

COOK INLET REGIONAL CITIZENS ADVISORY COUNCIL

Kenai, Alaska

Friday, April 5, 2019

Approved Minutes

Members Present: John Williams, Robert Peterkin, Gary Fandrei, Paul Shadura, Walt Sonen, Grace Merkes, Deric Marcorelle, Michael Opheim, Kyle Crow

Members Present by Teleconference: Molly McCammon, Bob Flint

Members Absent: Carla Stanley, Rob Lindsey (excused)

Staff Present: Michael Munger, Susan Saupe, Vinnie Catalano, Jerry Rombach, Lynda Giguere, Vaito'a Heaven, Maddie Jamora, Cindy Sanguinetti

Others Present: Brian Gabriel, Mayor of Kenai; Denise Koch, ADEC; Bob Shavelson, Cook Inletkeeper; Tim Robertson, NUKA Research & Planning Group; Rich Novcaski, Harvest Alaska; Todd Paxton, CISPRI; Dick Prentki, EMC; Graham Wood, ADEC; Paul Manzi, Crowley Alaska Tankers; Angelina Fuschetto, Crowley Alaska Tankers; Lori Nelson, Hilcorp; Glen Faulkner, Harvest Alaska; Paul Mehler, Marathon; Casey Desiderio, Marathon; Jill Schaefer, Hilcorp; Brian Mazurek, Peninsula Clarion; Brian Blossom, ADF&G; Jim Herbert

Others Present by Teleconference: Tom Stokes, State Pipeline's Coordinator Office

1. CALL TO ORDER/ APPROVAL

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

Paul Shadura requested to add a discussion about the negative effects of seismic survey on zooplankton during the staff reports.

Robert Peterkin moved to approve the agenda as amended. Gary Fandrei seconded. The motion passed.

Mr. Catalano conducted the safety minute, inspired by the November 30 earthquake at the Sheraton Hotel.

Robert Peterkin moved to approve the minutes of November 29 and December 14, 2018. Walt Sonen seconded. The minutes were approved.

Mayor Brian Gabriel welcomed CIRCAC and thanked the board for its good work.

Guests introduced themselves.

2. REMARKS

- **Denise Koch, Director Spill Prevention and Response – DEC**, conveyed that Commissioner Brune sent his regards and will attend in the future. She provided her background. The Commissioner is focusing on regulation reviews to increase efficiencies and c-plan regulations, streamlining them while maintaining environmental protection stringency. She thanked CIRCAC for the productive partnership with ADEC and stated the RCACs will be involved in the process, possibly through a workgroup. More specifics could not be given at this time. The SPAR budget has not been reduced in the proposed budget. Mr. Munger expressed his concern regarding another revision of the c-plan regulations as one of CIRCAC’s strongest avenues for voicing concerns is through c-plan review.

- **Agency Ex Officio Directors Remarks**

Brian Blossom, AF&G, introduced himself; he is Ginny Litchfield’s replacement. The Kenai office will be permitting the west side of Cook Inlet within the Kenai Peninsula Borough except areas south of Drift River. The agency is always ready to respond to spills, and submits comments when permits are sought.

Tom Stokes, State Pipeline Coordinator’s Office, had no comments but expressed interest in the Risk Assessment presentation. He is new to state employment but not to industry.

- **Public Comments**

Bob Shavelson, Cook Inletkeeper, concurred with Mr. Munger that the RCACs play a vital role in c-plan review. He spoke about the decades old Effluent Guidelines that created a loop hole for Cook Inlet, against the expressed concerns of the public, since elsewhere zero discharge is required. Now DEC has assumed primacy, but the discharges continue, and the public has lost faith that their voice matters. The public comment period ends on May 22nd. His organization will still advocate for reinjection of the waste. He thanked CIRCAC for the work it does.

Susan Saupe spoke about the permit up for review. DEC claims to be tied to the EPA exemption, but some years ago EPA submitted a request that the exemption be re-evaluated. The finding of that re-evaluation concluded that the evidence of environmental impacts from the discharges is limited. It claimed that produced water was being reinjected or transported for treatment before being discharged. But, in truth, the new permit is expanding the mixing zone and the platform designed for zero discharge is requesting a permit to discharge. CIRCAC will comment on these issues.

