GOVERNING BOARD MEETING MINUTES
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

Tuesday, July 17, 2018
7:30 a.m.
Newport, Oregon

1) Call to Order: (Laura Maffei, Board Chair)
   Chair Laura Maffei called the meeting to order at 7:45 a.m.

2) Tour with Discussion of Multiple Sites Around Newport:
   The group went on tour of multiple sites around Newport. (Field trip guide attached.)

3) Break to Disembark Vehicles at Hatfield Marine Science Center

4) Call Back to Order: (Chair Laura Maffei)
   Chair Maffei called the meeting back to order at 10:05 a.m.

5) Executive Session – Annual Director Review
   Chair Maffei announced the start of the Executive Session for the Director’s Annual Review.

6) Return to Public Session
   Chair Maffei reconvened the regular public session at 11:05 a.m. following the Director’s Evaluation.

7) Introductions: (Laura Maffei, Board Chair and staff)
   Chair Laura Maffei, Vice-Chair Katie Jeremiah, and Board Members Scott Ashford, Diane Teeman, and new Board member Linda Kozlowski 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)
   Bob Houston, Interim Legislative Coordinator
   Randy Jones, Chemical Process Mining Coordinator
   Jed Roberts, Acting GS&S Program Manager
   Alyssa Pratt, Acting Earth Science Supervisor
   Nicholas Tatalovich, Aggregate Permitting Reclamationist
   Laura Gabel, Geologist, Newport Field Office
   Holly Mercer, Interim MLRR Program Manager (via call-in)

   Others in attendance:
   Sherry Carter, DAS Human Resources (HR)
   Diane Lloyd, Department of Justice (DOJ)
8) Annual Director Review – Chair Laura Maffei

Chair Maffei said the Board conducted the Annual Director Review and are satisfied with the Director’s performance. Maffei entertained a motion to adopt the Board’s discussion as held in Executive Session.

Board Action: Jeremiah moved to accept the Annual Director Review. Kozlowski seconded. Motion carried.

9) Review Minutes of April 6, 2018:

Chair Maffei asked if there were any changes to the minutes as presented. No changes. Linda Kozlowski abstained because she was not a member of the Board at the previous meeting.

Board Action: Ashford moved to approve the minutes of December April 6, 2018 as submitted. Jeremiah seconded. Motion carried.

10) Employee Engagement Survey Results – Sherry Carter, DAS Human Resources

Sherry Carter, DAS Human Resources, reviewed the results of the Employee Engagement Survey that DOGAMI staff took in May. The Agency had a relatively high response rate of 84 percent, with 68 percent as the State average. The satisfaction rate increased to 68 percent from 57 percent in 2014. Carter stated DOGAMI’s satisfaction rates are higher than the average for the State in all categories, except for recommending the Agency to their relatives as a place to work. The increase has been drastic, but she does not think it will be that dramatic in the future due to low hanging fruit being taken care of first, which reflects the new leadership, job rotation opportunities, and staff development. Staff comments mention the focus has been much more collaborative with the atmosphere being more communication driven. Ashford asked if the surveys would continue, Carter replied yes and said they might skip a year to avoid survey fatigue. Carter said this year’s survey was to support the All Staff meeting and include the staff in the overall process.

Briefing: No Board Action Required.

11) Public Comment:

Chair Maffei asked for public comment.

Comment of John McKesson: McKesson stated he worked on the Senate Bill 850 committee with Board Member Kozlowski. He said he wants reassurance the dam will survive a flood/earthquake since he lives below sea level. McKesson emphasized the need for focus on Oregon’s South Coast because the map shows it has had the most events in the past few years. He expressed concern regarding mitigation costs for those not located in the center of damage, and smoke related deaths from the 100-year old oil terminal and finding a way to track it on a map. McKesson also highlighted the value of mitigation and suggested door-to-door hazard education.
Bob Cowen, Director of the Hatfield Marine Science Center (HMSC) gave a brief overview of the campus. The Center is the marine lab part of Oregon State University (OSU) which has a collaborative relationship with different federal and state agencies. There are five (5) different agencies located on site and with the OSU component there are about four hundred (400) people. There are fifteen (15) federal scientists with courtesy staff appointments. The students have access to the natural habitats and get to interact and work with the federal agencies on fisheries, volcanology, and acoustics to name a few. The Center has over one hundred fifty thousand (150,000) visitors a year come through the Visitor Center. Through the Oregon Sea Grant and their education team the campus provides course work and courses for up to forty thousand (40,000) K-12 students every year.

