

Oil Spill Recovery Institute Advisory Board
Meeting Minutes
Monday, Nov. 15-Tuesday, Nov. 16, 1999

The meeting was held at the Moose Lodge in Cordova, Alaska.

The meeting was called to order about 9:55 a.m. by Chair Barbara Moore. A quorum was established. Eleven of 13 voting members and two of two non-voting members were present.

Advisory Board members present:

Virginia Adams, Larry Dietrick, Carol Fries, John Goering, R.J. Kopchak, Marilyn Leland, Jim McHale, Barbara Moore, Doug Mutter, Capt. Ed Page, Claudia Slater, Ed Thompson, Mead Treadwell and Glenn Ujioka (joined the meeting in progress).

Board members absent: Gail Evanoff.

OSRI staff present: Gary Thomas, Walter Cox, Penny Oswalt, Nancy Bird.

Visitors: Branch Haymans, Mary Anne Bishop, Shari Vaughan, Jia Wang, Vince Patrick, David Janka, Ken Adams and Shelton Gay.

Approval of agenda: **Motion** by Kopchak, seconded by Leland, to approve the agenda as presented. **Motion passed.**

Public comments: Mary Anne Bishop, formerly of the Copper River Delta Institute and a research associate at the Prince William Sound Science Center, encouraged the Board to expand the FY00 work plan to include ecology projects focused on the benthic populations at risk in the Copper River Delta region. She provided a written memo regarding this issue (attached to these minutes). David Janka reiterated a need to look at protecting the resources at risk in the Delta and stated the risk may be from breaks in the pipeline that might spill into the Copper River and come downstream. Vince Patrick expressed appreciation to the Board for OSRI's support of the modeling programs for Prince William Sound through the Sound Ecosystem Assessment (SEA) program.

Approval of minutes: **Motion** by Leland, seconded by Mutter, to approve the minutes of April 21, as corrected (strike-outs show deletions, underlines show additions/corrections):

- Bottom of page 1 – “. . . He noted that the Arctic ~~Research~~ Council is chaired this year by the United States. . .”
- Bottom of page 2 – “. . . Two of these would be to increase the allowed length of corporate government bonds from 7 to 10 years, and to allow ~~triple B bond purchases in addition to double A bonds~~ purchases of double A and triple B bonds.
- Bottom of page 3 – “. . . Advisory Committee on the Protection of the Sea ACOPS proposal: . . .”
- Top of page 10 – “. . . The general consensus was to continue allocation of total funds on the basis of this formula. ~~Thomas was questioned on how he thought things were going. He stated that he thought things were going well, though he was a little frustrated in his efforts to convince other agencies to adopt the approach OSRI has endorsed. . .”~~
- Bottom of page 10 – “. . .(1) Science reporting in Alaska– Steve ~~Heimich~~ Heimel, Alaska Public Radio Network . . .”

Motion passed.

Motion by Kopchak, seconded by Leland to approve the minutes of Sept. 8 as presented.
Motion passed.

Chair's Report: Chair Moore gave a brief report and then asked Vice-Chair Treadwell for comments. He reported on (1) a Cook Inlet workshop which concluded with a recommendation that a risk assessment in Cook Inlet is needed; and, (2) legislative developments related to the North Pacific Research Board.

Director's Report: Director Thomas reviewed the FY99 work plan and status report.

Treasurer's Report: Treasurer Kopchak asked Finance Director Oswald to summarize the FY99 Fiscal Report. She highlighted line items which were over or under the projected budget and answered questions.

Branch Haymans, Associate Vice President for Morgan Stanley Dean Witter, presented investment performance reviews for the periods ending June 30, 1999 and September 30, 1999. In discussion, it was noted that a higher return on investments could result from some changes in the investment strategy and policy. Further discussion indicated two action issues: 1) revision of the investment policy statement and, 2) determine the cause of the apparent decrease in earnings of the \$22.5 million principle set aside for OSRI programs and managed by the U.S. Treasury.

Action taken:

(1) Kopchak suggested that Treadwell, as Treasurer of the Prince William Sound Science Center which manages the OSRI funds, work with the PWSSC Board to prepare written recommended changes of the investment strategy for consideration by the OSRI Board.

