1) **Call to Order:** (Lisa Phipps, Board Chair)
   Chair Lisa Phipps called the meeting to order at 8:42 a.m.

2) **Introductions:** (Lisa Phipps, Board Chair and staff)
   Chair Phipps, Vice Chair Laura Maffei, and Board Members Scott Ashford and Katie Jeremiah were in attendance.

   Department of Geology and Mineral Industries (DOGAMI) Staff in attendance:
   Brad Avy, Director/State Geologist
   Lori Calarruda, Recording Secretary/Executive Assistant
   Kim Riddell, Chief Financial Officer (CFO)
   Ian Madin, Chief Scientist/Deputy Director
   Ali Ryan Hansen, Communications Director
   Bob Houston, Metallic Ore Geologist/Rules Coordinator
   Bill Burns, Natural Hazards Section Supervisor
   Holly Mercer, Policy Assistant to the Director
   Connor Anderson, Chief Information Officer (CIO)

   Others in attendance:
   Annie Montgomery, Coastal Caucus Fellow
   Mike Harryman State Resilience Officer/Governor’s Office

3) **Review Minutes of December 5, 2016:**
   Chair Phipps asked if there were any changes to the minutes as presented. No changes.

   Board Action: **Ashford moved to approve the minutes of December 5, 2016 as submitted. Jeremiah seconded. Motion carried.**

4) **Financial Report:**
   Kim Riddell, Chief Financial Officer, presented the budget status report as of March 31, 2017. The packet contained the budget report, the grants/projects lists and a Frequently Asked Questions (FAQ) sheet. Riddell said she does not have concerns at this time regarding the end of the biennium.

   The Agency is planning on purchasing a drone as long as Risk and Insurance verify it can be done. The Governor’s Office, Legislative Finance Office (LFO) and Chief Financial Office (CFO) DAS are aware of it and approve.
The federal funds is showing a negative $80,000, which is normal because they are reimbursable federal funds and will be a zero balance at the end of the biennium; the revenue will exactly match the expenditure. Riddell is expecting to roll forward the other funds for a starting balance of $1.3 million in GS&S for the start of next biennium. The MLRR ending balance for other funds will be less than the $344,000 current balance due to some anticipated DOJ costs and more staff time. The report does not include projections, it is only a snapshot in time. There is twelve percent (12%) time remaining for the biennium budget.

Ashford asked several questions about the federal funds and if it matters if they do not pay at the end of the biennium and Riddell said only if they did not pay – but there is no foreseeable reason for non-payment of the current funding. She explained how federal funds are draws against the federal accounting system and it takes three (3) days to receive funds once a draw is submitted. Chair Phipps asked for an example of other funds for GS&S, Riddell said grants that are not federal grants and not General Fund, funds from another state agency such as Department of Environmental Quality (DEQ), lidar, and base flood elevation projects. Riddell stated that lidar is a large amount of the other funds.

Board Action: Jeremiah moved to accept the Budget Status Report as presented. Ashford seconded. Motion carried.

5) MLRR Update:

Ian Madin, Deputy Director presented his report on MLRR.

Permitting:

He walked the Board through where they are right now with the program. Madin stated really good progress is being made on the permitting backlog but it is not gone yet due to receiving new applications at a high rate. The remaining backlog is due to not receiving required information from applicants, which includes site maps and others that are extremely complicated or have other issues not getting resolved. There have been ten applications submitted since January 1, 2017, and three (3) have been issued. MLRR received the first complete application that did not require additional information and they feel it is due to the pre-application meeting process that has been initiated. Chair Phipps asked questions regarding the table presented and Madin stated there are currently twenty-nine (29) active permits that are still in progress. Ashford asked questions on the backlog of permits and about the June 1, 2016 date. Madin explained that was the date that Holly Mercer wanted them to start focusing on the backlog. Madin asked the Board if they would like to receive regular updates and they answered yes.

