GOVERNING BOARD MEETING MINUTES
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

Friday, April 8, 2016
8:30 a.m.
Portland, Oregon

1) **Call to Order:** (Lisa Phipps, Board Chair)
   Chair Lisa Phipps called the meeting to order at 8:36 a.m.

2) **Introductions:** (Lisa Phipps, Board Chair and staff)
   Chair Phipps, Vice Chair Laura Maffei, and Board Members Scott Ashford, Dennis Luke and Larry Givens were in attendance.

   Department of Geology and Mineral Industries (DOGAMI) Staff in attendance:
   Brad Avy, Director/State Geologist
   Lori Calarruda, Recording Secretary/Executive Assistant
   Holly Mercer, Assistant Director of Geological Survey and Services (GS&S)
   Kim Riddell, Chief Financial Officer (CFO)
   Ali Ryan Hansen, Communications Director
   Ian Madin, Chief Scientist
   Jon Allan, Coastal Geomorphologist

   Others in attendance:
   Bill Montgomery, CEMEX
   Steve Mote, Knife River
   Bill McCall, Windsor Rock Products
   Lloyd Town, Meisel Rock Products
   Todd Baker, Baker Rock Resources
   Kevin Culligan, Peterson Cat
   Diane Lloyd, Department of Justice (DOJ)
   John Terpening, Legislative Fiscal Office (LFO)

3) **Review Minutes of December 28, 2015 and January 11, 2016:**
   Phipps asked if there were any changes to the minutes as presented. No changes.

   Board Action: **Luke moved to approve the minutes of December 28, 2015 and January 11, 2016 as submitted. Ashford seconded. Motion carried.**

4) **HB 3563 Rulemaking Update:**
   Holly Mercer, Assistant Director, presented on behalf of Richard Riggs. Currently the Agency is in the rule making process. Public comment will be accepted between April 1st and April 29th. Richard Riggs will conduct the hearings scheduled for April 12, 2016 in Albany April 19, 2016 in Baker City. The rules will be brought back to the Board in June with a final report and the rules will be ready for
adoption by the Board if they so decide. Phipps asked Mercer to tell the public how they can provide
public comment, since there are more opportunities than just the hearings. Mercer stated the public
can submit written comments, those will be summarized by the hearing officer, Richard Riggs and
they can appear in person if they want to testify at either of the two hearings scheduled. Ashford
asked if they can provide public comment at the next regular Board meeting. Mercer said no, the
public comment period will be closed by then. The hearing officer will report to the Board at the next
meeting, but the Board can take into account the comments when they vote.

Briefing: No Board Action Required.

5) MLRR Legislative Concepts (LCs):
Holly Mercer, Assistant Director, presented on behalf of Richard Riggs. Mercer explained that the
legislative concepts were proposed as placeholders until staff and the Board could more fully vet the
concepts. Givens had questions about the legislative concept regarding security for delinquent
invoices. He specifically questioned why Calico was so far in arrears. Mercer responded that the
Agency had delayed in issuing invoices and then Calico delayed in paying the invoices. Luke asked if
the Agency is considering deposits, bonding or a letter of credit. Mercer responded that although
those solutions had been discussed, upon further analysis staff felt that it may be advisable to focus
on timelier invoicing and monitoring the situation rather than going forward with a legislative
solution.

Regarding the concept related to increasing permitting fees for the Mineral Land Regulation &
Reclamation (MLRR) program, Mercer indicated that she and Director Brad Avy met with the Oregon
Concrete and Aggregate Producers Association representatives Rich Angstrom and Todd Baker the
day before the board meeting. The discussion focused on the change in the accounting structures
and whether the Agency could establish a trend line relating to fees. Since the new fee structure
began in January 2016, there has been insufficient time to clearly establish the impact of the recently
implemented fee structure. Director Avy and Mercer suggested to the Board that further
consideration and review be conducted. Ashford inquired about the timeline for submitting the
legislative concepts. Cathy Connolly, DOGAMI’S Budget and Management analyst indicated that the
deadline to submit additional placeholder information to the Department of Administrative Services
is June 24, 2016.

