1) **Call to Order:**
Chair Donald Haagensen called the meeting to order at 9:00 am. There was an executive session held previously from 8:30 am until 8:55 am.

2) **Introductions:**
Board Chair Donald Haagensen, Vice Chair Steve Macnab, Board Members Larry Givens, and Charles Vars were present.

DOGAMI Staff in attendance:
State Geologist Vicki McConnell
Assistant Director Don Lewis
Assistant Director Gary Lynch
James Roddey
Tove Larsen
Carol DuVernois

Dawn Farr from the Legislative Fiscal Office was in the audience.

3) **Approval of Governing Board Minutes for February 29, 2008:** (Board)
Motion: Vars moved to approve the minutes as written, seconded by Givens. Motion carried.

4) **Board Business:**
   a. **Board membership changes and a general discussion on Board governance.**
   Barbara Seymour announced she will retire from the Board in October, so the Board will solicit candidates for her replacement. Barbara is the representative for the Northeast/Coastal part of the state, so the Board will seek a geographically compatible replacement, but will not rule out candidates from other parts of the state. Haagensen and McConnell will vet the candidates and report back to the Board with recommendations.

   The Board discussed the Chair and Vice Chair rotation. Haagensen’s term will end this fall, and Macnab will not seek the chair, due to time constraints. The Board will need to nominate a new Chair and Vice Chair.

   In addition, Macnab's first term will end in September. McConnell will draft a letter to the Governor's Executive Appointments Office to recommend Macnab for an additional four years. She will also consult with Nancy Goss Duran to clarify Vars’ term length. We are not clear if he is simply fulfilling the balance of William Eliot’s term, or if he has been approved for a full four year term.

   Haagensen noted that he, Eliot, and Seymour all started at the same time, thus
their terms would end at the same time, so it would make sense to extend Vars’
term to a full 4 years.

b. Ethics Reform Review Team letter request.
The Board discussed the letter they each received regarding the new ethics
laws. McConnell will clarify who is on the review team and notify the Board.

c. Follow up on State Geologist performance review and evaluation.
The Board completed their performance evaluation of the State Geologist at
the Executive Session earlier in the day. Haagensen would like to meet with
McConnell to discuss the results. On behalf of the Board, he thanked McConnell
for her service, that the evaluation showed that she is performing very well, and
that her support for the Board is appreciated. The perception of the Board is that
McConnell is spending long hours and making an effort above and beyond what
is normally required for the State Geologist.

5) Agency Revenue and Expense Report (Vicki S. McConnell and Don
Lewis)

a. Briefing on most recent Agency revenue and expenses:
McConnell wanted to commend Lewis and Larsen for doing the hard analysis
to determine where we are with the budget numbers. Don Lewis presented the
agency budgeted and forecast revenues and expenses, with the key sources of
variance, assumptions, and areas of uncertainty the agency faces, and
discussed the details.
Lewis also discussed the Lidar projects and how the influx of partners to the
project will put us beyond our Other Funds Limitation, so we will need to go
before the Emergency Board to request additional Other Fund Expenditure
Limitations. If the E-Board does not approve of the additional Other Fund
Limitations, there will be big problems for both programs. So we have much
work to do to get the correct documentation to show the need for additional Other
Fund Limitations to head off any problems.
McConnell noted that she does not foresee approval by the E-Board being an
issue, because we have been so successful in garnering partners for the Lidar
Consortium. We just have to have the documentation ready and show that the
Lidar contracts are viable, not speculative. She explained the challenge of
creating the budget, mentioning that the agency needs to be very fluid, because
the myriad of projects we are involved in, and how things can change quite
quickly.