Robert Peterkin thanked Mr. Shavelson, saying the two organizations are aligned.

Michael Munger said the full Council will take a look at the comments to the APDES. CIRCAC’s mission is to promote environmentally safe marine transportation and oil facility operations in Cook Inlet, and therefore the organization recommends minimizing discharges.

Paul Shadura thanked Mr. Shavelson and Ms. Saupe.

Bob Shavelson added that the state can impose stricter environmental guidelines and should do what’s right for Cook Inlet.

Mr. Munger thanked Ms. Saupe for the thorough work she does on reviews.

3. SPECIAL BOARD RECOGNITION PRESENTATIONS

President Williams read and presented a certificate to Hillcorp/Harvest Alaska recognizing the companies for the cross-inlet pipeline. Also recognized were Jim McHale, Vice-Chair, PROPS, for 5 years of volunteer service; John Williams, President, for 10 years on the board; Molly McCammon for 15 years on the board representing the Municipality of Anchorage, and now serving as Chair on EMC; Dr. Richard Prentki for 19 years as an Ex Officio and 6 years as a public member on EMC. Robert Peterkin was presented the Captain Glen Glenzer Volunteer of the Year Award. He serves on the board, and on the Executive, Protocol, Audit and Credentials Committees. Michael Munger was presented a Certificate of Appreciation for his 16 years as an Executive Director.

*****PRESENTATIONS*****

Tim Robertson, Nuka Research, provided an update on the **Cook Inlet Pipeline Integrity Assessment** funded by CIRCAC and ADEC to anticipate potential problems in the pipeline infrastructure, and to recommend risk reduction measures via an expert panel. Phase 1: describe the regulatory framework and inventory the pipelines has been completed. Phase 2: validate the inventory by engaging the operators, is ongoing. For Phase 3 the expert panel will consider the information gathered and hear from the industry and public before deliberating to develop recommendations which will be documented in a final report.

There are 65 pipelines in the scope of work. The operators have been cooperative and positive about the project.

Five of the applicants have been selected for the expert panel with experience in corrosion, pipeline management, pipeline integrity management, Cook Inlet infrastructure, International standards and the North Slope pipeline assessment. The panel's charge is to provide consensus recommendations on measures, programs, and practices to monitor and address common causes of failure identified in the analysis of spill data and the inventory.

The panel will individually review the pipeline inventory and meet face to face in May. A technical meeting is planned on the second day with the pipeline operators. The panel will also meet with regulators. Through the summer, recommendations will be developed and categorized. The final report is expected in the fall. It is expected that recommendations will be aimed toward operators, regulators, and best practices.

PHMSA has given CIRCAC a Technical Assistance Grant to provide an opportunity for the public to engage in developing strategies for pipeline safety and heightened emergency response for Cook Inlet pipelines. A website containing information drawn from the Integrity Assessment has been developed and is now online. A survey on the website solicits public concerns and the public is invited to sign up to be on a mailing list to receive further information. A webinar is scheduled for April 25 to engage the public to ascertain citizens' level of knowledge and concerns about the pipelines and to answer questions. A public meeting will be held on May 8 in Anchorage and by webinar to present information gathered and for operators to give presentations. The expert panel will be in attendance and the public will be welcome to engage.

Rich Novcaski, Harvest Alaska, stated the **Cross Inlet Pipeline/Drift River** was a team effort by Hilcorp/Harvest, regulators, CIRCAC, the public and contractors. The project addresses the concerns about risky tanker traffic, and the age, cost, exposure and remote location of the Drift River facility. Once the Tyonek platform was acquired, with the construction of some pipeline segments, one of the highly

reliable CIGGS lines could be used to transport oil to the east side of Cook Inlet. Ultimately the gas supply has been improved.

The line to Drift River has been de-inventoried, the tanks have been pumped down and cleaning of the tanks and pipelines is planned this summer. Harvest will work with ADEC to conduct long-term remediation. No facilities will be removed this year.

To date, 2 million barrels of oil have crossed the inlet via pipeline, which is fitted with the latest leak detection technology. The project maximizes the infrastructure in Cook Inlet. All in all, 25 miles of new pipeline were installed and 115 miles of existing lines were reconfigured. A total of 102 permits were required; the project was heavily scrutinized. The line carries 12,000 barrels on an average day, which is less than 50% capacity.

