

PISCES Board of Directors Meeting Minutes

7 October 2013

9:00 a.m. Hawaii Standard Time

I. Call to Order/Roll Call:

It was determined that a quorum was present, and the meeting was subsequently called to order by PISCES Board Vice Chairperson, Henk Rogers. PISCES Board Chairperson, the Honorable George Ariyoshi asked Mr. Rogers to officiate in his absence.

Other Members in attendance included:

Lewis Peach, Board Secretary

Hoyt Davidson

Mary Alice Evans (representing the Director of DBEDT)

Galen Ho

Jim Keravala

Rob Kelso

Also in attendance:

Gregg Kinkley, Deputy Attorney General, State of Hawaii

Mari-Ela David Chock, John Hamilton, Polly Roth, PISCES staff

Several members of the public

II. Election of Board Chair:

Governor Ariyoshi announced at the July 18, 2013 Board meeting that he would be stepping down from his position as PISCES Board Chairperson effective with the October 7, 2013 Board Meeting and had indicated that he would be nominating Henk Rogers for the post. Governor Ariyoshi was unable to be at the meeting today, and Ms. Evans nominated Henk Rogers to be the Chairperson. Mr. Peach seconded the nomination and Mr. Rogers was unanimously elected to be the PISCES Board Chairperson.

III. Approval of meeting minutes:

- Board Meeting – July 18, 2013: Draft minutes were circulated prior to the meeting. Ms. Evans made a motion to accept the March 12, 2013 minutes as submitted. Mr. Peach seconded the motion, and it passed unanimously.
- Board Meeting - November 1, 2012, and Board Meeting - November 11, 2012: Ms. Evans apologized for not completing summaries for these two meetings and requested that the approval of these minutes be deferred until the next Board meeting. The Chairman concurred.

IV. Acceptance of the 9/30/13 financial statements/update on FY13 closeout:

The Board reviewed the 9/30/13 financial statements provided in advance of the meeting that showed \$365.8K in total expenditures, plus \$39.6K in outstanding purchase orders for a total expended and committed FY13 funds of \$405.4K. This leaves an available balance of \$94.6K to

be spent prior to 12/31/2013. Projected operating costs for October are \$67.1K, leaving an additional \$27.6K for test hardware purchases. PISCES staff noted that the \$27.6K test hardware budget may be required for operating expenses in November, depending on the availability of FY14 funds. If it is the case that November operating expenses are covered from FY13 funds, it will release FY14 funds planned for operating expenses for use in test equipment purchases.

Ms. Evans noted that the Governor has approved the FY14 allotment and has given authority to expend the funds. DBEDT has asked RCUH to extend the current contract to 12/31/2014 and amend the contract to include \$780K. The request is at RCUH at this time, and the process should conclude in time to give PISCES access to FY14 funds for all or part of November operating expenditures.

Ms. Evans made a motion to accept the 9/30/13 financial statements and to note the update on the FY13 closeout projection. Mr. Rogers seconded the motion and the Board unanimously approved.

V. Approval of revised FY14 budget (corresponding to the FY14 RCUH budget for \$780K):

The Board reviewed the revised FY14 budget provided to them, presented in RCUH budget categories. It differed from the budget presented to the Board at their July meeting in two main respects:

- The FY14 budget was reduced from \$800K to \$780K due to a 5% reduction in the \$400K appropriated through the Governor's budget.
- New knowledge about the realities of timing in the availability of new fiscal year funding make it advisable to plan the FY14 budget to cover operating expenses through October 2014 so there are no gaps in coverage between FY14 and FY15 funding. This approach resulted in a higher payroll budget and lower test equipment budget. There were puts and takes in other line items resulting from detailed planning and the effort to bring the total in line with funds available.

PISCES staff noted that the timing of the availability of FY14 funds could have an effect on the use of FY13 funds, especially the amount projected available for test equipment in the FY13 closeout projection. This in turn could have a knock-on effect on the FY14 budget. The final report on FY13 funding and any resulting effect on the FY14 budget will be covered at the next Board meeting.

Ms. Evans made a motion to accept the FY14 revised budget as presented. Mr. Ho seconded the motion and it was passed unanimously.