Cowen stated the expansion of the new building will bring in more faculty, students and opportunities. Maffei asked what kind of labs will be in the new facility. Cowen answered the first floor will be classrooms with innovation labs on the second floor and they may have the opportunity to market their designs. The new building will not have seawater, but one of HMSC’s main features is over a million gallons/day of seawater pumped through the facility, which allows the Center to blend different disciplines together.

Cowen explained the summer session has about one hundred (100) undergraduate students and interns working on projects. He spoke about the tsunami evacuation plans, which includes Safe Haven Hill and the community college. He explained they have been working with a lot of different federal and local communities to be prepared. They have a community size water purification system on the airport property that can purify water for up to forty thousand (40,000) people daily. There is a plan to move the dorms to another site near the community college that is not located in the inundation zone. They will also be working to upgrade the current buildings for seismic. HMSC works with the community by contributing with cash, fundraising and writing proposals for federal funding. Cowen also stated HMSC works on climate change studies.

Chair Maffei had asked Director Avy to come up with a timeline of what has been happening on the tsunami line in preparation for this meeting. Avy walked the Board through the timeline starting in 1995 when SB 379 was passed to the present.

Chair Maffei stated the tsunami line discussion has been going on since she started on the Board. She feels a strategic framework needs to be setup moving forward. Maffei said the first option is to move forward with the tsunami inundation zone rulemaking as determined by previous science in 2013. The Board determined back then they wanted to adopt the “L” line by consensus, but it has not been put into place pending additional stakeholder input. Other options discussed include: move forward with the rulemaking; do not initiate rulemaking; pause on Department rulemaking until the ASCE-7 standards moves forward through Building Codes rulemaking; direct the Department to take a lead role with other interested agencies to pursue a legislative solution to SB 379; or obtain additional input from other stakeholder groups before moving forward; which Maffei felt the Agency has been doing for the last two years.

Jeremiah said one thing that seems to be missing is local government and having them engaged in the process. Chair Maffei agreed local government needs to be involved. The big question is, what is the statutory requirement. Lloyd provided the wording for the two statutes in the Building Codes Section 455.446 & 447. She explained that a line had been determined previously, but new science
has provided more information, so the question is should it be updated based on new information.

Division 5 says it needs to be updated as science requires, but there is no statutory requirement to
update at this time. Ashford asked when the process would need to be started if they want to
propose legislation for the 20-21 Legislative long session and Maffei said now.

Ashford said the ASCE-7 are nationally vetted guidelines and does not believe it is the best time to
adopt the “L” line right now and thinks DOGAMI should take a pause and wait to see what happens.
Chair Maffei and Ashford discussed the differences between the two. Ashford said with ASCE-7 it
could actually help the Agency reach its goals. Ashford explained how ASCE-7 and building codes are
developed and stated local entities can adopt whatever they like. Maffei asked if each coastal
community adopted different codes creating a patchwork, would the Board adopting a statewide
code cause an issue. Avy stated Building Codes could create a statewide code. Lloyd said her sense is
Building Codes cannot adopt the tsunami portion of ASCE-7, without the potential for at least some
conflict with the Tsunami Inundation Zone. Ashford suggested one option is to adopt the line in ACSE 7-16 to keep it consistent. Maffei said moving forward the goal should be to get consensus between
DOGAMI and Building Codes to determine the line. Ashford said it needs to be consistent and he
would prefer to go with the nationally vetted line. Kozlowski said she would to like to see the
differences between the two. Maffei said the Board cannot just adopt a line from ASCE-7 because
the statute says it needs to be from staff.

