oliver was working on improving the virtual interactions. It was Schantz's recommendation that the Board direct staff to cancel the December in-person events and the in-person January 2021 Board meeting and staff would work on possible alternatives.

Mako Haggerty moved to cancel all the December 2020 in-person events (Science Night, Volunteer Workshop, and Volunteer Party) and the January 2021 Board meeting because of COVID-19 and COVID-19 restrictions, with staff to work on holding these events virtually. Thane Miller seconded, and the motion passed without objection.

#### **CONSIDERATION OF CONSENT AGENDA ITEMS**

(None.)

**CLOSING COMMENTS**

Directors were given the opportunity to make closing comments.

Steve Lewis stated that his own experience indicated it would take six to ten years to bring a new oilfield online and SPAR would be out of money in two. He encouraged the Board to push for increased funding sources for SPAR.

Mako Haggerty requested more information at the next Board Meeting on the Barry Arm Landslide/Tsunami risks.

**ADJOURNMENT**

There being no further business to come before the Board, **the meeting was adjourned at 2:30 p.m., on a motion made by Robert Beedle and seconded by Amanda Bauer and passed without objection.**

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Secretary

DRAFT