

NOTICE AND AGENDA
Special Teleconference Meeting

Board of Directors
Aquatic Science Center

To Be Held
January 29, 2009
3:00 p.m.

Dial In Number: 1.913.227.1219
Guest Code: 887181

1. **Call to Order**
2. **Public Comments**
3. **Consent Items**
 - a) **Approval of Agenda**
4. **Information Items**
 - a) **Impact of the state budget crisis on ASC projects and temporary cost-cutting and revenue enhancement steps taken so far (Attachment 1).**
 - b) **Discussion of phased approach to weathering the cash-flow crisis.**
5. **Action Item**



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Board Members
CHAIR Bruce Wolfe
VICE-CHAIR, SEC. Dave Tucker
Michele Pla
Darrin Polhemus
Chuck Weir
Alexis Strauss
Pamela Creedon



a) Approve proposed project initiated by the San Diego Regional Water Quality Control Board with Cleanup and Abatement Fund resources to be included in updated 08/09 Program Plan (Attachments 2a, b).

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ATTACHMENT 2a

Project Background

The San Diego Regional Board issued Tentative Cleanup and Abatement Order No. R9- 2005-0126 in response to the State Water Board putting the Shipyard Sediment Site on the 303(d) list of impaired water bodies. The listing was due to the elevated levels of pollutants found in the marine sediment at the Shipyard Sediment Site. The Designated Parties for the Regional Board proceedings on this matter are as follows:

1. BAE Systems San Diego Ship Repair, Inc. (formerly Southwest Marine, Inc.)
2. National Steel and Shipbuilding Company (NASSCO)
3. San Diego Gas and Electric, a Subsidiary of Sempra Energy Company
4. Chevron USA, A Subsidiary of Chevron Texaco
5. BP, the parent company of and successor to Atlantic Richfield Co. (ARCO)
6. U.S. Department of the Navy
7. City of San Diego
8. Marine Construction and Design Company / Campbell Industries, Inc.
9. San Diego Unified Port District
10. San Diego Coastkeeper (formerly San Diego Baykeeper)
11. Environmental Health Coalition
12. San Diego Port Tenants Association
13. Regional Board Cleanup Team

The Designated Parties, with the exception of BP and Marine Construction and Design Company / Campbell Industries, are currently in mediation to arrive at a mutually agreeable resolution to identifying primary contaminants of concern (CoCs) and associated endpoints, establishing cleanup objectives related to each CoC, and determining goals to verify achievement of the objectives. The mediation deadline date is set at **March 31, 2009**.

Following the mediation process, if successful, the Regional Board will consider adopting a revised cleanup and abatement order that reflects the results of the mediation. If the mediation fails, Regional Board staff will bring the tentative cleanup and abatement order to the Regional Board for consideration. In this case, however, the hearing before the Regional Board will be much more adversarial and complex since no agreement will have been reached among the Designated Parties.

As part of the mediation process, the Regional Board Cleanup Team plans on proposing a list of CoCs that are adversely impacting the benthic community and proposing cleanup levels for these CoCs to the other Designated Parties. The Regional Board Cleanup Team requests the technical assistance of Aquatic Science Center to develop these proposals, which may include a presentation of

the methodology, results, and conclusions to the mediator and/or other Designated Parties. We recognize that the Aquatic Science Center will not advocate anything except rigorous, objective science and requests to maintain neutral during this mediation. The Regional Board Cleanup Team fully supports this request and we will ensure that the mediator and other Designated Parties are cognizant of this request. The approximate budget to perform the scope of work is \$20,000 to \$30,000.

Project Overview

The State of California has adopted regulatory sediment quality objectives (SQOs) for enclosed bays and estuaries in California. The SQOs use multiple lines of evidence (MLOE) that include: sediment chemistry, sediment toxicity, and benthic community condition (SWRCB, 2008), and provide an assessment to the degree of sediment impact at a site.

The San Diego Regional Water Quality Control Board (SDRWQCB) recently conducted SQO assessments at numerous sites within San Diego Bay using the SQO methodology (SWRCB, 2008). Stations were sampled during the Bight'98, NASSCO and Southwest Marine, and Chollas/Paletta TMDL studies. Many of the locations exhibited sediments that were considered impacted (NASSCO and Southwest Marine, 2003; SCCWRP and U.S. Navy, 2004). However, the SQO methods do not identify which contaminants may be associated with impacts or potential threshold concentrations. Therefore, the SDRWQCB would like to have sediment chemistry concentration thresholds derived for contaminants of concern, which may be used in future clean-up efforts for sediments at the shipyard sites in San Diego Bay.