Storm Water Program:

DOGAMI administers the storm water discharge permitting program on behalf of DEQ for mine sites. The permits are renewed every 5 years and this is the year they are reissued. It involves an extensive rewrite of permit conditions and DEQ is starting to work on how they will look. It is DOGAMI’s job to write the permits, do field inspections and enforce the permits. There are approximately two hundred twenty (220) permits that need to be completed. A new recruitment was just opened for the permanent position to take over this process and create additional capacity. The revenue from DEQ is split 75/25 and DOGAMI gets seventy-five percent (75%). This is consistent revenue and it
allows for the new permanent position. Ashford asked if there is a way to stagger the permits and Madin responded that DOGAMI is an agent for DEQ and DEQ is an agent for the EPA and they make the rules. Madin said they are waiting until the end of the year before they hire another permanent position. Madin also stated MLRR has received several complaints for muddy water discharge due to the high rain volume.

Oil and Gas:

Madin stated drilling has begun for new wells in the Mist Gas Fields. These wells are for an engineered repository gas storage facility. NW Natural is installing new lines as a dedicated gas supply for PGE.

Exploration:

Madin stated there are exploration permits they are trying to close out that have been open since the 1980s. The staff is also working on two (2) new applications, one for Quartz Mountain gold and the other for bentonite. Katey Exploration has staked 20,000 acres in Malheur County at Stockade Mountain and the claim filing fees would be $250,000 to start the exploration permits.

Tonquin/Coffee Lake Groundwater:

Madin briefly discussed the Tonquin permit in the Wilsonville/Sherwood area. The basalt quarry needs to dewater their pits and there are two (2) pits that are already pumping which is declining the groundwater. MLRR is in discussion with the applicant and want them to do an analysis before they start pumping. The quarry will be working with DSL on habitat issues.

Construction Sites:

Madin said there are having difficulties with construction projects creating surface mining on sites without permits. The law changed in 2007 but the staff did not know it until 2014. Waste Management has permitted their landfill and is now permitting their other ones. Senate Bill 1036 excludes landfills and utility construction projects in irrigation and drainage. Madin explained in Bend they are bringing in crushers to excavate basalt and that they might be selling it without permits. MLRR spoke with the lawyers last week and they do need permits. For construction projects, MLRR can exclude reclamation since the end of the project ends up with a completed project. MLRR will accept a map for the project. The city has issued forty-five (45) permits for mobile rock crushing units and are they expected to make everyone get a permit. Exclusion certificates are for less than 5000 cubic feet which would be 100s of sites. There is an issue with systematically making these happen. They must comply with their DEQ permits. Jeremiah said her understanding of the bill is to fix the language to selling it and not just using it onsite and DOGAMI needs to come up with an interim fix. Maffei asked what DOGAMI’s enforcement obligation is in these circumstances and Madin answered making them get a permit.

The Path Forward

Restructuring:

For MLRR’s future, Madin said he does not want to give the impression that they are falling apart. Everything they are working on is to make things consistent, transparent, and efficient. The plan is to move to something systematic. The staff had a daylong meeting to discuss what is working and not
working and how to deal with it. One problem is there is no laid-out workflow for the staff to follow and it is hard for them to follow up on complaints. The approach they took with this was asking the staff how they would structure the Program and they came back with specialized staff for certain areas like bonding and closure. The next steps are to take a list of tasks and apportion them to the positions and then write them up in policies and procedures.

Ashford asked if they have looked at neighboring states for best practices on these areas and if they have gone out to industry for feedback. Madin said they have not contacted other states since due to capacity issues but once they have these identified they will then go out to industry and stakeholders for comments. Ashford said he would like them to reach out to try and get ideas on what works. Jeremiah said Madin is doing a good job on contacting industry. Chair Phipps said she would urge him to contact neighboring states. Director Avy said they are finding layer upon layer of missed items over the decades and they are focusing on getting permits done. As they have opportunity to review other states they may find approaches they can take advantage of. Avy said he feels like the program is in the emergency room and just trying to get through the day to day items. Avy complemented Madin for making progress. Madin said the staff wants structure.

Bonding:
Madin stated there are bonding calculation inconsistencies from person to person and they are looking into the idea of getting a bonding specialist. MLRR is working with Joe Lewis in Civil Engineering at OSU to develop a research project to build a new bonding tool that incorporates best available data from the site and current costs for earth moving to create a state of the art tool. In Washington there is a minimum bond of $19,500 for the first three acres and then additional per acre charge. MLRR intends to recalculate the bonds to make them correct.

