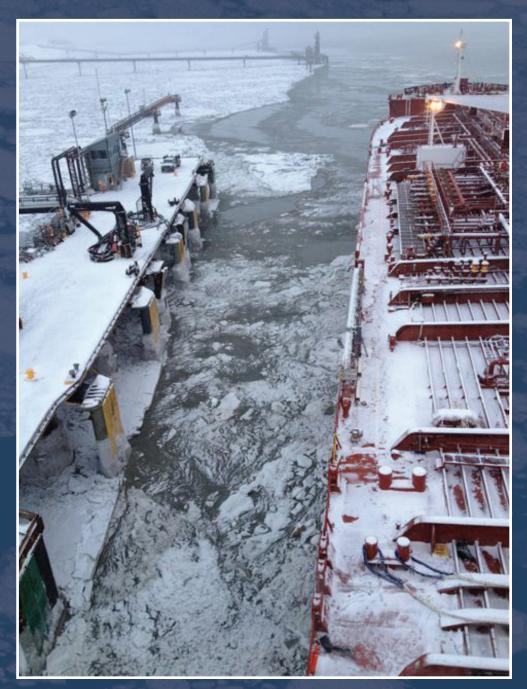
Cook Inlet Regional Citizens Advisory Council Annual Report 2014



MISSION

To represent the citizens of Cook Inlet in promoting environmentally safe marine transportation and oil facility operations in Cook Inlet.



Message from the President and Executive Director John Williams and Michael Munger

Perhaps no year in recent memory has warranted our mission as much as 2014, with new and established companies drilling more wells, revisiting old sites and opening up new areas of exploration. Some producers were more successful than others. The departure of Buccaneer Energy, LLC, its eventual bankruptcy, and the arrival of different operators to pick up the pieces changed Cook Inlet's dynamics. The steps forward, the missteps, and the heightened activity throughout the Inlet make it clear that citizen oversight is even more crucial and that the Cook Inlet Regional Citizens Advisory Council's (CIRCAC) scientific studies, thorough reviews, and successful partnerships will continue to play an important role in protecting Cook Inlet's waters, wildlife and resources.

CIRCAC ended the year reaching two significant milestones. With our partners in the US Coast Guard and Alaska Department of Environmental Conservation, we completed Cook Inlet's first comprehensive Navigation Risk Assessment. CIRCAC has worked diligently since 1999 to convince the state and federal regulators to conduct the Cook Inlet Risk Assessment (CIRA), knowing it was a critical first step to considering any additional regulations pertaining to navigational safety in Cook Inlet. In December 2014, the CIRA Management Team and Advisory Panel of Experts approved the report, which includes thirteen recommendations for mitigating risks to navigation in Cook Inlet's harsh environment. This year's Annual Report is dedicated to this major project to highlight its importance to our body of work.

Second, we accomplished our goal of securing a more stable funding base. On December 18, 2014,

Cover: Just off the dock at KPL (Courtesy of Overseas Shipping Group) Inside cover and p1: Outside of Alitak Bay (Alaska ShoreZone)



President Obama signed into law S2444, the US Coast Guard Authorization Act. S2444 provides CIRCAC an aggregate amount of not less than \$1,400,000 annually with adjustments for inflation, thereby establishing CIRCAC with a base funding level, instead of the funding cap that was included in our original founding legislation. As long as crude oil is being produced and/or transported in the Cook Inlet area, we will be guaranteed funding at this level. Passage of the US Coast Guard Authorization Act means we can look ahead to 2015 with more financial stability. We thank Senator Mark Begich for sponsoring the bill and our entire Congressional Delegation for their support.

CIRCAC has been recertified annually without exception since 1990. This year we were thankful for the more than 50 letters of support for our 2014 recertification. We cannot do our job without the confidence of our industry and agency partners, stakeholders, and citizens of the region.

Because of our successes, CIRCAC continues to broaden its stakeholder representation. In 2014, we welcomed three certified organizations to our membership, including the Native Village of Eklutna, the Anchorage Waterways Council and the Great Land Trust.

In 2015 we commemorate our 25th Anniversary. With the risk assessment completed, we head into the next decade with renewed commitment and energy, knowing that we are making tangible and enduring contributions.

