



Member, U.S. Olympic Committee

USA Surfing, Inc.
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USA Surfing Board of Directors Meeting
Minutes
April 29, 2021

I. CALL TO ORDER – 5:03p.m. via Zoom- Chair Beal

a. Welcome – Beal

Randy Brecher will be resigning from the BOD after this meeting. Many thanks for his service to the organization.

b. Roll Call-Tilly

Directors: Doug Beal (Chair), Randy Brecher, Kevyn Dean, Kevin Schulz, Jason Velez, Charlie Setzler, Christiaan Bailey, Don Schaaf

Staff: Greg Cruse, Andrea Swayne, Kim Tilly

Guests: Steve Rosen (Advisor/Counsel), John Ruger (USOPC Advisor), Tom Mistele (USOPC Advisor), Jeff Egertson (Advisor), Becky Fleischauer (PR/Media), David Patterson (Associate Director, NGB Governance, USOPC)(joined @ 6:48pm)

Declaration of Quorum: A quorum was declared present.

II. BOARD ADMINISTRATION

a. Approval of Agenda

Swayne advised change to Agenda Item IV (a) to remove reference to Brecher. Motion to Approve Amended Agenda made, seconded, all in favor, no opposed. Motion approved.

b. Approval of 12-10-20 Minutes

Motion to Approve 12/10/20 Minutes made, seconded, all in favor, no opposed. Motion approved.

III. MEDIA / PR / ROAD TO TOKYO COMMITTEE REPORT-Fleischauer

- a. Road to Tokyo - See attached notes from 4/8/21 meeting and watch parties PR
 - Interest building from media and World Surfing League (WSL) Australian competition events providing fresh story lines.
 - Coverage varied including GQ, Men’s Health, Pop Sugar, and NBC.



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- LA Times and Washington Post piece in the works. Laying groundwork of reporters' knowledge of surfing. Did a primer/101 on Olympic surfing so they can familiarize themselves with the sport.
- Social Media hits on 100 days out.
- Caroline Marks doing "My New Favorite Olympian" profile.
- Kolohe Andino doing Biathlon training segment/social media post.
- Docuseries "Represent" debuts May 6 on Ficto.tv streaming app. Features our top women surfers (Carissa Moore, Caroline Marks, Lakey Peterson, and Courtney Conlogue) through their journey.
- Online auction has launched, and Swayne will send the Board info next week.

IV. FINANCIAL/AUDIT & FINANCE COMMITTEE REPORT- Cruse, Egertson

- a. Independent financial audit update (Egertson)
 - Audit will be completed over the next week. Progress made in the timeliness of the preparation of financial records relative to prior years.
 - Auditors issued management comments, but improvements shown in Accounting Policies and Financial controls.
- b. 2020 Q4 / year-end report (Egertson)
 - See attached Audit/Finance Committee Report re Budget.

Motion to approve the amended 2021 Budget as recommended by the Audit/Finance Committee Reflected in the Audit/Finance Committee Minutes of 12/15/20 as distributed to Board on 1/15/21. Motion made, seconded, all in favor, no opposed. Motion approved.

- c. 2021 Q1 Report-Cruse/Egertson
 - Budget to Actual comparison previously distributed to Board for consideration.
 - Revised our Chart of Accounts in Jan/Feb which caused some issues to the budget. USAS had budgeted major donor expenses in Q1, but has yet to receive payments.
 - Discussion of US Olympic & Paralympic Committee (USOPC) NGB Services and performance grants. For example, USAS received more in USOPC performance grant for USOPC Consultant than previous year.
 - Membership was previously accounted for when it was received, now it is accounted for as deferred membership over 12 months.
 - Value in Kind – Nothing budgeted previously, but now value of Toyota vehicles are recorded.



