

**GOVERNING BOARD MEETING
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES**

Friday, May 15, 2015

8:30 a.m.

Portland, Oregon

1) Call to Order: (Larry Givens, Board Chair)

Chair Larry Givens called the meeting to order at 8:37 a.m.

2) Introductions: (Larry Givens, Board Chair and staff)

Chair Givens, Vice Chair Lisa Phipps, and Board Members Dennis Luke and Laura Maffei were in attendance.

DOGAMI Staff in attendance:

Ian Madin, Interim State Geologist

Richard Riggs, Assistant Director for the Mineral Land Regulation & Reclamation Program

Derrick Moten, Chief Financial Officer

Ali Ryan, Earth Science Information Officer

Jonathan Allan, Coastal Geomorphologist

George Priest, Geologist

Alyssa Pratt, Office Specialist

Others in attendance:

Lauri Aunan, Governor's Office

Vicki Jorgensen, DAS

Jon DuFrene, DAS

John Terpening, Legislative Fiscal Office

Hillary Borrud, EO Media Group

Jay Wilson, Oregon Seismic Safety Policy Advisory Commission

1 **3) Approval of Minutes of April 3, 2015 Teleconference Meeting:** (Board) *Action Item*
2 **Motion: Luke moved to approve the minutes. Phipps seconded. Motion carried.**
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4 **4) DAS Business and Finance Review** (Ian Madin, Interim State Geologist; Jon DuFrene,
5 DAS, Lauri Aunan, GNRO)

6 a. **Preliminary results of DAS business practice and finance review.**
7 *Information item*

8 DuFrene introduced himself gave the Board an overview of his work history. He
9 is a member of the DAS review team that is in the process of analyzing the
10 Agency's financial status.

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Dufrene updated the board on preliminary findings, focusing on the financial structure of the Agency and components that contributed to the current circumstances.

- DuFrene explained that one factor is that all the Agency’s revenues and expenditures are tied to numerous accounting programs and systems. This reflects DOGAMI’s projects which have different types of funding.
- For a small agency, DOGAMI has a complicated financial structure and is using accounting software that is not up to speed. A new financial structure needs to be implemented to accommodate for the Agency’s complexities. Proper reports then can be generated for managers and the Board.
- Board members expressed concern regarding the types of reports they have been receiving and the inability to easily see the agencies financial issues. They discussed with DuFrene what they should be expecting for reporting options, and said they would like to provide input when moving forward.
- Another factor, DuFrene noted, is complicated business processes with different fiscal year ends and the volatility of project revenues within the budget cycle.

DuFrene said the review team is still in the process of synthesizing their findings, and will be working with DAS and Governor’s office to develop an update that includes numbers . They anticipate a report to be completed at the end of June.

Aunan said the Governor’s Office is tracking this very closely and receives regular updates from DOGAMI and DAS. Their interest is making sure the Agency has good financial stability to deliver important services to Oregonians. She also noted:

- Previous Board meetings included discussions about the recruitment of the Executive Director position. The Governor’s Office is waiting to see what the budget looks like coming out of Legislative session to make final recommendations on moving forward, which will most likely occur in June.
- Aunan said recruitment for Governing Board appointments will start in the fall. Givens said the Board currently has one board member position vacant and that he will be also be terming out in six months. Overall, two vacancies will need to be filled.

Madin and Givens expressed their appreciation to the review team and the Governor’s office.

Public Comment: Givens opened for public comment and questions on the DAS Business Practices and Finance Review.