(2) **Motion** by Mutter, seconded by Kopchak, to authorize the expenditure of up to \$10,000 for a legal review of the funding stream and what kind of investment policy exists now and could exist. **Motion passed.**

Lunch break was taken from just after noon until 1:35 p.m.

The meeting reconvened at 1:35 p.m.

Glenn Ujjioka joined the meeting.

Project Presentations:

(1) Shari Vaughan, Ph.D., Principal Investigator, Oceanography Program, Prince William Sound Science Center, reviewed work completed to date on the oceanography portion of the nowcast/forecast project.

(2) Jia Wang, Ph.D., International Arctic Research Center, described the results to date for modeling the oceanographic and other data in Prince William Sound.

(3) Aaron Lang, Education Coordinator, Prince William Sound Science Center, made a brief presentation on the Science of the Sound program, a collaborative education project with the U.S. Forest Service.

Amendment to the agenda: **Motion** by McHale to revisit the agenda approval for the purposes of complying with the bylaws, Article VI (election of officers), seconded by Treadwell. **Motion passed.** The Chair suggested this item – election of officers – be taken up after the end of project presentations.

Project Presentations continue:

(4) Jim McHale, President and CEO of Alaska Clean Seas, summarized the demonstration of a new mechanical ice recovery system held in Prudhoe Bay in mid-October. The demonstration was part of Phase IV of the MORICE (Mechanical Oil Recovery in Ice Infested Waters) project.

Election of Officers:

Moore returned to the topic of election of officers. In the current bylaws, the Vice Chair serves a two-year term and the Secretary and Treasurer serve one-year terms. Moore invited discussion of the length of these terms.

Motion by Kopchak to amend the bylaws, Article V, the board shall elect a secretary for a two-year term, and the board shall elect a treasurer for a two-year term, seconded by McHale. There was discussion regarding the terms of appointment for members; the governor appointees and at-large representatives serve two-year terms, while state and federal agency representatives serve indefinite terms. **Motion passed** with no dissenting votes.

Election process: After discussion, a consensus decision was reached to appoint a nominating committee for the officer elections and to hold a secret ballot election Tuesday morning. It was noted that the last officer elections recorded in the minutes were held in May and October of 1997, but not in 1998. McHale volunteered to chair the nominations committee.

Afternoon break

Housekeeping announcements: Various OSRI publications and the video, **Sound Science**, were distributed. Bird noted that two Board members should be elected to the Executive Committee and suggested that this be done Tuesday morning at the same time as the officers' election takes place. Bird also called attention to a conflict of interest disclosure form that is attached to the bylaws and must be completed annually by all Board members.

Development of a 5-year plan – Director Gary Thomas presented this plan and fielded questions from Board members. An outline of this Powerpoint presentation is attached to these minutes.

Proposed FY2000 Work Plan – Technology Coordinator Walter Cox summarized the draft work plan and solicited questions and comments/suggestions regarding changes to this plan. Cox noted that the total budget for FY00 is proposed at \$1.6 million and is divided among the program areas of technology (49%), ecology (31%) and education (20%). Part

of the reason for this proportional breakdown of the funding is in order to catch up on underspent funds for technology programs in previous years.

There was a question regarding protocols to determine which program area projects fit into, i.e. technology or ecology. Thomas gave a brief review of past actions. Previously, the Advisory Board agreed to allocate a total of \$1.6 million for the nowcast/forecast programs and divide them 50% in the ecology and 50% in the technology program areas.

The public comments (received at the beginning the meeting) on the proposed FY00 work plan were discussed and there was general consensus to add projects supporting a risk assessment for Cook Inlet, research on the Copper River Delta, and technologies to increase detection of icebergs. Additional comments from Board members included:

- Support for tools resulting in tangible technologies, focused on prevention.
- Support for multi-year and cornerstone projects.
- Encourage the education projects to expand its services outward, both statewide and nationally.
- Encourage projects to generate approaches to problem solution and recruit participation in how to resolve those problems
- Investigate Northeastern University's acoustical programs (Raytheon) and look into collaborations.
- Develop an annual schedule for request for proposals and publicize it. This may benefit the building of partnerships as well as increase the number of proposals received.
- Clarify the products of cornerstone projects, like the nowcast/forecast program, and involve the end users in the development to insure the results are applicable and useful.
- Develop a list of alternate projects for the annual work plan that might be funded if some of the primary projects don't pan out.

