**COOK INLET REGIONAL CITIZENS ADVISORY COUNCIL**

**April 7, 2017**

**Cook Inlet Aquaculture Association**

**Approved Minutes**

**Members Present:** John Williams, Robert Peterkin, Gary Fandrei, Carla Stanley, Paul Shadura, Walt Sonen, Bob Flint, Deric Marcorelle, Kyle Crow, Molly McCammon

**Members Absent:** Grace Merkes (excused), Michael Opheim (excused), Rob Lindsey (excused)

**Staff Present:** Michael Munger, Susan Saupe, Vinnie Catalano, Jerry Rombach, Lynda Giguere, Vaito’a Heaven, Cindy Sanguinetti

**Staff Present by Teleconference:** Maritta Eledge

**Others Present:**  Lt. Brent Mellen, USCG; Julieanna Orczewska, Hilcorp; Rich Novcaski, Harvest Alaska; Cindy Monnin, Hilcorp; Steve Howell, MSI Communication; Joe Kaiser, Hilcorp; Dave Wilkins, Hilcorp; Mark McKinley, Hilcorp; Graham Wood, ADEC; Commissioner Larry Hartig, ADEC; Vance Peronto, citizen; Chris Burns, Alaska Chadux; Ginny Litchfield, ADFG; Paul Mehler, Tesoro; Brian Gabriel, City of Kenai; Jim Herbert, citizen; Carolyn Vermette, SWAPA; Steven Russell, 152 Degrees West; Todd Paxton, CISPRI; Jim Butler, B&B; Marc Bayer, Tesoro; John Schneider, Tesoro; Chris Mitchell, SWAPA; Captain Paul Albertson, USCG; Laurie Nelson, Hilcorp

**Others Present by Teleconference:** Jonathan Schick, Department of Oil & Gas; Heather Crowley, BOEM

**1. CALL TO ORDER/ APPROVAL**

President John Williams called the meeting to order at 9:02 A.M. Roll was called, establishing quorum.

**Robert Peterkin moved to approve the agenda. Molly McCammon seconded. The agenda was approved.**

**Molly McCammon moved to approve the minutes of December 1 & 2, 2016. Robert Peterkin seconded. The minutes were approved.**

Guests introduced themselves.

**Brian Gabriel, City of Kenai,** extended a welcome and thanked the Council for its important work which contributes toward ensuring economic diversity.

Mr. Munger requested latitude with the agenda, as there were many presenters, if it became a time crunch he recommended waiving the staff reports.

There was no public comment.

**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*PRESENTATIONS ON RELATED ACTIVITIES\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***

**Captain Paul Albertson, USCG, FOSC,** said it is his responsibility to protect the public and environment from discharges or the substantial threat of discharge of oil that violates water quality standards, causes a sheen or discoloration of the surface, or sludge or emulsion below the surface. The initial report on Saturday, April 1, was a loud bang was heard at the Anna Platform. Only the first overflight observed sheens downstream. The CG notified other agencies, stood up the UC and advised Hilcorp to pig the line from Anna to Bruce. Since subsequent overflights reported no sheen the UC was stood down on April 3. The Captain commented on the need for a robust Joint Information Center to ensure a unified public affairs message during incidents; he said in the future he will immediately stand up a Unified Command. CIRCAC representatives provided invaluable expertise, and the Coast Guard values the working relationship. At present the pipeline is filled with filtered sea water and appears to pose no threat. The source of the spill has not been determined, so the question of whether there is a threat from the platform remains to be answered. The CG supports the PHMSA order; “PHMSA’s got the pipe, I’ve got the oil,” the Captain said.

Answering Council questions, the source is not known, no sample of the sheen was taken and the state estimated the size of the leak based on the sheen. A foam pig was used to push the oil through the pipeline. Captain Albertson said that the Coast Guard has a great working relationship with the state. He is not worried about the CG budget. Ms. McCammon recommended a future discussion about the aging infrastructure. Ms. Saupe cautioned that the calculation of the sheen must take into consideration the high sediment loads in Cook Inlet. She asked if a multi-beam survey would be used to identify any potential obstructions that could have hit the pipeline. Mr. Munger expressed appreciation for the opportunity for CIRCAC to participate in the Unified Command.