Board Action: Givens moved to instruct staff to move ahead in exploring moving these different
proposals forward with further research for the June meeting. Luke seconded. Motion carried.

Mercer asked that throughout the discussions of the Board meeting for people to identify
themselves, particularly Board members themselves, because DOGAMI has committed to OCAPA to
provide digital copies of the Board meeting and speakers identifying themselves will help listeners
know who is talking.

6) Public Comments:
Chair Phipps requested late arrivals to introduce themselves.
Cathy Connolly, Office of the Chief Financial Officer/Department of Administrative Services
(CFO/DAS)
Rich Angstrom, Oregon Concrete and Aggregate Producers Assn (OCAPA) & Oregon Mining Assn (OMA)
Karen Tarnow of DEQ, Water Quality Division (SR WQ Policy Analyst)

Phipps asked for public comment.

Rich Angstrom, OCAPA, thanked Director Avy for giving him a “heads up” about the recently announced reorganization. Angstrom indicated that there were concerns about removing the Assistant Director position for MLRR. He stated that the position needs to be qualified in geology and thoroughly understand the mining industry. In addition, he indicated that he had great concerns about moving the Albany staff to Portland and ensuring that the funds for MLRR are not utilized for the Geological Survey & Services Program (GS&S). Angstrom emphasized the importance of transparency in both the program and budget areas. He was particularly concerned with the indirect costs assessed and wants to continue to work with the Agency in analyzing those indirect costs. Luke inquired about the location of most of the mines and Angstrom responded that most of the mines are in the south and east portion of the state. Angstrom mentioned the success of mining in Nevada and he feels that Oregon could greatly enhance its mining resources.

Phipps stated that the Agency is one agency and she would welcome a strong working relationship with OCAPA. Angstrom stated that OCAPA appreciated Richard Riggs’ strong management skills and they wanted to make sure that MLRR continued with similarly strong management skills.

Karen Tarnow, Department of Environmental Quality (DEQ) stated that she has been working on the placer mining issues since 2013 and she feels the agencies can work together to come up with solutions. Givens stated that he would like to see better coordination of the natural resources agencies so that we are all working together.

Todd Baker, Baker Rock, stated that he had concerns about moving the Albany office to Portland because recruiting in Portland would garner a different type of professional staff than if the Agency recruited for the Albany location. He indicated that he agreed with Director Avy’s proposal to build leadership within the Agency and recruit from within the agency. Baker reiterated that the industry has benefited from the status of an assistant director and feels that Avy has some good ideas about building leadership. Luke stated that Deschutes County put their management staff through leadership training and it was very successful.

Mercer stated that the agency had received a two-page letter from Kuper Consulting and the letter would become part of the public comment.

No further comments, move into the next agenda item Department of Justice.

7) Department of Justice (DOJ) Summary relating to SB 379 Tsunami Inundation Line:

Diane Lloyd, Assistant Attorney General, Natural Resources Section, Department of Justice, presented a memorandum (attached) relating to the Tsunami Inundation Line. Lloyd stated that DOGAMI staff establishes parameters of the tsunami inundation zone that is based on scientific evidence which may include geologic field data and tsunami modeling. The Board and the staff shall be guided by the principle of best available science. The statute provides that the DOGAMI Governing Board will establish the zone through rule but the Board shall adopt the zone as determined by the Department.
Modifications to the zone must be by rule. The rules also state that the Board will consider revisions to the zone based upon scientific evidence supplied by the public and interested governmental entities.

Lloyd described the exception process and stated that the Board must hold a public hearing and consider four factors as described in the memorandum. The Board would make a decision within 60 days and the decision can be appealed to circuit court. Givens asked if there could be a “takeings” argument and Lloyd indicated it was unlikely but she had not specifically looked at that issue.

Luke inquired about the counties’ obligation to comply with the state law. Lloyd stated that the counties would need to comply with the law. Luke indicated that he would like to receive further clarification about the takings issue and the counties’ obligation to follow the established tsunami line.