Rule Making:
Madin said MLRR is starting a major rule making effort to cover items they do not have in place or are inconsistent. MLRR will be contracting with Larry Knudsen to help with this task and doing one rule writing process to complete all of them instead of at separate times. They would include public comments and stakeholder input. Avy said some of the rules have cascading effects. MLRR is looking at the Hatfield Center to use one of their fellow which has a flat fee of $40,000 for 8 months of service.

Database and Records and Documents Management:
Madin discussed the database and records management. He said MLRR has filling cabinets full of paper and their databased started out as a spreadsheet that turned into an Access database which contains 62% of inaccurate information on acreage. They will be doing research on standing up a new database and going forward it will contain current and new, but maybe not legacy data.

Interim Policies:
Madin said they are working on interim policies and one example he provided is grant of limited exemption. DOJ endorses when there are recurring policy question instances, to be transparent and consistent, MLRR needs to make a decision, write it up, have DOJ write up the legal justification and then post on the website until rules can be done. Madin said at the next Board meeting there may be some of these policies he would like the Board to make a decision on. Maffe said DEQ has
internal management directives that seem they should be rulemaking and wants Madin to ask Diane to make sure DOGAMI is not running afoul of the rulemaking laws.

Jeremiah said there is a feedback loop on comments from permittees and other agencies. Madin said there is a current permittee that may need to get other permits from other agencies and MLRR is starting to be the broker on these other permits with other agencies. He said there are two options they are looking at. One, they don’t get a permit until all the permits are in place or two, they get a permit but cannot make a move until all the permits are in place. Ashford asked if DOGAMI is the one who decides who they get permits from and Madin answered no, that we have to circulate with other agencies and that DOGAMI can condition our permits to pass other agencies. The cultural resource is an example of success. Maffei said DOGAMI should not be involved in these permits. Jeremiah said DOGAMI should focus on what we have authority on and it is the applicant’s burden to get the other permits required. Maffei asked if a separate application fee can be asked for if the permit needs to come back for amendments. Madin said DOGAMI does not have statutory authority to do so.

As of January 1, 2017, the one year application process will be held and permittees will be required to reapply after one year. Chair Phipps said she thought the pre-application process helps with some of these issues. Maffei asked how this works at the end of the year, especially if it is DOGAMI’s fault that it did not get completed in time. Madin said he wants to check with Diane about how it should be handled. Ashford said he wanted to acknowledge Madin’s work for getting the organization to where it is now.

Briefing: No Board Action Required.

Break

6) Public Comment:

Chair Phipps asked for public comment. No public comments.

7) Tsunami Line Public Engagement Plan Update:

Ali Hansen, Communications Director provided an update on the public engagement plan regarding the tsunami regulatory line. She reviewed the plan, reminding the Board that the plan was meant to be flexible based on what DOGAMI learned through engagement effort, with Board check-ins to see if changes were needed.

Hansen recapped engagement to-date, which included meetings with state agencies including the Department of Land Conservation and Development, the Office of Emergency Management, Parks and Recreation, Building Codes and Business Oregon. Coastal legislator meetings took place in January and February. In February, DOGAMI staff and Resilience Officer Mike Harryman briefed Governor Brown, and met with the Coastal Caucus. In March, Chair Phipps joined staff and Harryman for another meeting with the Coastal Caucus.

Hansen provided an overview of what was learned during conversations with legislators and state agencies. Feedback from coastal legislators included:
- Concerns with the regulatory line as the regulatory tool, including that a regulatory line set at the state level takes decisions on siting critical facilities out of the hands of local communities.
- Opinions that DOGAMI’s role is best in providing scientific facts rather than setting the line in a regulatory function.
- Support for DOGAMI reaching out to communities and enhancing relationships.
- Concerns with the potential changes as coastal communities are experiencing regulatory fatigue with requirements, regulations from other state and federal agencies.
- Concern for potential misunderstanding of the line.
- Legislators want to be involved in engagement, but timing the process during the legislative session would make it difficult to be involved.

Hansen said what was learned from state agencies was, more information is needed regarding the adoption of the ASCE tsunami design zone into the state building code. It is not clear how these regulations may overlap and conflict with the regulatory line. The building codes may come into effect as early as October 2018, which is earlier than previously understood. There are a lot of unknowns at this time.