A future oil line will be installed from the Tyonek platform this summer. Exploration drilling will determine whether production is feasible. The RCA has approved the decommissioning of Drift River, the Christy Lee and associated pipelines. In the future the platform and lines to it will be removed, but for now it will be light housed.

There were some challenges associated with the project, including delays receiving the pipeline, issues with the pull barge, weather, and the need to reroute the pipeline around culturally sensitive areas, but nothing insurmountable.

Sue Saupe shared a presentation about the **2018 Environmental Field Research**. Ms. Saupe served as the Scientific Lead in the 4th field season collecting data for the Lower Cook Inlet Habitat Assessment & Ecosystem Modeling project in collaboration with BOEM, Park Service, U of A and NOAA. The draft report is due at the end of May. BOEM and the Park Service funded the project to obtain baseline data for analysis due to lease sales. The area lies downstream of CI oil activities, and is therefore in CIRCAC's area of concern.

Kamishak Bay is dominated by extensive rocky habitat, requiring the development of new surveying methods using a transect grid approach. High resolution images were taken of assemblages within each placed quadrat. For 6 key sites a minimum of 2, up to 4 years of detailed species data has been collected. Another approach was necessary in reef areas. Transects were run randomly between the water line and low tide line. Researchers hopped site to site by helicopter to collect the same habitat/species assemblage information in the outer and inner reef, east and west, at both high and low tide. High resolution imagery was obtained by flying back and forth in a grid. Additionally, infra-red and RGB imagery were collected. The detailed data will be linked to the high resolution imagery. Incredible drone imagery was also collected. The report will demonstrate the new method for monitoring unique habitats. Ms. Saupe took a class in the UK to learn about multi-dimensional scaling software which was designed to look at multi-species data and will be helpful in analyzing data collected.

CIRCAC provided logistical funding for a pilot project funded by the CRRC and undertaken by a University of New Hampshire graduate student to study **The Potential Role of Marine Snow in the Fate of Spilled Oil**. NOAA contributed lab space at the Kasitsna Bay lab. During the Deep Water Horizon incident, scientists became concerned with the interaction of oil dispersed in the water column with marine snow (naturally occurring aggregates that can deposit in benthic environments). MOSSFA (marine oil snow sedimentation flocculant accumulation) is increased by dispersants, bringing the oil to the sea floor where it can be ingested by bottom feeders. Thus, the trade-offs need to be considered when making a

decision whether to apply dispersants. The study is collecting baseline particle flux and composition along with other measurements in Cook Inlet using sediments traps deployed at 20 meters. This summer samples will be taken deeper in the water column and roller tank experiments will be conducted to look at the potential formation of marine oil snow given the composition of CI marine snow. There is a potential for shallow water MOSSFA in extremely productive preauthorization zones.

A group out of the Netherlands has offered to conduct a pilot project using Benthic Mesocosms, to determine if the benthic oil can be taken up by the food web. A proposal will be submitted to BOEM.

4. STAFF REPORTS – STATUS OF PROGRAMS & PROJECTS

The President urged Council members to peruse the written staff reports in the packet.

- **Negative Effects of Seismic Activity on Zooplankton**

Mr. Shadura drew attention to a 2017 report “Widely used marine seismic survey air gun operations negatively impact zooplankton” which states, “Experimental airgun signal exposure decreased zooplankton abundance when compared with controls, as measured by sonar and net tows, and caused a two- to threefold increase in dead adult and larval zooplankton.” “Phytoplankton and zooplankton underpin ocean productivity; therefore, significant impacts on plankton...have enormous implications for ocean ecosystem structure and health....Healthy populations of fish and marine mammals are not possible without viable plankton productivity.” He recommended Council members consider pages 4 & 5 of the report previous to the discussion regarding Hilcorp’s planned seismic activity.

Mr. Munger added that he received written confirmatin from Hilcorp assuring that they will not do seismic work during fishing season. Ms. Saupe noted the window is limited due to stipulations by permitting regulators, likely between September and November. CIRCAC will request additional monitoring and sharing of data among industry. She pointed out that the present comment period specifically addresses the taking of marine mammals.