The objectives of the proposed project are: 1) to review the SQO assessments at the shipyard sites, 2) identify contaminants of concern that may be adversely impacting the benthic community and toxicity, and 3) develop options for contaminant thresholds that may be used in future clean-up efforts. The Aquatic Science Center proposes to evaluate the association of key sediment contaminants with the biological effects measurements and SQO assessment categories. Based on this analysis, empirically derived statistics will be used to generate possible thresholds for contaminants of concern, benthic communities, and potential sediment toxicity. This project will provide the information required by the SDRWQCB to protect the biological resources at the shipyard sediment sites.

Attachment 2b

Program Plan for the Aquatic Science Center

Fiscal Year 2008/09

Amended on January 29, 2009

The Aquatic Science Center (Center) was established for the efficient delivery of scientific and information management support to public agencies and non-governmental organizations. The Center anticipates the following subject areas where contractual support or fiduciary services may be requested from a variety of state, federal, and local agencies:

- 1) **The San Francisco Estuary Regional Monitoring Program for Water Quality.** Several members would prefer to contribute to the program via a quasi-state agency more closely linked to the Water Board as their contribution fulfills Water Board NPDES and waste discharge requirements. \$200,000-800,000 per year.
- 2) **TMDL support including: impairment assessments, pollutant conceptual model development, implementation alternatives evaluations, and implementation effectiveness monitoring.** Depending on schedule, the JPA would provide an effective mechanism to conduct necessary technical studies and synthesis. \$100,000-500,000 per year.
- 3) **Collaboration with DFG to study pelagic organism decline in the Delta.** The JPA would allow for technical syntheses to occur in a timely fashion. \$50,000-200,000.
- 4) **Collaboration with DFG and USGS to refine to the Comprehensive Ecosystem Monitoring, Assessment, and Research Program.** Approximately \$50,000.
- 5) **Collaborative effort with EPA to develop and implement a coordinated watershed monitoring program in the San Joaquin River Basin.** Up to \$100,000
- 6) **Collaborative effort with State Water Board to provide technical support to Surface Water Ambient Monitoring Program.** \$100,000-250,000.
- 7) **Development of technical and scientific recommendations to the California Water Quality Monitoring Council.** \$50,000-200,000.
- 8) **Delta Monitoring and Special Studies.** \$50,000-\$200,000

- 9) **Scientific Assistance to State Water Board for development of a statewide riparian and wetland system protection policy.** \$250,000-\$350,000
- 10) **Developing California Capacity to Assess the Performance of Wetland Protection Policies, Programs, and Projects in the Watershed Context.** \$300,000-\$450,000
- 11) **Development and implementation of a standardized set of assessment and tracking tools for California wetlands and riparian areas.** \$1.5- 2M
- 12) **Historical Ecology studies in support of evaluating restoration and protection options in the Bay-Delta region.** \$350,000-\$700,000
- 13) **Wetland Data Portal for SWAMP Regional Data Centers.** \$1M-\$1.2M
- 14) **Development of San Francisco Estuary/North Coast Regional Data Center.** \$500,000-\$750,000
- 15) **San Diego Bay Sediment Assessment.** \$20,000-\$50,000

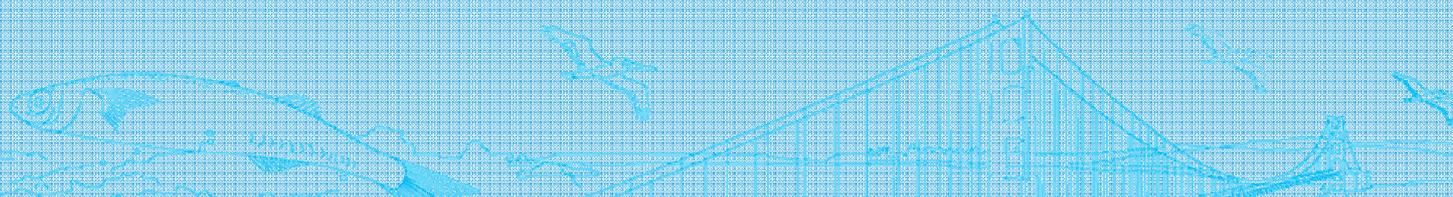
The Executive Director is authorized to enter into contracts that are consistent with the program plan described above and in accordance with the following desirable attributes:

- The project is consistent with, or supplemental to, activities that are already in the SFEI Program Plan.
- The project is of interest to SFEI scientists and likely to lead to publication.
- The project is of interest to multiple member agencies, including those from both regulated and regulatory agencies. Interest increases when the project is likely to facilitate development of a scientific framework for management issues.
- The project leads to collaboration with technical leaders in the field and establishes scientific precedent.
- The project demonstrates scientific equipment, expertise or capacity currently lacking in the commercial or consulting sector.
- The project is designed to develop scientific tools for evaluating policy and program alternatives and make complex scientific information accessible and understandable to non-technical audiences.

