

COOK INLET REGIONAL CITIZENS ADVISORY COUNCIL

April 25, 2014

Kenai, Alaska

Approved Minutes

Members Present: John Williams, Grace Merkes, Gary Fandrei, Molly McCammon, Bob Flint, Scott Smiley, Carla Stanley, Robert Peterkin, Walt Sonen, Deric Marcorelle, Michael Opheim, Paul Shadura

Members Present by Teleconference: Rob Lindsey

Staff Present: Michael Munger, Vinnie Catalano, Jerry Rombach, Linda Giguere, Dinelle Penrod, Cindy Sanguinetti

Staff Present by Teleconference: Maritta Newgren, Susan Saupe

Others Present: Mayor Mike Navarre, KPB; William Albright, USCG; Sven Christensen, OTB; John Schneider, Tesoro; Jack Jensen, Tesoro; Marc Bayer, Tesoro; Eric Smith, OSG; Paul Mehler, USCG; Jason Walsh, DNR/SPCO; Johnathan Schick, DNR DOG; Lori Nelson, Hilcorp; Steve Rothchild, PWSRCAC; Lisa Matlock, PWSRCAC; Gary Folley, ADEC; Ginny Litchfield, ADFG; Bill Osborn; Betty Osborn; Scott Griffith, XTO Energy; Doug Jones; Steve Russell. ADEC; Todd Paxton, CISPRI; Betty Schorr, ADEC

Others Present by Teleconference: Heather Crowley, BOEM; Elise DeCola, Nuka Research

1. CALL TO ORDER/ APPROVAL

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

Molly McCammon moved to approve the agenda. Gary Fandrei seconded. The agenda was approved.

Robert Peterkin moved to approve the minutes of December 6, 2013. Molly McCammon seconded. The minutes were approved.

- **Welcoming Remarks**

Mayor Mike Navarre, Kenai Peninsula Borough, extended a welcome, thanking the RCAC for protecting the inlet and wishing the organization well its policy decisions, consensus building and action items.

- **Welcome & Introduction of Audience & Guests**

Guests were welcomed and introduced.

- **Ex Officio Appointments**

The Council welcomed new Ex Officio appointments Johnathan Schick, Natural Resources Specialist, AK Department of Natural Resources – Div of Oil & Gas who replaces Kathleen King and Jason Walsh, AK Department of Natural Resources – State Pipeline Coordinator’s Office.

- **Presentation of the “Captain Glen Glenzer Memorial Volunteer of the Year” Award**

The Volunteer of the Year award was presented to Billy Osborn. Mr. Osborn said he had enjoyed his years working with the RCAC.

- **Resolutions**

President Williams read resolutions presented to Billy Osborn and Doug Jones recognizing their years of service on PROPS and the Council. Each was presented with RCAC coats.

- **Presentation of Volunteer Service Awards**

Volunteer Service Awards were presented to Paul Blanche (5 yrs.), John Wililams (5 yrs.), Steve Hunt (15 yrs.), Molly McCammon (10 yrs.), Billy Osborn (20 yrs.) and Richard Prentki (20 yrs.).

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

Captain Paul Mehler, III, Commander Sector Anchorage, serves as the Captain of the Port, Federal On-Scene Coordinator, Federal Maritime Security Coordinator, Search and Rescue Mission Coordinator, and Officer in Charge for Marine Inspections. The Captain gave the premier showing of a Power Point presentation regarding the *Kulluk* incident, thanking Mike Munger for his support throughout the response.

Shell Oil was towing the *Kulluk* south from Dutch Harbor after the drilling season on December 25; the forecast was not extreme. Later investigations showed fluctuations in the tow line tension, indicating the tow vessel *Aiviq* was pushing hard in high seas. The tow parted when a shackle broke on December 27, causing the *Kulluk* to drift. Other tows got under way and the *Aiviq* lost all four engines as the sea conditions deteriorated. On December 28 the *Alex Haley* sought to get a line over the Kulluk, but the line became fouled in the prop. The *Aiviq* got one engine back on line. At this point the Incident Command Center stood up.