The discussion ended with agreement to determine final directions during discussion of the FY00 budget Tuesday morning. Monday's meeting **recessed** at about 5:15 p.m.

The **meeting reconvened at 8:30 am Tuesday, Nov. 16.**

All voting Board members who were present Monday afternoon remained present; non-voting member Mead Treadwell was absent Tuesday morning.

Nominations Committee Report: Committee members were Jim McHale and Glenn Ujioka. McHale reported the following nominees for officer positions:

1. Vice Chair - Ed Page and Mead Treadwell
2. Secretary - Doug Mutter
3. Treasurer - R.J. Kopchak

Motion by McHale to elect Mutter and Kopchak by acclamation, seconded by Ujioka.

Motion passed.

Following a secret ballot, Ed Page was elected Vice-Chair.

Executive Committee at-large seats

The Executive Committee includes the Chair, Vice Chair, Secretary, Treasurer and two additional members. Nominations for the two at-large committee members were opened and Mead Treadwell and Jim McHale were nominated from the floor.

Kopchak expressed a desire to encourage all Board members to participate in Executive Committee meetings. After discussion, the Chair directed that the minutes reflect that all Board members must be notified of Executive Committee meetings and invited to participate. However, formal votes will include only Executive Committee members.

Additional nominations for the Executive Committee at-large seats by the Nominations Committee included Ed Thompson, Marilyn Leland and Larry Dietrick (previous nominations from the floor were Treadwell and McHale). **Motion** by Mutter to close the nominations, seconded by Leland.

Dietrick withdrew his name, citing time commitments.

A secret ballot resulted in the election of Leland and McHale to the Executive Committee.

Proposed FY 2000 Budget

Treasurer Kopchak turned the floor over to Penny Oswald. She highlighted some changes in the administrative portion of the proposed FY 2000 budget. There was discussion regarding the salary line item and the percentage allocation. The FY00 budget increases the percentage allocated by the administrative staff for their salaries to the OSRI budget from 50% to approximately 65% (these individuals' salaries are shared with the Prince William Sound Science Center). Time cards are maintained and the allocation of time may be adjusted if major changes are seen. It was later suggested that the total number of positions funded within the salary line item might be included in future budgets.

A discussion regarding the 20 percent cap on administrative expenses led into a discussion of setting a policy on how to treat unspent funds within each program or

administrative area. The legislative language (in the Oil Pollution Act of 1990) regarding “Use of funds” was reviewed. It was agreed that the 20% cap on administrative spending is based on the total revenue.

Questions remained as to what length of period to figure the 20% cap, i.e., 5 years or 10 years. Kopchak suggested a Finance Committee review this issue and prepare a report for the full Advisory Board. Moore appointed the Finance Committee to include Ed Thompson, Claudia Slater, Carol Fries and R.J. Kopchak. The committee tentatively plans to meet in January and have the report completed and presented to the Advisory Board by the spring meeting. Moore also asked the committee to review the multi-year funding picture and present a report on this issue. Thompson suggested a legal review may be required to determine how much leeway the Board has in spending the interest earnings.

FY00 Work Plan – Staff was directed to clarify that the nowcast/forecast program’s total cost is targeted at \$300,000 per year to be split equally between the technology and ecology program areas. In the draft work plan for FY00, \$140,000 is budgeted in the technology program for the nowcast/forecast, and \$150,000 is budgeted in the ecology program (for a total of \$290,000).

Discussion ensued on the importance of research products being applicable to the end users. Concern was expressed that the modeling effort shown by Dr. Wang might not be useful to applications. Thomas stated that the front end research effort is supposed to lead to an application effort. The development of new tools will allow new capability. He stated that there must be “mid-point” checks with the end users, not just discussion with them at the beginning and end of projects. Discussion then turned to the proposed support for a risk assessment of Cook Inlet. A concern was expressed that a huge investment was likely to accomplish a full risk assessment and OSRI’s contribution would be relatively small. Others stated that once a scoping document is completed, other funding sources will more likely become available. It was also reiterated that OSRI’s support for a scoping document must be on a matching basis.