VI. For information, budget forecast for FY15:

PISCES staff provided a budget forecast for the FY15 budget request showing \$1,743K for operations and \$850K for programmatic support, for a total FY15 budget of \$2,583K. Board members noted that this budget represents a large increase over the FY14 request of \$1,162K and is, in fact, three times the FY14 appropriation. Mr. Kelso noted that the legislature to date has provided basic operating funds, but has not provided programmatic funds to undertake the projects PISCES has been charged to do (e.g. basalt construction, energy innovation).

PISCES was advised to submit a single, comprehensive request for operations and programmatic funds for the FY14 DBEDT budget, whereas in prior years operations and programmatic requests were proposed in different bills. It may evolve during the budget process that portions of the request will be moved into individual bills, thereby reducing the request included in the DBEDT budget. Mr. Kelso noted that there are possibly opportunities for companion bills with Florida and California.

Board members discussed possible strategies for assuring increased state funding in FY15 by informing legislators about the value of the PISCES program to the State of Hawaii. Board members urged that legislators be provided with an economic impact analysis, and be informed about the real-time terrestrial gains and valuable ties to education. Board members also urged PISCES staff to investigate the possibility of inclusion of portions of PISCES budget in other state department budgets when synergies exist.

In addressing the question of how PISCES will maintain a programmatic emphasis if the complete budget is not funded, Mr. Kelso responded that it will be a matter of prioritizing carefully. Board members expressed an interest in seeing the prioritization budget when it is developed.

VII. Approval for Executive Director to work out-of-state late November to mid-January:

Mr. Kelso proposed a plan for working from Houston from November 26th through January 19th, 2014. His plan included strategic follow-up meetings with NASA-Johnson, NanoRacks, the Lunar Planetary Institute, Texas A&M (search and rescue robotics), NASA-Kennedy, NASA Ames and perhaps NASA Headquarters. He noted that he also will be presenting a PISCES paper at the AGU Fall Meeting in December and preparing technical information that will support for budget discussions with the Department of Budget & Finance, the governor and the legislature. In addition, Mr. Kelso will be taking some vacation time.

Board members affirmed the importance of meeting face-to-face with the major stakeholders every six months and verified that the travel expense was included in the budget. They expressed some concern about the timing of the plan with regard to the State budget process. Budget hearings begin in the end of January and continue through the middle of February. Mr. Kelso noted that PISCES staff had an opportunity to provide a preliminary briefing to the legislative finance committee in Hilo this summer and have been already working with key legislators. Other PISCES staff members can provide technical briefings in early January and Mr. Kelso will be in Hawaii in mid-January.

Mr. Ho made a motion to accept the Executive Director's proposal to work from Houston from November 26th through January 19, 2014. Mr. Rogers seconded the motion and it carried unanimously.

VIII. Approval of proposed legislation:

PISCES staff provided a list of proposed ideas for possible funding bills to be introduced for consideration in the 2014 legislative process, and including a draft proclamation for the

Recognition of the 45th Anniversary of the First Human Landing on the Moon at Tranquility Base. Mr. Kelso made a motion to approve the concepts included in the list of proposed legislation. Ms. Evans seconded the motion and it was passed unanimously.

IX. Approval of Budget Amendment to Comply with Act 169 Provision for Reimbursement of Members travel to Board meetings:

Mr. Kelso opened the discussion by noting that Act 169 states that board members are “...entitled to reimbursement for necessary expenses, including travel expenses, incurred in the performance of their duties”. He expressed the concern that it will be very expensive to reimburse travel for all Board meetings, particularly for the five Board members located on the U.S. Mainland, with such a bare bones budget in FY14. Ms. Evans noted that travel reimbursements must be in accordance with RCUH travel rules.

The Board endorsed the need for, and benefit of, face-to-face board meetings and determined that 1-2 face-to-face meetings a year would be effective. Still, from a budget point of view, anything we could do to avoid incurring travel expenses would be beneficial.

Mr. Kelso requested a Board discussion to determine methods for Board operation with regard to travel. Mr. Kinkley noted that the Sunshine Law that provides three options for a discussion of this nature. 1) Discussion during an open session on various options; 2) Establishment of a “permitted interaction group”, a committee that is also subject to the Sunshine Law provisions; and 3) Assign one person to think up a plan and present it to the Board.