5. EXECUTIVE COMMITTEE REPORT

The Executive Committee met on November 8 (joint with Audit Committee), and on February 20 and March 6 to review budgets, financial reports, the proposed 2017 carryover allocations, proposals for a financial auditor (selecting Lambe, Tuter & Wagner) and receive updates from staff on matters pertaining to funding. Committee and operating budgets were approved.

The Executive Director explained that Personnel Policy #8 was reviewed by the attorney and will be revised to provide a simple IRA for employees.

The Council reviewed the 2019 Budget & Statement of Financial Position through 2/28/19. Mr. Fandrei raised a concern about adequate funding for staff training. Ms. Heaven explained that Special Opportunity funds or reallocated carryover can be used. Mr. Munger noted opportunities to train the staff are taken. Overall, the budget is on track.

6. EXECUTIVE DIRECTOR’S REPORT

Mr. Munger reported he will meet with the congressional delegation and senior CG personnel in Washington, DC at the end of the month to advocate the passage of the Spill Response Prevention

Surety Act to insure the oil spill liability trust fund becomes permanent. The bill calls for the creation of a biannual \$10 million response & prevention grant for research, technological development and prevention related programs and an annual \$25 million grant for states with oil terminal facilities connected to a waterway to fund programs that will address a list of needs of concern to CIRCAC. The RCAC has provided a list of project suggestions.

Maddie Jamora is now working full time and doing a wonderful job.

The Executive Director is looking forward to meeting Admiral Bell. Though Ms. Koch has no experience with spill response, she has been with DEC for a number of years. While the new DEC Commissioner Brune is enthusiastic about working with the RCAC, Mr. Munger is concerned with his stated view that “the c-plans are getting way too burdensome,” as the Executive Director is opposed to diminishment of environmental protections and safe operations. The C-plan regulations have gone through a number of reviews. Mr. Munger will monitor the issue closely. Mr. Shadura asked for more information regarding the administration’s statement that the bonding is too much of an impediment to industry.

The Harbor Safety Committee is functioning as designed. CIRCAC is working with Marathon to establish a joint AVTEC scholarship.

The Executive Director expressed appreciation for the recognition and the support from the Council and staff.

Mr. Shadura requested the Executive Director to get clarification from the delegation regarding their thoughts on new areas opened for exploratory wells in the OCS.

*******CLOSING COMMENTS*******

Robert Peterkin appreciated the presentations; he supports comments on the discharge permits.

Gary Fandrei enjoyed Ms. Saupe’s efforts to keep the Council informed on scientific studies.

Paul Shadura expressed appreciation for the Council’s indulgence of his questions; he learns so much.

Walt Sonen agreed the presentations were very interesting and he supports comments on the discharge permit.

Michael Opheim said he absorbed a lot. He loved the presentation, the learning and attending in person.

Kyle Crow concurred with comments made. After the Pipeline Risk Assessment his biggest concern is the discharge permit.

Deric Marcorelle is relieved Hilcorp will delay their seismic testing.

Vinnie Catalano expressed appreciation for support from Council and committees. The Protocol Committee often meets on short notice. There is a lot of work put into developing comments.

Maddie Jamora said she is glad to be full time. She urged all to take some food.

Vaito'a Heaven said it was good to see everybody; it was a good meeting. She's enjoyed having a lot of the staff in the office.

Lynda Giguere is appreciative of all the help from staff on the Annual Report. She went to Com Fish in Kodiak, and has been busy.

Susan Saupe reported on her visit to the Scottish Oceans Institute in Sullom Voe where she discussed the common interests of the citizens advisory council there after which CIRCAC was modeled. There science is required by regulation. She is hopeful that for the 30 year anniversary some representatives can come here to discuss lessons learned.

She spoke about a bizarre oil spill from a helicopter in Jackalof Bay which covered the oyster farm but wasn't reported for 2 days

Robert Peterkin reported seeing sea stars in Jackalof Bay.

Bob Flint said it was a good meeting. He appreciated the presentations that he followed on go-to-meeting.

Molly McCammon said it was a good discussion.

Michael Munger thanked everyone for their participation.

John Williams spoke about the Mayors who flew over the Exxon Valdez Oil Spill and subsequently formed the Oiled Mayors Association. They held a conference with representatives from Brittany who had suffered a spill. One man commented it would take 15 years to settle, which proved true.

The meeting adjourned at 2:10 pm.