GOVERNING BOARD MEETING
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

March 9, 2020
8:30 a.m.

Portland, OR

Public Meeting Agenda

The Board makes every attempt to hold strictly to the sequence of the distributed agenda. Times and topics may change up to the last minute. This agenda is available on the DOGAMI website: www.oregongeology.org.

8:30 a.m.  Item 1:  Call to Order – Chair Laura Maffei
8:35 a.m.  Item 2:  Introductions – Chair Laura Maffei and staff
8:40 a.m.  Item 3:  Review Minutes of December 9, 2019 and January 10, 2020
Board Action: The Board will be asked to take an action on these items
8:50 a.m.  Item 4:  Rule Writing – Bob Houston, Interim Legislative Coordinator
Board Action: The Board will be asked to take an action on this item
9:10 a.m.  Item 5:  Legislative Update – Bob Houston, Interim Legislative Coordinator
Board Action: The Board will not be asked to take an action on this item
Board Action: The Board will be asked to take an action on this item
10:30 a.m. Item 7:  Public Comment
Three minutes limit per person unless otherwise specified at the meeting by the Chair
10:40 a.m.  Break
10:55 a.m.  Item 8:  Civil Penalties – Sarah Lewis, MLRR Program Manager
Board Action: The Board will be asked to take an action on this item
11:05 a.m.  Item 9:  Grassy Mountain Update – Sarah Lewis, MLRR Program Manager
Briefing: The Board will not be asked to take an action on this item
11:20 a.m.  Item 10:  MLRR Update – Sarah Lewis, MLRR Program Manager
Briefing: The Board will not be asked to take an action on this item
Briefing: The Board will not be asked to take an action on this item
11:50 a.m.  Item 12:  Director’s Report – Brad Avy, Director
Birding: The Board will not be asked to take an action on this item

12:10 p.m.  Item 13:  Confirm Time and Date for next meeting
Board Action: The Board may be asked to take an action on this item

12:20 p.m.  Item 14:  Public Comment
Three minutes limit per person unless otherwise specified at the meeting by the Chair

12:30 p.m.  Item 15  Board Adjourn

______________________________________________________________________________

PLEASE NOTE

AGENDA
The Board meeting will begin at 8:30 a.m. and proceed chronologically through the agenda.

PUBLIC TESTIMONY
If you wish to give testimony on any item scheduled on this agenda, please sign up on the sheets provided on the day of the meeting and you will be called to testify by the Board Chair. The Board places great value on information received from the public. Persons desiring to testify or otherwise present information to the Board are encouraged to:

1. Provide written summaries of information to the Board (7 sets);
2. Limit testimony to 3 minutes, recognizing that substance, not length, determines the value of testimony or written information;
3. Endorse rather than repeat testimony of other witnesses; and
4. Designate one spokesperson whenever possible when groups or organizations wish to testify.

THANK YOU FOR TAKING TIME TO PRESENT YOUR VIEWS
If you bring written materials to the meeting, please provide seven (7) copies. If you have questions regarding this agenda, please contact Lori Calarruda at (971) 673-1537 or you may email her at lori.calarruda@oregon.gov

REASONABLE ACCOMMODATION OF DISABILITIES
Reasonable accommodation, such as assisted hearing devices, sign language interpreters, and materials in large print or audiotape, will be provided as requested. In order to ensure availability, please contact the Director’s Office at (971) 673-1555 at least 72 hours prior to the meeting to make your request.
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Lori Calarruda, Executive Assistant

Date: March 2, 2020

Regarding: Agenda Item 3 – Review Minutes of December 9, 2019 and January 10, 2020

Attached are draft Board Minutes from December 9, 2019 and January 10, 2020.

Proposed Board Action: The Board Minutes of December 9, 2019 and January 10, 2020 be Approved/Approved as amended/Not Approved.
1) **Call to Order:** (Laura Maffei, Board Chair)
   Chair Laura Maffei called the meeting to order at 8:06 a.m.

2) **Introductions:** (Laura Maffei, Board Chair and staff)
   Chair Laura Maffei, Vice-Chair Katie Jeremiah, Board Members Linda Kozlowski were in attendance in person and Scott Ashford and Diane Teeman (via phone).

   Department of Geology and Mineral Industries (DOGAMI) Staff in attendance:
   - Brad Avy, Director/State Geologist
   - Lori Calarruda, Recording Secretary/Executive Assistant
   - Dania Ballard, Chief Financial Officer (CFO)
   - Bob Houston, Interim Legislative Coordinator
   - Sarah Lewis, MLRR Program Manager
   - Cari Buchner, Mining Compliance Specialist
   - Bill Burns, Acting Earth Science & Remote Sensing Supervisor
   - Connor Anderson, Chief Information Officer (CIO)
   - Belinda Sautao, Grant Accountant

   Others in attendance:
   - Sherry Lauer, DAS Human Resources (HR)
   - Diane Lloyd, Department of Justice (DOJ)
   - John Terpening, Legislative Fiscal Office (LFO)
   - Renee Klein, DAS Office of the Chief Financial Officer
   - Amira Streeter, Governor’s Office Natural Resources Policy Advisor
   - Courtney Graham, SEIU 503
   - Brien Flanagan, Schwabe

3) **Review Minutes of September 9, 2019:**
   Chair Maffei asked if there were any changes to the minutes as presented. No changes.

   Jeremiah had a question about approving the report and not the budget on page 5 and wanted to know if it was still a pending action item. Ballard clarified for FY19 the Agency is still waiting on DAS to process payables and it should be finalized by December 31, 2019.

   **Board Action:** Kozlowski moved to approve the minutes of September 9, 2019 as submitted. Jeremiah seconded. Motion carried.

4) **Approval of Annual Director’s Evaluation Written Document:**
Chair Maffei did not have the document ready for this meeting. She explained she needs to write up the evaluation done for Director Avy in September based on the minutes and the Board discussion in Executive Session. The written document will not contain any Executive Session material, only the statement they made at the open session of the meeting. The document will need to be approved at the next Board meeting in March or if the Special Meeting is held in January.

5) **Confirm Time and Date for Next Meeting:**
Chair Maffei stated the next DOGAMI Board is currently scheduled for Monday, March 9, 2020 at 8:30 a.m. in Portland. She confirmed this date is still acceptable for Board members.

Maffei gave a heads up that a Special Meeting may need to be scheduled in January to discuss additional financial requirements such as a potential second year budget and MLRR Fee Increase. This is in anticipation of the Short Session that begins in February. A discussion took place on available dates for Board members to determine availability for a potential Special Meeting date. The Board chose to hold the afternoon of January 10, 2020, starting at 1:00 p.m., for a potential Special Meeting that all Board members would attend by phone.

6) **Rule Writing:**
Bob Houston, Interim Legislative Coordinator and Rules Coordinator, discussed four separate rule writing updates and/or requests that will need to be approved by the Board for further actions.

1) Update on Service Fees Rulemaking
2) Update on Permit Boundary Survey Maps Rulemaking
3) Update of HB 2202: High Value Soils Rulemaking
4) Request to Initiate Formal Rulemaking on Alternative Dispute Resolution Model Rules

**Request 1 – Approval of Service Fees Draft Rule Language**

Background: The Oregon Department of Administrative Services has updated the Statewide Policy on Public Records Request Fees and Charges (107-001-030). At the July 9, 2019 Governing Board meeting, the Board authorized the Department to initiate rulemaking to amend OAR 632-001-0010 to comply with the statewide policy on Public Records Request Fees and Charges. The proposed draft amendments to OAR 632-001-0010 were approved at the September 9, 2019 Governing Board meeting.

Houston stated that rulemaking is currently proceeding through the rule writing process. The Department will provide an update after it has been completed to the Board at an upcoming meeting.

Proposed Board Action: No Board Action Required.

**Request 2 – Update on Permit Boundary Survey Maps Rulemaking**
Background: The Board authorized the Department to initiate rulemaking on OAR 632-030 at the September 9, 2019 Governing Board meeting to amend rule language relating to the submittal requirements of a permit boundary survey map.

Houston stated the Department will develop draft rule language in the next few months and provide an informational update to the Board at an upcoming meeting.

Proposed Board Action: No Board Action Required.

Request 3 – Update of HB 2202 – High Value Soils Rulemaking

Background: As you may recall, the legislature passed HB 2202 (2013 Regular Session) involving aggregate mining on high value farmland in the Willamette Valley (ORS 517.825). The legislative intent was to make sure operators mined deep enough to remove all the aggregate and thereby limit impacts on high value soils. The Board authorized the Department to initiate rulemaking on OAR 632-030 on September 9, 2019 to implement provisions specified in HB 2202.

Houston stated the Department is currently developing draft rule language. Steps include identifying Rules Advisory Committee (RAC) members and convening a RAC meeting(s). The RAC provides input on substance and language of the rule and provides input on the Fiscal Impact Statement. The Department will provide an update to the Board at an upcoming meeting.

Proposed Board Action: No Board Action Required.

Request 4 – Request to Initiate Formal Rulemaking on Alternative Dispute Resolution – Model Rules

Background: Under certain conditions the Department may modify an operating permit or reclamation plan without the consent of the operator (ORS 517.831). If the Department modifies an operating permit or reclamation plan without the consent of the operator, the department must provide the operator with an opportunity for alternative dispute resolution in the manner provided in ORS 183.502. Currently, OAR 632-001 does not provide an alternative means of dispute resolution. The Attorney General’s (AG) Collaborative Dispute Resolution Model Rule is available for adoption by reference.

Staff Recommendation: DOGAMI requests authorization to initiate formal rulemaking on OAR 632-001 to provide an alternative dispute resolution procedure.

Houston explained this is a new request to initiate formal rulemaking on an alternative dispute resolution, as this issue came up recently. DOGAMI does not currently have an alternative dispute process, but the AG’s Office does have model rules, which can be adopted by reference.

Chair Maffei wanted the background on this request and why staff thinks it is necessary.

Diane Lloyd spoke to the statute that allows the Agency to modify an operating permit without consent of the operator, which requires the Department to provide alternative dispute resolution as
an option. There are currently no procedures in place and something needs to be done. She
explained the AG’s Office does have model rules that can be adopted without process, the same way
the Board adopted the Contested Case Model Rules.

Chair Maffei asked if someone invoked alternative dispute resolution. Cari Buchner explained this is
a preemptive move. The Department has a site they plan to impose a permit condition on
unilaterally and wanted to ensure they provided the opportunity for alternative dispute resolution.
Maffei asked if they know this permit condition is coming. Buchner answered yes, she has been in
contact with them.

Jeremiah asked if this was more an administrative aspect of the permit renewal, such as a due date
change, or is it an actual you cannot go beyond this boundary type situation. Buchner responded
that it is a depth of groundwater dewatering and ORS 517.835 gives DOGAMI the authority to impose
conditions for the protection of groundwater resources. This is specifically under that statute,
limiting the depth of dewatering without further study.

Maffei asked what the process is for alternative dispute resolution and what is required. Lloyd said
they do not provide full framework just the basics that are needed to submit one.

Jeremiah asked if there are any requirements to provide notification when an operating permit is
being amended. Buchner answered as a courtesy they notify them, but there are no statutory
requirements. Jeremiah said this is something DOGAMI may want to look into for fundamental
fairness to permittees, they should have opportunity for a notice. Houston asked for clarification if it
is providing pre-notification or some kind of notification process when the Department is taking a
corrective action or allowing a change to permit condition. Jeremiah said yes.

Board Action: Kozlowski moved to authorize DOGAMI staff to initiate formal rulemaking on OAR
632-001 to provide an alternative dispute resolution procedure using the Attorney General’s Model
Rules. Ashford seconded. Motion carried.

7) **Civil Penalties:**

Sarah Lewis, MLRR Program Manager, said, as previously discussed, they have been developing their
Civil Penalty program. Lewis stated this is the first request for authorization to proceed with a Civil
Penalty to assess a fine of $500 for a late payment on a renewal fee.

Lewis introduced Cari Buchner, Mining Compliance Specialist, to discuss the Civil Penalty being
brought to the Board for approval to proceed. Buchner said this respondent has held his permit since
2010, when it was transferred to him, and he has only paid on time once since taking it over. A
permit renewal notice was sent on August 1, 2019, which was due on August 31, 2019. On October
1, 2019, a Notice of Violation was sent out stating he was 30 days late and gave him another 30 days
to pay the renewal. On October 9, 2019 she spoke to him on the phone regarding a separate
compliance issue and reminded him that his renewal was late and could be assessed a Civil Penalty if
it was not paid at the end of the month. October 22, 2019 the Notice of Violation that was sent out
on October 1, 2019 was returned unclaimed. The respondent called and said he did not have the
renewal form because it was sent back, so she emailed him a renewal form that day and reminded
him that he could be assessed a Civil Penalty if not paid by October 31, 2019. On November 14, 2019
a Suspension Order was issued for failure to pay the annual renewal. Buchner called him to inform
him they were instating the Suspension Order. On November 15, 2019 he paid the fee to lift the Suspension Order. She told him a Civil Penalty would be presented to the Governing Board for approval. Buchner stated he is one of the chronic late payers, which is why they wanted to institute Civil Penalties for this particular violation. Chair Maffei asked if the Board needs to approve each one. Diane Lloyd said for the time being yes, since there is no history of DOGAMI doing this process previously.

Ashford asked if this one is being treated differently than any other late payments and asked for more context. Buchner said a new renewal policy has been implemented when instituting the Civil Penalties and it was agreed that when calculating the penalties, they will only take into account if the permittee has paid late at least once in the past 3 years. Depending on the history and circumstance, a low or medium penalty would be assessed. Ashford clarified that criteria and guidance have been established for rolling out the Civil Penalties. Chair Maffei stated the structure for assessing Civil Penalties is new, but the Agency has had the authority and is now actually implementing it; this is the first Civil Penalty presented to the Board.