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- Jonathan Allan, DOGAMI Staff Representative, asked if the financial state of the Agency would be cleared up at the end of June. DuFrene clarified that the review team is identifying all revenue sources and expenditures. They will see how numbers relate and then pass that information along to the Governor’s Office and DAS to consider any actions that might need to be taken.
 - Jay Wilson, Chairman of the Oregon Seismic Safety Policy Advisory Commission, wanted to go on record with a comment. He believes that DOGAMI’s role is critical and vital to the development and growth of the state but believes in many ways the Agency is underappreciated. The kind of work the Agency does is the underpinnings of decisions the state makes. He would like to highlight how innovative the Agency is in staying on the cutting edge and delivering to the needs of the people of Oregon. There aren’t many agencies that have the role that DOGAMI has, he said, and the stakes are high in delivering the science that they do. There needs to be a reach to keep this Agency solvent and viable. If DOGAMI were to go away, they would be immediately missed.

73 **5) Regulatory Issues:** (Richard Riggs, Mineral Land Regulation and Reclamation
74 Program)

75 a. **Summary of operational and enforcement activities for mining,**
76 **stormwater, oil/gas and geothermal regulatory programs:**
77 *Update Item*

78 Production: Riggs reported production values will be 7.6% higher than the
79 previous biennium, resulting in 33 million tons of production which should
80 increase revenue. Historically, MLRR is about 40 million tons.

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82 Sundance Quarry: DOGAMI-MLRR entered into a contract with Landslide
83 Technology to conduct a third-party review of documents and reports in support
84 of renewed mining operations after a significant landslide event in 2004. A
85 report is expected in early June.

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87 Calico Resources Project Update: Riggs reported that the Calico permitting
88 process is still ongoing with gathering baseline data. Both the Project
89 Coordinating Committee and the Technical Review Team have recently met and
90 they do not expect the next PCC meeting to occur until Calico officially
91 announces where they intend to site the mill. Madin estimates that Calico is
92 about one year away from submitting an application. When this occurs it will be
93 critical to follow the permitting process timeline under ORS 517.956.

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95 Mined Land Reclamation Awards: The program is to recognize operators who
96 have demonstrated outstanding achievement in the field of mine reclamation

97 and was first approved by the Governing Board April 1981. The award selection
98 committee is meeting May 15th. The awards will be presented at the Oregon
99 Concrete and Aggregate (OCAPA) meeting June 25th, 2015 in Redmond, OR.

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101 Other updates: DOGAMI has been meeting with DEQ to discuss possible
102 expansion of the stormwater program; DOGAMI and DEQ are also collaborating
103 to provide communities with information about mining activity within
104 watersheds. Also noted was that six new coalbed methane well permits have
105 been closed; one new gas permit and four existing permit modifications are
106 pending.

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109 **6) State of the Agency:** (Ian Madin, Interim State Geologist)

110 a. **Update of Agency activity by Interim State Geologist:** *Update*
111 *Item*

112 Madin provided an update on Agency activity, including:

- 113 • The Agency is ordering additional lidar projects, including out-of-state
114 projects as part of FEMA-funded projects.
- 115 • Madin updated the board about current funding opportunities the Agency is
116 in the process of applying for. Revenues would be for the 2015-2017
117 biennium.
- 118 • Because of the financial situation the Agency has been implementing cost
119 saving measures. This includes deferring all the technology purchases and
120 donating DOGAMI's core sample collection to OSU to stop paying storage
121 costs. GS&S staff has also been directed to maximize the amount of time
122 they spend on Federal or other funded project work to reduce the demands
123 on General Funds.
- 124 • Madin discussed with the Board that none of our registered professionals
125 have continuing education requirements. This is why the Agency has been
126 very protective continuing to offer training opportunities. Next budget cycle
127 Madin would like to take a close look at the current training program for staff
128 with management. He would like to see it become more robust, and believes
129 that it should provide as many training opportunities as possible.
- 130 • Madin informed the board about a Southwest Oregon Mining Conference
131 that will be held in July. He believes this conference has been successful in
132 bringing renewed interest in mineral resources in Oregon and has
133 volunteered to attend the meeting to represent that DOGAMI is engaged
134 with the mining community.

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136 b. **Recruitment of new Assistant Director for GS + S:** *Information*
137 *item*

138 Madin is working with the DAS team and hopes to start recruitment for the GS&S
139 Assistant Director as soon as possible after the position description is revised.