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- Events – Budget vs. Realized shortfall due to cancellation of the Santa Cruz Surfing event.
 - Licensing revenue up. New licensing deal with DJO.
 - Sponsorship revenue down. Received new sponsor the American Optometric Association (AOA) and should receive revenue in Q2 and Q3.
 - Expenses – The following examples of budgeted expenses were reviewed: completed five surfing events; developmental program didn't receive funds thus no corresponding expenditures; and BSR Training camp was canceled due to WSL conflict.
 - Toyota reduced their sponsorship (e.g., funding and in-kind) due to events cancelled in 2020 due to Covid Pandemic restrictions. Sponsoring the Toyota Surf Schools including equipment for schools and admin. costs. Expectation is that Toyota will continue sponsorship through 2028.
 - Budget vs. actual spot on with the budget, especially with USAS General Accounts.
 - Current USOPC Grants: Admin, Shared Services, and Communications Support funding was discussed.
 - High Performance support discussed.
- d. Disposition of USOPC High Performance Program (HPP) funds repayment plan and current HPP funding (Cruse)
- USAA made repayment offer to USOPC. Waiting for their response.

V. CEO REPORT-Cruse

- a. Olympics update – Quick turn-around for athletes prior to leaving from LA. USOPC strongly recommends athletes do not go to the opening ceremonies.
- b. Injuries - Andino and Florence received waivers to not attend ISA World Games while recovering from injuries.
- c. Tokyo Olympics Covid “Play Book” protocols are challenging with significant travel restrictions and testing requirements.
 - Determination of local testing vs. Olympic Village testing pending.
 - Jon Omori is our liaison with host city Makinohara. City will assume cost for housing team in a hotel there for pre-Games training, including applicable COVID protocol.
 - Booked three days at the BSR Wave Pool for athlete training.
 - Games Selection Committee - Confirmation of Team Leader (Cruse), Team Physician (Dr. Warren Kramer) and Coach (Simpson)
 - All USAS staff will have to be PVC certified, SafeSport certified, background checked, COVID tested and current with passports, etc. We are in good shape.



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- Working with onsite surf shop at Third Pension Place on some logistical issues.
- d. WSL update – Focused on developing a better working relationship and collaboration with WSL. Discussed change from international qualifying tours to regional tours which is compatible with USAS Prime events. USAS can run less expensive qualifying events for its athletes. Ongoing discussions with WSL regarding reorganizing their North America events.
- Oura ring (USAS sponsor) being used by all WSL athletes. Can detect COVID symptoms such as body temperature and heart rate variability approximately 72 hours prior to showing symptoms.
 - Team photos – Shipped team uniforms to Australia and arranged for a WSL photographer to do team photos. Andino will be photographed in California.
 - Trading dates with WSL for USA Surfing Champs in 2022. Will poll surfers USAS invites this year to determine the interest level. Proposed offering wild cards to USAS surfers to enter QS events.
- e. USAS Fundraising
- Golf event proposed for September 2021. Hoping to get the surfers to participate to attract a crowd.
 - Brandon Lowery is working on BSR Fantasy Camp Experience.
 - Lowery also working on plan for USA Surfing Performance Center.
 - Online auction site up and running (Swayne to report)
- f. Sponsor update
- Sponsors are excited to get back to the beach.
 - Caroline Marks and AOA video shown in Times Square with USAS logo.
 - Blue Diamond putting USAS logo in ads and trying to emboss can tops with USAS logo if feasible prior to Tokyo Olympics.
 - Discussed Leus Towels agreement.
 - Discussed Hydroflask agreement.
 - Update on Oakley sponsorship.
 - Oura is going to use USAS surfers and relationship in all their promos.
 - Discussed potential Adidas sponsorship (e.g., team uniforms). Looking at program through 2028.
 - Ongoing discussions with Pepsi/Red Bull.
- g. Status of donor funds access
- Partnership with Microsoft Engineers - Microsoft working on AI for surfing- Kevyn Dean spearheading the project.



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- Dean submitted USAS “wish list” and hopefully USAS will get approval and program initiation.
- USAS has requested functionality to review on the back-end motion capture and pressure plates at the clinic, but front-end capture in the water is difficult. AI allows USAS to overlay the joint angles over the surfer, critical section of the wave, placement of the board, and using video footage from WSL website.
- Recording real time essential information to brief athletes.

h. USOPC Demand Letter status (Cruse, Swayne)

- Working on a formal response letter to USOPC. Cruse/Swayne provided BOD with a draft response.
- Beal advised working through previous communication issues with USPOC. He noted USAS should receive major donor funds soon.