Lewis stated there were zero late payments for both the July and September renewals, this is the only one late for August. She believes the penalty program being in place has been excellent preventative and proactive work on behalf of the Compliance Specialist and the program to get that word out. Maffei asked how many renewals there were for July, August and September. Lewis stated the approximate renewals are: July - 100; August - 80, September - 95; October - 110; November - 65; and December - 55. For the July – September renewals, this is the only late payer. Buchner said they have chronic late payers who are now paying on time.

Jeremiah asked questions about the Board being involved on approval for Suspension Orders instead of Civil Penalties for late payments. Lewis explained a Suspension Order would not normally be the next action for late payments. There were other extenuating circumstances regarding compliance issues that actually brought on the Suspension Order and the renewal was a condition of his current operating permit and when he failed to pay that, it triggered a Suspension Order because of the other compliance concerns around the site. Maffei stated the staff have the authority to do a Suspension Order based on a violation to protect the environment or human health.

Buchner explained the respondent had submitted an amendment application to amend his permit boundary but when they overlaid his survey map, it was apparent he had been mining outside of his proposed area and it went into State owned lands. He owed the State for the minerals he had sold and for the trees he had cut down that belong to the Department of Forestry, and now he has to fix issues with an unstable over steepened high wall, which will require further impacts to State land. There are other agencies involved with helping him get a plan developed to remedy this situation.

Lewis handed out a revised Page 5 of the document, stating Section V was changed to explain the penalty is being assessed as a single occurrence with the duration of the violation lasting for 15 days, but does not change the amount of the penalty. She clarified the Board is being asked for authorization to proceed, not actually approving that specific document.

Chair Maffei asked if a reason is known why the Certified Letter was returned. Buchner said his Certified Letters chronically come back unclaimed.
Board Action: **Jeremiah moved to approve the Civil Penalty with the amendment as presented.**
**Kozlowski seconded. Motion carried.**

8) **Financial Report:**

Dania Ballard, Chief Financial Officer, presented the budget status report as of October 31, 2019 and discussed the memo in the Board packet.

Ballard said for FY19, DAS has continued to process Accounts Payable and Accounts Receivable and are still going through the effort. The drop dead date is December 31, 2019. A final fiscal year report will be presented at the next board meeting in March.

Ballard pointed out for General Fund there is currently showing an anticipated negative (deficit) amount due to capacity and classification issues. Ballard explained there were new grants that started in July but did not have the financial structure setup, so staff was using General Fund as an expense account and those charges need to be reclassified and the expense transferred appropriately to Federal or Other Fund money. The Agency’s costs are higher than anticipated so cost cutting/reduction measures have been established for services and supplies, and limiting travel. She expects not to have a deficit at the end of the year but to be whole and stay within budget.

Chair Maffei asked questions regarding classification issues and how much it was. Ballard answered she was not positive but thought it is about $90,000.

Kozlowski asked how the staff is taking the changes. Ballard said she believed the staff are remaining positive with all the changes and are looking at ways to reduce costs. Her perception is there is a greater sense of transparency and a greater understanding of what is actually happening, therefore they are more engaged to help everyone be successful going forward. Avy confirmed the email regarding General Fund restrictions that was sent to staff, was also sent to Board members.

Ashford asked who approves the use of General Fund until the federal grants are setup and if there is a limit on the amount, to ensure the Agency does not get too far ahead. Ballard stated the approval process is part of the budget approval and explained the details of how things are currently being handled. Avy gave a recent example using DAS GEO. The Leadership Team allowed staff to work on grants using General Fund while the Agency was awaiting the signed document, but it was based on an email approval from DAS GEO saying the requested changes of no match and allowing indirect charges were going to be accepted.

Chair Maffei asked if the signed agreement needs to be received before work can be started or accounts setup. Ballard explained how the process works. Kozlowski asked if training and travel are being added to the grants and are there other charges that will be charged to General Fund. Ballard said that some items can be added to a grant if it is expected to be part of the grant work. She also gave an example of Houston charging his travel to General Fund due to the Agency needs. Kozlowski asked if there are any plans in place to prioritize the approval of travel and training charged to General Fund. Ballard explained the requirement to reduce all costs and that no travel is being done at this time and any exceptions are being reviewed carefully by Director Avy before any justification is approved. Ballard provided an example, stating the Board only has coffee and water today, where last meeting included food.
Ashford said he is happy with the process, that it seems clean, and asked in the future for someone new working for the Agency that more oversight is provided on charges.

MLRR is projecting an ending balance of $65,000, which is low due to the Calico settlement being less than anticipated and the fee increase has not been done yet.

The Strong Motion Instrument Fund is about $326,000, which is normal. The Reclamation Guarantee Fund added four new cash securities, so the balance is about $720,000.

Ballard said Jack Kenny is still here at the Agency working on the mandatory grant reporting requirements. All the overspent grants that were identified in FY19 have been closed. Kozlowski said she really appreciates the summary report memo that contains the details with the backup.

Ballard discussed the Business Office recruitment. She introduced Belinda Sautao, the Agency’s new Grant Accountant, who started today and came from DEQ, where she spent 5 years. Sautao introduced herself. She originally came from Alaska and worked with the State there as well. She was a Contracts and Grant Accountant at DEQ. Maffei asked what her role will be. Ballard explained she will take over the grant reporting and the monthly project financials for project managers to keep things on budget, and processing the payables. [Ms. Sautao decided to return to DEQ.]

Jeremiah asked what the additional overall spend is for the new staff and the DAS Services used. Ballard explained that each business office staff person is about $7,500 per month and about $22,000 per month General Fund consumption which is built into the projections going forward. She said Jack Kenny will drop off around the end of December. DAS services will also be reduced. These roles will be key to ensure the Agency does not go over budget.

Jeremiah asked about the $650,000. Ballard explained the Agency received an additional $650,000 of General Fund in FY19 to cover budget overspend and the entire amount has been consumed. Kozlowski asked about the need for reducing the number of employees to cover the new positions. Ballard explained in FY19 the Legislature reduced positions on the science side that helped free up General Fund to help support the Business Office.

Ballard said they interviewed for a Contract and Procurement Specialist, made an offer, and is expecting an answer back today. They also did second-round interviews for the Fiscal Analyst role and are facilitating reference checks. Maffei asked what the positions do. Ballard explained the need for internal controls and to have one person that pays expenses and one that receives the funds; one person should not do both. The Grant Accountant processes all the grant reporting and the paying of the bills. The Contract and Procurement Specialist will draft the contracts, working with other agencies and partners to write the contracts, administering the contracts while assuring the project manager is getting a project done according to the terms of the contract. The contract person is going to be looking at the key delivery dates, key pay points, key pieces and actually produce the invoicing, which is an accounts receivable function to ensure the Agency gets paid on the contracts, and facilitating other accounts receivable activities. Jeremiah asked if this is a permanent plan or just to get the Agency over the rough spot. Ballard replied it is permanent. The Fiscal Analyst oversees everything else regarding the Agency’s needs, including ad hoc analyses, analyses on project budgets, and to develop strategy to ensure that grant seeking matches personnel skill capacity.
Ballard explained the Fiscal Analyst position and their role in more detail. Maffei asked if this person will help determine if grants should be gone after. Ballard said they can help facilitate it, but the Agency already has created a tool to help with this aspect.

Jeremiah asked if there is a comparable agency that DOGAMI could look to, what is their ratio, and are they running successfully. She said she was having a hard time swallowing the ratio of people. She understands the need and understands the Agency got into big trouble and that it has to do something to fix it. Jeremiah said for her to swallow this as a permanent plan just seems like a lot of overhead for an agency and she is looking at the deficit the Agency is trying to cover. She feels like the Agency is limiting the amount it can do, just so that it can have proper financial controls in place that maybe could be done by fewer people.

Ballard replied she thinks it is a great observation and just on the surface it appears top heavy. One of the things that is unique about DOGAMI, in particular as a small agency, is the amount of grants it has to have in order to actually survive. Last year and the year before last, when they were looking at comparisons, there is not a small agency who has the level and volume of grant activity that DOGAMI has, and so that was one of the justifiers to actually get this grant position in place. Doing a straight comparison from another agency to DOGAMI is difficult. She said there is somewhere between 35 and 40 active grants the Agency has right now. Most people who facilitate grant activity do not have 35 to 40 grants to actually manage, but this is what is needed for this Agency. With that being said, this is a case of room for improvement in anything the Agency does, and they are going to do their best to look at how they can make things more efficient as they go. She does not know what the future is going to look like as a whole, but this is what is needed to make the Agency work now.

Ashford said he would hate the Agency to be in a position where it needs to go after grants to cover the costs of the new grant staff salaries. Kozlowski said she appreciates Jeremiah’s question and her understanding is the Agency has changed the financials from a less than adequate financial oversight to a really strong financial oversight, that the Legislature has required of DOGAMI and does not believe there is much choice. She does think moving forward it will be important to balance it, but keeping the finances accurate and the Legislature in support of DOGAMI is critical. In addition, Kozlowski said the Agency needs to be really careful about ensuring the financial information is accurate and it has the personnel to make sure that it is. Ballard said she agreed with the statement, saying the Agency is still building the foundation to determine what the appropriate monitoring requirements will be, not just the accounting process. Maffei stated the staffing is required by the Legislature. Jeremiah said as a temporary plan she is behind it but not necessarily as a permanent plan.

Chair Maffei said certainly the Agency does not want to end up on the short side of Business Office capacity, but thinks what is sometimes missed in all this discussion is, if DOGAMI has sufficient capacity not to get in trouble, it in effect is bringing in a third of the Agency’s budget through federal grants. Which is money that is not coming out of the State General Fund. She views it a little bit as an investment, and a little higher investment in the General Fund in order to get the return on all that federal work, which is a good check of the work the Agency does and an important part. She said will the Board want to monitor it ongoing, absolutely. If the Agency ever gets to a point where the Board feels like it is overstaffed in the Business Office, they can then address that. Maffei stated, that as Kozlowski already said, DOGAMI is kind of required to do this by the Legislature anyways, so it is not like the Agency has a whole lot of choices.
Jeremiah said she is just now concerned to have it be permanent if reading it correctly between the divisions, the Agency’s revenues as a whole are $6, 7, 8 million for the whole Agency and looking at it from a business standpoint, to have four finance staff FTE to manage $8 million seems excessive as a permanent plan. As a temporary plan she is in full support. She just hopes that the Agency can right the ship and then continue to reevaluate whether it is really necessary. Kozlowski agreed that it makes sense.

Ballard discussed the Grant Budget Monitoring Tool and how it works. This tool has helped them identify gaps and meet the capacity needs. This also helps facilitate what the Agency goes after for work. Kozlowski asked who is tracking it. Ballard said the supervisors, herself and DAS CFO. Ballard talked about using the tool for the monthly meetings with project managers.

Ashford stated they only used about half the time to discuss the financial report and appreciated the efforts Ballard has been making. Chair Maffei agreed, stating the summary memo is helpful.

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

9) **Public Comment:**

Chair Maffei asked for public comment.

Comment of Amira Streeter, Governor’s Office Natural Resources Policy Advisor: Streeter said she wanted to give a little preview of the Strategic Plan they are thinking of in the Governor’s Office. It includes multiple options and alternatives they are considering right now. A letter will need to be turned in highlighting the direction they are going for the Agency by January 17, 2020, and will include a few more details. She said it is a little tricky since DOGAMI is making a lot of progress now. They are balancing the progress DOGAMI has made with what else the Agency needs to be successful in both the long-term and short-term future. Streeter stated DOGAMI’s current main mission is to provide earth science information and regulation. She does not think there will be changes to that aspect but in doing research on DOGAMI, she stated there have been a lot of ups and downs in the Agency’s history from its first inception with a State Geologist. She thinks the vision may require a rebranding of the Agency and aligning the Department more towards the science side. She discussed the potential plan and the amount of funding needed to be successful. Other alternatives include possibly moving the Agency closer to Salem.

In recent years, natural hazards and risk assessment have been the growing core work for DOGAMI. DOGAMI currently has a Strategic Plan that ends in 2021, so this is actually very good timing. The Strategic Plan would go on for 6 years from 2022-2028.

Streeter said she divided up the alternatives into Plan A and Plan B. Plan A being DOGAMI continues as usual in its structure, with just maybe a few tweaks in how it operates. Potential for right sizing is something that is being discussed right now considering what is the amount of funding that DOGAMI really needs to be successful and how does that impact the types of grants it goes after, the staff and professions that are within the Department. Then to potentially move the offices to be closer to
Salem or in Salem; helping keep the Agency whole with right sizing and closer to other agencies in Oregon’s capital.

Under Plan B, it is possible that DOGAMI could move under another natural resource agency. An alternative would be to move the mining program into an agency and the GS&S portion into a natural resource agency or university. Streeter said this is the broad overview and she would love to know the Board’s perspective and to get their feedback. In the past, around 5 years ago during Kitzhaber’s administration, this last alternative had been considered.

Chair Maffei said it was actually almost exactly 5 years ago because it was early December 2014, the Governor’s Budget came out with the suggestion that DOGAMI was going to be disbanded and she thinks people got a little freaked out.

Streeter said no decisions have been made at this point, but these are the things that are brewing in their office.

Chair Maffei said for the record, she met with Streeter in October to provide her perspective/input and she sent out a note to the rest of the Board to invite them to contact Streeter to discuss strategic planning for DOGAMI and provide their input as well. Maffei asked when Streeter thought she would have an idea of when a recommendation by the Governor’s Office would be made for the January 17th letter. It was decided she would provide an update to the Board if they held a Special Meeting on the afternoon of January 10, 2020.

Streeter provided more context as to why she was thinking about these alternatives. In looking at what has been discussed in past years with DOGAMI, plus looking at what other states are doing and which state has a model that is an easier jump from where DOGAMI is now. Of other states, including Washington, Idaho, and California, California has a Department of Natural Resources, where geology is under their purview. Washington is university connected, and Idaho is connected with the university as well, but their structure is very similar to what DOGAMI is currently doing. She is taking a really close look at Idaho.