140 Recruitment for an Executive Support Specialist and a Geologist position has
141 been deferred, and will restart with the goal of bringing on new staff mid-July.

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143 **c. OPB public records Request: Update Item**

144 As recorded in the last Board meeting, DOGAMI received a public records
145 request from OPB. It cost the Agency \$1754 to collect the information. DOGAMI
146 did not bill OPB since providing the information serves public interest.

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148 **d. Legislative Update: Update Item**

149 Madin updated the board about current bills that DOGAMI is tracking. Some of
150 the bills that would have required action from the Agency without additional
151 funding sources have died in committee.

- 152 • SB 778 would have increased DOGAMI tsunami regulatory powers. The
153 bill did not pass out of committee.
- 154 • HB 3089, HB 3090, HB 3096 and HB 3269 would have required DOGAMI
155 to review the mine permitting process, conduct a study on the economic
156 impact of mining, and prepare a biennial or one-time mineral resource
157 assessment. HB 3089 amended to require only DOGAMI to perform a
158 state wide mineral resource assessment by September of 2016, passed
159 out of committee and was sent to Ways and Means. DOGAMI provided a
160 Fiscal Impact Statement (FIS).
- 161 • HB 3412 would have required DOGAMI to carry out systematic lidar-
162 based landslide hazard and risk mapping and to implement landslide
163 mitigation measures in cooperation with other state agencies. DOGAMI
164 testified about the bill, taking no position but noted the lack of resources
165 to carry out these activities. The bill was amended to remove the
166 requirement to implement mitigation measures and passed out of
167 committee to Ways and Means. DOGAMI provided a FIS.
- 168 • HB 3415 would have placed a ten-year moratorium on hydraulic
169 fracturing in Oregon. DOGAMI provided testimony and took no position
170 on the bill but provided information about the agencies current authority
171 to regulated hydraulic fracturing. HB 3415 was amended to require
172 DOGAMI and DEQ to study other state's regulations for hydraulic
173 fracturing and report back to the legislature on any changes required in
174 the current regulations. The bill passed out of committee with a referral
175 to Ways and Means. DOGAMI provided a FIS.
- 176 • HB 3447 would require DLCD to implement planning measures to
177 mitigate hazards in the tsunami inundation zone along the coast.
178 DOGAMI was named a cooperating Agency. This bill passed out of
179 committee and was referred to Ways and Means. DOGAMI provided a
180 FIS.
- 181 • SB5412, DOGAMI's 2015-2017 budget is currently scheduled for a work
182 session on May 29th.

183 Reports to the board about the status of bills throughout legislative session
184 will continue.

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186 **Break**

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188 **7) Proposed Tsunami Regulatory Line Change** (Ian Madin, Interim State Geologist;
189 staff)

190 a. **New probabilistic models and the choice of the DOGAMI “L” line**
191 **for a revised tsunami inundation zone.** *Update item*

192 In September 2013, the Governing Board heard staff and advisory committee
193 recommendations to change the statutory regulatory line from the current SB
194 379 maps to the new tsunami inundation map scenario L line.

195 At the time, the Board requested that DOGAMI hold 3 public meetings before
196 making any changes. But at the time the department did not have funds to
197 execute the meetings; a regulatory line change has been on hold. Madin would
198 like to reopen this discussion since there are currently studies being conducted
199 that seek to define tsunami 2475 year return period, which is the value the L line
200 in the inundations maps was aimed for. Priest said that the preliminary results of
201 these studies are showing fairly substantial differences from our L line scenario;
202 these differences are not consistently different along the coast.

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204 Madin provided background to the Board about the development of the
205 scenarios and the science behind defining the inundation zones, expressing the
206 limitations of the science and technology of modeling at the time the existing SB
207 379 maps were created. Now there is new science in tsunami modeling and with
208 more accuracy when choosing specific parameters for scenarios. One issue noted
209 was that other groups are going out to calculate the 2475 year inundation line
210 with their own set of parameters in how they are running their modeling.