VI. COO REPORT-Swayne

a. USOPC audit compliance update regarding action items closure of 2019/2020:

- Recommended action: Financial Policies & Procedures Revision

Add to Section: H. Expense Reporting; 1. Incurring Expenses REIMBURSEMENT as follows:

Reimbursements requested by a member of the Board of Directors must have the additional approval of the Board Chair, or if the reimbursement is requested by the Chair, then the approval must come from the Treasurer. In addition, the Treasurer must review all Board member expenses on a quarterly basis and include this information in their Board meeting report.

(NOTE: This item was added by order of the USOPC Audit team as a result of our 2019 audit and was a part of the 2019 Open Items Checklist.)

Motion to Approve recommendations by USOPC to amend Financial Policies & Procedures to Section: H. Expense Reporting; 1. Incurring Expenses as follows:
REIMBURSEMENT

Reimbursements requested by a member of the Board of Directors must have the additional approval of the Board Chair, or if the reimbursement is requested by the Chair, then the approval must come from the Treasurer. In addition, the Treasurer must review all Board member expenses on a quarterly basis and include this information in their Board meeting report.

Motion made, seconded, all in favor, none opposed. Motion passed.



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b. Whistleblower Policy

- Swayne reviewed USAS’s Whistleblower Policy. She noted that USAS believes it’s the policy of USAS to be committed to ethical behavior, and to encourage directors, officers, employees and volunteers who reasonably believe that they are aware of any action or suspected action taken within USAS that is illegal, fraudulent or in violation of any adopted policy of USAS, to disclose any such violations without fear of retaliation, discrimination, or harassment; and management deems it appropriate and in the best interests of USAS to adopt a written Whistleblower Policy.

Motion to approve the Whistleblower Policy as presented to the Board. Motion made, seconded, all in favor, no opposed. Motion approved.

c. Open Officer Seats – Treasurer and Secretary open:

- Treasurer and Secretary may be Board or staff/employee.
- Jeff Egerston, retired Deloitte employee, discussed as a potential Treasurer candidate. Egerston noted he would need Deloitte to sign-off before accepting position.
- Cruse proposed to designate USAS staff member, Kim Tilly as USAS Secretary.

Greg Cruse proposed the Board approve Kim Tilly as USAS Secretary. Motion made, seconded, all in favor, no opposed. Motion approved.

Greg Cruse next proposed the Board approve Jeff Egerston as USAS Treasurer pending the necessary approvals from Deloitte. Motion made, seconded, all in favor, no opposed. Motion approved.

d. Membership

- Sport80 transition – Good progress – Working out issues with reports.
- New ranking/qualification system postponed again due to pandemic.
- SafeSport/NCSI compliance
- Board Tracker in progress.

VII. ATHLETE REPORTS

a. USOPC Athletes’ Advisory Council Representative report (Schulz)

- Discussed USOPC AAC appointment and onboarding process.



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- Discussed appointing another Athlete Rep which should happen in the coming weeks.
- b. Para Athlete Rep. (Bailey)
 - Elated that we have a National Championship for Para Surf Team.
 - Working with John Ruger for election process of USOPC AAC Representative.
 - Reviewed working group of adaptive athletes.
- c. USOPC Athletes' Advisory Council Election Report (Ruger)
 - Nomination period over for USOPC AAC – five nominations from a variety of disciplines. Ballot will go out in a couple of days for AAC rep and alternate.
 - Para nominations for USAS's AAC are due on June 5 and election will take place shortly thereafter.

VIII.

BOARD CHAIR REPORT & DISCUSSION - Beal

- a. Board structure – Approve general framework in principle of the Draft Plan to be able to continue to refine and resubmit to Board for review and adoption at later Board meeting. Please send comments/suggestions/issues to Beal or Ruger.
- b. The current Board terms spreadsheet was included with the Board materials prior to meeting and included proposed changes.
- c. The Governance Ad Hoc Board Task Force Recommendations are attached.
- d. The following summarizes the Governance Task Force recommendations:
 - Section 1.
 - Currently two (2) Board seats are vacant.
 - Board terms will change to a Jan-Dec on calendar.
 - Section 2. Four Athlete Members
 - Three (3) of four (4) athletes must meet the 10 Year Rule.
 - Section 3. There could be four (4) or five (5) Independent Directors.
 - Section 4. Up to three (3) General/Surfing Community Members.
 - Section 5. One Affiliated Organization Member if they qualify (TBD).
 - Flexibility to decide if organization meets criteria.
 - Decision has not been stress tested with USOPC.
 - Currently no Affiliated Organization.
 - Could cause issues with insurance, etc.
 - Section 6:
 - Section 7: Designated Committees
 - Increase size to six (6) members with two athletes to meet the 1/3 rule.
 - The “Designated Committees” are listed in the Task Force Recommendations.