Later in the afternoon on the 28th the *Guardsman* established tow on the *Aiviq*, but the *Kulluk* had dropped anchor without notice. Shell requested evacuation of the 18 crew members onboard the *Kulluk* and two unsuccessful attempts were made. On the 29th the line from the *Guardsman* parted, but large parts were successfully supplied to the *Aiviq* and the vessel engines were repaired. The *Nanuq* and *Aiviq* tow lines were attached to the *Kulluk* and the 18 crewmembers were evacuated. Hurricane conditions prevailed. The tow line parted on December 30. The *Alert* and the *Aiviq* established tow and the *Alex Haley* got back on scene. With the conditions continuing to deteriorate, the *Aiviq* parted and the *Alert* was having engine challenges. The decision was made to allow the *Kulluk* to ground on Sitkalidak Island on December 31.

Overflights determined there was no fuel in the water. A salvage team was put back on the *Kulluk* to prepare for an emergency tow, but had to be immediately rescued as conditions were too dangerous. The storms had passed by January 6 and the *Aiviq* reconnected, towing the *Kulluk* to Kiluda Bay. There was exterior and interior damage from the phenomenal waves and the *Kulluk* is destined to be scrapped.

A formal investigation was conducted resulting in these conclusions: Shell’s tow plan oversight was inadequate and did not include any formal risk assessment. *Aiviq* had known unreported mechanical issues and the bridge crew had little experience for the conditions. The shackle was undersized and the length of the surge chain was insufficient. Water contaminated the fuel system on the *Aiviq*.

The Coast Guard recommends partnering with TSAC in the future, particularly regarding Arctic and Alaska issues, and inspecting towing equipment. Civil penalties are still being considered and the investigation is ongoing.

The Captain pointed out that there was real heroism in the face of the conditions, with no injuries or oil in the water. There are many lessons to be learned.

Ms. McCammon asked how much control there was over the grounding location. The Captain said the Coast Guard relied on fishermen for advice for key areas to avoid, but ultimately natural forces took control. Mr. Smiley asked about the engine issues on the *Alert*. The Captain said it was an electrical problem. The *Aiviq's* fuel was tainted by the altering of the systems. Mr. Smiley said the citizens had high praise for the Coast Guard. As to the multiple loss of tow, the Captain said the broken shackle, damage done to the lines and the conditions contributed. Ms. Stanley asked about the dropped anchor, but the Captain classified it as a miscommunication with minimal impact. The anchor was lost. The *Kulluk* crew was brave, the Captain said, and had never experienced anything like this incident.

Mr. Shadura commended the Captain for the Power Point. He wondered whether someone overrode the skipper when the weather got bad. The incident caused tremendous risk to people and the environment, and he questioned whether the tow could have taken another route. He thought the *Kulluk* could have hung out in the Gulf. The Captain said the Coast Guard does not approve tow plans. It wasn't right to entrust the tow to a single vessel, although the *Aiviq* was designed for the job, but this was a worse-case scenario with three hurricanes back-to-back. The *Aiviq* was inspected by ABS.

Mr. Fandrei said the presentation was effective and helpful. Ms. Merkes thanked the Captain for acknowledging Mr. Munger.

If the *Kulluk* had not been held up it would have missed the storms. Ms. Stanley had heard the decision to go was to avoid the tax structure, the Captain couldn't say. There were other vessels in the area, but the *Kulluk's* shape made it difficult to tow. Captain Mehler said it was fortunate the Kodiak air station and cutters were so close by. Mr. Smiley said the tax avoidance issue is in the report. Mr. Flint asked whether the fuel tanks were separate, they were. John Williams asserted that the *Kulluk* was engineered for heavy towing. Walt Sonen noted the hubris, which he said cannot be regulated, as it's part of the culture. The Captain said the mariners are extraordinary, and they take risks. He reiterated there was no pollution or injuries. He thanked CIRCAC for what it does.

Mr. Shadura expressed appreciation for the Coast Guard, but said any commercial fisherman would conservatively choose the window; he feel there needs to be criterion set. Mr. Lindsey stated it was not an unacceptable risk; it was an extremely valiant effort. He commended all involved, saying worse decisions could have been made; everybody did the best they could. Mr. Williams commended the Captain for the report.