Jeremiah asked if there is any correlation with how floodplain locations are established, the
relationship with Building Codes versus what DOGAMI has been tasked with in establishing the
tsunami inundation zone. Chair Maffei answered FEMA establishes the floodplain and it is a federal
mandate. Avy suggested addressing DOGAMI’s role in statute and changing it as an option, by
defining what the core mission of the Department is versus Building Codes instead of having to pick
one or the other. He thinks it will provide the most clarity. Maffei said at the end of the day there
seems to be some coordination that needs to be done with Building Codes to move forward.
Jeremiah said Option A (pursue tsunami inundation zone rulemaking) may work out the
differences. Ashford said his preference is to decide as a Board where the Agency wants to end up
and not leave it to the rulemaking process, but he was not ready to make a decision today and is
willing to be part of a subcommittee to bring back options. Maffei asked if there is a deadline to
adopt this line now, Avy responded it depends on the perspective of stakeholders involved.
Kozlowski said she would like to be part of the subcommittee but thinks it needs to come back at the
next meeting for a recommendation. Maffei said the frustration is determining which direction the
Board needs to take and what is best for the Agency and the State.

Board Action: Jeremiah moved to create a subcommittee with Board members Ashford and
Kozlowski to explore options and determine two recommendations to make to the Board at the
next Board meeting. Teeman seconded. Motion carried.

13) Financial Report:

Kim Riddell, Chief Financial Officer, presented the budget status report as of May 31, 2018.

The Board packet contained the 17-19 Budget Report as of May 31, 2018. Riddell handed out the
Current and Projected Projects list as of May 2018 close.
Riddell stated the Agency is 46 percent through the biennium but there is always about a two (2) month delay getting the final numbers updated in the financials. The GS&S Programs is projecting around $1.4 million remaining in Other Funds at the end of this biennium with General Fund and Federal Funds balancing to zero. Riddell said the Strong Instrument Funds are included on the GS&S page. The Federal Funds are in the negative as they must be spent first and then reimbursed. The Other Funds look negative due to invoicing not being up-to-date; assistance is being brought in to get it caught up.

Riddell stated she has no concerns with the GS&S budget at this time and the Agency will not need to go back to the Legislature for Limitation Increases or more money. Ashford asked if the Projected Revenue and Expenditures are through the end of the biennium, Riddell replied yes. Jeremiah asked about the large Telecom Expense, Riddell replied it includes office phones, cell phones, and internet for Portland, Newport, Baker City and Springfield. There was a recent new phone system migration for all State agencies, so this expense includes equipment and is not just paying for service, but she will have more detailed information at the next meeting.

Riddell stated even though the Agency is 46 percent through the biennium, MLRR’s projected budget total is over 100 percent and will need to go back to the Legislature for a Limitation Increase. Maffei asked if the projected revenue is $700,000 more than expected and why, Riddell explained it has to do with what permits comes in, production levels with the fee increase and the Program getting aligned on better projections this biennium. Riddell stated the Reclamation Guarantee Fund (Bond Fund) has fifty-one (51) bonds up from forty-seven (47). Ashford asked if the increased revenue is due to more activity, Riddell answered she was not certain but stated the budget is based on what the Agency projects it is going to be based on actuals.

Riddell discussed the list of all current active grants. There are currently sixty-two (62) including GIS, lidar, landslides and other geo hazards. Maffei asked how old the grants are, Riddell responded that several are over a year old and there are quite a few new ones. The list also includes ones she estimates to happen and said “BLMbill” is one that has been applied for but not yet awarded.

Ashford asked about the grants that are over budget and if they are covered by General Fund, Riddell explained they are active but were prior to this biennium and the staff did not seem to understand tracking the budget well. She does remove these once they are balanced and inactive. Maffei enquired if the staff will be able to charge to them or have they been told to stop charging, Riddell answered some will continue to go over budget to finish the project. Riddell stated the 50/50 General Fund Match is the StateMap program and has been budgeted for the biennium. Ashford asked if there are any that are not currently over budget but may go over budget to finish the project, Riddell replied there are some that might happen with. She explained that some may actually leave money in them because the time period has expired, but work continues with the vendors on some of the projects. Ashford asked where it shows up on the budget in expenditures, Riddell said it was either in Intra Agency Charges or Other S&S. She explained the reclassification process and how she tracks the over budget on grants.