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- Section 8: The recommendation is for a robust Nominating and Governance Committee with significant responsibilities and authority.
 - Chair of Board nominates one (1) member each from e/h/g in Section 8 of the Recommendations which could be three positions.
- Section 9: Eligibility vs. Vetting
 - Eligibility by which the Ethics Committee checks criteria listed in the Governance Task Force Recommendations
 - Vetting – Process by which the NGC feels comfortable that a candidate is a good fit for the Board. It can involve interviews, personal engagement etc. NGC can reject or select candidate based on established eligibility requirements/guidelines which include considering diversity and inclusion.
- Section 10: AAC
- Section 11:
- Section 12:
- Section 13: Independent Director definitions – add language to not weigh candidate source origin.
 - Independent Directors – Current recommendation is that the Independent Directors are selected and vetted entirely by NGC
 - Integral part of this Board model
 - Schaff then questioned the benefit of having the NGC select the Board – more distant than other members of the Board selecting their own members. If all non-athletes are voted on by the Board, there tends to be Board selecting like members and you get a less diverse board.
 - Discussed Board input into the NGC regarding criteria and needs.
 - It was noted NGBs typically screen candidates in this manner.
 - Observed preferable to have a Board member (not seeking re-election and ineligible for another term) to serve on the NGC with limited but clear linkage.
 - USOPC can provide some tools and education for NGC, etc. and a Registry of Independents seeking to volunteer on an NGB board.



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A motion was moved, seconded and approved for the Board to accept the recommendations of the Governance Task Force as a basis to move forward with corresponding USAS bylaw changes.

- e. Meeting with ISA/Bob Fasulo
- The issue of Olympic Team members required to attend the World Surfing Games was discussed.
 - COVID Testing issue in Tokyo – Requiring athletes to travel to the Olympic Village for daily testing needs be changed or revised with an alternate plan.
 - 2024 Surf Trials for Olympic Games – Under the IOC Charter, the National Olympic Committees have the right to name their specific athletes. International Federation’s usurp that through the process they use to nominate athletes. This needs a much longer discussion and effort as it has issues that can have financial and selection impacts, etc.
 - Greg: ISA World Surf Games every year. What works best? Proposed that the ISA WSG top 12 teams earn slots and get to name their own athletes. National Federations would do their own trials to select those surfers. ISA wants to get the top WSL athletes to compete. Financially, sponsors want to be a part of trials. Essential to grow USAS’s sustainability and viability.
 - Swayne: Noted early support from the USOC, then USOPC scandals arose and everything took a back seat.
 - Ruger: Urgently need additional countries on board.
- f. Board Self-Assessment (Board Span) discussed.

IX. NEW BUSINESS

X. COMMITTEE REPORTS

- a. NOMINATING & GOVERNANCE (Kurt Page - written)
- New Board candidates report (by category)
- b. JUDICIAL (written – Bill Green)
- c. ETHICS (written – Judy Faris)
- Resolution of Conflict of Interest re Dean/DSC/USAS equipment
 - Updates to Conflict-of-Interest Disclosures due in June
- d. COMPENSATION
- CEO review (**closed session**)

XI. ADJOURNMENT – 8:07pm



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List of supporting documents accompanying agenda mailing 4/26/21:

- December 10, 2020 Meeting minutes
- Road to Tokyo working group meeting minutes 4/8/21 and watch parties PR doc
- USOPC demand letters and responses
- 2019 USOPC Audit open items response
- Draft Board governance proposal (ad hoc Board governance working group)
- Board Self-Assessment (Board Span) 2020/2021 year over year, and 2021)

Supporting documents TK:

- Independent Audit docs (Lane McMillen) and USAS response to rec letter
- Financial reports Q4/year end, and Q1
- Compliance report for BOD, staff, and Committee members (SafeSport and NCSI)

2021 Board Meeting Dates: August 11, October 7, December 8 (5pm-7pm PT)