**Larry Hartig, Commissioner, Alaska Department of Environmental Conservation,** said the RCAC is critical to success for the way forward. The gas pipeline leak highlighted the national question whether the proposed Alaska gas pipeline can be operated safely. He was pleased with the immediate standing of the Unified Command and the cooperation shown. He agreed a JIC should have been immediately established to provide public information.

Besides the age of the infrastructure there are other risks: corrosion, erosion, the aging workforce and loss of experience, potential problems associated with replaced components not originally designed to work in the complex system, location, new technology and management systems. There is a program in place to monitor corrosion. Commissioner Hartig outlined work to be done in Cook Inlet, following the North Slope model: an inventory of infrastructure, with a focus on offshore and higher risk onshore lines, jurisdiction identification, spill history, and a white paper summarizing concerns which will be used to seek legislative funding to conduct a risk assessment. He said a good communication plan will be needed, especially to include the tribes.

Mr. Munger noted that CIRCAC was already planning to update its inventory and will be working closely with DEC, the Coast Guard, PHMSA and other state agencies. The Council conducted a number of studies in support of the Navigational Risk Assessment, and the Pipeline Report will similarly complement the assessment.

Mr. Shadura asked about the facility piping. Mr. Hartig said statistically the age and length of a pipe contribute to the increased risk of spills. Mr. Williams added that Cook Inlet conditions increase the risk.

**Dave Wilkins, Sr. Vice President, Hilcorp, Alaska,** expressed appreciation for CIRCAC’s willingness to help with good information and to the regulators for their cooperation during the incidents. Hilcorp strives to be open and transarent and to apply the lessons learned to safely and responsibly produce in the inlet for a long time. Mr. Munger said cooperation will be critical to the success of the Pipeline report. Mr. Crow added that he looks forward to Hilcorp adding its unique perspective as a key participant to ensure effectiveness in addressing overlaps or gaps in regulation. Mr. Wilkins asserted the industry is highly regulated and would welcome involvement in tweaking but does not resist those regulations. Mr. Shadura brought up concerns about the reduction of personnel and centralization of monitoring. Mr. Wilkins said the company has not made reductions; he maintained the technology has brought improvements.

**Mark McKinley, Facilities Operation Engineer, Hilcorp,** reported the spill from the Anna Platform was estimated at less than 3 gallons, based on the sheen noticed following a loud bang. The shipping system was immediately shut down. Under the direction of the Unified Command, the pipeline was flushed, capturing 495 barrels of oil. The pipeline was pressure tested. The leak source is still under investigation. Many possible causes were suggested. Mr. McKinley explained ball joints, hydrotest pressure and riser work. The oil was put into the production system. Mr. Williams said he will be interested in hearing the conclusion of the investigation. Mr. Wilkins appreciated the quick response and Mr. Catalano reported that CIRCAC was notified within 25 minutes.

**Joe Kaiser, Operations Engineer, Hilcorp,** expressed appreciation for CIRCAC’s passion and reported on the gas leak confirmed on February 7 at Middle Ground Shoals from a pipeline installed in 1965, converted from oil to gas service in 2005 and purchased from XTO in 2015. Because of heavy icing the diving conditions are unsafe, and overflights have been limited by weather. Pigging the line is not recommended; there is oil residue in it, but the pressure has been reduced. Because the line supplies gas from shore to the platform, supplying heat for personnel, Hilcorp did not shut it down. The company is conducting environmental monitoring and will repair the pipe when conditions permit. Modifications will be done so the line can be smart pigged in 2017. Platforms are frequently struck by ice, boulders and debris in the Inlet. The line is coated in concrete. Dive surveys are conducted annually.