Agreement was reached and staff were directed to issue Broad Area Announcements soliciting proposals in several broad areas.

- Ecology solicitation: Intertidal resources in broad region of Prince William Sound and Copper River Delta (\$100,000)
- Technology solicitation: Cook Inlet risk assessment scoping document – require matching funds; indicate OSRI’s interest in contributing funds to this project (not to exceed \$25,000), but not taking the lead on it.

Interest was also expressed in supporting continuation of the ice detection project which the Prince William Sound Regional Citizens’ Advisory Council is currently leading. Discussion ensued regarding the need for additional technology projects. It was noted that ecology projects have received a large amount of funds since the 1989 oil spill (from the Trustee Council and other funding sources) but very little has been spent on technology improvements. Dietrick recommended that Cox needs time to prioritize technology projects already underway or supported by others and include some of these

in this year's work plan. There was agreement to reduce the amounts set aside for the remote sensing and dispersed vs. non-dispersed BAAs from \$200,000 to \$100,000 each; the \$200,000 balance is designated for an unallocated category for additional technology projects.

It was suggested that Advisory Board members be involved in development of the annual work plan. This would most effectively use their expertise and knowledge. It was also pointed out that the timing of the planning sessions should be moved forward so that the Advisory Board meets prior to the beginning of a new work year. This change in process – appointment of subcommittees for the three work plan areas - will require more time commitments by Advisory Board members. There was consensus that this issue should be put on the spring meeting agenda and action taken at that time.

There was some discussion regarding the environmental science education program funds and expansion of the Science of the Sound program to other regions.

Fries expressed interest in seeing the work plan better delineate projects for each fiscal year and, also, how these projects fit into the long-range plans for OSRI. Thomas stated that his goal for the coming year is to have a model operating at the Center in Cordova, using existing weather data; and, secondly, he wants to start developing a wind model at the same caliber as the Princeton Ocean Model (POM). He wants to demonstrate nowcast/forecast capabilities of the POM and also expects to see completion of the integration of the phytoplankton model into the POM.

McHale asked to see the five-year plan for OSRI. Staff was directed to send copies of this to all Board members.

Motion by Kopchak to approve the FY00 budget and work plan with the modifications as listed above, seconded by Leland. **Motion passed** unanimously.

Several reiterated their view that this budget and work plan are both “plans” which should be modified as new information becomes available and conditions change.

Upcoming meetings

Jan. 20 or 21 was suggested as a tentative date for a *Finance Committee* meeting in Anchorage (following the EVOS Trustee Council's Annual Workshop). A final date will be set later.

The **spring meeting** of the *Advisory Board* was tentatively scheduled for late April (**Wednesday and Thursday, April 26-27**) in Kodiak.

The **fall meeting** of the *Advisory Board* was tentatively set for **Tuesday and Wednesday, August 15-16, 2000** in Cordova.

Executive Committee meetings will be scheduled as necessary.

A special teleconference meeting of the Advisory Board may be scheduled for mid-December 1999 for the sole purpose of considering changes to the investment policy. A tentative date of Tuesday, Dec. 14 was set. Confirmation of this meeting date will be sent to all members later.

Governor's appointments

Bird stated that a second oil and gas industry representative is still to be appointed by the Governor. She encouraged any Board members who wish to contact the Governor's office and encourage the seat to be filled.

Other announcements

It was clarified that the information from the PWS model is being shared with NOAA for inclusion in an oil spill trajectory model they are currently updating.

A new agenda item was suggested for a future meeting, regarding a procedure to do a program audit responsive to the questions: Are we doing what OPA90 said we should do? Are we following our procedures? Staff will research legislative directives on this issue and report back at the next meeting.

The meeting adjourned at just after 10:40 a.m.

These minutes were reviewed and approved by the Advisory Board on April 26, 2000.

Doug Mutter, Secretary