BOARD OF DIRECTORS



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MICHAEL OPHEIM ALASKA NATIVE GROUPS



WALT SONEN CITY OF SELDOVIA



SCOTT SMILEY KODIAK ISLAND BOROUGH

CERTIFIED ORGANIZATIONS

Aquaculture

Cook Inlet Aquaculture Association Kodiak Regional Aquaculture Association

Commercial Fishing

Alaska Groundfish Data Bank Alaska Whitefish Trawlers Association Kenai Peninsula Fishermen's Association

Environmental Interests

Alaska Center for the Environment Alaska Marine Conservation Council Anchorage Waterways Council Center for Alaska Coastal Studies

Native Corporations/Villages/Tribes

Cook Inlet Region, Inc. Kenai Natives Association, Inc. Kenaitze Indian Tribe Nanwalek IRA Council Natives of Kodiak, Inc. Native Village of Eklutna

Recreational Interests

Alaska Charter Association Alaska Sport Fishing Association Deep Creek Charter Boat Association

Tourism

State Chamber of Commerce

Ex Officio Members

Captain Paul Mehler III – United States Coast Guard Gary Lehnhausen – United States Forest Service Matt Carr – Environmental Protection Agency Dr. Heather Crowley – Bureau of Ocean Energy Management Gary Folley – Alaska Department of Environmental Conservation Jonathon Schick - Alaska Department of Natural Resources John Whitney – National Oceanic and Atmospheric Administration James Benzschawel – Division of Homeland Security & Emergency Management Ginny Litchfield – Alaska Department of Fish and Game Jason Walsh – State Pipeline Coordinator's Office

Northern District Setnetters Association North Pacific Fisheries Association United Cook Inlet Drift Association

Cook Inletkeeper Great Land Trust Kachemak Bay Conservation Society Kenai Watershed Forum

Kodiak Audubon Society National Wildlife Federation National Parks Conservation Association Regroup

Ninilchik Native Association, Inc. Port Graham Corporation Port Graham Village Council Seldovia Native Association Seldovia Village Tribe Sun'ag Tribe of Kodiak

Kenai River Professional Guide Association Kenai River Sports Fishing Association

Cook Inlet Risk Assessment

A catalyst for safety in Cook Inlet

Finalization of the Cook Inlet Navigation Risk Assessment (CIRA) marks the end of years of effort and collaboration and the beginning of new initiatives and improved navigation safety for Cook Inlet. With the Risk Assessment, we gained new appreciation for Cook Inlet's marine environment, a heightened awareness of what's at stake from maritime risks, and a better understanding of how to mitigate those risks. We are now moving forward to implement the Risk Assessment's priority recommendations.

CIRCAC played a key role throughout the process to bring this project to fruition, including securing the funding necessary for its completion, engaging stakeholders and partners, public outreach, and project management. As a member of the Management Team, the Council worked together with a multistakeholder Advisory Panel of experts to conduct the risk assessment as outlined by the National Academy of Sciences Transportation Research Board. We collected baseline information about the risks of marine accidents in the Inlet by contracting studies on vessel traffic, accident causality, and potential spill consequences, which were then used to inform the Advisory Panel as it considered potential risk reduction options. Technical analyses provided more information regarding selected risk reduction options. The final report summarizes the technical analyses and describes the Advisory Panel's final recommendations, all of which were developed by consensus.

CIRCAC supports these recommendations and is playing an integral role in moving them forward. Our participation with the U.S. Coast Guard and other partners in the formation of the Cook Inlet Harbor Safety Committee (see p. 6), clear position and active support for the construction of the cross-Inlet crude oil subsea pipeline, and continued expansion of the ice forecasting network of cameras have already provided momentum to mitigating risks to navigation. These activities, the leadership role we have played in launching and advancing the Risk Assessment, and our ongoing program work in contingency plan review, environmental monitoring, and oil spill prevention and response represent CIRCAC's strong and long-term commitment to protecting Cook Inlet's waters and shorelines.