Maffei further inquired about the process and wanted to know if an applicant for an exception goes through local government, does the local jurisdiction determine if applicants consult with DOGAMI or if it happens automatically. Lloyd said that for certain structures the applicant is required to consult. Ian Madin, DOGAMI Chief Scientist, indicated that certain structures are entirely prohibited from building in the tsunami zone and if they want to build in the zone then they are required to file an exception. Madin also explained there are certain high occupancy buildings that may come to the staff for consultation. Madin indicated that in the last 20 years, DOGAMI has only had 7 requests for exceptions. Ashford clarified that the Department develops a draft line for public comment and then the Board may either adopt the line or not adopt the line. Lloyd said that is correct.

Mercer stated that in her discussion with Lloyd and Larry Knudsen about the process going forward there was a question about whether an individual community through public comment could impact the placement of the line. For example, if a community was willing to accept a greater risk, could the Board then determine that the line would be different than the line established by the Department. Madin indicated that the Department had in essence developed five levels of risk in assigning the five different lines. Ashford asked if the five lines are based on science, but the selection of the “L” line is based on the risk the department has established as acceptable, so while the science is the same between all those lines, which line was adopted is the opinion of the Department. Lloyd said that is correct but there is a gap in statute because there is no recognition that the decision is based on risk. Madin indicated there were huge qualitative differences between how the line was developed in 1995 and how it is being developed now. The models today are explicit computer models based on detailed lidar mapping.

Gabriela Goldfarb, Governor's Natural Resource Policy Advisor, stated that DOGAMI is the undisputed source of the science but the implementation of establishing the line within the communities is spread among a number of different state and local entities. She recommended a team approach to the issue. Goldfarb also indicated that the American Society of Civil Engineers (ASCE) has developed a tsunami inundation line and the Building Codes Division at the Department of Consumer and Building Services determines whether to adopt the ASCE line.

Ashford asked for clarity as to the current status of the line. Phipps replied that the Board has adopted the “L” line and the Board instructed staff to begin the community engagement with the local jurisdictions, but the rules have not been developed. Ashford stated that for the “L” line, it is really more about public education rather than public comment for the rulemaking process. Phipps
specifically noted the importance of getting feedback during the summer months when owners of
summer homes are able to comment. She feels that this component of the community is often
overlooked and not represented. Phipps emphasized that the community needs to understand what
the science means and what the risk is if the community chooses something different.

Jon Allan, DOGAMI staff, stated that the coastal office is starting to hear more discussion about the
tsunami line. He stated that there is a discussion about a new fire station being proposed for Yachats
and a proposed amphitheater in Waldport being located in an area where the high school previously
relocated because it was in the tsunami zone. Hansen asked for clarification as to whether the fire
station and the amphitheater were within the tsunami zone. Allan stated that the fire station is
outside of the existing inundation line and the amphitheater would be within the tsunami inundation
line.

Ashford reiterated his concern about a clear message to the coastal communities regarding their
input, and the changes between the old line, new line, and the potential ASCE line. Phipps suggested
that ASCE be engaged up front so that the processes could be more congruent. Goldfarb indicated
that Director Avy and Madin will be involved in the conversations and could keep the Board apprised
of the discussions.

Briefing: No Board Action Required.

Break

8) Community Engagement Strategy:

Ali Ryan Hansen, Communications Director, introduced a new initiative to increase awareness of and
engagement in the work the DOGAMI does. DOGAMI works extensively with partners and
communities throughout the year, but we tend to wait until projects are complete, or problems arise,
before we share what’s happening with a wider audience. The new initiative would develop and
implement an integrated engagement and participation strategy that is:

- Flexible and scalable – work for everything we do, and fit the needs of the project or issue it’s
  applied to
- But also clearly defined – both the expectation that it’ll be used, and how to use it
- And practical – work with what we’re already doing to plan and complete projects
- And open – invite people into our day-to-day work, and give them genuine opportunities to
  participate in what’s happening

The initiative is just beginning, Hansen said. She gave an example of a Geological Survey & Services
project, and the key points where partner and public engagement could factor in. Staff will be testing
out ideas on a few current projects that are beginning, and figuring out how to put engagement and
participation into everything we do, and work in those elements from project beginning to end. She
will report back as the plan moves into full implementation.