- The project makes scientific understanding of the coastal and estuarine waters and their watersheds more widely available in publicly accessible media (e.g. beyond technical reports and publications).

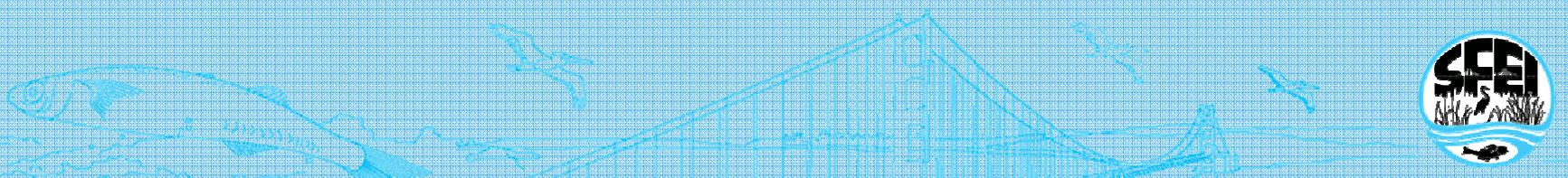
Two weeks prior to entering into any contracts, the Executive Director will notify the Board of Directors in writing of the intent to enter into a contract on behalf of the Aquatic Science Center. If any Board member objects, a special session of the Board will be called for deliberation and approval of project. In addition, the Executive Director will seek advice from an ad-hoc advisory group comprised of the Board Chair and Vice Chair for any contract over \$50,000 with regard to calling a special session of the Board for deliberation and approval of significant project requests on a case-by-case basis. Each Board Meeting Agenda will contain a standing item for the Executive Director to report on signed contracts and a report on the status of individual contracts and grant agreements.

Strategy for Dealing with the State Budget Crisis at SFEI /ASC



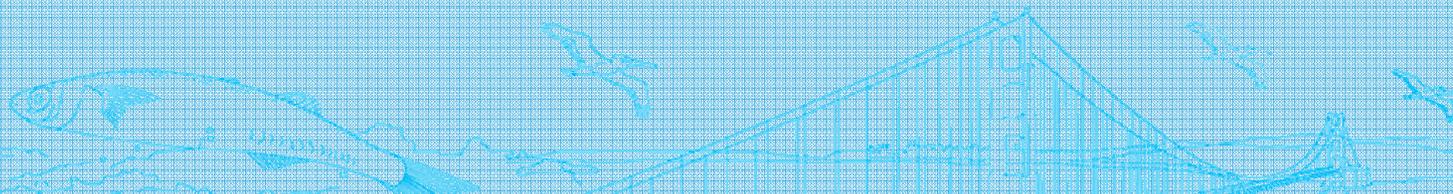
The Current Picture

- Bond-funded projects are suspended until California has the ability to issue bonds again
- Estimates range from four to six months
- 40% of SFEI's annual budget is currently affected, \$1.5M of existing and planned ASC projects
- SFEI has a cash reserve of \$400,000
- We need to preserve cash



Key Messages

- We are sharing the burden across the Institute
- We have new tools in place that are helpful in projecting and closely tracking revenues and expenditures on a project-by-project basis
- We are not considering furloughs at this time



Expenditure Reductions

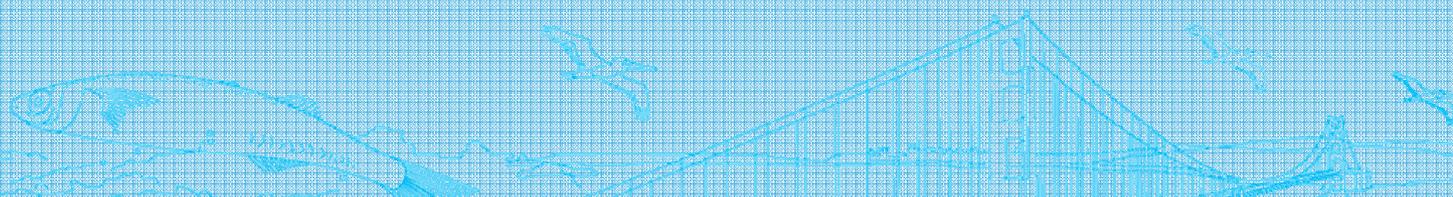
Salary Freeze at Current Level

Deferral of SFEI 403(b) Matching Contributions

Distribution of HSA Annual Deductible over Four Quarters (with hardship exemptions)

Current and Anticipated Vacant Positions Will Remain Vacant

Travel, Purchase, and Other Overhead Expenditure Restrictions



Revenue Increases

- New projects coming online
- Higher billable rates wherever possible
- Acceleration of non-suspended projects and staff shifts (E. Contra Costa HE, State Stream & WL Protection Policy, Alameda Creek)
- Exploration of “farming out” staff with specialized skills