Board discussion focused on ways to have face-to-face meetings and, at the same time, keep the costs down. To the extent feasible, the Board should consider hosting its meetings in association with other related meetings to minimize travel costs. There was general agreement that where possible, Board member travel could be funded by other means for those who had them.

The Board determined that no vote was required for this agenda item because it was a matter for discussion rather than a matter requiring approval.

X. Board Review and Approval of PISCES MOUs:

Two (2) MOUs signed by the second party were presented to the Board for their consideration and approval. The MOUs presented to the Board for approval are:

- MOU between PISCES and Honeybee Robotics, Inc.
- MOU between PISCES and Made In Space, Inc.

Ms. Evans reminded the Board and staff that if collaborative projects arise between PISCES and organizations with which PISCES has an MOU, standard RCUH procurement rules must still be followed. She also noted that DAGS may need to review agreements where each of the parties are bringing resources to the table. Ms. Evans made a motion to approve both MOUs under consideration. The motion was seconded by Mr. Rogers and the Board approved the MOUs unanimously. Chairperson Henk Rogers signed the MOUs on behalf of PISCES.

XI. For information, Overview of the PISCES “Mainland Roadshow”:

In the interest of time, Mr. Kelso referred Board members to the four reports he had circulated this summer that provided a description of his Mainland activities and strategic meetings.

XII. For information, PISCES plan for ROI:

Mr. Kelso stated the PISCES goal of obtaining a return on investment that is equal to or greater than one with regard to the authorized funding from the State of Hawaii. He provided a chart showing non-PISCES funds dedicated to PISCES projects and collaborations in FY14 projected to be as much as \$2.3M, about three times the PISCES allocation from the Legislature.

Mr. Rogers made a motion to form a four member subcommittee that will look into various models for the PISCES research park. Mr. Peach seconded the motion and the board approved the motion unanimously. The four members of the subcommittee are Henk Rogers, Lewis Peach, Hoyt Davidson and Jim Keravala.

XIII. For information, PISCES-facilitated HS lunar surface flight experiment on GLXP lander:

Mr. Kelso informed the Board about an offer from an undisclosed GLXP team to provide a launch opportunity for a Hawaii High School team experiment on a lunar launch in April 2015. They are offering free launch for a 2 kilogram payload, a value of roughly \$4M. The focus of the experiment should be techniques for removing dust from surfaces in space. Mr. Kelso also asked board members to assist in finding ways to access capitol for the students who will need funding for their design work, testing and development of applications.

XIV. For information, PISCES requests to the Board:

Mr. Kelso asked Board members for their help in sharing the PISCES story, with letters of support, testimony and support for PISCES budget and bills submitted to the Hawaii Legislature.

XV. For information, PISCES Project Update:

Christian Andersen provided updates on the PISCES sustainable concrete project and the PISCES additive manufacturing project. In the interest of time, Mr. Kelso offered to send John Hamilton’s presentations on the Robotic Search & Rescue and Precision Space Agriculture projects and a set of seven one-page project information sheets to the Board via email.

XVI. For information, Update on PISCES website development and public information outreach:

Mr. Kelso noted that the new pisc.es.hawaii.gov website went live on September 23, 2013. It will serve as the front door to the PISCES website (pacificspacecenter.com) under development by a contractor. The splash page for the pacificspacecenter.com website went live on September 25th and is scheduled for completion by November 1st. The newsletter has been launched and July, August and September issues have been distributed. In the interest of time, PISCES staff will provide the Board with the brief PIO presentation via email.

XVII. For information, October 8-9 Hawaii State Summit on Aerospace:

There was a quick reminder to all about the time and location of the Hawaii State Summit on Aerospace commencing the following day at the Auditorium of the State Capitol Building at

8:15 am.

XVIII. Schedule next Board meeting (suggesting December 9, 2013) and adjourn:

The Board agreed that there would be a meeting in the “December-ish” timeframe and that the date and time would be determined by a poll circulated by PISCES staff. Ms. Evans made a motion to adjourn the meeting. Mr. Kelso seconded the motion and it was unanimously approved. The meeting adjourned at 12:21 pm, HST.