**Julianna Orcezerska, Environmental Specialist, Hilcorp,** gave an overview of the contracted environmental efforts: a comprehensive literature review to identify species that might be affected by a gas leak, and dispersion modeling to understand methane and dissolved oxygen concentrations in the water column. Considering all factors the modeling results showed the concentrations were not harmful. Remote water quality sampling techniques are being used to validate, along with ice, fish and wildlife, air/water interface and acoustic monitoring. Reports are provided to DEC weekly; the data is on their website with summary texts and graphs. A post leak sampling program is being developed to identify residual effects. To this point the data results are below water quality standards. Ms. Saupe cautioned against saying methane is non-toxic as there are levels that do affect fish. Additionally, she explained the effects of methane on the water column and methane sensor delay time.

Molly McCammon suggested that CIRCAC formally acknowledge the post repair sampling program will be peer reviewed. She further expressed interest in obtaining the data set for AOOS to house, curate, post and archive. Ms. Saupe noted that CIRCAC’s data is being posted online. Ms. Saupe has been involved in reviewing the monitoring effort and overflights.

**2. SPECIAL PRESENTATIONS**

* **Resolution 2017-01 Recognizing Captain Paul Albertson-Sector Commandor Anchorage**

President Williams presented the resolution to Captain Albertson, congratulating him for his outstanding service as Captain of the Port and Ex-Officio member to CIRCAC, and thanking him for his dedication and commitment.

* **Volunteer of the Year Award**

Carla Stanley was presented the Captain Glen Glenzer Memorial Volunteer of the Year award. Ms. Stanley said she has learned so much and that she has great respect for the staff and fellow Council and Committee members. Protecting the environment is of utmost importance.

* **Volunteer Service Awards**

Walt Sonen and Ginny Litchfield were recognized for 5 years of service; Bob Flint and Ted Moore for 10 years and Paul Shadura for 20 years with Cook Inlet Regional Citizens Advisory Council.

**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*Presentations on Related Activities\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***

**Rich Novcaski, Harvest Alaska,** updated the Council on the status of the cross-inlet pipeline concept Harvest Alaska is considering with the objective of extending the life of Cook Inlet oil. The company is weighing the costs of refurbishing DROT vs. constructing a pipeline. A pipeline would reduce tanker and remote facility costs as well as the potential for impact from the volcano. Harvest recently acquired the Tyonek platform along with pipelines from the LNG plant to the platform. CIGGS pipelines run from East Forelands to north of the Granite Point Tank Farm. Harvest will make a decision soon whether to pursue agreements with the gas shippers to use one of the 10” CIGGS (Cook Inlet Gas Gathering System) lines. Mr. Novcaski estimates it would take a year to obtain all of the permits to transport oil from the west side. This option would be more costly but it would have a longer life. A 3 ½ mile pipe needs to be constructed from Granite Point to the junction once the ground freezes. A 6 mile pipeline needs to be constructed from the Tyonek to Beluga Gas Line as early as possible in the spring. If the pipeline is built the Drift River facility will be decommissioned.

Cindy Monnin shared all the factors of the risk assessments the company conducts to determine the condition of a pipeline, which is of greater concern than its age. If installed, other producers will be able to use the pipeline by paying a tariff. Mr. Novcaski said it will benefit everyone

Mr. Rombach asked about the future for DROT if the pipeline is built. A decommissioning fund exists; so the company would remove the oil, clean the place up and remove the equipment. The Christy Lee Platform may be light housed.

Ms. Saupe highlighted that the amount of oil that could spill from a pipeline is much less than a potential tanker spill. Mr. Wilkins welcomed CIRCAC support for the project. Mr. Munger said that the Council has taken a position in support of a pipeline and the Risk Assessment identified tanker traffic as the highest risk for a spill.

**Graham Wood, Prevention, Preparedness & Response Program Manager, ADEC,** shared lessons learned from the recent spill incidents. Once it was clear the Middle Ground Shoals gas release would be prolonged, the Unified Command should have been activated to better manage the department’s message. The incident got national attention. Hilcorp has been cooperative. Likewise, the Unified Command and JIC should have been stood up Saturday afternoon in response to the Anna platform leak. DEC continues to work with Hilcorp in the effort to find the source of the leak.