Docking Assist Tug Bob Franco (Captain M. Bayer)

Moving Forward

Priorities: Taking the next steps to mitigate risks

The Cook Inlet Risk Assessment multi-stakeholder group ultimately recommended thirteen risk reduction options to maintain or implement. The following were deemed to be the highest priorities moving forward:

Establishing an area-wide Cook Inlet Harbor Safety Committee—to continue the work begun by the Risk Assessment. The Harbor Safety Committee would serve as a means of prioritizing relevant topics and mitigation measures for consideration, and deliver collective input at both the Captain of the Port and regulatory levels. Harbor Safety Committees are forums to discuss safety and security issues that operate outside the regulatory context; they provide a means to facilitate multi-stakeholder involvement, good coordination and cooperation.

Issues of particular interest to Cook Inlet and which should be considered as part of the area-wide Cook Inlet Harbor Safety Committee's initial and ongoing efforts include:

- Enhancing ice monitoring to inform vessel operations in Cook Inlet,
- Providing input to update winter ice guidelines as needed,
- Updating NOAA's Coast Pilot and Automated Wreck and Obstruction Information System (AWOIS),
- Conducting additional study related to vessel self-arrest and emergency towing, as described under the risk reduction option identified by the Advisory Panel.

Harbor Safety Committees have been successfully implemented throughout the United States and have become a preferred means for sharing best practices and lessons learned from previous incidents through national annual conferences. They are a vehicle for industry, public, state and federal agencies to develop non-regulatory solutions. From the Council's perspective, Harbor Safety Committees present an excellent opportunity to promote best practices while speaking with one voice. The US Coast Guard strongly endorses CIRCAC's involvement in this project. (Continued next page.)



L to R: Drift River, nighttime/daylight transits in Cook Inlet and Overseas Martinez, below (Overseas Shipping Group)

Constructing a crude oil cross-Inlet pipeline to reduce the potential for large spills from tanker traffic transiting across the Inlet from Drift River and Nikiski. Such a pipeline will have the ancillary benefit of reducing the need for storage of oil at the Drift River facility. The Advisory Panel based this recommendation on its charge to develop and recommend oil spill risk reduction options related to marine transport and from their analysis of spill risks and a cost-benefit analysis focused on the same. The recommendation supports the 2012 Cook Inlet RCAC Board of Directors position paper on the future of the Drift River Oil Terminal.

Training pilots, captains and crew—with the highest level of training, including that made available through Alaska's Institute of Technology.

Encouraging harbor masters and port directors to notify the U.S. Coast Guard—when they turn away a vessel that they determine to be unsafe or unseaworthy. Include this procedure as a port/harbor Standard Operating Procedure and/or criteria for Alaska Clean Harbors Program certification.

Dredging Knik Arm shoal—as needed to maintain project depth, thereby reducing the potential for vessel grounding in this area.

Expanding and enhancing cellular and VHF coverage on Cook Inlet waters—to fill gaps for vessels operating in the region.





Enhancing situational awareness with upgraded AIS (Automated Information System)—to allow vessel operators to receive information transmitted via AIS on board.

Recommending Cook Inlet workboat operators continue to use third party audits/ inspections—to promote safe operations and be represented on the Harbor Safety Committee.

<u>ONGOING</u> PROJECTS

Along with the Cook Inlet Navigation Risk Assessment described earlier, we continued to move our other programs and projects forward such as expanding the ice camera network, finalizing and presenting the Cook Inlet Beluga Whale Habitat and Prey Study, and training responders in the use of the on-line Cook Inlet Response Tool.

lce Camera Network

Accurate ice forecasting is crucial to improving navigational safety in Cook Inlet during winter months. Since 2007, CIRCAC has worked with the NOAA ice forecaster to provide as much detailed information as possible about Cook Inlet ice conditions, particularly when satellite imagery is not available due to cloud cover. Observers operating in the Inlet provide daily observations, along with digital photographs, to the weather desk about ice coverage, composition, thickness and pan dimensions. The NOAA ice forecaster also relies heavily on CIRCAC's ice forecasting network of cameras.

To date, CIRCAC has installed eight high resolution digital cameras on facilities with the best vantage points in Upper and Middle Cook Inlet. This year, CIRCAC partnered with the Alaska Ocean Observing System and the City of Kenai to identify a ninth location near the mouth of the Kenai River for camera installation. Homer Electric Association provided a pole on which to mount the camera and the Marine Exchange of Alaska installed a weather sensor and AIS (Automated Information System) transceiver to provide live weather data to vessels receiving those transmissions. The Kenai River location is ideal for monitoring the fresh water ice flowing out of the river into the Inlet, which poses a navigation hazard to vessels as they approach the marine terminals located in Nikiski. This camera is the first in the system to enable public access to the images. Extensive interest in this project will lead to continued expansion, with installation of two additional cameras in 2015.