Jeremiah asked if the January 17th letter will be the definitive selection of a plan and the direction the Governor’s Office is going with the other options no longer to be considered. Streeter said it will be the direction the Governor’s Office will go to present to the Legislature, but there is room for conversation and could be changed by the Legislature. Jeremiah said her concern is that the Agency is going down the route of planning for Alternative A and has expended significant State resources and has a plan in place to expend further resources to make that work. The Agency seems committed and everyone in the room has agreed to that plan. Jeremiah has grave concerns about the carpet to be threatened to be pulled out from underneath it before there is even traction on that plan. Let it go in the one direction and let the agency get stable. Jeremiah does not want to speak for people who know more than she does about how long that is going to take, but she feels like every time the Agency thinks it gets somewhere there is a shift of direction, so it never gets traction with the plan and it just seems very wasteful to continue to change directions. She said it was noted regarding staff retention and it becomes really difficult when there is constant uncertainty.

Streeter said she really appreciates that comment, and that is why she labeled it as Plan A. She wants to get the agency stable as well but thinks in terms of presenting to the Legislature they would appreciate the range of alternatives.
Kozlowski asked Streeter if she is going to present all four alternatives to the Legislature or select a preference. Streeter replied she will select a preference.

Kozlowski asked how will the DOGAMI Board have any input on that, or if there will be any conversations around it. Streeter said she was not sure how that will work, besides just talking to her. She will figure that out.

Kozlowski said if she understands it, that they are looking at this from a 30,000 foot point of view. A movement more towards the science, maps and publications and moving away from mining, the mining industry and asked if that is correct. Streeter replied yes, but moving it away from the mining aspect is not exactly what she meant. Kozlowski asked if she meant deemphasizing. Streeter answered yes.

Kozlowski said she really agreed with Jeremiah in terms of where the Agency is now. She thinks it has made huge progress. She and Streeter have had conversations particularly around staffing and the commitment of staff to make these changes which has been significant. She hopes there is a way for the Board to have some input in this process, because they work with it a lot and she thinks they know a lot about the flaws and the strengths of the Agency. The change over this last six months to a year has really been significant, and people have stepped up and put systems in place to make sure that we move forward.

Streeter stated yes, it definitely seems like it, and also being given a 1-year budget, DOGAMI is now starting to really get on track and it is almost like a 6-month progress report.

Kozlowski asked if the 2022-2028 is like Step 1 of beginning that Strategic Planning process. Streeter said yes. Kozlowski reiterated again that it would be great if the Board could have some input into that process.

Streeter said she did not know how the Strategic Plan was developed the first go around, but she will talk to Avy about that and figure out what the process would be to inform a new one.

Avy said it was already in place when he came into the Agency, but his understanding is an outside consultant was engaged to create it and that it included input from outside stakeholders. Maffei explained it was adopted in 2015/2016 so it was already well on its way in 2014 when she joined the Board. It was developed by a consultant and Ali Ryan led the process. The Agency does not have a public outreach person now, so it would have to figure out how that would work. The information was presented to the Board, the Board gave feedback, there were a number of iterations. She also understands the document they came up with was not a strategic plan, because there is not really a plan, it was a strategic vision and this time around the Agency needs to actually have a plan to go with it. Avy said it was changed/renamed from a plan to a framework. The reason for that was it did not have implementation items. The Agency had started down that path when Ryan took another position and then DOGAMI lost Ryan’s position. Maffei said it is a lot of work to come up with an actual plan with implementable action items that go into it, but it is something this Board is going to have to take on if they want to have it ready for 2022.

Jeremiah said just to be blunt she thinks the other piece that needs a lot of reflection on is the path the Agency took to get to the financial position that it was in. It is her understanding it was a
personnel issue and making all these dramatic changes does not necessarily prevent future personnel issues. She does not think it was really an Agency structure issue, and so in her opinion she thinks that they can spend all kinds of money going and changing direction to any of the other three alternatives, but it does not guarantee that they are going to continue to solve the same problem that it had before. Because you had the problem, it was resolved, and then you had it again.

Chair Maffei replied it was not fully resolved, but because the issue with the Agency is in the last 10 years. She said she does not share with the Board all the emails she gets from people saying, “Hey this was never like this in 1999.” She is thinking because everything was different in 1999. But when the Agency switched over from being mostly General Fund to relying so heavily on grants, it changed everything, and it has taken 10 plus years for them to figure it out. When you are a General Funded agency, you have to keep track of your budget, but General Fund is a much bigger pot of money. Keeping track of the grant spending has been something the Agency had not done very successfully until recently.

Kozlowski asked if the percentage of grants that DOGAMI has been relying on to fund the Agency increased significantly. Maffei answered the amount of money that the grants fund has, the actual dollars, plus the number of grants. She said the Board has heard it many times in these Board meetings, DOGAMI is just not like other agencies at all and so they know it has been an ongoing problem. It is something the Agency thought it solved in 2015/16 but clearly that was not the case. She thinks it is because it took the microscope that DOGAMI has had on it for the last 6 months to really figure out and inherently know what the problem was. She thinks it was the same problem the Agency had in 2014 and they put a band aid on it, but it did not fully solve it.

Jeremiah responded that moving the Agency into another agency is not the same and it does not solve the problem. Maffei said DOGAMI is still going to need grant money. The scientists are still going to be funded by grants. Jeremiah said in her opinion it further complicates it. Where the Agency has a pretty clear path forward, with a lot of smart people who put their efforts into making sure that it is setup for success, she has great concerns about compounding it.

Chair Maffei said another thing is that the sciences done in this Agency are not like the sciences done in neighboring states. She does not know about California so much, but Washington and Idaho do not have the same level, she thinks, of scientific brain power that DOGAMI does here. She said Washington hired DOGAMI’s lidar people because it was an issue that they do not have the same capacity to do what the Agency does, and so it is inherently different from some of the neighboring states.

Kozlowski asked for the last Strategic Plan, how much did the Agency partner with the Governor’s Office. Maffei said she did not think there was a whole lot of back and forth with that. She did not remember specifically, she was just coming new on the Board. It was drinking from a firehose anyway, but she does not think there was a ton of communication with the Governor’s Office at that time. Kozlowski said she thinks that partnership would be really important.

Avy asked Streeter, if you look at the budgeting process, when the Governor endorses a particular budget, everybody is to support that in agency land. He asked once she makes her recommendation to Ways and Means what latitude does the Board have to weigh in at that point.
Streeter replied there is expectation that the Board will come in line with the Governor’s Office. She is not sure what the Board’s participation is on advocating for a budget or even engaging with the Governor’s Office. She thinks this is a very special case, so there may be more opportunity than in the past and she would love to just follow-up with Board members and give them a better understanding of where they can. She stated this is already really helpful.

Jeremiah asked for Ashford’s input on incorporating the Agency into a university. Ashford said the universities have the strong research focus, so grant work is done at many of them, but their budgets are being tightened and is concerned there would be a false belief of cost savings by this choice. He thinks there would be a high potential for loss of technical staff of moving it to Salem and that Portland is a better area for qualified staff. He asked if there are other agencies that could do the MLRR regulation work, because the work they do is very important.

Ashford said his thoughts mirror/echo the other Board members about all the work and progress being made by the Agency and it speaks well to its direction.

Teeman said it was a little overwhelming and there are a lot of questions and detail that are still not available.

Kozlowski brought up the statewide meetings being held for HB 3309 and asked Streeter to reflect on what she has learned and her thoughts. Streeter said she has been getting good feedback about DOGAMI doing an excellent job of consulting with different communities and doing work to help them be tsunami prepared. But there is still a lot of work that needs to be done in terms of cross coordination with different entities, municipalities, agencies, and community groups. She thinks there is opportunities for legislators and the Governor’s Office to also co-collaborate and do different things to help coastal communities. Work is being done but needs to be coordinated better. Kozlowski asked if a report will be generated after the third meeting that discusses the outcomes and perceived next steps. Streeter answered yes.

10) **MLRR Update:**

Sarah Lewis, MLRR Program Manager, provided an update on MLRR.

[Lewis handed out a packet that included the ENGRAge Winter newsletter being sent out and can also be found online: [https://www.oregongeology.org/mlrr/engage.htm](https://www.oregongeology.org/mlrr/engage.htm)]

**Permit Status Summary**

Lewis reviewed the detailed list of permits. There are 24 current applications, and they have reduced the amount of time it takes to process them. It is taking less than a year to complete these, with the average time being about 8 months. She gave kudos to Nick Tatalovich, Vaughn Balzer, Ben Mundie and Bob Brinkmann for getting the sites through the permitting process in a timely manner.

Lewis stated this quarter there was a shift away from transfer applications to new applications; this is common as they enter the winter timeframe where quarry operations and mining operations slow and close for the winter depending on their permits. Some permittees shift to start working on new projects or amending current projects during this time.
Lewis said that compliance actions related to late payments are down. The graph also reflects the fluctuation of the program’s revenue based on permit renewal and production fees. This introduces some variability into the monthly revenue stream, which is one reason why it is important to have a cushion from year to year.

Lewis briefly discussed the compliance actions being worked on. The focus for Civil Penalties is on non-payment of fees and those mining without a permit. Jeremiah asked what the process is for identifying those. Buchner answered they use a lot of tools including aerial imagery review and complaints. There is a lot of investigation done to determine if it falls within MLRR’s jurisdiction or is covered by another agency. Then a Notice of Action is provided to them that asks for a response for information on their activities, which include whether they are exempt, will be applying for a permit, or will cease mining. This is the program’s first step in compliance of asking nicely first and if no response then escalating to a Notice of Violation. If no response after that, then a Civil Penalty may be appropriate.

Lewis discussed the new Winter newsletter that went out last week. Staff have been working to include information on topics they get a lot of phone calls and questions about or where they feel there are miscommunications or misunderstandings and want to address.

Lewis informed the Board that DOGAMI has signed a new Memorandum of Agreement (MOA) with DEQ regarding the Delegation of Authority for the Stormwater Permit program. It has been updated to reflect current expectations and practices of how things are being done. DOGAMI will be receiving 5% more of the DEQ fees for administering the program and it increases 3% every year. Chair Maffei wanted to clarify that the fees are paid to DEQ and then DOGAMI is paid for administering the program, through this agreement. Lewis answered yes. Kozlowski asked how much the fee is. Lewis said there are different types of permits and did not want to misstate the amounts, but it covers one staff member’s salary for a year.

Lewis shared that as part of the KPMs for Customer Service, MLRR received 49 responses, with 18 people leaving comments and 17 of them being positive. She stated the program is getting positive feedback even though changes are being made that require more of the permittees and applicants. She read three of the comments to the Board.

Comment 1: “Excellent, dedicated, brilliant staff that are always responsive and a pleasure to work with.”

Comment 2: “Sometimes I do not get the answer I think is right, but it is delivered professionally and without prejudice.”

Comment 3: “While I did not apply for a permit this year, I’ve had some operators apply for mining activities on property I manage. They all said they were pleased with the service they received. Personnel with the Agency were willing to accomplish the many complicated tasks required, with skill and good communication.”

Briefing: **No Board Action Required.**

11) **Grassy Mountain Update:**
Sarah Lewis, MLRR Program Manager, provided the Grassy Mountain Update.

Lewis said they had been working with Calico to come up with a settlement agreement that was signed in September. A Cost Recovery Agreement was signed with Calico on November 14, 2019 and the Agency received final payment the same day. On November 15, 2019 a Consolidated Permit Application for the Grassy Mountain Project was received via hand delivery. She discussed the Consolidated Permit Application process, which DOGAMI has 90 days to determine if it is a complete application. The entire application is posted on the Agency website for anyone to review. She has been receiving excellent cooperation from the partner agencies also responsible for contributing to the completeness review. There are cost recovery partners that include the Department of Environmental Quality (DEQ), Water Resources Department (WRD), and Department of Fish and Wildlife which have important roles in the review process. DEQ and WRD have individual permits the applicant is submitting to them directly. DOGAMI is responsible for overseeing the entire process and ensuring the process is followed appropriately. Lewis is utilizing inhouse staff as much as possible. The Agency will be contracting out services for project management, meeting facilitation, meeting minutes, and compilation of both public and technical comments which will be returned to the applicant. The deadline for all that is February 19, 2020. This is just the beginning of the process and she is looking at recruiting for a Project Manager, which will be a technical position focused on chemical process mining.

Kozlowski asked if Lewis felt they would meet the timelines outlined. Lewis said yes. Maffei asked Lewis how much of her time is spent on this project compared to managing MLRR. Lewis answered about 50% since receipt of the application.

Lewis said they are also working on an MOU with Calico for establishing expectations and communications around project reporting and management.

Lewis noted that a lot of the permit specific work will be handled by DEQ. There are important permits that need to be in place and are administered by DEQ. MLRR will have an aggregate permit, and will write the overall permit and the permit conditions.

Briefing: **No Board Action Required.**

12) **GS&S Update:**

Bill Burns, Acting Earth Science & Remote Sensing Supervisor, provided an update on GS&S.

Burns discussed general staffing, saying John Bauer left the Agency in October, which means two staff have left on their own accord since the layoffs. Most of the staff are at capacity working on externally funded projects reducing the General Fund burn, and the stress felt in the Department. Kozlowski asked if Bauer’s work has been reassigned. Burns said yes.

Burns stated the lack of a Program Manager and Business Office staff/capacity continues to make effective project management difficult. The current supervisors will be kept on for the near term to keep things stable. The email from Director Avy regarding the reduction of expenses and general direction for DOGAMI was well received by staff. He believes this is because a combination of an email being sent out and then an in-person discussion took place to answer questions.
Burns said work on existing proposals, projects and publications is getting done, despite the loss of the two staff members. He is continuously impressed by the staff with their efforts. He went over the list of new projects, publications and proposals since September’s Board meeting.

Projects:

**Compilation of Statewide Tsunami Data; Interagency Agreement: $86,151; Funder: DAS GEO**
To develop new statewide tsunami spatial geodatabases of Oregon tsunami modeling data. The project proposes to integrate existing disparate tsunami datasets into a suite of standardized geodatabases. An Open File Report (OFR) describing the data will be published along with the data.