Avy noted that including outreach and engagement from the project proposal stage could result in
having these components supported by outside funding

Board feedback included:
- The board was supportive of additional efforts to engage the public
- This could be an opportunity to hold board meetings or other engagement events in more locations around the state
- Hansen should look to other agencies for advice on best practices for outreach and engagement

**Briefing:** **No Board Action Required.**

### 9) Financial Report:

Kimberly Riddell, DOGAMI Chief Financial Officer, provided a copy of the financial report as of February 29, 2016. Givens stated that he wanted to publically thank Riddell for the new format of the report. Riddell discussed the report and noted a few revisions. Phipps requested clarification regarding specific project costs. Mercer indicated that the staff has been trained using the “Smartsheet” project template and each project will have financial tracking. Phipps indicated that she would like to see more detail about the projects. Ashford stated he is concerned that the department is funding projects through General Funds. Mercer replied that the project staff code their time using a work code for the projects. If a project extends past the period of performance, however, the project costs may be coded under General Funds.

Ashford inquired about the Calico invoices. Riddell stated Calico has paid their invoices, but the payment was received after the report was developed. Riddell indicated that she would provide more detail about Calico’s invoices at the next board meeting. Ashford and Phipps reiterated the need to be transparent about how revenues are spent. Riddell indicated that she would provide more detail at the next board meeting.

**Board Action:** **Luke moved to accept the Financial Statement Report as presented. Maffei seconded. Motion carried.**

### 10) Director’s Report:

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

**Legislative session and budget note response:** Avy reviewed the budget note presentation and stated that the department still had work to do around the business model analysis. He stated that the team had worked very hard under a difficult situation and he acknowledged the work of Traci, Kim, Ali, Ian, Holly, Rich and Deb for developing the report and the presentation materials. Avy noted that one highlight during the presentation before the Natural Resources Subcommittee of the Joint Ways and Means Committee was a greater awareness that the department needs a higher level of General Fund to have the department work more effectively.

**IT Assessment Report:** Avy indicated that the IT Assessment was received in January causing a great deal of concern about being out of compliance with state policies for IT security, backups, processes in general and syncing up with the state system. The DOGAMI staff has been working with the State Chief Information Officer and his staff and will present a proposal at the May Emergency Board. Luke asked if DOGAMI has had any feedback from the legislature. Avy indicated that he believes the legislature will support DOGAMI’s efforts because they want DOGAMI to be successful and they also plan to conduct similar assessments for other agencies.
Secretary of State Audit: Avy updated the Board regarding the Secretary of State audit. He told the Board that he specifically asked for a detailed audit by the Secretary of State so that the department could have a full accounting of its financial status. Avy also indicated that it is anticipated that FEMA will conduct a separate audit after the completion of the Secretary of State’s audit.

Perspective and Vision on the Agency Culture and Leadership Preparedness: Avy commented that one of the challenges for small organizations is developing leadership among the front line and technical staff. Avy’s vision is to provide the opportunities to grow leadership and supervisory capacity from within and to help staff learn the supervisory management side of a position within a department. He believes those skills get built over time so they are prepared if a position opens up later. Avy noted that he has received great comments about individual staff members working in the community, but there is a different picture on some of the broader Agency reputation at the management level.

Reorganization and Albany Lease: Avy discussed his rationale for reducing staff from two assistant directors to one assistant director. He indicated that he looked at the Agency from a holistic view and his desire to create a more unified culture. He reiterated the need to build leadership and supervisory capacity within the Agency and to create a meaningful succession plan. Prior to making a final decision, he discussed his rationale with the Governor’s Office, Legislative Fiscal Office, Department of Administrative Services Budget and Management, the Board Chair, members of the management team, and human resources. Immediately after the decision, he spoke with key senators and representatives. Luke and Maffei indicated that they agreed that the decision to reorganize is within the purview of the Director, but they would like to have a broader discussion about the Albany lease.