211 Additional information noted included:

- 212 • The regulatory line, once set, prohibits the construction of specific
213 facilities within that line. Other facilities meeting certain thresholds are
214 required to consult with DOGAMI about tsunami hazard mitigation for
215 their site. The consultation is non-binding, and DOGAMI has been
216 consulted 7 times in the last 20 years.
- 217 • There is pressure to change this line. Consideration of the size of tsunami
218 line to implement as the new line was discussed. From a technical point
219 of view the L Line is more appropriate to prevent the loss of life in the
220 event of the tsunami, says Madin.
- 221 • Madin would not recommend waiting for other studies to define a 2475
222 year line. DOGAMI should stick with one of the established tsunami
223 inundation lines. An underlying premise of updating the tsunami
224 inundation line is the fact that the international building code tsunami
225 chapter is being written and voted on.

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- Jay Wilson spoke about adoption of the newer tsunami inundation lines and improving the public’s understanding of the risk. Agrees with Priest that the new codes and regulations allowing development to build to higher standards that would be different than the 379 line would cause public confusion and uncertainty. This is why rule revision is needed, to make a higher standard for the state regulation and restrictions.
 - Staff and the Board discussed the best way to approach updating the line and bringing better communication with state agencies and coordinating.

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b. **Public process for potential inundation zone changes.** *Update item*

237 Madin discussed what the public process might be and the cost. Madin asked the

238 Board to consider what type of public input is desired for this decision, and at

239 what level. Ali Ryan discussed a range of public involvement options, and

240 provided high-level estimates of the costs of each option; initial estimates used

241 generic costs and numbers would be more accurate once a public involvement

242 plan is in place. She noted:

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- The key would be to develop a public involvement plan before holding meetings. The plan would decide how we are going to gather information and provide information, as well as who is the public, who are the stake holders and their roles. Overall it would lay out everything that would be related to public involvement. A public involvement plan has not yet been developed for this project.
 - The Board directed staff to move forward with updating the inundation line. Givens would like the Agency to put together several scenarios for public involvement for review by the Board in the fall.

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253 **9) Set Time and Date for next meeting: (Board)**

254 June 12th will be a teleconference. A listening station will be set up in the DOGAMI

255 office in Portland. Meeting will be from 8:30 a.m.-10:30 a.m. July 24 at 8:30 in Bend,

256 OR is the tentative next meeting date and time. Location is TBA.

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258 **10) Public Comment**

259 Jon Allan, DOGAMI Staff Representative, asked about his participation and what was

260 expected from the staff representative. The Board and Madin clarified that the staff

261 representative is responsible for reporting back to staff on Governing Board

262 meetings and Leadership Team Meetings, which the representative is also attending.

263 The Board would like the representative to ask clarifying questions to help

264 accurately relay information to other staff. They noted that they would expect the

265 staff representative’s comments and questions to not to supersede proper process.

266 The Board is overall very glad to see a staff member being involved. In addition, the

267 board would like to see more presentations about interesting projects once a

268 routine Board meeting schedule is established.

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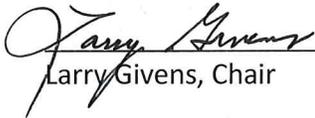
11) Adjourn

Chair Givens adjourned at 12:16 p.m.

Action Items:

1. Madin will work with Ryan on developing public involvement scenarios for the revised tsunami regulatory line; the topic will be back before the Board in the fall.

APPROVED:



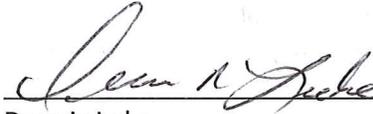
Larry Givens, Chair



Lisa Phipps, Vice Chair



Laura Maffei



Dennis Luke