**Oregon Coast Watershed Boundary Dataset (WBD) Lidar Derived Feature Update; Interagency Agreement: $113,348; Funder: DAS GEO**
Sixteen subbasins for the Oregon Coast and Klamath Basin will be updated in this project. This fundamental dataset is used to maintain many other framework elements with many areas that are deficient with respect to spatial accuracy.

**Statewide Building Footprints Project; Interagency Agreement: $119,441; Funder: DAS GEO**
Aggregate all building footprint datasets within the state of Oregon into a single dataset. For areas with redundant building footprint coverage, data quality will be determined based on mode of digitization and source data quality and age. The aggregated dataset will serve as a “starting point” from which a workgroup can direct future efforts of data improvements and attribution.

**Oregon Earthquake Database; Interagency Agreement: $107,927; Funder: DAS GEO**
The purpose of this project is to develop an updated, maintainable statewide earthquake hazards geodatabase for Oregon which combines the best available earthquake and co-seismic geohazard data that are derived from a consistent methodology.

**Technical Assistance and Outreach Support of FEMA Risk Map in Oregon; Federal Grant: $57,304; Funder: FEMA**
The purpose of this project is to provide technical assistance at FEMA meetings: Discovery, Resilience, NHMP.

**Baker, Grant, and Clatsop NHMP; Interagency Agreement: $10,080; Funder: DLCD**
DLCD requests publication assistance and expertise for Natural Hazards Mitigation Plan (NHMP) documents being prepared for 1) Baker and Grant Counties and 2) Clatsop County. Deb’s tasks are to 1) train DLCD staff in use of the DLCD style and template, in the format developed previously by DOGAMI and DLCD, 2) consult as needed during the DLCD writing process, and 3) copy edit the documents as described in the Project Estimate.

**Oregon State NHMP; Interagency Agreement: $30,000; Funder: DLCD**
DLCD requests publication assistance and expertise for the Oregon State Natural Hazards Mitigation Plan (NHMP).

**Grant & Baker Natural Hazards Risk Assessment; Interagency Agreement: $34,000; Funder: DLCD**
DLCD requests DOGAMI to perform natural hazards risk assessments for Grant and Baker counties.

**Natural Hazard Risk Assessment for State-owned Buildings; Interagency Agreement: $20,000; Funder: DLCD**

The Oregon Department of Land Conservation and Development has asked DOGAMI to conduct natural hazard risk assessments for the state-owned buildings with the state for their FY2020 Oregon Natural Hazard Mitigation Plan grant. Updating the state-owned buildings dataset, identifying those which are critical facilities, and producing hazard maps and table of results are the primary tasks involved in this project.

Publications:

- **Preparing for Landslide Hazards, A Land Use Guide for Oregon Communities**

- **Post-fire rockfall and debris-flow hazard zonation in the Eagle Creek fire burn area, Columbia River Gorge, Oregon: A tool for emergency managers and first responders**

- **Tsunami evacuation analysis of Newport, Lincoln County, Oregon**

- **Tsunami evacuation analysis of Lincoln City and unincorporated Lincoln County: Building community resilience on the Oregon coast**

- **Tsunami evacuation analysis of communities surrounding the Coos Bay Estuary: Building community resilience on the Oregon coast**

- **Tsunami evacuation analysis of some unincorporated Tillamook County communities: Building community resilience on the Oregon coast**

  By Michael Bunn, Ben A. Leshchinsky, Michael J. Olsen, Nancy C. Calhoun, Jon J. Franczyk, and William J. Burns. Special Paper 52 Learn more and download the publication from the preview link. https://www.oregongeology.org/pubs/sp/p-SP-52.htm
Proposals and Potential Projects:

**National Tsunami Hazard Mitigation Program (NTHMP) FY20; Federal Grant: $400,000; Funder: NOAA**

To maintain local outreach programs and coordinate mitigation actions, state leadership is critical for focusing support on communities most in need of help and providing a central repository for tsunami mitigation information. DOGAMI and OEM work in partnership to provide the needed leadership and strategic support critical for building resilient coastal communities on the Oregon coast.

**Oregon Coast Resilience Plan; Federal Grant: $400,000; Funder: OEM-State Homeland Security Program**

The goal of this proposed project is to produce an Oregon Coast Resilience Action Plan to guide future development of a coastwide Cascadia disaster “infrastructure backbone”. The Plan would build on work completed for the Oregon Coastal Hospital Project that supported the eleven coastal hospitals to effectively plan for Cascadia earthquake disasters to improve the reliability of medical services. This project would also help protect Oregon’s major coastal communities.

**STATEMAP FY20; Federal Grant: $300,000; Funder: USGS**

Geologic mapping in the Walla Walla Basin, northeast Oregon approved, funded by OWRD, and started. Will be rolled into STATEMAP program for FY20 and remaining OWRD state funds used as the program match component. Maps produced from this project will be submitted as FY20 STATEMAP deliverables. Project proposal also includes continued mapping in the mid-Columbia, Harney, and the Prineville area.

**South Coast Lidar; Federal Grant: Up to $3M; Funder: BLM**

DOGAMI anticipates BLM to add $627,000 to the initial grant agreement. This initial money will be used to finish the south coast project.

**Upper John Day Lidar; Federal Grant: $400,000; Funder: USGS 3DEP**

Oregon Lidar Consortium (OLC) project that would acquire 2,711 square miles of new lidar in central Oregon. The lidar will be collected in Wheeler, Grant, Union, Umatilla, and Baker counties.

**Harney Silver Lidar; Federal Grant: $189,558; Funder: USGS 3DEP**

Oregon Lidar Consortium (OLC) project called OLC Harney Silver 2020. In 2017 and 2015, DOGAMI's Oregon Lidar Consortium (OLC) program acquired 1,292 square miles of Quality Level 1 (QL1) non-3DEP lidar over portions of the Silves, Silver and Donner and Blitzen wasthersheds within Harney County, Oregon.

Chair Maffei asked if the new project proposals need to go to the legislature for approval. Avy said four have already been approved by the legislature in November and the other two may go during the upcoming session.

Jeremiah asked about the Program Manager position that was filled by Alyssa Pratt, who took a rotation outside the Agency. Avy explained the position has been put on hold; there is a vacancy that...
is not being filled at a lower level, which needs to remain open pending Alyssa’s decision at the end of the rotational year on whether she returns.

Briefing: **No Board Action Required.**

**13) Director’s Report:**

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

Avy wanted to acknowledge the tremendous work of staff during this challenging and stressful time. Relief of the three additional Business Office positions will be felt immediately.

**Legislative Budget Notes Progress**

Avy handed out and discussed a progress document that has been shared with legislators. The Agency has been having monthly financial reporting meetings with LFO, DAS-CFO, and the Governor’s Office; in addition, daily conference calls with DAS Financial to discuss the budget to stay on track. The document includes a summary of what the Agency has been doing to meet requirements.

Avy and Houston met with the co-chairs of the Budget Committee. The Agency will continue to follow identified steps to meet the requirements from the Governor’s Office, DAS and Legislature.

**Internal Communication**

Avy stated internal communications are taking place as discussed at the previous Board meeting. He said challenges with the internal communication have been the lack of a Program Manager and limiting the number of staff meetings charged to General Fund. Some emails that have been going out to staff were forwarded to Board members as an FYI. Currently work is being done on a formal internal communication plan to be discussed at the March Board meeting.

**GS&S Program Manager Position**

Avy said this position was supposed to be recruited for but the Agency is unable to do so due to General Fund spend and not having an official Program Manager position available. He has had conversations with DAS, LFO, and the Governor’s Office that two positions actually need to be created to handle all the work. Avy discussed the need for having these manager positions. The current supervisors are being kept on to handle issues in the interim. There is some concern of putting two positions in front of the Legislature due to the challenges faced by the Agency.

Chair Maffei said the Board wanted a single manager as a go to person managing that program, and conveyed her reluctance to have two managers, especially with the budget issues. Avy stated that two supervisors would still be needed to handle all the issues.

Jeremiah asked Avy what his and staff’s perspective would be on the four alternatives from the Governor’s Office. Based on not having previously seen the information presented or having a chance to talk to staff, he believed Alternative 1A would likely be preferred by staff.

**Grants – Internal Approval Process and Strategic Direction/Guidelines**

Avy said the Board has expressed interest in having more input on the grants. He explained how the process currently works. He said sideboards have been discussed but not formalized. A draft of the
types of grants and how they line up with the strategic direction of the Board may be ready for
discussion at the March Board meeting. He discussed the DAS GEO grants and the requirement for
match and indirect. The Agency met with DAS GEO several times, to request indirects with no match
requirement and in the end DAS GEO agreed to support it.

Chair Maffei asked when the sideboards will be brought back to the Board. Avy stated the March
meeting.

Ashford said he was happy with the work on the grant process.

Briefing: **No Board Action Required.**

14) **Public Comment:**

Chair Maffei asked for public comment. No public comments.

15) **Board Adjourn:**

Chair Maffei adjourned the meeting at 11:04 a.m.

APPROVED

Laura Maffei, Chair
1) **Call to Order:** (Laura Maffei, Board Chair)

   Chair Laura Maffei called the meeting to order at 1:03 p.m.

2) **Introductions:** (Laura Maffei, Board Chair and staff)

   Chair Maffei, Vice-Chair Katie Jeremiah, and Board Members Scott Ashford, Diane Teeman and Linda Kozlowski were all in attendance via phone.

   Department of Geology and Mineral Industries (DOGAMI) Staff in attendance:
   Brad Avy, Director/State Geologist
   Lori Calarruda, Recording Secretary/Executive Assistant
   Dania Ballard, Chief Financial Officer (CFO)
   Sarah Lewis, MLRR Program Manager
   Bob Houston, Interim Legislative Coordinator
   Bill Burns, Acting Earth Science & Remote Sensing Supervisor
   Connor Anderson, Chief Information Officer (CIO)
   Zee Priest, Contract Specialist
   Steve Dahlberg, Fiscal Analyst
   Lowell Anthony, Geohazards Analyst/DOGAMI, SEIU Bargaining Team Member

   Others in attendance:
   Amira Streeter, Governor’s Office Natural Resources Policy Advisor
   John Terpening, Legislative Fiscal Office (LFO) (via phone)
   Renee Klein, DAS Office of the Chief Financial Officer (CFO) (via phone)
   Diane Lloyd, Department of Justice (DOJ)
   Sherry Lauer, DAS Human Resources (HR) (via phone)
   Courtney Graham, SEIU Local 503

3) **Approval of Annual Director’s Evaluation Written Document:**

   Chair Maffei asked for approval of the Annual Director’s Evaluation written document as discussed with each Board member individually, based on the Board’s approved motion to accept the Annual Director’s Evaluation at the September 9, 2019 Board meeting.

   Board Action: **Teeman moved to approve the Annual Director’s Evaluation written document, based on the Board’s approval motion to accept Annual Director’s Evaluation at the September 9, 2019 Board meeting. Kozlowski seconded. Motion carried.**

4) **Review of Agency’s Draft 2nd-Year Budget and Proposed MLRR Fee Increase:**
Dania Ballard, Chief Financial Officer, presented the Agency’s draft 2nd-year budget for the Geological Survey and Services (GS&S) and Mineral Land Regulation & Reclamation (MLRR) programs, and a proposed MLRR Fee increase.

Ballard discussed the Proposed Fiscal Year 2021 (FY21) Budget and Fee Increase memo in the Board packet. She stated the Agency is sharing two different options to be considered, but they do not yet know which scenario will go to the Legislature.

Ballard shared the GS&S budget includes the GS&S program and Agency Administration, which is the General Fund budget, and the MLRR budget is the Other Fund budget.

Ballard discussed the GS&S program spreadsheet titled FY21 General Fund GS&S Budget. She went through the columns for the FY20 Legislatively Adopted Budget (LAB) and the Current Service Level (CSL) Ask for the FY21 Budget, which is what the Agency intends to ask for going forward. She stated there are two minor corrections to the spreadsheet sent out. First, column two of CSL Ask FY21 Budget, the bottom number in green titled “Ending Balance” should be zero ($0) instead of -$15,000. Second, at the top of the column titled “Revenue”, the amount of $2,842,146 should be $2,857,146, so the revenue balances to the total expenditures, leaving an ending balance of zero ($0).

Avy explained the reason for two options is given a one-year budget it provides a range for the Governor’s Office to consider for the second year. He suggested to maximize flexibility a possible motion is to approve up to the limit of Option 2 for both programs, when the time comes for the Board’s action.

Ballard focused on Personal Services, under “Expenditures”. The Personal Services Total, in column two labeled “CSL Ask Budget”, is for $1,824,811. This is a one year increase of approximately 12%, as opposed to the LAB FY20 amount of $1,622,450. Some of the differences in the amount include Agency expected increases of a 3% Cost-of-Living Adjustment (COLA) or pay adjustment, and people who are at the top Step of their salary range will receive a step increase this year, which is a union negotiated item. Additional funding has also been included for the new Business Office positions. Prior practice of budget management was vacant positions typically were budgeted at Step 2 of the range. Due to Pay Equity implementation, agencies no longer have authority to determine starting pay. HR now performs a pay comparison review of new hire experience resulting in beginning pay that may be higher than Step 2.

Ballard discussed the CSL Ask FY21 Budget for Services and Supplies. The Agency is asking for a total of $985,500, which is about a 14% increase over the previous year based on the FY20 LAB being a thin budget. DOGAMI is budgeting expenses that are more realistic based on a normal course of business.

Ballard explained reflection of FY18 actuals were used as a basis instead of last year as the Agency tried to be more realistic in what was spent. The FY21 budget is closer to how the Agency actually operates. Ashford said it looked like the new numbers are about 20% less than FY18. Ballard verified that is correct for Services and Supplies.