Avy discussed his exploration of moving the Albany staff to Portland. He indicated that given the impact on staff and the potential of losing staff, it would take a compelling standard to move the office. Avy stated he would take a look at the numbers and do an analysis but if there is not a compelling reason to move the office, he would not do so. Maffei clarified that unless there is something compelling then the office will not be moved but understanding the analysis needs to be completed. Avy said that is correct.

Registered Geologist Protocols: As an ex-officio member of the Oregon State Board of Geologist Examiners (OSBGE), Avy provided an update regarding the issue of department staff consistency with registered geologist protocols. Avy indicated that the geologist board is concerned that they hold private sector geologists and state agency geologists to the same standards. He will keep the Board updated with any changes.

Board Action: **Givens moved to accept the Director’s Report as presented. Ashford seconded.** Motion carried.

Break

Phipps asked how the Board wants to be notified if topics arise that may need Board discussion. The Board stated that an email would be preferred. Mercer also stated that Director Avy and she could call the Chair and Vice Chair to gauge whether a public meeting needs to be scheduled.

11) **Working Lunch - Key Performance Measures (KPM):**
Mercer stated that the current KPMs have been in place for over ten years and the staff would like to suggest revisions based on current work. Ashford asked if KPMs are required by all state agencies and Mercer replied that she believed they were. The Board and the Agency may develop new or revised KPMs but the governance and customer services KPMs are mandatory. Mercer stated that the staff would like to receive board feedback about the proposed Geologic Survey & Services program KPMs at the current board meeting and then receive feedback about the Mineral Land Regulation & Reclamation program KPMs at the June meeting. Mercer stated that Ian Madin, Chief Scientist, would summarize the recommendations to the board.

Current KPMs and Recommendations:

1 – Earthquake and Landslide Map Completion: Recommendation is to delete and replace with new KPM.

2 – Tsunami Evacuation Map Completion: Recommendation is to delete because it is at 100% complete.

3 – Coastal Erosion Map Completion: Recommendation is to delete and replace with new KPM. There is complete coastal erosion mapping for the counties and portions of the coast for which it is most needed.

5 – Reclamation: Recommendation is to delete. The KPM is easy to quantify but the Department has absolutely no control over the outcome.

6 – Detailed Geologic Map Completion: Recommendation is to retain with revised calculation. Madin indicated that the numbers need to be recalculated but this KPM should be retained.

7 – Regional Geologic Map Completion: Recommendation is to delete. Madin indicated that this KPM has been stagnant for the last 2 – 3 biennium and it is no longer meaningful.

8 – Mine Sites Inspected Annually: Recommendation is to delete and replace with new KPM. Mercer stated that she would discuss this KPM with MLRR staff and bring it back to the June board meeting.

9 – Tsunami Inundation Map Completion: Recommendation is to delete because it is 100% complete.

10 – Customer Service: Recommendation is to retain. This is a required KPM.

11 – Governance: Recommendation is to retain. This is a required KPM.

12 – Geologic Hazard Preparedness: Recommendation is to delete and replace with new KPM. Madin indicated that the formula was extremely complicated and the information did not have much meaning in dealing with hazard preparedness.

Phipps asked how we are going to make sure reclamation is taking place if we remove the KPM relating to reclamation. Madin stated that KPMs should relate to outcomes we actually can influence. He continued that DOGAMI has a statutory obligation to ensure reclamation takes place and we do so by working through the operators.
Proposed KPMs:

1 - Hazard Risk Assessments Completion: Percent of population residing in Oregon Urban Growth Boundaries (UGBs) that have hazard risk assessments that meet criteria to initiate Department of Land Conservation and Development Goal 7 planning for earthquake, landslide, tsunami, coastal erosion, and flooding. Target: 100% of Population residing in Oregon UGBs

Data:
Population in UGBs that have received hazard risk assessments
Divided by 2010 population census of UGBs
Times the proportion of hazards with completed assessments

Phipps asked why this was focused on UGBs and Madin said most cities require hazard risk assessments for multiple hazards earthquake, landslide, flooding as a base and for coastal communities include coastal erosion and tsunami information. The Department wants to provide cities with a uniform consistent set of hazard and risk studies that we have developed technology and routines for. UGBs were trying to bite off something they can manage with foreseeable funding over the next 5 biennia.

