Oil Spill Recovery Institute (OSRI) Advisory Board Meeting Minutes  
Friday, February 12, 2016

**Board Members Present** - Doug Helton, Philip Johnson, Diane Durham, Rick Bernhardt, Jeanette Alas, Sue Saupe, Joe Banta, Chuck Meacham and Andres Morales.

**Board Members via Phone** - Andy Craig, David Totemoff and Bill Lindow.

**Staff Members Present** - Katrina Hoffman and Scott Pegau.

**Visitors Present** - Bark Lloyd (full meeting) and Doug Mutter (beginning of meeting).

**Approval of Agenda** - Agenda approved.

**Approval of Past Minutes** – Motion by Sue Saupe to approve minutes.  
Second by Diane Durham. Minutes Approved.

**Chairman’s Report**
Doug Helton delivered the chairman’s report which included recent regional and national political and scientific events that could affect the board. There was discussion about the newly adopted Alaska ROT dispersant response plan. This plan will trigger a two-year process that revises sub area plans in central and western Alaska. As the planning process proceeds, anyone can submit an area for further attention either in the preauthorized zone (24 miles and out) or closer into shore that might require further investigation. A suggestion made to invite a coast guard planner to next meeting.

Since fall meeting, pending change in crude oil export proposals have been moved forward with. We may expect to see a change in shipping routes and different patterns of risk, especially in the Aleutians and Alaska’s gulf coast.

Doug has also recently attended the Alaska Marine Science Symposium (AMSS) and the Gulf of Mexico Economy Conference. A lot of information has been coming out about the damage assessment with the BP spill. Doug’s office is working a lot with how to translate NRDA information into how to improve future responses.

A study encompassing what we know about arctic dispersants by NOAA and University of New Hampshire has led to a year-long effort to empanel five different groups looking at different aspects of dispersants and the arctic environment. These white papers produced are now being circulated within the broader community with a request for review in case there was any science that has been missed and should have been considered. A rolling public comment period of each of the five white papers will be presented. The first one is on efficacy and affects which public comments are open until the February 22nd. Comments and recommendations must be derived from published, peer reviewed sources.

There are also current sifting risks patterns with arctic exploration and arctic shipping. A request for coast guard to provide OSRI with updates, in terms of numbers, to inform the board of the
types of risks. This information could help OSRI know where to be putting in the resources and looking for proposals.

**Executive Director’s Report**
Katrina Hoffman: The Administrative side has been pursuing appointments to the board, which for several seats, must be done by the Governor every two years. For the two Alaska Native seats, our mandate is that the Alaska Federation of Natives (AFN) must forward four names to the Governor’s office for the placement of two individuals. Right now we have several seats that are expired and several individuals who have submitted applications to the Governor’s Office of Boards and Commissions. Although we suggested four names, some partner organizations have made other recommendations and it’s unclear to me at this point whether AFN has been able to move four names forward. However, both Bark Lloyd and Andres Morales have appointments for interviews with Walker’s staff, and hopefully we’ll have some confirmations within a month.

We are working to release both the FY14 and FY15 OSRI annual reports. We’ll post them on our site and circulate them to you when complete. It’s a useful summary of our funded work and has graphs depicting our fiscal trajectory over time.

We are in FY16 and we based this year’s work plan budget on a slightly higher deposit than we actually received. This year, the USCG treasury moved to new office. Our inquiries to them went unanswered and it took us nearly two months to track them down and resolve that. We learned in mid-January that our deposit for this year is $761,836. As of last week, those funds had still not come to PWSSC. This is an example of why it is so useful that you have funds in a reserve account, because we have covered month than a quarter of spending without actually having received any funds.

The Science Center board is responsible for managing how your reserve funds are invested. That is driven by a reserve investment policy, the contents of which you do not see here. The PWSSC OSRI reserve investment policy was last updated in 1999. I have sought expert counsel on whether and how the investment policy needs to be changed to be more contemporary. The key person I have sought review from is Alex Slivka of McKinley Capital here in Anchorage. He is on the investment advisory team for the Alaska Community Foundation. He has advised me that the reserve investment policy is actually quite sound and only needs minor updates. The other issue is evaluating how well the investment firm, which is Morgan Stanley, is following the policy, and it is fair to say that their management has drifted away over the years from following the policy. I’ll be asking Morgan Stanley to propose how they would bring the funds back into alignment with the policy after I have gotten consensus from the finance committees of both the PWSSC and OSRI board on updates to that policy.