Ballard stated Budget Option 2 is basically a mirror of Budget Option 1 but that they have added positions. For the CSL + Positions FY21 Budget, the Personal Services ask is $2,072,494. This is for the GS&S Program Manager, a Principal Executive Manager D (PEM D) top Step level that is 100%
General Fund, and two Supervisors at the NRS 4 top Step level that are 80% General Fund and 20% project work through Federal Funds or Other Funds. Ashford asked if he was interpreting the
Personal Services numbers correctly, that the difference is due to hiring a new manager and two
supervisors, and the net difference/savings is due to the rotational supervisors going back to project
work. Ballard responded that is correct.

Avy explained since there is no current position for the Program Manager vacancy, this would be
addressed through the 100% General Fund PEM D. For the two supervisors referenced for 20%
project work, one consideration is the value of them to be connected to the project managers and
work itself, it also reduces some of the General Fund cost. Avy is concerned that as the Business
Office is bolstered to deliver the service needed to be successful with a grant heavy agency, staying
with the current situation on the supervisory/management side, the Agency will not be able to
perform at the level needed to be a healthy organization. He believes these positions are needed for
long-term success, but ultimately it will be the Governor’s Office decision.

Ballard began discussing the FY21 Other Fund MLRR Budget and stated Bob Houston will follow up on
this regarding the Proposed Fee Schedule Summary. Budget Option 1 CSL request for Personal
Services is $1,726,475, which has one new position for an NRS 4 related to the Grassy Mountain
Project. Lewis said the NRS 4 position has been built into the budget and is needed for the program
to meet their statutory requirements. The Agency has received the first ever application for a
chemical process mine in Oregon and there is a need to build capacity into the program to handle the
technical work. The position would be 60% cost recoverable to that project, and could hopefully be
hired in with an expertise in metal mining so the other 40% of the position can be designed and
leveraged to help the program overall meet some of the other lines of business. Ballard said this
position is needed to service the work with Calico.

Ballard said the Personal Services is a significant increase from the previous year’s budget. The
difference is due to the NRS 4 position, the COLA of 3%, and addition of the top step. There are
several seasoned staff that are being affected by it. Jeremiah asked about the COLA and why it is
being done. Lauer explained that it is a union negotiated amount and is non-negotiable.

Ballard explained another significant increase for the MLRR program is an amount of $231,821 being
added for indirect costs of 15.51%, which has not been fully recovered in the past from MLRR. This is
considered part of the federally negotiated rate. Going forward the amount will be built into the
budget so it can be paid to support the Agency as a whole and it will reimburse the General Fund.

Ballard said Services and Supplies listed in the FY20 LAB are $283,988; in the CSL Ask FY21 Budget it is
$476,401. Ballard said Option 2 is a mirror of Option 1 but includes an additional NRS 2 position.
Lewis said one challenge for the program is meeting the workload for the processing of applications
and adequately performing site visits. The position is to help with compliance for the aggregate
permitting program. She said this position is in line with their previous ask for two positions from
their budget request a year ago.

Houston discussed the DOGAMI-MLRR Proposed Fee Schedule Summary and described how the chart
was setup, which is broken down into Application Fee and Annual Renewal Fee, then by program
areas (Mining, Exploration Permit, and Oil & Gas/Geothermal). The chart shows the current fee
structure under the current actual costs. The column titled “CSL” is actual costs and related to
Option 1 for the MLRR Budget, which also includes the Limited Duration NRS 4 position (60% cost
recoverable for the consolidated application process). The next column titled “CSL & NRS 2 included for AGG”, is the increase for Option 2. The Annual Renewal Fee is the only thing changing, which reflect the numbers Ballard discussed during the budget presentation and adjusted for the target of 6 months beginning balance at the start of the 25-27 biennium.

Houston explained that the same methodologies and approach were kept in adjusting the fees to reach parity across the application fee structure. An assumption related to the application fee was similar levels of work should pay similar levels of cost. The Annual Renewal Fee is where there are increases and decreases across the programs.

Chair Maffei asked questions about the Oil and Gas/Geothermal renewal fees related to 1st year then 2nd year to closure. Houston confirmed and explained the fees would be the same for the life of the well until the well pad is reclaimed and the well itself is plugged. He stated that some fees had not been changed/adjusted since 1991. During the 2007 fee increase effort, there was an agreed upon approach to phase in the $500 second year to close renewal fee at a following biennium Legislative Session to put the increase to that fee, which was not addressed until this attempt.

Chair Maffei asked what the rationale is for the difference between the renewal fees between Oil and Gas and Geothermal. Houston explained it is being approached in a way that each program pays for itself and aggregate permits do not subsidize the geothermal industry or the oil and gas industry.

The challenge around the Oil and Gas and Geothermal programs, compared to the Aggregate program, are the number of active permits that get reviewed annually. The annual renewal fee contributes the most revenue to the programs and is based on how much it actually costs to administer the program. It also ensures the program covers the costs to pay for itself. Maffei summed it up by saying there are less geothermal wells and that program requires an amount of staff time that is a slightly heavier lift per well, so the fee is higher. Houston confirmed her observation.

He stated last session when he reached out to the geothermal and oil and gas stakeholders regarding the proposed renewal fee increase, they acknowledged the benefit of the program and realized the program needed to recover its costs. This year’s proposed fee increase is more for geothermal and a decrease for oil and gas so the Agency will need to be engaged with the stakeholders, so they know what the proposed changes are and why.

Jeremiah asked if the Board is being asked to give complete approval of the budget without stakeholder input. Avy said 17 stakeholder groups were met with last year and the budget is based on that input. As for what the Board is being asked to approve, he said that it would be for the up-to amount on Option 2 and the approval for the fee increase proposal to move forward. The actual proposal will be determined later by the Governor’s Office, due to the tight timeline that needs to be met. If the fee increase does not happen, the MLRR program will run out of money next spring so the Agency is looking at moving forward with the fee increase. Jeremiah feels like the Board is being asked to approve moving forward without stakeholder input and is not comfortable with it. Avy said the fee increase was discussed last year but has changed. Ashford asked Jeremiah what she was not comfortable with and she replied both the budget and the fee increase. Ashford asked Avy if the Option 1 and Option 2 budgets were developed with the Governor’s Office. Avy explained they have been working with the Governor’s Office, LFO and DAS, and is based on the actual spend of the Agency. Ashford said he is comfortable with the budget numbers based on Amira Streeter’s presentation and letter, and the fact the Agency has been working in coordination with the Governor’s Office.
Jeremiah disclosed that she is a fee payer and is not sure if she should recuse herself from voting, but she is also still uncomfortable with the fee increase and not having input from stakeholders. Diane Lloyd, with DOJ, said she was not giving Jeremiah legal advice but said it should be based on her ethics and thought she might want to recuse herself and get her own legal advice from the State Ethics Office.

Avy suggested there should be two separate motions, one for the budget and one for the proposed fee increase.

Ballard said she had questions if the Board can split them up and only vote on part of the budget.

Board Action: **Chair Maffei moved to approve the proposed DOGAMI budget up to the level of Option 2 for the MLRR program and up to the level of Option 2 for the GS&S program/Agency Administration. Kozlowski seconded. Motion carried.**

Board Action: **Chair Maffei moved to approve the proposed fee increase for the MLRR program up to the level of Option 2. Ashford seconded. Motion carried.**

Jeremiah abstained from both motions, but provided her concerns on the GS&S budget for the Business Office staff and thinks the Board should look at reviewing the need for the positions later after the Agency is caught up.

5) **DOGAMI Strategic Plan Update:**

Amira Streeter, Governor’s Office Natural Resources Policy Advisor, provided an update on the Governor’s Office Strategic Plan for DOGAMI.

Streeter gave a synopsis of the direction from the Governor’s Office in regard to the letter and recommendation for the Agency, that will be going to the Legislature when finalized.

Streeter reviewed a draft presentation on the Agency’s future. She discussed the history of DOGAMI showing the ups and downs and challenges of the Agency, and its financial background and issues. She said the issue with 2015 did not seem to be internal systems but how the Agency tends to use the General Fund as flexible spending.

She briefly discussed the four considered options for the future of the Agency, saying she plans to list and explain them least desirable to most desirable, including some pros and cons.

- The first option is moving the programs themselves into different natural resource agencies or entities such as a university, which would require a drastic change. There are currently 14 natural resource agencies in the state. Streeter does not feel that it is appropriate to dismantle DOGAMI’s programs and move them under another agency due to going over budget when some of the other agencies have spending issues as well and does not feel it will resolve any issues.

- The second option is moving DOGAMI in its entirety under a natural resource agency or university. This would parallel 52% of other states, but she feels the customer service would be degraded and that is what the Agency is best known for.
• The third option is moving DOGAMI to Salem, but the loss of key staff would not be appetizing.

• The fourth option is keeping DOGAMI intact but ensure there is a culture change and right sizing within the Agency. This is the most promising option. DOGAMI leadership and staff have clearly demonstrated they are able to make changes in a systematic smart way that is on the right track. The preference is to continue this work but also bring stability to the Agency overall.

Streeter stated the budget recommendation preference would be to go for Option 2 for both programs, which includes the proposed fee increase, adding the additional staff needed, and $3 million General Fund. This is the option she is going to fight and advocate for because it would provide a budget that is actually reflective of DOGAMI’s financial needs and also provides the Agency the ability to build a 6-month reserve for MLRR. If the Legislature does not want to go that high, then they would go with Option 2 for GS&S, Option 1 for MLRR, and $2.8 million General Fund.

In addition to the budget recommendation, Streeter briefly discussed her suggestions for DOGAMI’s Strategic Plan, which she believes is an opportunity to re-envision the Agency. She suggested a potential name change for DOGAMI to better reflect the work done by the Agency. The focus areas would be 1) maps, publications and data; 2) geologic mapping; 3) resource extraction and permitting; and 4) natural hazards and risk assessment outreach. She said this is close to what DOGAMI is currently doing. Due to the amount of time it takes to develop a robust, multi-year Strategic Plan, a 6 year plan would be developed for 2022-2028. It will need to be a robust discussion to ensure the Agency is around for the long term. Streeter said the revamping of tsunami work to align with best available science has been one of DOGAMI’s greatest contributions to the State and should continue, even though it has been controversial. A new idea is having one or two additional Board members and having an ex-officio member potentially from the Governor’s Office, to ensure the Agency remains on track, which is reflective of Washington state. Streeter also suggested an analysis of a future move of the Agency to Salem would be helpful, but a move would not take place anytime in the near future. The only other natural resource agency headquartered in Portland is DEQ.

Chair Maffei asked Streeter to tell the Board the next steps in the process, as far as the Governor’s Office recommendation to the Legislature. Streeter said the cover letter and presentation will be turned in to the co-chairs by January 17, 2020. A hearing will be scheduled, and her understanding is there will be an Omnibus Bill the budget recommendation goes into, and another one for the fee increase, which are two different processes. Avy said DOGAMI needs to submit their letter on January 17th as well. The Short Session starts February 3, 2020 for 6 weeks and things will be moving quickly through the process.

Terpening explained the letters get turned in on January 17th. Streeter’s will be in the form of a report and DOGAMI’s in the form of an official budget ask. The budget ask gets put into an Omnibus Bill with all other budget adjustments, which will go to a subcommittee, then to full chambers to be voted on. Terpening said the initial plan is to have, during session in the Natural Resources Subcommittee, a hearing day dedicated to DOGAMI for Streeter to present her report and discussion about the budget recommendation, and then the DOGAMI report and discussion on the MLRR fees. The fees are also a standalone bill separate from the budget. The point is to have one day to discuss all of these interconnected issues and move them forward from there.
Streeter said the optimum primary recommendation would be to have Option 2 for both programs, but an adjustment may be needed. She said she needs to be very clear on why the additional positions are being requested, which is to ensure DOGAMI thrives and not just survives.

Kozlowski said she appreciates Streeter’s close scrutiny and input on DOGAMI.

Ashford thanked Streeter for coming to the meeting.

Chair Maffei thanked Streeter for her scrutiny and support of the Agency. She said if the name is to be changed, it has to be an acronym that spells something. She stated having an ex-officio Governor’s Office member is a great idea and is open to other Board members, which could be challenging in trying to find someone to serve.

Briefing: No Board Action Required.

6) Public Comment:

Chair Maffei asked for public comment.

Written public comment from the League of Women Voters from Peggy Lynch: It was not read into the record due to its length, but is supporting DOGAMI and its budget request, including the new positions and fee increase. Avy said the attachment letter is to show what was supported last year and it is her comments in the email that are more specific to this meeting. Both the email and attachment will be included with the minutes and made public for review.

Avy wanted to acknowledge that Amira Streeter will be staying after this meeting to meet with staff and provide them a direct update. Chair Maffei thanked her and said she thought the staff will really appreciate the communication from the Governor’s Office.

7) Board Adjourn:

At the conclusion of the public comment period, Chair Maffei adjourned the meeting at 2:48 p.m.

APPROVED

Laura Maffei, Chair
Chair Maffei and Members of the Board:

The League of Women Voters of Oregon has a comprehensive position adopted in 1995 on Hazards. We also support state land use Goal 7 and regulations that address the mining industry. We believe that the missions of both divisions of DOGAMI are critical to the public health and safety of Oregonians. Those missions are also important to the economy of Oregon. We take no position on the administrative structure that accomplishes the missions of both divisions. However, until a final decision is made on the eventual structure of these divisions, we support funding both divisions as sufficiently as possible in order that these missions be accomplished.

The Board packet doesn't sufficiently explain the job description for the added funding in Option 2 for the Geological Survey and Services division, so the League will defer to the Board, the Governor's Office and the Legislature as to that decision—at least until we have further information.

However, the League DOES CLEARLY SUPPORT Option 2 for the Mineral Land Reclamation and Reclamation division. This position is in line with the testimony we provided on SB 45 (2019) attached. Oregonians deserve increased field inspections and the legislature has set a Key Performance Measure that has not been met.

Thank you for considering our testimony.

Peggy Lynch, League of Women Voters of Oregon Natural Resources Coordinator

https://www.oregongeology.org/about/govboard/boardpacket_1-10-2020.pdf
April 3, 2019

To: Senate Environment and Natural Resources
   Senator Michael Dembrow, Chair
   Members of the Committee

Re: SB 45 – Updating fees for DOGAMI’s MLRR Division – Support

The League of Women Voters of Oregon has a comprehensive position adopted in 1995 on Hazards. We also support state land use Goal 7 and regulations that address the mining industry.