2 – Lidar Data Completion: Percent of Oregon (sq. miles) with lidar data at USGS quality level 2 or better. Total: 100% of Oregon

Data:
Total Oregon sq. miles with lidar data
Divided by total sq. miles of Oregon

This proposed KPM focuses on lidar because both the collection and use of the data is critical for many of the projects undertaken by the Department. Madin indicated that the Department has lidar data for about 40% of the state. Phipps commented that she felt this was a great opportunity for other agencies to use the information.

3 – Detailed Geologic Map Completion: Percent of Oregon where geologic data in the form of high resolution maps have been completed to be used for local problem solving. Target: TBD

Data:
Total sq. miles of Oregon in Nominal Inhabited Area (NIA) with high resolution geologic maps
Divided by total sq. miles of NIA

It is the same as the old just updated.

4 – Accessibility of DOGAMI Information: Percent of DOGAMI Information that is current and accessible by ensuring legacy data is digitized, indexed, and catalogued, the website is redesigned according to state parameters, and the databases are current, discoverable, and recoverable. Target: 100%

Data:
Department reports on % toward target progress on an annual basis
Madin stated that there are three areas this KPM will focus on: legacy data, website, and updating existing databases. Madin also indicated that the Agency has a team working on standardizing metadata.

5 – Timely Processing of MLRR Permit and Exclusion Certificate Applications: Percent of all new completed permits, completed permit amendments or transfers, and completed exclusion certificate applications within statutory timeframes. Target: 100% for all categories.

Data:
Total number of applications for permits, amendments, transfers and exclusion certificates completed in statutory timeframe Divided by the Total number of applications for permits, amendments, transfers and exclusion certificates received.

Mercer stated it should be a completed application. Ashford had questions on existing backlog and does the Agency have anything to do with the application not being completed – even if it’s the Agency not getting back to them to tell them it is not complete. Mercer stated that we would work with the Albany staff to determine if a backlog exists. Ashford commented that is a great KPM if the Agency can make it more specific.

6 – Active Mine Sites Inspected Biennially: Percent of active mine sites inspected biennially. Target: TBD

Data
Total number of active mine sites inspected between June 1, 2017 and July 1, 2018 ad between July 1, 2018 and July 1, 2019 Divided by the total number of active mine sites as of July 1, two years

Mercer said if we keep this KPM, it may cause an increase in workload. Givens commented that he was not comfortable with the way the KPM was written since it seems to be competing with KPM 5 for staff resources. Luke suggested picking a percentage of the active mine sites each year – like 30%. Ashford suggested contacting another state to see how they do these.

7- Customer Service: Percent of customers rating their satisfaction with the Agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.

8 – Governance: Percent of yes responses by the Governing Board members to the set of best practices.

The customer service and governance KPMs are mandated. Phipps stated that she wanted to be very transparent with these KPMs.

Break

13) **Board Recognition:**
Phipps presented Commissioner Givens a plaque in recognition of his hard work, his 8 years on the Governing Board and the last two as Chair. Givens thanked everyone very much and said he’s really enjoyed it. He also stated it’s been great working with Phipps. Phipps mentioned the Board would like to thank all the staff that has helped them over the past year. She appreciated their team effort. Phipps also asked if there was something we can do to let the staff know they are appreciated. Both Avy and Mercer said that employee recognition could be arranged for the next meeting.

14) **Public Comments:**

Phipps asked for public comment. No public comment at this time. Next meeting is June 10th at 8:30 a.m. in this building in Portland. Ashford will not be in attendance due to graduation activities at Oregon State University (OSU). Luke reminded Ashford of his offer to host a board meeting and a field trip to the tsunami lab at OSU. This could possibly take place for the September Board meeting.

15) **Board Adjourn:**

At the conclusion of the public comment period, Chair Phipps adjourned the meeting at 2:35 p.m.

APPROVED

Lisa Phipps, Chair