6) Break

7) Review of Draft 2009-2011 Agency Budget Request and Legislative
Concepts: (Vicki S. McConnell, State Geologist)
a. Budget Process Briefing
McConnell provided an overview of the state budget process and how it
relates to the building of the Agency Budget Request (ABR) document. She
discussed the various pieces of the Budget, and how we put them together. The
main areas discussed were the Narrative, the Performance Measures, Revenue
Forecast, and the program breakdown. She noted that the legislators have to read about 80 budgets, and that it is incumbent upon the agency to make the budget succinct and easy to read. The ABR must be submitted to DAS by August 1st. They will do a full review and audit the numbers, and the Governor’s Recommended Budget will come out in the beginning of December.

b. Review Draft Essential Base Level Budget request
Don Lewis walked the Board through our budget calculations using tables to explain how the Base Level Budget works. He detailed the salary expenses, rent increases, general fees, allocations by fund type, etc. showing how a gap is growing between actual expenses and allowable budgeted expenses. Macnab said we need to keep track of the gap, and the Board will need to discuss how to adjust to the reality of what we have and what we will need to do to create balance, making cuts if necessary. Lewis, McConnell, and Lynch each noted different scenarios that show the large difference between the budgeted expenses and the actual expenses, including salaries, rent, and Attorney General’s fees. One of our challenges is the mandatory 10% cut, and there is no slack.

Haagensen stated that our strength is our weakness, in that we go out and generate funding, so the legislature has come to rely upon us to do that. Vars asked if we’d ever used supplementary reports to bolster arguments for additional funding. McConnell said we go before the Ways & Means Committee to present a compelling and factual representation of what we do and why, advocating for additional policy packages, and ultimately educating the legislators and the Governor’s Office about why the funding is necessary. We also have stakeholders willing to support our cause. Last biennium we had about 10 letters written by other groups in support of the Lidar program. Lynch noted that we are in better shape now than in the past, because there is a greater understanding of what we do and why the agency is important to the well being of the state, due to the efforts of McConnell and Lewis to effectively communicate with legislators and the Governor’s Office.

c. Review Draft Policy Option Package add-ons
(Please see official Board Packet for details of each POP which are listed in the order of priority for the agency.)
McConnell told the Board that the number of Policy Option Packages has grown from four to eight since the last discussion. She briefly discussed each of the POPs. The Lidar Consortium (POP 101) is the highest priority for the agency. Last biennium we obtained Lottery funds for this project, but we cannot ask for Lottery money this time, so we are asking for General Funds. Haagensen asked if any industries were interested in stepping up with funding. McConnell explained that we cannot accept any money from them because we don’t have receipts authority to accept industry funds, and that we should try to get a legislative fix on that.

POP102 asks to transfer the Lidar Database Coordinator position from LD to FTE with General Fund support. POP 103 requests a permanent General
Fund FTE Coastal Geomorphologist to manage the shoreline monitoring network.

POP 104 is directly linked to Legislative Concept 632-2 and would add an Administrative Assistant at ½ FTE and the Services & Supplies to the Geothermal drilling permits and fee restructure.

POP 105 requests assistance to strengthen both the analytical and dissemination sides of the Landslide Hazard Mitigation program. It requests an FTE for a landslide technical specialist, an FTE for a digital database project manager, and to make the salary for the Publications Coordinator all General funds.

POP 106, regarding the transfer of surface mining in Columbia County to state authority will help prepare us for what may happen if Columbia County hands their program over to us. We also have prepared LC 632-1 for this contingency. We are still unsure of what Columbia County intends to do, but this POP will help us have everything in place. The POP is necessary because we would lose their funding if the county turns their program over to us, but would gain funding from the production fees. So we have attempted to calculate how that will turn out.

POP 107 will restore the expenditure limitation for the MLRR program, which the Board has discussed at length at a previous meeting.

POP 108 requests General Funds for service & supplies to bring in a Human Resource person as a consultant to assist us with our HR issues. We’ve been working with DAS over the last few months cleaning up our files. However, we do not have anyone in the agency that is trained for HR at this time and a temporary consultant would be ideal to help train current Business Office staff. We may also look to work with a bigger agency within the state system that has a large HR staff to serve as our HR as well.

Macnab noted his surprise that the Coastal Geomorphologist is a higher agency priority than POP 105. McConnell said that both of these POPs are enhancements of existing programs. She believes they are both equally important, and the priorities are still fluid except for POP 101. She will take it into consideration and discuss it with the Governor’s Office to see what their advice may be.