Maffei questioned Lidar FEMA011 on the grant sheet, saying it has an award of $250,000, expenditure of $203,000 with a remaining balance of $250,000 and asked if it was a typo. Riddell answered yes, that it actually came in under budget, so the Agency talked to FEMA and they would like to do another acquisition. Maffei asked how good the Agency is at getting grants, Riddell said it has a really good track record.
Ashford asked questions on charges for staff time, Riddell replied it is called Indirects. She explained the Agency has an Indirect Cost Rate that has an annual proposal done through the Department of Interior, who gives the Agency the most federal funding. This is a federal rate, but she uses it for all of them whether they are federal or state. The proposed rate for GS&S is 26.86%, MLRR is 15.51%. The current rate for GS&S is 24.05% and MLRR is 14.64%. Kozlowski asked who writes the grants, Riddell explained the Principal Investigators (PIs) write them and they are training other staff to learn how to write grants and proposals, which is very impressive. Ashford said he would like to see this information in the future. Riddell stated her whiteboard is called the “board of shame” because it lists every grant that is active, and it also includes the ones that are over budget and by how much.

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

14) Legislative Concepts Update:

Bob Houston, Interim Legislative Coordinator, provided an update on the current Legislative Concepts (LCs) being developed to address several emerging issues specific to the MLRR program. Houston said the issues include staffing at reduced operations; current revenue does not support essential program services to provide timely correction of regulatory issues; a need to improve the site inspection program to proactively address current and potential regulatory issues by employing education awareness methods and techniques; and ensure the Agency is providing fair, consistent, effective and efficient day-to-day operations that are supported by a modern database.

By 2023, the current fee schedule that is in place will not support even the current reduced operations and will require further reductions. The goals of the proposed LCs are to ensure adequate delivery of service of the Agency’s ability to meet its regulatory responsibilities, ensure costs are fully covered by the applicant and/or permittee, and build parity between the fee structures where the aggregate metal exploration, oil and gas geothermal programs, where the permitting processes demands similar levels of staff resources.

The first LC is to increase MLRR program fees to ensure adequate delivery. The group discussed the fee structure chart in detail, which contained the current fee structure, proposed fee structure, and overall fee increase broken down for application fees, annual renewal fees, and other fees. The fee parameters include current staffing level, cost of living adjustments, step increases going forward, historical production rates, and trend of active permits.

Houston discussed the process of how permits are completed. He stated the last updates of exploration permit fees for both application and annual renewal were done in 1991. The oil and gas well and geothermal application permits were done in 2007 with the second-year renewal permit fees being updated in 1991. Ashford asked what the target fee increase is, Houston answered the overall goal is 10% but some are higher.

The second LC aims to change the exclusion certificate requirements and construction site permit requirements to clearly apply to only those sites that excavate and sell materials. The current certificate includes pick and shovel hobby miners and those picking up rocks off the beach to make and sell jewelry, which is not the intent of the rule. The construction project sites would be classified
as an aggregate mine based on an annual yardage threshold and if material is removed from the
property. The Agency’s role is to look at excavating and reclaiming that area per reclamation plan by
applying the operating permit requirements to the sites that truly need it. The overall intent is to
clarify the exclusion certificate and to clearly define the parameters of when an operating permit is
required for constructions sites.

It was proposed to move forward with the LCs as presented to the Board.

Board Action: Jeremiah moved to accept approve the Legislative Concepts as presented. Ashford
seconded. Motion carried.

Houston also provided an update on Rules stating the Agency had updated the Administrative Rule
[OAR 632-001-0005] approved by the Board last year.

15) Agency Request Budget, Legislative Concepts and Policy Option Packages:

Kim Riddell, Chief Financial Officer and Bob Houston, Interim Legislative Coordinator discussed the
Agency Request Budge (ARB) and Policy Option Packages (POPs) in detail.

Riddell said the Agency Request Budget is the first round of the budget request for 2019-21. The ARB
for 2017-19 was 238 pages so she only brought the narrative to discuss. She stated the Board Chair
needs to sign the Certification of the ARB before it is submitted. Riddell went through the narrative
package in detail. She said the Agency needs to include a mandatory reduction option of 10 percent
along with 5 percent and 15 percent decrease scenarios. There are several reports she still needs to
update.