In 2015, the mining industry stepped up to support an increase in fees to address serious fiscal issues with the Mining Land Regulation and Reclamation (MLRR) division. We acknowledge that support, although we also realize that it was in their interest to have a functioning MLRR program, and it does cost the industry. However, the Legislative Fiscal Office Budget Review acknowledges that the:

“Department has found that the fee increases approved in 2015 and implemented in 2016 are no longer sufficient to cover both program and indirect costs beyond 2019-21 with the program fully staffed. The Department is proposing fee increases to better cover the costs of permitting, fund current activities beyond 2019-21, and to fund four additional positions described in POP 101. The program currently does not have capacity to conduct inspections on mine sites, which it had done in the past, although in a very inefficient manner that also contributed to permit processing backlog. Adding the three inspector positions will allow the Department to better meet its KPM #4 goal of inspecting 50% of all mine sites biennially (currently only 6.5% of mines have been inspected).”

The budget request: “would fund four permanent positions (3.50 FTE) within the MLRR program. Three of the positions would be site inspectors, with the fourth position a half-time ISS-5 position to support the acquisition and maintenance of an electronic online permitting and inspection system. KPM #4 tracks the number of mine sites inspected biennial. Currently, MLRR has 865 surface mining operating permits, and over 1,000 different types of permit sites when including geothermal, oil and gas wells, but does not have the capacity to conduct site visits. The funding for this package is dependent on the approval of increases for the application, licensing and permitting fees received by the program.”

The Legislature sets Key Performance Measures (KPM) to help gauge the success of each agency program. The public expects that regular mine inspections will occur. In order for the Dept. of Geology and Mineral Industries (DOGAMI) to meet KPM #4, we urge your passage of SB 45 and send it on to Ways and Means to support this important mission.

Thank you for the opportunity to discuss this legislation.

Norman Turrill
LWVOR President

Peggy Lynch
LWVOR Natural Resources Coordinator

Cc: Brad Avy, State Geologist, DOGAMI (Brad.Avy@oregon.gov)
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board
From: Bob Houston, Interim Legislative Coordinator/Rules Coordinator
Date: March 2, 2020

Regarding: Agenda Item 4 – Rule Writing

Bob Houston, Rules Coordinator, will discuss five separate rule writing updates and/or requests that will need to be approved by the Board for further action.

1) Request approval of proposed Service Fees rule language for adoption
2) Update on Permit Boundary Survey Maps rulemaking
3) Update of HB2202: High Value Soils rulemaking
4) Request approval of proposed Dispute Resolution model rule language for adoption by reference
5) Request approval to initiate formal rulemaking to address the Oregon Sage-Grouse Action Plan (Executive Order No. 15-18)

Proposed Board Action: The Board will be asked to take an action on this item.
Request 1 – Request approval of proposed Service Fees rule language for adoption

Background: The Oregon Department of Administrative Services has updated the Statewide Policy on Public Records Request Fees and Charges (107-001-030). At the July 9, 2019 Governing Board meeting, the Board authorized the Department to initiate rulemaking to amend OAR 632-001-0010 to comply with the statewide policy on Public Records Request Fees and Charges. The proposed draft amendments to OAR 632-001-0010 were approved at the September 9, 2019 Governing Board meeting.

Update: DOGAMI provided Notice of Proposed Rulemaking and have completed the public comment process, which ended on February 21, 2020. Notice was provided to specified legislators, agency mailing list and posted the notice in the Secretary of State’s Bulletin. The Department did not receive any comments from the public related to the proposed rule amendment.

The finalized proposed rule language is provided below for Board approval and authorization to proceed to submit the permanent rule to Archives Division, Secretary of State. The proposed effective date of the OAR 632-001-0010 amended rule is March 11, 2020.

Finalized proposed rule language for review:
632-001-0010 (Service Fees)

(1) When determining fees associated with the processing of requests for public records, the department will follow the statewide standardized fee-structure policy number 107-001-030 maintained by the Oregon Department of Administrative Services and adopted on February 15, 2017.

(2) All fees and charges must be paid before public records will be made available for inspection or copies provided.
Statutory/Other Authority: ORS 517
Statutes/Other Implemented: ORS 516.090

Proposed Board Action: Authorize DOGAMI staff to proceed with the proposed language and submit final permanent rule language OAR 632-001-0010 to Archives Division, Secretary of State.
**Request 2 – Update on Permit Boundary Survey Maps Rulemaking**

**Background:** The Board authorized the Department to initiate rulemaking on OAR 632-030 at the September 9, 2019 Governing Board meeting to amend rule language relating to the submittal requirements of a permit boundary survey map.

**Update:** No change—the Department will develop draft rule language and provide an informational update to the Board at an upcoming meeting.

*Proposed Board Action: No Board Action Required.*
Request 3 – Update of HB 2202 – High Value Soils Rulemaking

**Background:** The legislature passed HB 2202 (2013 Regular Session) involving aggregate mining on high value farmland in the Willamette Valley (ORS 517.825). The legislative intent was to make sure operators mined deep enough to remove all the aggregate and thereby limit impacts on high value soils. On September 9, 2019, Board authorized the Department to initiate rulemaking on OAR 632-030 to implement provisions specified in HB 2202.

**Update:** The Department sent invitations to participate on a Rules Advisory Committee (RAC). Once the RAC members are confirmed, meeting(s) will be schedule. The RAC provides input on substance and language of the rule and provides input on the Fiscal Impact Statement.

*Proposed Board Action: No Board Action Required.*
Request 4 – Request approval of proposed Dispute Resolution model rule language for adoption by reference

Background: Under certain conditions the Department may modify an operating permit or reclamation plan without the consent of the operator (ORS 517.831). The Department must provide the operator with an opportunity for alternative dispute resolution in the manner provided in ORS 183.502. Currently, OAR 632-001 does not provide an alternative means of dispute resolution. At the December 9, 2019 Board meeting, the Board authorized the Department to initiate formal rulemaking on OAR 632-001 to provide an alternative dispute resolution procedure.

Update: The proposed Attorney General’s Collaborative Dispute Resolution model rule language is provided below for Board approval. Rulemaking of a model rule follows an abbreviated process. The rule’s proposed effective date occurs after the rule is filed with the Secretary of State Archives Division.

Collaborative Dispute Resolution Model Rule language for review:
632-001-000X (Collaborative Dispute Resolution Model Rules)
   The Attorney General’s Collaborative Dispute Resolution Model Rules, OAR 137, division 5, as in effect on December 9, 2019, are adopted and incorporated into this division.

Proposed Board Action: Authorize DOGAMI staff to proceed with the proposed language and adopt the Collaborative Dispute Resolution model rule language by reference.
Request 5 – Request approval to initiate formal rulemaking to address the Oregon Sage-Grouse Action Plan (Executive Order No. 15-18)

Background: Executive Order No. 15-18 related to the Oregon Sage-Grouse Action Plan was signed on September 16, 2015 (attached). The Order requires all state agencies that carry out permitting actions within sage-grouse habitat (including DOGAMI) to ensure that their permitting and/or regulatory programs are consistent with Oregon Land Conservation and Development Commission (LCDC) and Oregon Department of Fish and Wildlife (ODFW) rules as well as the Oregon Sage-Grouse Action Plan by July 1, 2016.

MLRR has not permitted any mine sites within sage-grouse habitat since July 1, 2016; however, we have permitted 4 Exploration Permits in sage-grouse habitat in coordination with ODFW and we have 1 oil and gas permit application and 2 exploration applications for sites that may be in sage-grouse habitat.

To comply with the Executive Order, the Agency needs to implement a comprehensive rule review and rule writing through the formal rulemaking process.

Proposed Board Action: Authorize DOGAMI staff to initiate formal rulemaking under OAR 632 to implement Executive Order No. 15-18 regarding the Oregon Sage-Grouse Action Plan.
EXECUTIVE ORDER NO. 15-18

ADOPTING THE OREGON SAGE-GROUSE ACTION PLAN AND DIRECTING STATE AGENCIES TO IMPLEMENT THE PLAN IN FULL

Whereas the U.S. Fish and Wildlife Service (USFWS) determined in 2010 that listing the greater sage-grouse (sage-grouse) under the federal Endangered Species Act (ESA) was “warranted but precluded”;

Whereas the USFWS will make a new listing determination for sage-grouse in 11 western states later this year;

Whereas it is plainly in Oregon’s best interests to ensure that the significant investments that Oregon ranchers, communities, tribes, non-governmental organizations, and others have made in sage-grouse conservation are supported, such that economic prosperity and a healthy environment occur hand-in-hand in Eastern Oregon;

Whereas the principal threats to sage-grouse habitat in Oregon are wildfire, invasive weeds, and the spread of juniper;

Whereas the Harney County Soil and Water Conservation District (Harney SWCD) and other SWCDs, local governments and landowners have developed candidate conservation agreements with assurances (CCAAs), which provide for ranching operations on non-federal lands to continue in ways that provide for both long-term economic stability and sage-grouse conservation;

Whereas the Oregon Cattlemen’s Association has developed a candidate conservation agreement (CCA) for grazing allotments on Bureau of Land Management (BLM) lands that supports the CCAAs developed for non-federal lands, and the federal Natural Resources Conservation Service (NRCS) has committed substantial funding for the conservation measures contained in CCAAs including strategic removal of juniper;

Whereas the CCAAs and the UCAs ensure that grazing operations in Oregon will be managed in a way that is consistent with sage-grouse conservation;

Whereas the Oregon Watershed Enhancement Board has committed to investing at least ten million dollars in priority Sage-Grouse conservation measures over the next ten years, including juniper management;

Whereas Oregon has a long-standing system of Rangeland Fire Protection Associations (RFPAs) that are often first responders to rangeland fires, and the
number, enrollment and geographic extent of RFPAs continues to grow and now covers most sage-grouse habitat;

Whereas the Oregon Legislature has appropriated new funding to improve the capacity and effectiveness of RFPAs, along with other investments that address wildfire in sage-grouse habitat;

Whereas the Oregon Legislature also has appropriated significant new funding to help manage invasive weeds and reduce juniper encroachment in sage-grouse habitat;

Whereas ranching is the major economic base for the area of Oregon occupied by sage-grouse, and mining and renewable energy development present important long-term opportunities for economic development and job creation in this area of Oregon;

Whereas significant outdoor recreation including hunting, wildlife viewing, and hiking occurs in and depends on high-quality habitat in the areas of Oregon occupied by sage-grouse, and these activities provide additional economic, social, and other public benefits to Oregonians;

Whereas a federal ESA listing of the sage-grouse in the absence of a state plan likely would interfere with opportunities for future economic development in Eastern Oregon and could threaten the ranching industry in ways that would have significant adverse economic and social effects on Oregon citizens, businesses, and communities;

Whereas the Oregon Department of Fish and Wildlife has established population and habitat goals for the sage-grouse in Oregon that include:

- A population goal to maintain or enhance sage-grouse abundance and distribution at the 2003 spring breeding population level, approximately 30,000 birds, over the next 50 years; and

- A habitat goal to retain at least 70% of sage-grouse range as sagebrush habitat in advanced structural stages—sagebrush class 3, 4, or 5, with an emphasis on classes 4 and;

Whereas the Oregon Department of Fish and Wildlife adopted an updated conservation strategy for sage-grouse in 2011;
EXECUTIVE ORDER NO. 15-18
PAGE THREE

Whereas the Oregon Fish and Wildlife Commission has adopted supplemental rules to guide sage-grouse conservation and compensatory mitigation for impacts to sage-grouse habitat;

Whereas the Oregon Land Conservation and Development Commission (LCDC), working closely with county governments and others, has adopted new rules designed to steer future development away from important sage-grouse habitat—supplementing Oregon’s already strong land-use system that generally directs most development to urban areas;

Whereas the Oregon Sage-Grouse Action Plan has been developed collaboratively through the work of the SageCon Partnership over the last three years, involving landowners, non-governmental organizations, local governments, and state and federal agencies;

Whereas the State of Oregon has worked closely with the federal Bureau of Land Management (BLM) to align the Oregon Sage-Grouse Action Plan with many elements of the new Resource Management Plans for the five BLM districts within Oregon;

Whereas the Oregon Sage-Grouse Action Plan, the BLM Resource Management Plans, and the CCAAs and CCAs entered into by private landowners effectively align conservation strategies for sage-grouse and management of sagebrush habitats across private and public lands across all sage-grouse habitat in Oregon; and

Whereas, effective implementation of conservation strategies and actions associated with the Oregon Sage-Grouse Action Plan will require engagement, functional alignment, and coordination across state, federal, tribal and private land ownership boundaries among all stakeholders to realize the social, economic and ecological benefits of a comprehensive approach to sage-grouse conservation and rangeland health.

NOW THEREFORE, IT IS HEREBY DIRECTED AND ORDERED THAT:

1. The Oregon Sage-Grouse Action Plan is adopted as the plan for the conservation of sage-grouse in Oregon.

2. All state agencies shall carry out the actions described in the Oregon Sage-Grouse Action Plan to the full extent of their authorities and funding.
EXECUTIVE ORDER NO. 15-18
PAGE FOUR

3. Specifically, and without limitation to the foregoing paragraph 2, the following actions shall be taken:

   A. The Oregon Department of Forestry (ODF) shall provide technical and financial support to RFPAs to improve their capacity and effectiveness in controlling and limiting the adverse effects of rangeland fire on sage-grouse habitat on both federal and non-federal lands. Working collaboratively with RFPAs and the BLM, ODF shall develop a Memorandum of Agreement to assist in the coordination of rangeland firefighting and to protect the safety of those participating in such efforts.

   B. The Oregon Department of Land Conservation and Development (DLCD) shall maintain a central registry of development on all lands within sage-grouse habitat in coordination with the BLM and county governments that both establishes the baseline level of development within each Priority Area for Conservation (PAC) and that tracks the location and geographic extent of new development in each PAC over time.