This is a busy travel season and I’d like to thank Scott for attending meetings all over the country, keeping OSRI’s work on people’s radar, seeking partnerships, learning, and presenting the results of our funded and collaborative work.

*Bamta requested that OSRI RFPs are circulated to the board so they can increase distribution.*
Kinner explains that the Science Action Network program was created out of concern that during Deepwater Horizon, there was difficulty integrating input from academic scientists. They convinced Packard Foundation to fund a one-year project called Scientific Partnerships Enabling Rapid Response. SPERR ended in July 2015. Initially there was an advisory team and an implementation team but over time these two teams merged.

Goals are to bridge cultural gaps between response agencies and academic scientists to create new norms for collaboration. The hope is to drive disaster-relevant and interdisciplinary scientific research through novel academic agency partnerships as well as open up possible funding opportunities. Another goal would be to catalyze cross-disaster and cross-institutional scientific exchange (e.g. between and among regions). A disaster in one region can bring in other scientists from other regions.

First, a pilot is recommended at a small scale level to see how this might work. There is a proposed pilot of six to twelve months; Center for Spills/Hazards in the Environment would be the coordinator; Alaska Regional response Team (RRT) might be a partner on agency side; other potential partners in Alaska are OSRI, University of Alaska Anchorage, and University of Alaska Fairbanks.

Objectives would be to test and demonstrate tangible value created by having an identified regional group of scientists who could be available to help the Alaska RRT respond to disasters such as oil spills, chemical spills and storm response.

The Alaska RRT has looked into this and they have noticed a lot of academic interest after an incident. So he is looking to see how to get interest and expertise beforehand so academics understand policies and processes. Competition for funding allows for diverse professionals from different subjects and regions to become involved in this network.

Lloyd noted how such a process might be useful in other disaster situations. He asked what was the cost of doing a webinar, and how much money would it take to develop the process. Kinner replied that she thought they could do a whole initial pilot for $30-40K.

Research Program Manager’s Update
Scott Pegau delivered the research program manager’s update. He describes the hydrological model update, Mote Marine Lab sub-lethal toxicology project update and the six North Pacific Research Board (NPRB) proposals, two of which are oil related. There is a request for proposals (RFP) for biodegradation agent work. He has been contacted by at least five different groups.

He recommends OSRI moves forward with both a small pilot study to measure oil thickness and the infrared study. There is also a request out for updating the Field Guide for Oil Response in Arctic Waters.
There is an RFP for hands on outreach to understand tradeoffs for oil spill response options, as well as graduate research fellowships. Both of our PhD students are finishing up and we’ll be able to fund two of those applications. Internship RFP for response orgs or agencies involved is live. We have interest from individual students but haven’t heard from any organizations.

Pegau goes on to describe partnerships and says to keep an eye on the NPRB Arctic ecosystem study, STC said keep our eye on projects rather than funding the program overall. NPRB may look at the Aleutians as the next place they go.

Workshops we supported are Alaska Marine Science Symposium (AMSS), Alaska Forum on the Environment (AFE), and Alaska Oil Spill Science and Technology Symposium (AOSTS).

At the last meeting, we learned about the UAF Center for Sustainable Development. They are no longer pursuing that. The landscape for oil spill research has changed a lot in the last few months.

**OSRI Financial Information**
Scott Pegau led the financial portion on the meeting. Spending is broken up into Administration and three goals (Understand, Respond and Inform). Each goal harbors different projects and expenses. Pegau goes on to explain the different funding and spending lines on all projects in the different goal sections.

a. *FY15 Fourth Quarter Report*: The FY15 wrap-up. The important thing to look at is if something is in balance, we have not encumbered or expended that money. That will then go back into our bank account to be spent at a future date. About $60K will go back in Administration. When we underspend on programming, it changes how much administration is available, which is always 25% of program spending.
b. *FY15 Audit Report*: Penny Oswalt says audit should be done in the next week.
c. *Interest Calculation and Deposits*: The face value of a note may say 4%, but the premium to buy some notes was so high that they are effectively returning a much lower percent. That is the difference between the interest rate and the yield-to-maturity column. They sell old ones and buy new ones on Nov. 15th. The notes bought last Nov. 2015 were 2.27. The old ones rolling out are around 2.5%. It leaves me with an expectation that the funding will be near level. Predicting a deposit happens after calculating amortization as well as effective interest. We should probably expect about $780K next year.
d. *FY16 First Quarter Report*: Expenditures are always low in Q1. A bit of money expended in Q1 came from previous year projects. There is a large amount that we have encumbered in different projects. Where you see the balance, those are projects, like all the RFPs, that we haven’t yet contracted. This is money that we’re trying to spend.