Drills and exercises are specifically designed to test industry's ability to successfully execute its contingency plan. Even with the best of plans, a drill can uncover weaknesses which are not readily apparent, providing opportunities to make changes or adjustments before a real event occurs. In addition to contingency plan review, CIRCAC staff also participate in oil spill drill development and exercises within the Incident Command System (ICS), most often-and depending on expertise-within Command, the Operations and Environmental Units, and the Joint Information Center.

This year, CIRCAC participated in eight drills hosted by:

Furie Operating Alaska (1) Hilcorp Alaska (3) ConocoPhillips (2) Tesoro Alaska (1) Cook Inlet Energy (1)

Contingency Plan Review As a named contingency plan reviewer under State of Alaska

regulation, CIRCAC represents the priorities and concerns of citizens and stakeholder groups through its extensive assessment of regulations, guidelines, and contingency plans. These plans guide and outline oil spill prevention and response including response methods and equipment, personnel training programs, best available technology, and response planning standards, among other things. Plans are reviewed every five years or when amended, if the amendment affects the plan holder's ability to respond to an oil spill.

In 2014, we reviewed and commented on three Cook Inlet area contingency plans, changes to a Unified Plan, and on proposed changes to the Oil Pollution Act of 1990 (OPA90). All comments are posted at www.circac.org/what-we-do/oil-spill-contingencyplan-review/



2014 Reviews/Comments

Bluecrest Alaska Operating LLC, Cook Inlet Offshore Exploratory Drilling Program, Oil Discharge Prevention and Contingency Plan

Cook Inlet Energy, LLC Oil Discharge Prevention and Contingency Plan for Cook Inlet Area Exploration Operations

Tesoro Cook Inlet Vessel Discharge Prevention and Contingency Plan

Changes to the Unified Plan Dispersant Use Guidelines (Annex F, Appendix 1)

US Coast Guard Assessment Framework and Organizational Restatement Regarding Preemption for Certain Regulations Issued by the Coast Guard

Consumer Price Index Adjustments of the Oil Pollution Act of 1990 Limits of Liability-Vessels, Deepwater Ports and Onshore Facilities

Cook Inlet Saltmarsh (Alaska ShoreZone)

Cook Inlet Beluga Whale Habitat & Prey



Cook Inlet Beluga (Army Corps of Engineers, Anchorage)

In 2014, CIRCAC completed a study launched in 2011 to help determine what might be limiting recovery of the Cook Inlet beluga whale population following its 2008 listing under the Endangered Species Act. The study was funded by the Kenai Peninsula Borough and we partnered with Mote Marine Laboratory and the Alaska Department of Fish & Game (ADF&G) to gather data to better understand availability, diversity, and contaminant levels of potential beluga winter prev.

The study provides some of the only information available on winter habitat and prey and serves as a resource for the beluga whale recovery team and managers as they work to preserve the Cook Inlet beluga whale population. Results show diverse assemblages of fish and invertebrates. But, the very low biomass in the catches and the small individual sizes of the benthic fauna indicate that prey available to beluga whales is very limited in much of the sampled area and belugas may not be acquiring a maintenance ration during winter. This is consistent with previous observations that belugas have much lower fat reserves prior to their feeding on abundant late spring and summer eulachon and salmon. Our subsequent analyses of hydrocarbons in selected prey tissues showed non-detectable levels, in contrast to detectable, but low, concentrations from our prior analyses of summer prey species.

In addition to presenting study results at a Kenai Peninsula Borough beluga whale research symposium in January, we provided two presentations at a gathering of resource managers and scientists at the Cook Inlet Beluga Whale Conference sponsored by the National Marine Fisheries Service (NMFS):

Beluga whale winter habitat and prey: Assessing the availability and contaminants of potential *Cook Inlet beluga winter prey (Saupe, et. al.)*

Polycyclic aromatic hydrocarbon (PAH) contamination in Cook Inlet belugas, their prey, and their environment based on summer sampling (Wetzel et. al.)