   C. DLCD shall have the responsibility to coordinate the actions of Oregon agencies in implementing the Sage-Grouse Action Plan, under the supervision of my Natural Resources Office (GNRO).

   D. All state agencies that carry out, fund, or permit actions within sage-grouse habitat—including but not limited to the Oregon Water Resources Department, the Oregon Department of Transportation, the Department of State Lands, the Department of Geology and Mineral Industries, the Oregon Department of Energy (ODOE) and the Energy Facility Siting Council, the Oregon Watershed Enhancement Board (OWEB), the Oregon Department of Agriculture, the Oregon Parks and Recreation Department, and the Department of Environmental Quality—shall adopt or update their state agency coordination plans and agreements with DLCD pursuant to ORS 197.180 and OAR Chapter 660, Division 30 to ensure that such actions comply with the LCDC Sage-Grouse Conservation Rules (OAR 660-023-0115) adopted to implement LCDC Goal 5 (Significant Natural Resources). State agency actions affecting land use also shall be consistent with the ODFW Sage-Grouse Mitigation Rules adopted at OAR 635-0140-0000 thru 635-140-0025. To the extent that an agency’s regulatory program needs to be updated to be consistent with the LCDC and ODFW rules, the agency shall complete that updating by no later than July 1, 2016.
EXECUTIVE ORDER NO. 15-18
PAGE FIVE

E. ODFW, working with the BLM and other federal, state, and local entities, shall have the responsibility to coordinate mitigation for impacts to sage-grouse and sage-grouse habitat in a manner consistent with the Sage Grouse Action Plan and the agency’s mitigation rules at OAR 635-140-0000 thru 635-140-0025. ODFW shall also work with ODOE, OWEB, Business Oregon, and other relevant state, federal, local, private and non-governmental entities to evaluate approaches and mechanisms for funding advance mitigation, with the intent of ensuring sage-grouse mitigation credits are available in the State’s in-lieu fee program and facilitate responsible economic development in the range of the sage-grouse.

F. DLCD, in cooperation with ODFW local governments and the counties shall prepare a report on at least a biennial basis beginning on July 1, 2016, providing information regarding the status and trends of work to reduce threats to sage-grouse and sage-grouse habitat, including but not limited to work to reverse the spread of juniper and invasive plant species, work to improve pre- and post-fire resilience, the amount of direct development in each PAC over the preceding two years, the amount and types of compensatory mitigation, the results of surveys of sage-grouse population and habitat condition and trends, areas and/or elements where the Sage-Grouse Action Plan is and is not functioning as intended, and recommendations for improving the efficacy of the Sage-Grouse Action Plan. DLCD also shall include in the report an evaluation of the economic effects of implementation of the Sage-Grouse Action Plan on communities within sage-grouse habitat.

G. OWEB shall work with the NRCS, ODFW, and my Natural Resources Office to assure that its funding commitments are directed to supporting actions that reflect the priorities identified in the Sage-Grouse Action Plan, and that monitoring of the effectiveness of these investments is sufficient to evaluate overall Plan effectiveness and adapt the Plan as appropriate.

H. DLCD and ODFW, working with my Natural Resources Office, in cooperation with other participants, shall develop by July 1, 2016 one or more memoranda of agreement between federal agencies, state agencies, local governments, and other partners that establish:

i. How the BLM, DLCD and the counties will coordinate their administration of the central registry of large-scale development within sage-grouse habitat;
EXECUTIVE ORDER NO. 15-18
PAGE SIX

   ii. How ODFW will coordinate administration of the landscape-level mitigation program for sage-grouse with the BLM, USFWS, counties, and other partners;

   iii. How ODFW will ensure early, efficient and constructive participation of its staff in local permit reviews of projects subject to Oregon Administrative Rules, Chapter 660, Division 30, or other applicable local ordinances where a county has adopted its own land use regulations implementing that rule; and

   iv. How state and federal agencies will align their conservation investment priorities and programs for sage-grouse in cooperation with local governments, tribes, landowners, conservation organizations, and other stakeholders.

I. Every two years, beginning in May of 2016, DLCD, ODFW and OWEB shall prepare a proposed budget for the coming biennium that identifies and prioritizes resources required to continue the successful implementation of the Oregon Sage-Grouse Action Plan.

J. In the event of any inter-agency disputes regarding the administration of the Sage-Grouse Action Plan or this executive order, the agencies involved shall first attempt to resolve the dispute at the line staff level. If line staff are unable to resolve the dispute, the matter shall be elevated to the directors of the agencies. If the agency directors are unable to resolve the dispute, the matter shall be elevated to my Natural Resources Policy Advisor for resolution.

K. In the event that the USFWS determines that a listing of sage-grouse as threatened under the ESA is warranted, ODFW, DLCD, and my Natural Resources Office shall work with the USFWS to develop and implement a federal protective regulation under section 4(d) of the ESA (16 U.S.C. § 1533(d)) such that the “take” prohibition of the ESA will not apply to the sage-grouse-related impacts in Oregon from specified activities addressed by the Oregon Sage-Grouse Action Plan so long as Oregon is fully implementing Action Plan provisions specific to those activities.
EXECUTIVE ORDER NO. 15-18
PAGE SEVEN

This Executive Order shall remain in effect until it is otherwise modified, amended or terminated.

Done at Salem, Oregon, this 16th day of September, 2015.

Kate Brown
GOVERNOR

ATTEST:

Jeanne P. Atkins
SECRETARY OF STATE
To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Bob Houston, Interim Legislative Coordinator

Date: March 2, 2020

Regarding: Agenda Item 5 – Legislative Update

Bob Houston, Interim Legislative Coordinator, will provide a Legislative Update for DOGAMI.

Proposed Board Action: The Board will not be asked to take an action on this item.
To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Dania Ballard, Chief Financial Officer

Date: March 2, 2020

Regarding: Agenda Item 6 – Financial Report

Attached are the DOGAMI Fiscal Year (FY) and Biennium 2019 End and FY20 Budget Status Report, as of December 31, 2019 for the Geological Survey and Services (GS&S) Program and the Mineral Land Regulation & Reclamation (MLRR) Program.

Proposed Board Action: The Budget Status Report be Approved/Not Approved as presented.
TO: DOGAMI Governing Board
FROM: Dania Ballard, Chief Financial Officer
DATE: February 27, 2020
SUBJECT: Financial Operations and Reporting

Board Governance

The Board has a duty to provide guidance related to operational decision-making and to affirm the Agency is appropriately managing its financial resources. Four key areas of responsibility include:

- The Board reviews all proposed budgets;
- The Board periodically reviews key financial information and audit findings;
- The Board is appropriately accounting for resources; and
- The Agency adheres to accounting rules and other relevant financial controls.

In addition to operational communication, this memo will include topical areas of discussion related to these objectives with the expectation of inquiry and follow up as needed to support Board governance.

Fiscal Year 2019 End

Fiscal year (FY) 2019 (and Biennium 2019) ended June 30, 2019. FY19 financials are complete; all entries were finalized December 31, 2019.

<table>
<thead>
<tr>
<th>Geological Survey &amp; Services (GS&amp;S) Program</th>
<th>2017-2019 Actual Revenue &amp; Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Funds</td>
</tr>
<tr>
<td>Total Available Revenue</td>
<td>$5,359,949</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$5,355,361</td>
</tr>
<tr>
<td>GS&amp;S Ending Balance</td>
<td>$4,588</td>
</tr>
</tbody>
</table>

The Oregon Department of Geology and Mineral Industries provides earth science information and regulation to make Oregon safe and prosperous. Learn more at www.OregonGeology.org
In 2019 a General Fund shortfall was projected and an additional $650,000 was approved by legislature. All General Funds were expended with the exception of $4,588. The Other Fund ending balance is $302,082. Federal Funds ending balance is ($18,313). This negative balance can be attributed to expenses incurred but revenue not collected in FY19.

<table>
<thead>
<tr>
<th>Mineral Land Regulation &amp; Reclamation (MLRR) Program</th>
<th>2017-2019 Actual Revenue &amp; Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Funds</td>
</tr>
<tr>
<td>Total Available Revenue</td>
<td>$ -</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ -</td>
</tr>
<tr>
<td>MLRR Ending Balance</td>
<td>$ -</td>
</tr>
</tbody>
</table>

The MLRR ending balance is $198,751.

<table>
<thead>
<tr>
<th>Strong Motion Instrument Fund (SMIF)</th>
<th>2017-2019 Actual Revenue &amp; Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other Funds</td>
</tr>
<tr>
<td>Total Available Revenue</td>
<td>$ 653,599</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ 376,673</td>
</tr>
<tr>
<td>SMIF Ending Balance</td>
<td>$ 276,926</td>
</tr>
</tbody>
</table>

The Strong Motion Instrument Fund has a FY19 ending balance of $276,926 and the Reclamation Guarantee Fund retains $613,637 in cash securities.

<table>
<thead>
<tr>
<th>Reclamation Guarantee Fund</th>
<th>2019 Biennium Close</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning 2017-19</td>
<td>$ 448,123</td>
</tr>
<tr>
<td>4 Security Releases</td>
<td>$ (53,665)</td>
</tr>
<tr>
<td>14 New Securities</td>
<td>$ 219,179</td>
</tr>
<tr>
<td>Biennium to Date: 51 Cash Securities</td>
<td>$ 613,637</td>
</tr>
</tbody>
</table>
Fiscal Year 2020

The month of December (FY20) is closed. January and February are anticipated to have higher than average expenditures due to backlogged payables processing that has commenced with the addition of Business Office staff. Additionally, backlogged revenue draws and invoicing has also commenced. Further catch up activities include recording indirect costs and reclassifying project expenses that have been temporarily charged to General Fund.

### Geological Survey & Services (GS&S) Program

<table>
<thead>
<tr>
<th></th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019-21 Actual + Projected Revenue &amp; Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Available Revenue</td>
<td>$ 2,534,180</td>
<td>$ 1,785,521</td>
<td>$ 4,667,988</td>
<td>$ 8,987,690</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ 5,762,158</td>
<td>$ 1,674,559</td>
<td>$ 4,679,966</td>
<td>$12,116,683</td>
</tr>
<tr>
<td>GS&amp;S Ending Balance</td>
<td>($3,227,978)</td>
<td>$110,962</td>
<td>($11,978)</td>
<td>($3,128,993)</td>
</tr>
</tbody>
</table>

The General Fund currently reflects a deficit of $3,227,978 due to the circumstance that we have a two year budget forecasted but have only been allocated one year of revenue. This ending balance will be adjusted when legislature approves the second year General Fund revenue. The Other Fund ending balance is $110,962. Federal Funds ending balance is ($11,978). This negative balance can be attributed to actual expenses incurred but revenue not yet collected (projections not affected).

### Mineral Land Regulation & Reclamation (MLRR) Program

<table>
<thead>
<tr>
<th></th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019-21 Actual + Projected Revenue &amp; Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Available Revenue</td>
<td>$-</td>
<td>$4,121,532</td>
<td>$-</td>
<td>$4,121,532</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$-</td>
<td>$3,925,990</td>
<td>$-</td>
<td>$3,925,990</td>
</tr>
<tr>
<td>MLRR Ending Balance</td>
<td>$-</td>
<td>$195,542</td>
<td>$-</td>
<td>$195,542</td>
</tr>
</tbody>
</table>

MLRR ending Other Fund balance is projected to have an ending balance of $195,542.
The Strong Motion Instrument Fund has a current FY20 ending balance of $326,136 and the Reclamation Guarantee Fund retains $720,207 in cash securities.

### Business Office Activities

#### Grant Reporting

All outstanding grant financial reporting has been completed and is current to date.

#### Grant Budget Monitoring Tool

A first revision standardized project/grant budget monitoring tool has been created. This tool summarizes all budgeted costs, by grant/project with labor hour detail by staff. Additionally, it will project revenue by fund source as well as serve as a staff scheduling tool to facilitate project management objectives. This tool is being further improved to add actual monthly information so that variances between budget and actual can inform project changes as needed.

#### Grant Financial Reporting

Grant-level financial reporting is being used to track fiscal progress and facilitate project management strategy to maintain budget compliance. Acclimation and familiarity amongst staff with this process is complimenting continuous improvement. Requests for supplemental detail such as labor hours by person/OPE cost is prompting timely identification of corrections or budget adjustments for actual activity.
Business Office Functions

All three new Business Office positions, the fiscal analyst, grant accountant, and contract and procurement specialist are in place since the beginning January. Since onboarding, staff have assumed fiscal activities that have been delayed or foregone due to capacity. Immediate positive changes include catch up of backlogged payables and revenue collection, monthly indirect cost allocation, contract management and facilitation, timely and more detailed project financial support, and MLRR project fiscal management.