Riddell said the ARB it is due August 1, 2018 but the financial reports still need to pass audit, which
causes the delay in completing the package. Riddell stated this is a snapshot in time for the
beginning budget. Riddell mentioned that except for a six (6) month period of time, the Agency is
always running two biennia of budget at the same time.

Riddell went through the Policy Option Packages in detail. The GS&S program has POP 102 for
acquiring more lidar data and POP 103 for digitizing completed mineral studies. The MLRR program
has POP 101 for the online permitting and to add staff for three (3) NRS-2 site inspectors and a half
(½) time ISS-5 systems administrator, to be covered by the proposed fee increase.

Riddell stated the GS&S program funding request is asking for $1.3 million more this biennium. She
said the budget ask is higher this biennium due to cost of living and step increases and asking for
extra staff for the mineral study. MLRR program is now proposing fee increases and asking for an
$800,000 limitation increase for next biennium.

Maffei asked what the next steps are for the ARB. Riddell said she is asking for a special call-in
meeting to obtain approval to submit the ARB. Avy explained the call-in meeting to be scheduled
later in the meeting is to allow the Board members time to review this packet, prepare any questions
they have, and discuss on the call so there is enough time to make changes before the August 1, 2018
deadline.

Board Action: The Board may be asked to take an action on this item. No action taken.
16) **Calico Update:**

Randy Jones, Chemical Process Mining Coordinator, provided the Calico Update.

Jones went through the background of the application for the last 6.5 years and said it is a patented claim that extends out onto public lands. He discussed the stakeholders involved in the permitting process and went through the changes since the last board meeting. Jones said review is at 77 percent complete but still waiting for some additional information. Jones provided the Board with a Consolidated Application Issues handout.

Last week Calico released a Pre-Feasibility Study. The payback is expected to be 2.5 years. Next steps were discussed. The Company expects to submit an application by end of the year. Jones mentioned he will be presenting in September to the Environmental Quality Commission (EQC) and Environmental Justice Task Force (EJTF). He is encouraging the Company to start working with agencies now and they have sent out letters regarding permit requirements and land use expectations.

Chair Maffei asked if the amount of gold they found are consistent with what has been expected, Jones replied they are consistent and somewhat higher in terms of total volume.

**Briefing: No Board Action Required.**

**Break**

17) **MLRR Update:**

Holly Mercer, Interim MLRR Program Manager provided an MLRR update via call-in.

**Management Transition:**

Mercer said she previously worked with DOGAMI and was asked to come back for the transition of the new MLRR Program Manager.

**New Permanent Employees:**

Mercer introduced Nick Tatalovich, the new Aggregate Permitting Reclamationist and Sarah Lewis, who will be the Program Manager starting August 1, 2018.

Lewis provided a brief summary of her background. She is an Oregon Registered Geologist with a Bachelor of Science in Geological Sciences & Environmental Studies from Tufts University and a Master of Science in Geology from University of Vermont. She is currently a Senior Faculty Research Assistant at OSU working as a research program manager. Kozlowski asked her what draws her to be a leader and she explained that she has strong skills in implementing things and is looking for a change in career that gives her an organization to belong to. [As a geologist, DOGAMI feels like a professional “home”.

- Mercer said there are two additional staff changes. The Agency recently hired Cari Buchner into a new role as the Mining Enforcement Specialist [working title since updated to Mining Compliance Specialist] which is a permanent position, she was originally hired as the Office
Manager in a limited duration (LD) position. Becky Johnson is the Office Operations Specialist, she has two degrees from OSU in forestry and natural resources, and environmental science.

Permit Status Summary:

The MLRR Program snapshot was handed out to Board members and Mercer walked them through the numbers. The staff has focused on taking care of the backlog and from their perspective, they do not believe there is a backlog of permits as all are in process.

Chair Maffei asked if the next report could have more detail and include the actual numbers so they can see if any are in backlog status. She said the bar graph does not give a good representation. Mercer asked the Board members to send suggestions to Lori in the interim until Sarah Lewis starts.

E-Permitting:

Mercer said the Agency is getting an IT project up and running through the State which is a lot of work. Connor Anderson, DOGAMI's CIO, submitted a business case that will go to the State CIO for prioritization. This will help the program document their files electronically, so it goes into the database real time.

Ashford thanked Mercer for her help.

Briefing: No Board Action Required.