In regards to the RCAC’s Position Paper regarding the Tyonek Platform incident, Mr. Wood openly admitted his program made mistakes by not recognizing it to be a spill to the environment, and by the communication problems with the RCAC. Progress has been made since. For safety reasons DEC would still likely choose not to send personnel to the platform, disagreeing with CIRCAC’s viewpoint. The DEC sought further information from Mr. Munger regarding the recommended audit; DEC has a Master Training program and will work with the RCAC on spills and drills to ensure the staff remains prepared to respond consistently.

Mr. Munger announced that Mr. Graham will serve as the Ex-Officio to the Council. The Executive Director expressed appreciation for the improved communication with DEC and said it is essential to work together on the pipeline report. SPAR is funded through the per/barrel and refined product tax and is isolated from budget cuts. Mr. Catalano also thanked Mr. Wood for the improved communications.

Mr. Munger echoed Mr. Graham and the Commissioner saying that when there is an incident the Unified Command should be stood up. Then a unified message will be released to the public.

**Captain Marc Bayer, Tesoro Maritime,** provided a report on the loss of power experienced by the charter vessel *Jurkalne* on December 26, 2016 when 2 main engines shut down on two separate occasions due to clogged lube oil filters. The **Bob Franco** arrived within 30 minutes and assisted the vessel to Homer for investigation. In detail, Captain Bayer explained the problem, corrective actions taken, Tesoro’s Tenets of Safe Operation and incident notification process.

The Council discussed ballast water exchange and the self-arrest study funded by PROPS which demonstrated that, using the right technique, self-arrest is very doable in Cook Inlet. Captain Grey, SWAPA, explained it is an art and requires proper training and knowledge of the Inlet. The SWAPA pilots are highly trained, and must be able to draw the chart to obtain a license, Mr. Bayer said. Cook Inlet is not the same as Prince William Sound and SWAPA pilots say no escort is necessary; the *Bob Franco* and *Millennium Star* are specifically outfitted for the job. Steve Russell added that when there is an incident a ship must be immediately moved in Prince William Sound, but in Cook Inlet it just needs to be stopped, and time can be allowed to decide where to take it. Walt Sonen noted that the Risk Assessment identified Pt. Nashtoak and Dixon Entrance as the two most dangerous areas of Cook Inlet. Captain Gray agreed that is a tough piece of water, but Captain Bayer maintained that the foreign crews are well-trained professionals. Captain Grey mentioned the emergency tow packets that are pre-positioned. Captain Mehler assured Mr. Sonen that the Coast Guard is in communication with vessels, providing weather information and at times recommending they not come into the Inlet until the weather improves.

Mr. Shadura asked how many vessels lose power in Kennedy/ Dixon Entrance. Captain Mehler said that information can be obtained from the Coast Guard with a FOIA. Captain Bayer said the Coast Guard usually provides casualty reports to the Harbor Safety Committee in other areas; he will suggest it here.

**3. EXECUTIVE COMMITTEE REPORT**

Mr. Munger reported preliminary information of a Steelhead natural gas production line metering anomaly; the line has been shut in and flooded, but it failed a hydrostatic test, indicating a crack somewhere. More information will be supplied as it is received.

John Williams reported that the Executive Committee met on February 24 and April 5 to review all budgetary and banking documents, to amend Personnel Policy #31 by increasing the credit card limits for staff, and to discuss Personnel and housekeeping matters in Executive Session.

**4. EXECUTIVE DIRECTOR’S REPORT**

Mr. Munger said CIRCAC has long seen the need to conduct a Pipeline Risk Assessment and now the timing is right given the multiple pipeline leaks. The updated Pipeline Report will support the RA in the same way that CIRCAC studies benefited the Navigational Risk Assessment. There is money available in the PROPS budget and KPB has agreed to reallocate grant money previously allotted for Non-tank C-Plans to the Pipeline Report, the scope of which is still being defined. DEC has dedicated an engineer to work with CIRCAC, but cannot commit money. The Executive Director stated we need to know the state of the pipelines. He believes Hilcorp will cooperate; they don’t need negative publicity. The company’s transparency will be integral to the success of the report. Mr. Munger believes the legislature will provide funding for the Risk Assessment.