- **Captain Marc Bayer, Tesoro Maritime** stated that Tesoro is committed to environmentally safe marine transportation in Alaska, as exemplified by the commitment to transparency whenever there is an incident or near miss, the insistence on double hull Jones Act charter tankers and the presence of the year round tug. Tesoro partners with the RCAC and Coast Guard. Mr. Bayer introduced his team. The *Bob Franco* arrived in October 2013, which demonstrates Tesoro's commitment to Alaska.

- **Eric Smith, OSG**, reported the *Overseas Nikiski* just came out of dry dock in Korea. He gave

an overview of the Overseas Shipping Group which specializes in the transportation of refined and crude products throughout the U.S. The *Boston*, *Nikiski* and *Martinez* were designed in the Far East and built in Philadelphia. Mr. Smith shared slides of the vessels pointing out that transverse and longitudinal bulkheads separate the 12 tanks and both the cargo block and the bunker tanks are double hull. The tanks are easy to clean. Tesoro is the first company to request ABS Class ES notation. The vessels are equipped with better mooring lines, engines and paint. There are dedicated lap tops to provide real time weather information. The crew participates in training at the Seward simulator. OSG prides itself in transparency and feels that contributes to their improvement.

Mr. Bayer added that Tesoro co-located the shipping agent with Captain Jensen, improving communications between the ships and the office.

- **Captain Sven Christenson, Olympic Tug & Barge**, said he collaborated with Jack Jensen and Marc Bayer for 2 ½ years on the design of the *Bob Franco*. Enhancements include heated decks, a deck crane for spill response, ice class standards, enhanced living quarters, a quick release hook, tier III engines, reinforced keel coolers, and an Orville hook to grab the anchor or chain.

OTB established a schedule to keep the crew fresh on the tug. They participate in training at the simulator and with CISPRI. The *Millennium Star* is in Prince William Sound as a back-up tug.

Mr. Shadura asked if the vessels will be repowered to run LNG. Mr. Bayer said Tesoro has decided to burn only 1% sulfur fuel. Mr. Flint asked how the proposed Cook Inlet pipeline will change tanker traffic. Mr. Bayer said it will better utilize the fleet. Tesoro is in the permitting process for a crude oil terminal on the Columbia River. Ms. Stanley asked about length of service of the *Boston* and *Nikiski* (5 years), and the *Martinez* (4 years).

Mr. Munger said a tanker visit of the *Bob Franco* will be arranged at the KPL Dock this summer. It is a remarkable vessel, built specifically for Cook Inlet. Tesoro has demonstrated forward thinking. He expressed appreciation in behalf of the Council.

*******Public Comment*******

Scott Griffith, XTO Energy, said this year marks 50 years for Platform A, and the company plans to continue for years to come. He extended a formal invitation to the Board and staff to visit and see the upgrades saying it is refreshing to work with the CIRCAC staff.

2. EXECUTIVE COMMITTEE REPORT

John Williams gave the Executive Committee report recapping that the committee reviewed financial records, held an Executive Session to discuss funding and personnel issues, met with Hilcorp to discuss the Trans Forelands pipeline project and received an update on the recertification application and the proposed federal pre-emption.

3. EXECUTIVE DIRECTOR'S REPORT

- **2014 Operating Budget January-March & Financial Position**

Maritta Newgren presented the budget, saying everything is on track. The increase in the insurance is to meet the requirements of the Affordable Care Act. Ms. Newgren explained the method and policy for

accruing for employee leave liability. Extra advertising expense was incurred to seek public members and notify the public regarding the Annual Meeting.

- **Federal Pre-emption for Certain State Laws & Regulations – DEC and Nuka Research**

Mr. Munger informed the Council of a proposed rulemaking that will apply pre-emptive effect to many areas where the State of Alaska regulates oil spill prevention and marine transportation safety. CIRCAC is concerned that the rulemaking will undermine the framework of state and federal laws and regulations that support many of the activities of the RCAC according to its mission. Comments have been submitted and a 6 month extension requested, with only 2 months granted. The notice appeared on December 27, and took affected states and RCACs by surprise.