Macnab asked about the acceleration of the tsunami hazard mapping program. McConnell said they elected to not add that POP again this time because we have so many already, and the National Tsunami Hazard Mitigation Program is still on track and is federally funded.

d. **Update on Agency Performance Measures**

Lewis said we will ideally have the new PM report available to include in our Agency Request Budget. One change discussed with legislators and DAS earlier is with PM4, Hazard Awareness and Mitigation. We are trying to measure the understanding and amount of awareness that people have about hazards around the state and the mitigation techniques being used.

James Roddey briefed the Board on his ideas about this PM. We previously did public opinion polls, but it is a very tricky thing to measure since we don’t control how the public gets the information. Most people get their information
about hazards from TV and newspapers, so how we interact with the media affects how the public hears about us as a part of natural hazards awareness.

Public opinion polls may still be the most accurate way to gather the data for this PM. He has contacted a couple of survey companies to see what they can offer.

Macnab wondered how we got that PM on our list in the first place.

McConnell said that it was an attempt to be able to track the usefulness of the Public Ed, Technical Services, and Outreach group. She noted that merely counting the number of publications the agency releases does not produce any meaningful information, so this PM is an attempt at gauging public awareness.

We’ve done surveys at any conferences, workshops, etc. that we host. However, the respondents are people that already know this information and the results are thus skewed.

Roddey acknowledged that the media has recognized that we are the content experts when it comes to hazards. He said we subscribe to a service that notifies us each time we are mentioned in any media source, so that may be a better way to quantify such a nebulous PM. Roddey said that if done properly, surveys can also help the agency develop strategies for mitigation efforts, etc.

At this point McConnell introduced two new staff, John English, who replaced Mark Sanchez in the Lidar Database Coordinator position, and Jed Roberts, who is working as a temporary employee as GIS specialist.

e. **Update on Status of Legislative Concepts**

McConnell briefed the Board on developments on the 2 LCs since the February meeting. LC 632-1 is the transfer of surface mining. LC 632-2 is the revision in geothermal regulation and administration. The LCs have been submitted to DAS for review before they are submitted to Legislative Counsel for drafting. LC 632-2 is at Legislative Counsel as a placeholder while they draft the language, which is due June 27th. LC 632-1 will be submitted to Legislative Counsel soon, and we have the draft language for that now. Lynch has met with representatives of the Columbia County Commission and some members of industry. The language is not yet finalized, and we will hold a public meeting to garner feedback from interested parties among industry and citizens.

McConnell reported that there was a geothermal workshop in early May with approximately 80-90 people from industry and other agencies. Bob Houston introduced the Geothermal LC to the group then, and they now have the chance to give us feedback.

8) **State of the Agency:** (Vicki S. McConnell, State Geologist)

a. **Agency activities update**

McConnell briefly went over the outline for this agenda item which is included in the official Board packet. She noted that the NEHRP program has an additional $100,000 to keep working on the Portland earthquake hazard mapping. NTHMP funding continues to erode, but we are still in negotiations with NOAA on that.

The MLRR Program has been invited to submit proposals for Gravel Pit Fish and Wildlife Habitat Enhancement to Oregon Watershed Enhancement Board (OWEB). The OWEB Board recently authorized the OWEB Executive Director, Tom Byerly, to obligate up to $6 million in Lottery capital funds this biennium to
implement projects for the Willamette Special Investment Partnership. We are
looking at up to $400,000 for aggregate site reclamation in the Willamette Valley.
She will give more detail about this to the Board when we get more information. .
McConnell gave kudos to Deb Schueller, who is the Publications Coordinator
and has done a great job of tracking all our publications and getting them out the
door.
We received the National Award for Excellence in Mitigation at the National
Earthquake Conference in Seattle, for our Seismic Needs Assessment program.
She noted that OSSPAC nominated us for the award. She said she would get
any press coverage of that event to the Board.
She notified the Board that Charles Kirby is officially retired from the agency,
and Jan Durflinger has retired after 25 years of service with the agency.
Haagensen asked that McConnell draft letters to them on behalf of the Board to
thank them for their years of service.