**Paul Shadura moved to task the Executive Director to aggressively pursue development of the scope of the Pipeline Risk Assessment report. Gary Fandrei seconded.**

Mr. Munger reiterated that the Governor has identified Cook Inlet’s aging infrastructure as the DEC’s #1 Priority. He is working with PHMSA. Mr. Williams recommended that the Pipeline Report be updated every 5 years. Mr. Crow suggested he could recommend a resolution from the Municipalities in support of state funding. Mr. Shadura pointed out that 1.3 billion barrels have been produced in Cook Inlet and it is believed that there are still 34 billion barrels in the Jurassic formation.

**The motion passed.**

Staff reports were in the packet.

**5. CALENDARS & MISCELLANEOUS**

* **Next Council Meeting**

Cook Inlet RCAC will meet on September 8th in Homer.

**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*Closing Comments\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***

**Jerry Rombach** reported that the Recertification package has been submitted and will be posted in the Federal Register in late May for a 45 day public comment period. Eight scholarship candidates will be interviewed. A perpetual plaque has been posted in the office to recognize scholarship recipients.

**Gary Fandrei** appreciated the presentations; it was a good meeting.

**Mike Munger** thanked the staff for their level of commitment.

**John Williams** echoed the praise.

**Robert Peterkin** said the meeting was packed full of information.

**Bob Flint** commented on the excellent presentations and the great staff.

**Deric Marcorelle** was relieved as he was concerned the meeting would be stressful.

**Carla Stanley** concurred with appreciation for the staff and presentations.

**Walt Sonen** was impressed that everything went smoothly.

**Kyle Crow** was glad to attend and looks forward to future participation.

**Grace Merkes** was happy to hear that Hilcorp wants to cooperate. It was a good and informational meeting.

**Lynda Giguere** appreciated the plug for the JIC at the Unified Command. She will address Koniag/KANA in Kodiak and is pleased that there is more interest in the RCAC.

**Vinnie Catalano** stated that these are interesting and exciting times. He anticipates good work coming up. Blue Crest has extended an invitation for the Council to tour their facility. He urged members to call anytime with questions.

**Susan Saupe** observed that CIRCAC alone has the background data and she’s been frustrated that industry has not involved the RCAC in reviewing sampling programs. She recommended that Hilcorp utilize CIRCAC expertise and contribute to the cost of compiling historical data into AOOS data portals.

She will be in the field in May and June. The Park Service notified her it is approving $96,000 for the Kamishak surveys.

**Paul Shadura moved to adjourn. Robert Peterkin seconded. The motion passed.**

The meeting adjourned at 3:40 pm.

**COOK INLET REGIONAL CITIZENS ADVISORY COUNCIL**

**ANNUAL MEETING**

**Kenai, Alaska**

**April 7, 2017**

**Approved Minutes**

**Members Present:** John Williams, Robert Peterkin, Gary Fandrei, Carla Stanley, Paul Shadura, Walt Sonen, Bob Flint, Deric Marcorelle, Kyle Crow

**Members Absent:** Molly McCammon (excused), Grace Merkes (excused), Michael Opheim (excused), Rob Lindsey (excused)

**Staff Present:** Michael Munger, Susan Saupe, Vinnie Catalano, Jerry Rombach, Linda Giguere, Vaito’a Heaven, Cindy Sanguinetti

**Staff Present by Teleconference:** Maritta Eledge

**1. CALL TO ORDER/ APPROVAL**

President Williams called the meeting to order at 3:46 pm. Roll was called, establishing quorum.

**2. CONSENT AGENDA**

**Gary Fandrei moved to approve the consent agenda as proposed 1) seating Michael Opheim as the Native Associations representative, Kyle Crow as the Kodiak Island Borough representative, Grace Merkes as the Kenai Peninsula Borough representative and Deric Marcorelle as the Environmental Interest Group representative; 2)seating all public members as recommended by PROPS and EMC; 3) reseating all current officers, 4) reappointing all current committee assignments except moving Grace Merkes to PROPS, dropping Carla Stanley from Protocol and dropping Bob Flint from EMC. Carla Stanley seconded.**

**Paul Shadura called the question.**

**The motion passed unanimously by roll call vote.**

**Paul Shadura moved to adjourn.**

The meeting adjourned at 3:54 PM.