18) GS&S Update:

Jed Roberts, Acting GS&S Manager provided an update on the GS&S program and provided a Program Overview handout for the new members. He said the program is comprised of three sections: Earth Science Section, Natural Hazards Section and GIS & Remote Sensing Section. The handout included details on the following information.

Exciting Proposals:

Roberts said there has not been a lot new activity since the last meeting, but the grant applications are moving through the process.

1. Coastal Hospital Preparedness
2. Technical Assistance

Major Publications:

1. Interpretive map series 57: Landslide Hazard and Risk Study of Central and Western Multnomah County - It has a complete lidar-based landslide inventory mapping.

Kozlowski asked if the OHA proposal is in process, Riddell said it was executed last week and it is a reimbursement grant.

Briefing: No Board Action Required.
19) **Director’s Report:**

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

**Board Status**

DOGAMI has a full board and reminded Chair Maffei the end of her term is coming up and the renewal paperwork needs to be submitted. Lori will help her with the required paperwork.

**Organizational Chart**

Avy went through two organizational charts. The current one, July, shows Holly Mercer as the Interim MLRR Program Manager and August shows Sarah Lewis taking over the position with Mercer assisting with the transition. Avy reviewed the positions that were recently hired and changed. The vacant Communication Director’s position is being evaluated to determine what the position will look like going forward and the GS&S Program Manager rotation will probably only be for one (1) year. Avy discussed the rotation positions and noted that they will be open for all DOGAMI employees to apply for. Kozlowski asked when the permanent positions will take place, Avy answered at least a year out.

Avy stated he had concerns from the beginning about the Chief Scientist position having a “final say” feel and wanted it to be more of a mentorship role position as Senior Scientist. Madin will continue to provide high level technical assistance. Avy noted Ian was able to pull off a substantial hands-on field trip in a short amount of time and heard quite a few positive feedback comments on how well it was done.

**Succession Planning**

Avy said the Secretary of State did an audit recently of agencies’ succession preparation for the future. He spoke recently with the Governor’s Natural Resource Office about DOGAMI’s leadership planning efforts and there was support for DOGAMI’s work to help ensure a smooth transition into the future.

**Online learning Training**

Avy stated the Discrimination and Harassment Free Workplace is an online training that is a requirement to be completed by the end of the year. Maffei asked if 100% percent participation is expected, Avy replied yes. Lori can assist those that need help with accessing it and will send out an electronic reminder to Board members.

**Strategic Planning**

Avy handed out the Strategic Planning “At-A-Glance” flowchart presented by Ali Hansen at the April 2018 Board meeting. With Ali’s recently accepting a position at another agency, he’ll bring back to the Board for discussion at the next meeting.

**Staff Acknowledgements**

Kim Riddell, CFO, and Connor Anderson, CIO, completed and graduated from the Ascent Manager’s Leadership Training Program.
Yumei Wang received the Le Val Lund Award for Practicing Lifeline Risk Reduction “for outstanding contributions to the field of lifeline engineering and promoting seismic lifeline resilience and fuel resilience in Oregon, including the development of a state-wide resilience plan.” This is a record of her career accomplishments.

Briefing: No Board Action Required.

20) Public Comment:
Maffei asked for public comment.

Comment of Dr. Alan Niem: He thanked the Board and staff for their professionalism and Brad Avy for getting DOGAMI in order financially. He presented DOGAMI with a 1964 tsunami earthquake debris core that was investigated 30 years ago.

21) Confirm Time and Date for October Meeting and for Special Call-in Meeting to Finalize Agency Request Budget and Legislative Concepts by July 30, 2018:
The October 1, 2018 meeting was confirmed.
The Board scheduled the Special Call-in Meeting for Monday, July 23, 2018 at 12 p.m. (noon).
Riddell will send an email with any major changes to the Agency Request Budget through Lori.
Board Action: The board will be asked to take an action on this item. Board confirmed October meeting date and determined Special Call-in meeting date and time.
Maffei thanked the Board members for their humor and ability to work together after spending so many hours together between the retreat and Board meeting.

22) Board Adjourn:
Chair Maffei adjourned the meeting at 3:23 p.m.
APPROVED

Laura Maffei, Chair