The National Marine Fisheries Service (NMFS) and U.S. Fish and Wildlife Service are the two federal resource agencies with trust responsibilities for living resources in and around Cook Inlet. For NMFS, these trust resources include marine and anadromous fish, marine mammals, and certain threatened and endangered species. Over the years, we have worked with Cook Inlet RCAC on spill planning and response, and have found their collaboration, support, and assistance invaluable to our purpose and interests in conserving living marine resources. Cook Inlet RCAC has been particularly helpful in adding to the knowledge of the ecological role of the Cook Inlet beluga whale, an endangered population endemic to Cook Inlet that may be disproportionally impacted by hazardous substance spills.

James W. Balsiger, Ph.D., Administrator Alaska Region, National Marine Fisheries Service Letter in support of CIRCAC Recertification (July 2, 2014).

Cook Inlet Response Tool

CIRCAC has led efforts to map shoreline and nearshore habitats within our areas of concern. This information about coastal geology, morphology, and the invertebrates, seaweeds, and plants that live there, is key to understanding potential impacts if spilled oil reaches shore and can help direct prevention, planning and response efforts.

One of our major goals has been to make all of this habitat data and shoreline video and photos accessible to resource and oil spill response agencies, industry, the public and other organizations, especially in emergency response scenarios. CIRCAC realized part of that goal with the development of the first ShoreZone website and our continued support of the statewide Alaska ShoreZone Partnership.

CIRCAC has since expanded those efforts through the development of the Cook Inlet Response Tool, or CIRT, in collaboration with the Alaska Ocean Observing System (AOOS). CIRT is an on-line data portal that enables users to view photos and stream high definition video from ShoreZone coastal aerial surveys while simultaneously tapping into weather conditions (including wind speed, water level, temperature and other conditions from dozens of real time sensors), visualizing climate and oceanographic forecast models across time and depth, and accessing dozens of GIS data sets such as geographic response strategies, shoreline oil persistence indices, salmon stream locations, and information for sensitive areas-all without leaving your desk.

Now that CIRT has been successfully developed, we continue to improve, expand, and test it and have initiated training sessions for users and managers of our coastal environment. We are also aiming for our partners to use the tool as standard operating procedure within the Incident Command System structure and have provided training specific to oil spill responders.

CIRT is an excellent example of an innovative project CIRCAC has brought to fruition to improve Alaska's ability to plan for and effectively respond to oil spills.

In 2014, we provided presentations and/or training in using CIRT and the Alaska ShoreZone website at:

Alaska Marine Science Symposium (Anchorage)

Kodiak Area Marine Science Symposium

Tesoro Alaska's Environmental Unit and spill responders at CISPRI (Nikiski)

Hilcorp Alaska, LLC oil spill drill planning meeting (Anchorage)

Kachemak Bay State Park Advisory Board (Homer)

Friends of the Park Community Meeting (Homer)

Alaska ShoreZone Partner Annual Meeting (Anchorage)

The Northern Oil and Gas Forum (Yellowknife, NWT, Canada)



PUBLIC OUTREACH

In addition to providing results of our activities on the CIRCAC website and gathering and sharing information via our monthly e-newsletter and annual reports, we give presentations at a range of public venues, gather information at conferences, and host meetings and training sessions.

We view public outreach as not only educating others about CIRCAC activities, but also bringing back information to our organization by educating our staff, public committee members, and Board directors through participation or attendance at relevant gatherings. In addition to the numerous presentations and training sessions described earlier in this report, examples of our participation in outreach activities in 2014 include:

Participation

CIRA Management Team Pacific Sates/BC Oil Spill Task Force International Oil and Gas Conservation Commission

Oil Spill Recovery Institute Advisory Board and Workplan Committee

Harbor Safety Committee Informationa Meeting

Safety of Navigation Winter Ice Rules Meeting

Alaska ShoreZone Partnership, Steering Committee

State of the Science for Dispersants in Arctic Waters, Organizing Committee

Cook Inlet Oil & Gas Development and Production General State Permit Stakeholder Meetings Attendees Alaska Oil Spill Technology Symposium University of New Hampshire Oil Spill Besnorse Forum