Elise DeCola, Nuka Research, added there was no stakeholder outreach, public meetings or hearings regarding the proposed rulemaking by the Coast Guard. Now public hearings are scheduled, and the RCAC will have representatives attend.

Betty Schorr, ADEC, said the state agency immediately sought clarity on the proposed rule from the Dept. of Law. She explained different forms of pre-emption. OPA90 allows states to impose more strict regulations than the federal government. If the Coast Guard rule pre-empts State of Alaska regulation regarding RPS it could result in a cutting by half the requirements. The rule making also covers oil spill response certifications.

Ms. DeCola added that there is overlap between the Ports & Waterways Safety Act and issues dealt with in OPA90. The proposed rulemaking indicates the Coast Guard means to pre-empt the states in numerous areas. It is very unusual.

Mr. Williams asked if the analysis by the Dept. of Law can be shared. Ms. Schorr confirmed the information is being shared. Questions are being posed to the Coast Guard to gain clarity, because as written it appears that state regulation on prevention requirements, spill reporting, lightering, ballast water, vessel inspection, etc. may be pre-empted. The rulemaking may impede ADEC enforcement/inspection authority. It creates uncertainty for regulators, industry, and the public. Ms. DeCola says it is believed the Coast Guard did not mean to undermine States' regulatory authority in this effort to deal with a tug issue in Massachusetts. It is questionable whether the Coast Guard has the authority to implement such a broad sweeping change.

Alaska is in communication with other affected states. Ms. Schorr said the local Coast Guard assures the rulemaking does not mean what it says. There are 60 comments on the docket. Mr. Munger reported that the Coast Guard declined to comment; not having realized the implications to individual states.

Mr. Shadura mentioned the Regulatory Review Act and wondered if liability insurance coverage is part of the issue. Ms. Schorr said the State of Alaska has been petitioning the federal government to increase liability, but she doesn't think these proposed regulations address that issue. Ms. DeCola commented the Coast Guard is trying to keep Massachusetts from regulating escort tugs.

Ms. McCammon asked whether there may be differing views between the RCAC and the state. Mr. Munger said he has found nothing yet but CIRCAC could comment separately. Steve Rothchild, PWS RCAC, agreed.

Concluding his report, Mr. Munger informed the Council that \$70,000 has been included in the draft capital budget for the Ice Forecasting Network. ShoreZone data was used during the grounding of the *Kulluk*. He acknowledged the good work of the staff.

4. STATUS OF PROGRAMS & PROJECTS

- **Environmental Monitoring Committee**

Mr. Munger stated that he had approved Ms. Saupé's attendance at the Marine Science Symposium to give a presentation and workshop on the Coastal Mapping ShoreZone and Cook Inlet Response Tool Data Portal, allowing her absence from this Council meeting. The report is in the packet. Ms. McCammon shared that at the recent meeting speakers from DEC and EPA provided information on NPDES. Hilcorp, as the largest discharger, attended to speak on their perspective.

Mr. Sonen asked about a recent ruling on dispersants. Mr. Catalano said there was a comment period on the guidelines. Mr. Rothchild said the Coast Guard is compiling the comments. There will be no other public comment opportunity.

The Beluga Study report and Navigational Risk Assessment are available.

- **Public Involvement Program**

Linda Giguere urged all to take an Annual Report and thanked everyone for their help. The website is useful, and suggestions are welcome. The electronic Newsletter is promoting committee work; it enjoys a 36% open rate. The Public Outreach Director attended ComFish. She is working on an interactive map for the website and on the 25th Anniversary.

- **Protocol Control Committee**

As reported earlier, Protocol prepared comments on the Pre-emption issue and also on the Unified Plan Dispersant Guidelines. The RCAC is working closely with the state and PWSRCAC to develop further comments on the Pre-emption issue. Mr. Munger reiterated that the RCAC will be represented at the public meetings.