Avy stated the public engagement plan worked in the way it was intended, by gathering information to use to assess going forward. DOGAMI did not continue to the planned next phases of engaging communities based on concerns raised by the Coastal Caucus. In the early stages, it also became clear that the ASCE line was moving faster than anticipated. Chair Phipps asked Annie Montgomery, Coastal Caucus Fellow, if DOGAMI captured the concerns accurately and she acknowledged yes. Chair Phipps asked if Mike Harryman had any additional input and he said there is a lot of good dialogue. Ashford asked what agency adopts the building codes and Harryman said DCBS (Department of Consumer and Business Service). Ashford said OSU is building something on the coast and they are looking at both and they are finding they are having to choose one or the other because they conflict. They are voluntarily using both but it would be useful to understand the interplay between the two and he knows there are people in the state who help write the ASCE code, Professor Dan Cox of OSU is one. He is sure they would be very happy to just talk it through and see where there might be conflicts and what the ASCE code does.

Maffei asked what is DOGAMI’s obligation on the line. Avy said the Agency in 1995 adopted the tsunami regulatory line based on the science at the time. In 2013 the Agency published tsunami inundation scenarios, represented by t-shirt sizes, based on new science. Chair Phipps said the authority is in statute to establish that line. Jeremiah asked if the Board is the one that hears the exceptions and Avy said it depends on the scenario. If disputed it goes to the Circuit Court. No exceptions have been brought to the Board.

Madin described his understanding of the ASCE building code provisions. They have developed a “tsunami design zone” in which the tsunami design provisions apply. Within the zone there are additional design parameters that depend on location. Madin believes the code would provide protection similar to the DOGAMI regulation, with more flexibility. The tsunami design zone they have mapped is very similar to DOGAMI’s “L” line. Ashford suggested one approach could be to use the ASCE code provisions and focus on the XXL line for evacuation. Ashford said going forward he thinks it is important to work with building codes to make sure there is consistency and no conflicts.
Madin said one approach may be working with building codes and collectively decide on a shared zone.

Maffei asked if it is a perception issue of the coastal communities about regulation. Montgomery said it is a perception issue, and also mentioned a concern related to potential impacts on insurance costs Chair Phipps described the process DOGAMI has taken so far since 2013, including the recommendation to use the "L" line, which is based on risk. This plan was meant to go get feedback from the agencies and legislators to see how a potential change to the line might affect them going forward. She is disappointed DOGAMI did not get to go out and get feedback and input from the communities. She was excited to see the communication with the Coastal Caucus. What is being brought to the Board now, Phipps said, is the notion of taking a step back and working with building codes and ASCE going forward, with updates to the Board, and does that achieve the goal of protecting the public. Jeremiah asked if there will be legislation to remove DOGAMI’s role in the regulatory process but no one was aware of any at the time. Ashford said he thinks the ASCE line will be positive in achieving goals.

Board Action: Maffei motioned “In recognition of the information obtained during initial engagement, I move to not proceed with the Tsunami Regulatory Line Public Involvement Plan as approved by the Board on December 5, 2016, direct staff to monitor the regulatory progress and implementation of the ASCE 7-16 (Chapter 6 – Tsunami provisions), and update the Board at the December 2017 Board meeting.” Jeremiah second it. Motion carried.

8) Legislative Progress Report / Budget Hearing:

Director Avy provided an update on the legislative progress report and budget hearing. Avy said they presented the progress report to the legislature based on a report from last year. He explained the bar chart is based on what was presented last year and what is current at this time. They are expected to go back next year and provide an additional update.

Avy reviewed the Improvement Scorecard bar chart with the Board. He said the Detailed Accounting Architecture is now at 100%. The MLRR business model assessment is now at 60% instead of 80% with a lot of work to do. The MLRR Bond Reconciliation & Separation had no change and is still at 99%. The Written Policy & Procedure Development is at 80% instead of 60%. The GS&S Standardized Project Management is at 75% instead of 50%. The GS&S Business Model Assessment is at 40% instead of 20% and the IT Remediation Plan – Implementation is at 65%.

The IT remediation plan was added and it went to the Emergency Board last May. The servers will be moved downstairs to space leased by OHA on April 25th. Avy asked Connor Anderson to speak to this portion and he provided a handout to the Board. Anderson said the Emergency Board presentation was a 3-year remediation plan to migrate the Agency's servers to state hosting services and hire personnel to maintain it, provide a stable IT budget, redesign the DOGAMI website and procure a bonding and permitting application for MLRR.