**Review OSRI Reserve Spending Policy**
OSRI is funded by interest off a portion of the Oil Spill Liability Trust Fund (OSLTF). The Prince William Sound Science Center places these funds in bank accounts and investments accounts and that money gains interest until that money is spent by OSRI. Katrina Hoffman presented the proposed reserve spending policy wording.

**Motion** by Chuck Meacham to approve reserve spending policy language. **Motion** Seconded.
There was discussion regarding reserve spending amounts. It was noted that unencumbered and uncontracted funds go back into the reserve. There was a recommendation that the work plan budget not exceed $100,000 annual reserve spending. This level of spending is very conservative and will be a soft parachute to get us to the $500,000 level in a very controlled manner.

**Motion** by Doug Helton to adopt with minor grammatical changes and delete the word “proposed”. **Motion** passes unanimously.

**Presentation** – Cook Inlet Hydrology - *Thomas Mosier, Oregon State University*

Presentation by Thomas Mosier, OSRI-funded graduate research fellow on hydrological modeling.

**Presentation** – Microbial Biodegradation – *Kelly McFarlin, University of Alaska Fairbanks*

Presentation by Kelly McFarlin, OSRI-funded graduate research fellow on microbial degradation of crude oil by microbes, including in the presence of Corexit 9500.

The presence of oil and Corexit significantly altered the array of microbes present in samples—increasing the relative abundance of some species. Questions and discussion about the changes in relative abundance.

**Election of Officers**

**Motion** by Andres Morales to re-elect existing officers for a two-year term.

Second by Philip Johnson. **Motion** passes unanimously.

**Motion** by Jeanette to elect Philip Johnson and Andres Morales to the Executive Committee.

Second by Chuck Meacham. **Motion** passes unanimously.

FY17 Work Plan meeting held in Cordova in Summer 2016

Sue Saupe
Rick Bernhardt
Bark Lloyd

Finance committee membership stays as Bill, Joe, Chuck and Staff.

**Chair:** Doug Helton
**Vice Chair:** Chuck Meacham
**Secretary:** Sue Saupe
**Treasurer:** Joe Banta
**Additional Members of Executive Committee:** Phil Johnson and Andres Morales
**Finance Committee:** Bill Lindow, Joe Banta, Chuck Meacham, Katrina Hoffman, Scott Pegau and Penny Oswalt
**Scientific and Technical Committee Term Limit Discussion**
There was discussion about turnover with a 3-year term limit after which someone needs to take 12 months off before re-joining. It was decided that dates when people first joined the committee are also important to ensure staggering of when new people are brought on.

**Motion** by Joe Banta that the Scientific and Technical Committee maximum participation of three 3-year terms with a minimum of 12 months off the committee before re-applying. Second by Chuck Meacham.
One opposition by Diane Durham.

**Motion** passes.

*Scott Pegau will draft up policy and staggered limits.*

**Scientific and Technical Committee Membership Request**
There are three applicant requests for the Scientific and Technical Committee. Terry Whitledge, a chemical oceanographer, has been on for two terms, as chair. CJ Beegle-Krause, a physical oceanographer/modeler who started out as a biologist and has diverse background with NOAA, has been on for one term. Brenda Konar is an interested new applicant. She is a benthic ecologist who would also fill the Institute of Marine Science role. John Kelley is leaving therefore opening up a position on the committee.

**Motion** by Sue Saupe to approve these three members. Joe Banta seconds.
**Motion** passes **unanimously**.

**Review Calendar/Schedule for Committee and Board Meetings**
Hoffman led a review of the calendar and scheduling a tentative fall meeting on October 12th.

**OSRI Board Member Comments**
Doug Helton asks if will participate in or pursue outreach events for the 30th anniversary of the Exxon Valdez Oil Spill. When he was at AMSS, they had a session about combining science and art. Researchers from University of Washington did a collaboration with some artists documenting that work. In his office, with Alan Mearns, they’ve talked about re-visitings spots of significance during the spill and documenting them and how difference over time.

**Motion** by Rick Bernhart to close the meeting. Philip Johnson seconds.

**Meeting Adjourned at 3:32pm.**