- **Prevention, Response, Operations & Safety Committee**

Mr. Catalano gave a PROPS update including recent developments regarding Buccaneer and the grant from AOOS for a publically available Ice Forecasting Network camera at the Kenai River. Mr. Munger added requests will be made to hosts of previously installed cameras to allow public access. Staff attended the ARRT Meeting, has commissioned an update to the D,R,&R paper, and provided training for users of the Cook Inlet Response Tool. Mr. Catalano attended the first Alaska Oil Spill Symposium, which he classified as a miniature AMOP. Mr. Munger inserted that ADEC envisions making UAF a research center for spill response. The Cook Inlet Area-wide Lease Sale will commence on May 6. CIRCAC is purchasing 250 8GB flash drives featuring Coastal Impression photos to use for outreach.

Staff attended the Furie and Hilcorp drills. Mr. Munger has been in contact with Blue Crest which purchased the sizable oil and gas find at Cosmopolitan and said the company has a lot of funding and competent personnel. The Executive Director invited them to the Kodiak meeting.

- **Administration**

Jerry Rombach reported that the election process as outlined in the Bylaws was followed. He recognized Maritta Newgren for her preparation for the annual financial audit; the final report is due soon. Staff will

submit the recertification application the first week of May. Mr. Munger commended Mr. Rombach and Ms. Penrod for their wonderful work.

*****Closing Comments*****

Steve Rothchild, PWSRCAC, thanked CIRCAC for its support for that organization's recertification and vowed to reciprocate.

Robert Peterkin moved to adjourned. Carla Stanley seconded.

The meeting adjourned at 1:54 P.M.

**COOK INLET REGIONAL CITIZENS ADVISORY COUNCIL
ANNUAL MEETING
Kenai, Alaska
April 25, 2014**

Members Present: John Williams, Grace Merkes, Gary Fandri, Molly McCammon, Bob Flint, Scott Smiley, Carla Stanley, Robert Peterkin, Paul Shadura, Walt Sonen, Deric Marcorelle, Michael Opheim

Members Present by Teleconference: Rob Lindsey

Staff Present: Mike Munger, Vinnie Catalano, Jerry Rombach, Linda Giguere, Dinelle Penrod, Cindy Sanguinetti

Staff Present by Teleconference: Maritta Newgren

1. CALL TO ORDER

President Williams called the meeting to order at 2:04 P.M. Roll was called, establishing quorum.

2. CREDENTIALS COMMITTEE REPORT

Jerry Rombach provided the Credentials Committee Report saying the expiring Directors seats are those held by Michael Opheim, representing Alaska Native Interest Groups; Deric Marcorelle, representing Environmental Interest Groups; Grace Merkes, representing the Kenai Peninsula Borough and Scott Smiley, representing the Kodiak Island Borough.

The Native Village of Eklutna applied for membership and was certified. The Native Interest organizations elected Michael Opheim to serve as their representative for the next 3 years.

The Anchorage Waterways Council and the Great Land Trust applied for membership and were certified. The Environmental Interest organizations elected Deric Marcorelle to serve as their representative for the next 3 years.

The Kenai Peninsula Borough reappointed Grace Merkes, with Wayne Ogle to serve as the alternate and the Kodiak Island Borough reappointed Scott Smiley to serve on the RCAC board.

PROPS seats held by Doug Jones, Bob Favretto and John Bauer are expiring and Bill Osborn has resigned leaving two years remaining in his term. Mr. Jones declined to seek reappointment, but Mr. Favretto and Mr. Bauer indicated interest in continuing on the committee. PROPS moved to recommend appointment of Mr. Favretto, Mr. Bauer and new applicant James McHale for 3 year terms and Robert Reges to serve the remaining 2 years of the term vacated by Mr. Osborn.

EMC seats held by Richard Prentki, Dan Urban and Steve Hunt are due to expire and each indicated interest in continuing on the committee. EMC voted to recommend appointment of Richard Prentki, Dan Urban and Steve Hunt.

3. SEATING AND ELECTION OF OFFICERS

Grace Merkes moved to seat Michael Opheim to represent the Alaska Native Interest organizations; Deric Marcorelle to represent the Environmental Interest organizations; Grace Merkes and her alternate Wayne Ogle to represent the Kenai Peninsula Borough; Scott Smiley to represent the Kodiak Island Borough; Bob Favretto, John Bauer and James McHale to serve for 3 years on the PROPS Committee; Bob Regis to serve for 2 years on the PROPS Committee; and Richard Prentki, Dan Urban and Steve Hunt to serve on EMC. Carla Stanley seconded the motion. The motion passed.