The foundation element was to transition the email and domain name system to the State data center. The IT budget and procurement is going well and is on task. The move to the 8th floor data center from OHA will begin construction on April 25th with completion in May. Anderson said lidar is the largest data store they have ever done for any agency. Administrative staff is working to reduce
the files before the move which involves a lot of staff engagement to complete. On the strategic radar screen, all offices can now see everything on the main data files instead of separate backups. Anderson said they are also working to have a standard computer setup instead of different ones for each staff member.

Chair Phipps asked if there are any bills they should know about and Madin briefly described the status of Senate Bill 3 (suction dredge mining ban), SB 644 (mining mineral resources), SB 850 (amended to report on mass care and earthquake insurance), and SB 1036 (surface mining exemptions); and House Bill 2707 (Water Resources funding), HB 2711 (fracking moratorium), HB 2889 (pipeline security), HB 2895 (seismic evaluation for schools), and HB 2983 (task force on disaster recovery and response). Madin stated one portion of SB 644 has the potential to help fund work similar to DOGAMI’s POP 106 to move all the mineral resource information into one database. HB 2707 appropriates $8 million to the Water Resources Department for accelerated groundwater studies and may result in more geologic mapping opportunity for DOGAMI.

Briefing: No Board Action Required.

10) GS&S Update:

Bill Burns, Natural Hazards Section Supervisor presented the GS&S Update.

Burns discussed the new GS&S organization structure. Ian Madin’s position is now over GS&S and MLRR, with GS&S broken into three sections. The Earth Science section headed by Jason McClaughry has eleven (11) staff members. The Natural Hazards section headed by Bill Burns has eleven (11) staff members. The Publications section is Deb Schueller. The supervisors now have the ability to have 1:1 meetings with staff and section meetings.

Technical Review Committee (TRC) was implemented to help review documents that leave the Department to look at the technical sections. Ashford asked if the second set of eyes causes things to slow down and Burns said he thought it sped it up. It helps them create a standard for items like metadata. This includes a PowerPoint template and report templates to have a consistent look. They are also doing policies and procedures and working through the steps to do them. Ashford asked if staff thinks of it as a burden of going through the steps or appreciate it and Burns believes they appreciate it.

For outreach, they have been working with Ali Hansen to be more proactive instead of reactive. The first topic they did was earthquake hazards. They have created a matrix to help determine what would be good ones to do or not do. They have been focusing on groups they want to do work with in the future. Ashford said he points groups to DOGAMI. Hansen said when DOGAMI declines we point the group to another agency to contact.

Burns discussed the staff and projects. There are twenty-two (22) members in the section working on thirty-one (31) active contracts or projects with a $2.5 million budget doing technical and cutting edge work. Ashford about the rotating positions and Burns said he is one of them. Ashford asked if he is enjoying it and Burns responded he is but thinks he spends more time as a supervisor than anticipated. Ashford asked about next rotation and Avy explained the process.
Briefing: No Board Action Required.

Chair Phipps stated the Executive Session and Annual Director’s Review have been removed from today’s meeting.

Break

After the break, Chair Phipps announced Scott Ashford had to leave the meeting.

9) Director’s Report:

Director Avy presented his Director’s Report on the following:

Leadership Development Update:

Avy stated the leadership team has been taking training and provided a list of the specific training to the Board. In addition the leadership team has been going through the book called Leadership Challenge. The team has been looking at chapters based on what is happening with the Agency. They try to have them every other week. In January, GS&S held a quarterly meeting where staff was asked if they have any concerns. Staff was really supportive of the supervisors and guidance on how to do things. He will continue to look for opportunities to mentor.

Secretary of State Performance Audit:

Avy said DOGAMI went through the financial audits and he received a call from the Secretary of State (SOS). They are doing a performance audit on State agencies through DAS and are now following up with smaller agencies. They were fascinated by the leadership development and rotational roles and asked if they can reference the Agency.