9) Regulatory Issues: (Gary Lynch, Mineral Lands Regulation and
Reclamation Program)
a. Status of rulemaking
SB149, HB2119, and HB 2120 draft rules represent the most comprehensive
rule writing exercise since the metal mining rule revision of the early 1990s.
Though the rulemaking for the Aggregate Fee restructure seems to be going
slowly, we have finished the third line-by-line pass with Larry Knudsen. On his
advice we are changing the Technical Advisory Committee to a Rule Writing
Committee. We have received Knudsen’s final comment on the fee section, and
it is ready to go to the Board and others for comment. The Oil & Gas rules are
well behind the aggregate rules, but they will be much simpler.
b. Summary of operational and enforcement activities for surface
mining and oil and gas and geothermal regulatory programs
We were successful in our enforcement activities from last year, including
Rock & Ready, and the Dumas site. We have a new enforcement action now
with Dutch Gold, a small underground gold mine in the Cave Junction area.
They side-cast material into a salmon bearing stream for about 3/4 of a mile,
which is a violation of their permit, and the operation has been suspended.
Lynch noted that the operation is small scale, with an expiration permit since
1991 or 92. We brought ODF&W into the site and they are very upset. The
strategy is to be very vocal and visible about the enforcement action, because
the operation was searching for investors. If we need to continue, we could get a
Temporary Restraining Order, but Lynch doesn’t think that will be necessary.
Lynch said Chip Andrus, the new fish biologist/reclamationist has been a
great help in both attracting monies for restoration and also by increasing our
field staff by 20%. He noted that we have added the regulation of Oil & Gas, the
regulation of Geothermal, the reclamation agent for Columbia County and the
Stormwater program, and have not added clerical staff. He believes Dawn
Marshall is the best clerical person in the state of Oregon and maybe in the
universe, but it’s time to get an office assistant to help ease the workload.
Haagensen asked if it was possible to ask for no cap on the permit fees. Lynch said we should attempt it, because if the rules are changed only once every 25 years, then it would make sense to have a mechanism within the rules to allow for adjustments. Haagensen said one method may be to have the legislature allow the Board to set a cap by rule. McConnell agreed that it would be better to not have limitations in the statute.

McConnell reported on the Governor’s H2O initiative, giving the Board the draft of the initiative for review. The initiative addresses how to manage water issues, including quality, supply, ecosystem benefits, costs, and what to do over the next decade. They envision the funding will come from Lottery funds. Our role will be providing Lidar data, integrated surface and subsurface geologic mapping, providing 3D visualization and groundwater data, monitoring of climate change on the coast, and coastal water infrastructure, and administering an applied research consortium on impacts of climate change on water.

10) **Setting of time and place of next Board meeting:** (Board)

The next meeting will be a conference call to review and approve the Agency Request Budget, and will be held on July 22nd. The following meeting will be held on October 9th in Prineville and will include a workshop on October 8th and field trip following the meeting on the afternoon of October 9th.

11) **Additional Public Comment:**

There was no public comment.

12) **Adjourn**

Meeting was adjourned at 12:30 pm.

**Action List: (in no order of priority)**

1. McConnell will consult with Nancy Goss Duran to clarify the length of Charles Vars’ term. Done – Vars will fulfill the remainder of Eliott’s term, until 12/31/09.

2. McConnell and Haagensen will meet to discuss the results of her performance evaluation.

3. McConnell will clarify who is on the Ethics review team. (Dexter Johnson, Legislative Counsel; Philip Schradle, Office of the Attorney General; Marjorie Taylor, DAS; Kelly Skye, Office of the Governor) These were the 4 on the letter sent out.

4. Staff will investigate the possibility of building General Receipts Authority into a bill. In Progress

5. McConnell will draft letters from the Board to Charles Kirby and Jan Durflinger thanking them for their many years of service to DOGAMI. - Done
6. Copies of the Draft Rules will be sent to the Board when they become available.

APPROVED:

Don Haagensen, Chair

Steve Macnab, Vice Chair

Barbara Seymour

Larry Givens

Charles Vars