Molly McCammon moved to reinstate the existing officers. Bob Flint seconded. Grace Merkes moved unanimous approval. The motion passed.

John Williams will serve as President, Robert Peterkin will continue as Vice-President and Gary Fandrei will fulfill the role of Secretary/ Treasurer.

4. SELECTIONS/ APPOINTMENTS: COMMITTEE MEMBERS

- **Executive Committee**

The officers automatically serve on the Executive Committee.

Molly McCammon nominated Bob Flint and Grace Merkes to serve as at-large members on the Executive Committee. Deric Marcorelle volunteered to serve. Ms. Merkes offered to relinquish her position. Paul Shadura moved to close nominations. The committee elected Bob Flint and Deric Marcorelle to serve as at-large members.

- **Audit Committee**

The Treasurer automatically serves on the Audit Committee.

Grace Merkes, Molly McCammon, Paul Shadura volunteered to sit on the committee, and Carla Stanley expressed interest in serving as an alternate.

The Council elected Molly McCammon and Paul Shadura to serve as at-large members and Grace Merkes to serve as the alternate.

- **Credentials Committee**

The Vice-President automatically serves on the Credentials Committee.

Paul Shadura moved to nominate Grace Merkes. John Williams nominated Gary Fandrei. Paul Shadura nominated Michael Opheim and Carla Stanley nominated Walt Sonen.

The Committee elected Grace Merkes, Gary Fandrei and Michael Opheim as alternate on the Credentials Committee.

- **Protocol Control Committee**

Robert Peterkin, Paul Shadura, Bob Flint, Deric Marcorelle, Rob Lindsey and John Williams volunteered to serve on the Protocol Committee.

- **Prevention, Response, Operations & Safety Committee**

Carla Stanley, Walt Sonen, Bob Flint, John Williams, Rob Lindsey, Grace Merkes, Deric Marcorelle, Michael Opheim and Paul Shadura volunteered to serve on the PROPS Committee.

- **Environmental Monitoring Committee**

Scott Smiley, Michael Opheim, Molly McCammon, Carla Stanley, Deric Marcorelle and Bob Flint volunteered to serve on EMC.

*****Closing Comments*****

Robert Peterkin said he likes Protocol.

Bob Flint commented that the presentations were informative.

Carla Stanley agreed and requested more joint activities with PWSRCAC.

Paul Shadura appreciated the presentations; he likes it when industry extends invitations for tours and enjoys serving on the Protocol Committee.

Walt Sonen mentioned he attended a conference where Ricki Ott presented a movie titled "Pretty Slick" regarding the use of dispersants in the gulf. The federal government has not adjusted toxicity levels since the 50's.

Scott Smiley recommended others read the report on the *Kulluk* and expressed appreciation for the presentation.

Michael Opheim said he is happy to serve on the Council and that he learns new things.

Vinnie Catalano expressed appreciation for the Directors and their service on committees.

Jerry Rombach appreciated the support. He acknowledged Mr. Opheim and Mr. Marcorelle for the outreach to their organizations.

Gary Fandrei said he looks forward to a tanker tour. The Aquaculture Association is working to rid lakes of Elodia and he thanked Mr. Munger for obtaining oil boom from CISPRI for the job.

Michael Munger thanked the members for their support and participation. Hilcorp has extended an invitation to their facilities. He is proud of the RCAC.

Rob Lindsey appreciated the heroic effort demonstrated during the *Kulluk* incident.

John Williams highly recommended members take advantage of opportunities to take a tour. He asked whether Alaskan seafood is subject to radiation due to the Japanese tidal wave.

Molly McCammon responded that the governments are not providing funding to monitor but there are informal efforts to sample water, seaweed and marine mammals.

Carla Stanley pointed out that Alaska Coastal Studies is focusing on marine debris.

The meeting adjourned at 3:02 P.M.