Calico Update:

Avy asked Bob Houston to provide the update on Calico. Houston said he is the lead chair of a consolidated permitting team with other agencies. The Agency received a third notice of intent on February 28, 2017. It was submitted to relocate the processing facility. They are in the process of submitting the baseline data collection methodologies. Chair Phipps asked if there were federal partners and Houston said a memorandum of understanding (MOU) was signed with BLM. This was a big step. The technical review team (TRT) reviewed data and said it was not complete so DOGAMI met with Calico to review comments and is expecting a revised document to address these concerns. Maffei asked if they had already submitted a fair amount of data. Houston said yes that it still remains acceptable to use and they will just attach the new data with the old. Chair Phipps asked how long we have been working with Calico on this, Houston said he thought it started in 2012. There have been over 250 holes drilled, but the permitting process has not started yet.

Mist Gas Field Lease Update:

Enerfin and Semerjian have reached an agreement on leasing his mineral rights. To finish the process DOGAMI needs to do a complete review of all the agreements and put in a file. Chair Phipps mentioned an email was received by Semerjian. Houston said a communication will be going out with help from Ali Hansen to address his concerns.

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Portland Office Facilities:

Avy discussed the facility changes in the Portland office on the 8th and 9th floors. The 8th floor server room is currently part of OHA (including an HVAC unit) and will be converted to house DOGAMI’s data servers. DOGAMI is looking to give up the old library area on the 9th floor which may be leased to OHA.

Staff Recognition:

Avy stated Deb Schuler was nominated for a State employee award. She is an unsung hero. Deb has been invited to a reception with Governor Brown at Mahonia Hall on May 10, 2017.

REASON FOR NOMINATION:

For over a decade, Deb Schueller has been our unsung hero—she has quietly and efficiently reviewed, organized, edited, and published geologic scientific data for the State of Oregon. Deb is passionate about information transparency and works diligently to ensure quality data is available for all Oregonians. Using her geology training, Deb distills complex scientific information into a format that is meaningful for scientists as well as the general public who may want to know if there is a geologic hazard threatening their home. Not only would we like to recognize Deb for her work for the Department of Geology and Mineral Industries, but also for the significant impact her work has on making Oregon a safer place to live and work. In our view – Deb is a true “GEM”.

Jeremiah said she appreciates the leadership team investment.

Briefing: No Board Action Required.

11) DOGAMI Governing Board Briefing Book 2017:

Director Avy presented the DOGAMI Governing Board Briefing Book. He said one has not been done since 2014 and he thought it was a good thing to supply to all Board members. Avy credited Lori Calarruda with putting together the binders. It is a work in progress that will be updated from time-to-time.

Briefing: No Board Action Required.

12) DOGAMI Governing Board Bylaws:

Holly Mercer, Policy Assistant to the Director presented a draft copy of the proposed DOGAMI Governing Board Bylaws.  Mercer stated that the draft bylaws were reviewed by the Department of Justice and the only change related to a clarification regarding quorum.  She also pointed out that many of the provisions are based on statute, including the number of meetings to be held in a year.  In addition, Mercer stated that even though the statute provides for board compensation, the board had decided in the past to forego compensation.  She indicated that the board may want to re-visit that decision in the future.

Chair Phipps asked if the Board wanted to move forward with voting.
Possible Board Action: **Maffe moved to accept the DOGAMI Governing Board Bylaws as presented.**  
**Jeremiah seconded. Motion carried.**

13) **Executive Session – Annual Director’s Review:**
Regarding the Executive Session and Annual Director Review, Chair Phipps stated that she is going to work with HR to get a process to use and to bring this back at the June meeting. Director Ayv is comfortable with having this extended. Maffe asked about what the issue was. Chair Phipps discussed with the Board. This will be brought back at the June meeting.

14) **Return to Public Session:**
No Executive Session took place.

15) **Annual Director Review:**
Chair Phipps stated the Executive Session and Annual Director’s Review have been removed from today’s meeting.

16) **Public Comment:**
Chair Phipps asked for public comment.

As requested by Samuel Semerjian, Chair Phipps read the attached email from Mr. Semerjian into the record.

17) **Confirm Time and Date for next Meeting:**
Due to calendar conflicts, the next Governing Board meeting will take place on Monday, June 26, 2017 in the Portland Office.

18) **Board Adjourn:**
At the conclusion of the public comment period, Chair Phipps adjourned the meeting at 12:55 p.m.

APPROVED

Lisa Phipps, Chair