Clean Pacific Conference Pacific Marine Expo Chamber of Commerce Luncheons Northwest Society of Naturalists

Chemistry Gulf of Mexico Oil Spill & Ecosystem

Exhibits and Presentations

ComFish Expo Industry Appreciation Day, Kenai Alaska Marine Science Symposium Australian Murujuga Aboriginal Corporation Cultural Exchange with Kenaitze

Special Project

To provide information about CIRCAC and some of our interesting study results, we distributed 8 GB "thumb drives" pre-loaded with a short video file narrated by Council President John Williams describing CIRCAC's formation and activities. To highlight the dynamic and diverse coastlines in our areas of concern, we also included 270 high resolution photographs, selected from the tens of thousands of photographs collected during our ShoreZone surveys along the Cook Inlet and Kodiak coasts.

RECERTIFICATION

In 2014, the US Coast Guard recertified CIRCAC to August 31, 2015, carrying the organization into its 25th year of promoting environmentally safe marine transportation and oil facility operations in Cook Inlet. The recertification followed a thorough review and evaluation of the Council's considerable body of work, as well as consideration of public comments, which are solicited every three years. This year's public comment period resulted in more than 50 letters from citizens, partners, and stakeholders in support of our work and recertification.



The Cook Inlet RCAC has been instrumental in four critical areas (1) increasing the knowledge base pertaining to the potential for and consequences of oil spills and accidents in Cook Inlet; (2) promoting higher standards and improved mitigation measures, (3) providing essential oversight to ensure continuous attention to the safety of the system; and 4) providing an effective means of communicating risk and explaining mitigation strategies to the public. The Cook Inlet RCAC has been a national leader in all four areas.

> John Harrald, Ph.D., Capt. USCG (ret), Virginia Tech Letter in support of CIRCAC 2014 Recertification (July 3, 2014).

US Coast Guard Change of Command

At a June 12th Change of Command Ceremony in Juneau, Rear Admiral Thomas P. Ostebo officially transferred his responsibilities for District 17 to Rear Admiral Daniel B. Abel. The transfer followed a promotion for Rear Adm. Ostebo, who has commanded the Seventeenth District since May 2011. The Seventeenth District includes portions of the North Pacific Ocean, Arctic Ocean, and Bering Sea.

COMMITTEES

Prevention, Response, Operations & Safety (PROPS)

Council Members

Chair - Bob Flint Grace Merkes Rob Lindsey Michael Opheim Deric Marcorelle Carla Stanley Paul Shadura Walt Sonen

Public Members

Vice Chair - Bob Favretto Ted Moore Scott Hamann Jan Hansen John Bauer Steven Lufkin James McHale Robert Reges



EMC public member Ted Rockwell

Protocol Control

Chair - Robert Peterkin, II Bob Flint Rob Lindsey Deric Marcorelle Grace Merkes John Williams Paul Shadura



PROPS Committee public members Scott Hamann, Bob Favretto

Environmental Monitoring

Council Members

Chair - Molly McCammon Michael Opheim Carla Stanley Deric Marcorelle Bob Flint Scott Smiley

Public Members

Vice Chair - Ted Rockwell Craig A. Valentine Kashif Ahmed Naser Richard Prentki Trenten Dodson Dan Urban Steve Hunt Paul Blanche

> 2013 Glen Glenzer Volunteer of the Year

> > **Billy Osborn**

Administrative Committees

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Staff

Michael Munger, Executive Director Susan Saupe, Director of Science and Research Steve "Vinnie" Catalano, Director of Operations Lynda Giguere, Director of Public Outreach Jerry Rombach, Director of Administration Dinelle Penrod, Office Manager Maritta Eledge, Accounting and Grants Manager Cindy Sanguinetti, Transcriber

Credentials

Chair - Robert Peterkin, II Gary Fandrei Grace Merkes Michael Opheim (Alternate)

Audit

Chair - Gary Fandrei Molly McCammon Paul Shadura Grace Merkes (Alternate)

Васк Cover Рното Transiting Cook Inlet (Overseas Shipping Group)



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Corporate Funders ConocoPhillips • Cook Inlet Energy • Furie Operating Alaska Hilcorp Alaska, LLC • Tesoro Alaska • XTO Energy