ATTACHMENTS:

DOGAMI Financial Report
# Budget Status Report: As of June 30, 2019

## Geological Survey & Services (GS&S) Program

### Budget 2017-18

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>5,359,949</td>
<td>2,284,619</td>
<td>3,782,405</td>
<td>11,426,973</td>
<td>100% 46% 63% 70%</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Instate Travel</strong></td>
<td>9,940</td>
<td>62,401</td>
<td>139,826</td>
<td>212,167</td>
<td>100% 14% 16% 18%</td>
</tr>
<tr>
<td><strong>Office Expenses</strong></td>
<td>12,328</td>
<td>32,354</td>
<td>1,395</td>
<td>46,077</td>
<td>17% 3% 2% 3%</td>
</tr>
<tr>
<td><strong>Telecomm</strong></td>
<td>108,632</td>
<td>446</td>
<td>14,420</td>
<td>123,498</td>
<td>17% 8% 11% 12%</td>
</tr>
<tr>
<td><strong>Professional Services</strong></td>
<td>88,394</td>
<td></td>
<td></td>
<td>1,622,736</td>
<td>11% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Dues &amp; Subscriptions</strong></td>
<td>1,430</td>
<td></td>
<td></td>
<td>951</td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Facilities Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,453</td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Medical Services</strong></td>
<td></td>
<td></td>
<td></td>
<td>39</td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Agency Related S &amp; S</strong></td>
<td></td>
<td></td>
<td></td>
<td>3,459</td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Intra agency Charges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Other Services &amp; Supplies</strong></td>
<td>364,220</td>
<td></td>
<td></td>
<td>654,459</td>
<td>11% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Undistributed (S&amp;S)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Expendable Prop ($250-$5000)</strong></td>
<td>7,141</td>
<td></td>
<td></td>
<td>19,173</td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>IT Expendable Property</strong></td>
<td>4,923</td>
<td></td>
<td></td>
<td>29,681</td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Data Processing Hardware</strong></td>
<td></td>
<td></td>
<td></td>
<td>27,938</td>
<td>1% 1% 1% 1%</td>
</tr>
<tr>
<td><strong>Other Capital Outlay</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1% 1% 1% 1%</td>
</tr>
</tbody>
</table>

### Total Services & Supplies

| Total Services & Supplies | 1,936,333 | 2,769,136 | 3,259,181 | 7,964,650 | 1,221,466 | 942,488 | 2,525,634 | 1,221,466 | 942,488 | 2,525,634 | 4,689,588 | 63% 34% 77% 59% |

### Total Expenditures

| Total Expenditures | 5,359,949 | 3,986,898 | 6,040,857 | 15,387,704 | 5,355,361 | 1,982,537 | 3,800,718 | 5,355,361 | 1,982,537 | 3,800,718 | 11,138,616 | 100% 50% 63% 72% |

### GS&S Ending Balance

| GS&S Ending Balance | $1,033,248 | $0 | $1,033,248 | $0 | $302,082 | $-18,312 | $283,770 | $1,033,248 | $0 | $283,770 | $11,074 | 4% 14% 17% 19% |

---

# Department of Geology & Mineral Industries

Budget Status Report: As of June 30, 2019

---

# Strong-Motion Instrument Fund

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$1,164,735</td>
<td>$1,361,046</td>
<td>$1,557,357</td>
<td>$1,753,668</td>
<td>$1,950,079</td>
<td>$2,146,490</td>
<td>$2,342,900</td>
<td>$2,539,310</td>
<td>$2,735,720</td>
<td>$2,932,130</td>
<td>$3,128,540</td>
<td>$3,324,950</td>
<td>$3,521,360</td>
<td>$3,717,770</td>
<td>$3,914,180</td>
</tr>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$1,164,735</td>
<td>$1,361,046</td>
<td>$1,557,357</td>
<td>$1,753,668</td>
<td>$1,950,079</td>
<td>$2,146,490</td>
<td>$2,342,900</td>
<td>$2,539,310</td>
<td>$2,735,720</td>
<td>$2,932,130</td>
<td>$3,128,540</td>
<td>$3,324,950</td>
<td>$3,521,360</td>
<td>$3,717,770</td>
<td>$3,914,180</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>$5,359,949</td>
<td>$3,986,898</td>
<td>$6,040,857</td>
<td>$15,387,704</td>
<td>$5,355,361</td>
<td>$1,982,537</td>
<td>$3,800,718</td>
<td>$5,355,361</td>
<td>$1,982,537</td>
<td>$3,800,718</td>
<td>$11,138,616</td>
<td>$100% 50% 63% 72%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>End Balance</strong></td>
<td>$1,033,248</td>
<td>$0</td>
<td>$1,033,248</td>
<td>$0</td>
<td>$302,082</td>
<td>$-18,312</td>
<td>$283,770</td>
<td>$1,033,248</td>
<td>$0</td>
<td>$283,770</td>
<td>$11,074</td>
<td>4% 14% 17% 19%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Department of Geology & Mineral Industries

**Budget Status Report: As of June 30, 2019**

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>General</th>
<th>Other</th>
<th>Federal</th>
<th>All</th>
<th>2017-19 Actual + Projected Revenue &amp; Expenditures</th>
<th>2017-19 Projected Revenue &amp; Expenditures</th>
<th>2017-19 Actual Revenue &amp; Expenditures</th>
<th>Actual + Projected Revenue &amp; Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>370,374</td>
<td>370,374</td>
<td>443,934</td>
<td>-</td>
<td>443,934</td>
<td>-</td>
<td>443,934</td>
<td>443,934</td>
</tr>
<tr>
<td>Total Available Revenue</td>
<td>3,754,630</td>
<td>3,754,630</td>
<td>3,943,381</td>
<td>-</td>
<td>3,943,381</td>
<td>-</td>
<td>3,943,381</td>
<td>3,943,381</td>
</tr>
</tbody>
</table>

#### Expenditures:

- **Personnel Services**
  - Beginning: 2,749,988
  - End: 2,749,988
  - Total: 2,749,988
  - % of Total: 87%

- **Services & Supplies**
  - Instate Travel: 62,331
  - Employee Training: 69
  - Telecomm: 81,090
  - Data Processing: 76,055
  - Professional Services: 439,740
  - Attorney General: 139,746
  - Facilities Rent: 76,801
  - Technical Equipment: 994,493
  - Total: 3,744,630

- **Total Expenditures**
  - Total: 3,744,630

#### MLRR Ending Balance

- 2017-19: $198,751

---

### Mineral Land Regulation & Redemtion (MLRR) Program

#### Reclamation Guarantee Fund

- **Beginning 2017-19:** $448,113
- **Current:**
  - 47 Cash Security's: $448,113
  - 47 Security shares: 0
  - 47 New Securities: 206,697
- **Reconciliation to date:**
  - 47 Cash Security's: $613,637
### Geological Survey & Services (GS&S) Program

#### Budget Status Report: December 2019

| Budget Category / Line Item | General Funds | Other Funds | Federal Funds | All Funds | GF of EF Fund | General Funds | Other Funds | Federal Funds | All Funds | GF of EF Fund | General Funds | Other Funds | Federal Funds | All Funds | GF of EF Fund | General Funds | Other Funds | Federal Funds | All Funds | GF of EF Fund |
|-----------------------------|---------------|-------------|---------------|----------|---------------|---------------|-------------|---------------|----------|---------------|---------------|-------------|---------------|----------|---------------|---------------|-------------|---------------|----------|---------------|----------|-------------|
| **Revenue**                 |               |             |               |          |               |               |             |               |          |               |               |             |               |          |               |               |             |               |          |               |
| Beginning Balance           | -             | -           | -             | -        | -             | -             | -           | -             | -        | -             | -             | -           | -             | -        | -             | -             | -           | -             | -        | -             |
| 2019-21 Revenue & Transfers | 3,554,140     | 3,319,927   | 1,685,465     | 6,561,572 | 1,148,459     | 105,337       | 186,166     | 347,300       | 1,148,459 | 1,148,459     | 1,148,459     | 1,148,459   | 1,148,459     | 1,148,459 | 1,148,459     | 1,148,459     | 1,148,459   | 1,148,459     | 1,148,459 | 1,148,459     |

#### Actual Budget & Projected Revenue & Expenditures

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
<th>GF of EF Fund</th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
<th>GF of EF Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Expenditures:

<table>
<thead>
<tr>
<th>Line Item</th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicity &amp; Publications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Professional Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attorney General</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Recruitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data &amp; Subscriptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks &amp; Utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilit Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency Mgmt &amp; S/ S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovern Ohrs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Service &amp; Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated (5%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expendable Prop ($250-$5000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Expendable Property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Processing/Software</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Processing Hardware</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Capital Gt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>2,534,180</td>
<td>2,348,444</td>
<td>2,392,949</td>
<td>7,379,579</td>
</tr>
<tr>
<td>Total AY 2019-21 Revenue</td>
<td>52,400</td>
<td>-</td>
<td>52,400</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,586,580</td>
<td>2,350,844</td>
<td>2,445,349</td>
<td>7,867,863</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,586,580</td>
<td>2,350,844</td>
<td>2,445,349</td>
<td>7,867,863</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,586,580</td>
<td>2,350,844</td>
<td>2,445,349</td>
<td>7,867,863</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,586,580</td>
<td>2,350,844</td>
<td>2,445,349</td>
<td>7,867,863</td>
</tr>
</tbody>
</table>

#### Strong Motion Instrument Fund

<table>
<thead>
<tr>
<th>Budget Category / Line Item</th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
<th>GF of EF Fund</th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
<th>GF of EF Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2019-21 Revenue &amp; Transfers</td>
<td>3,554,140</td>
<td>3,319,927</td>
<td>1,685,465</td>
<td>6,561,572</td>
<td>1,148,459</td>
<td>105,337</td>
<td>186,166</td>
<td>347,300</td>
<td>1,148,459</td>
<td>1,148,459</td>
</tr>
</tbody>
</table>

#### Expenditures:

<table>
<thead>
<tr>
<th>Line Item</th>
<th>General Funds</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicity &amp; Publications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Professional Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attorney General</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Recruitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data &amp; Subscriptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks &amp; Utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilit Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency Mgmt &amp; S/ S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovern Ohrs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Service &amp; Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated (5%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expendable Prop ($250-$5000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Expendable Property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Processing/Software</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Processing Hardware</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Capital Gt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>2,534,180</td>
<td>2,348,444</td>
<td>2,392,949</td>
<td>7,379,579</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,586,580</td>
<td>2,350,844</td>
<td>2,445,349</td>
<td>7,867,863</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,586,580</td>
<td>2,350,844</td>
<td>2,445,349</td>
<td>7,867,863</td>
</tr>
</tbody>
</table>

**GS&S Ending Balance** $ 326,136 $ 326,136

**SMIF Ending Balance** $ 326,136 $ 326,136
## Mineral Land Regulation & Reclamation (MLRR) Program

### 2019-21 Budget by Funding Source

<table>
<thead>
<tr>
<th>Budget Category / Line Item</th>
<th>2019-21 Budget by Funding Source</th>
<th>2019-21 Actual Revenue &amp; Expenditures</th>
<th>2020-21 Projected Revenue &amp; Expenditures</th>
<th>Actual Budget &amp; Projected Revenue &amp; Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
<td>Other Funds</td>
<td>Federal Fund</td>
<td>All Funds</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2019-21 Revenue &amp; Revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>370,374</td>
<td>370,374</td>
<td>227,101</td>
<td>913,253</td>
</tr>
<tr>
<td><strong>Total Available Revenue</strong></td>
<td>2,408,613</td>
<td>2,408,613</td>
<td>951,923</td>
<td>4,360,532</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personnel Services</strong></td>
<td>-</td>
<td>1,215,959</td>
<td>-</td>
<td>1,215,959</td>
</tr>
<tr>
<td><strong>Services &amp; Supplies</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State Travel</td>
<td>32,540</td>
<td>32,540</td>
<td>-</td>
<td>32,540</td>
</tr>
<tr>
<td>Out of State Travel</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee Training</td>
<td>15,758</td>
<td>15,758</td>
<td>13,105</td>
<td>38,553</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>42,086</td>
<td>42,086</td>
<td>7,432</td>
<td>49,518</td>
</tr>
<tr>
<td>State Govt Svcs Opp</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Data Processing</td>
<td>36,473</td>
<td>36,473</td>
<td>16,907</td>
<td>53,379</td>
</tr>
<tr>
<td>Publicity &amp; Publications</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional Services</td>
<td>-</td>
<td>49,521</td>
<td>49,521</td>
<td>-</td>
</tr>
<tr>
<td>IT Professional Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Facilities Rent</td>
<td>39,860</td>
<td>-</td>
<td>17,712</td>
<td>57,572</td>
</tr>
<tr>
<td>Facilities Maintenance</td>
<td>7,722</td>
<td>-</td>
<td>7,722</td>
<td>-</td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>-</td>
<td>310</td>
<td>-</td>
<td>310</td>
</tr>
<tr>
<td><strong>Total Services &amp; Supplies</strong></td>
<td>-</td>
<td>24,403</td>
<td>-</td>
<td>24,403</td>
</tr>
<tr>
<td><strong>Facility Rent</strong></td>
<td>-</td>
<td>-</td>
<td>39,860</td>
<td>-</td>
</tr>
<tr>
<td><strong>Facility Maintenance</strong></td>
<td>-</td>
<td>5,705</td>
<td>-</td>
<td>5,705</td>
</tr>
<tr>
<td><strong>Other Expenditures</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>MLRR Ending Balance</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Actual % Projected Budget Fund

<table>
<thead>
<tr>
<th>Actual % Projected Budget Fund</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Federal Fund</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>54%</td>
<td>54%</td>
<td>54%</td>
<td>54%</td>
</tr>
</tbody>
</table>

### Reclamation Guarantee Fund

<table>
<thead>
<tr>
<th>Reclamation Guarantee Fund</th>
<th>Agency [70%-71%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>MI Cash Security's</td>
<td>615,847</td>
</tr>
<tr>
<td>MI Cash Security's</td>
<td>720,207</td>
</tr>
<tr>
<td>MI Cash Security's</td>
<td>605,791</td>
</tr>
</tbody>
</table>

### Security Refunds

| Security Refunds | 106,571 |

| Security Refunds | 106,571 |

| Security Refunds | 106,571 |

| Security Refunds | 106,571 |

| Security Refunds | 106,571 |

| Security Refunds | 106,571 |

| Security Refunds | 106,571 |

### MLRR Ending Balance

| MLRR Ending Balance | - | - | - | - |
| MLRR Ending Balance | - | - | - | - |
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Sarah Lewis, MLRR Program Manager

Date: March 2, 2020

Regarding: Agenda Item 8 – Civil Penalties

Sarah Lewis, MLRR Program Manager, will present two potential civil penalty actions. A matrix will include the fact pattern of permit violations related to required timely submittal of the annual report/fee. The program is looking for Board guidance in addressing these types of violations regarding the appropriate level of penalty, mitigating factors, and/or alternative response.

Proposed Board Action: The Board will be asked to take an action on this item.
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Sarah Lewis, MLRR Program Manager

Date: March 2, 2020

Regarding: Agenda Item 9 – Grassy Mountain Update

Sarah Lewis, MLRR Program Manager will provide an update on Grassy Mountain.

Proposed Board Action: The Board will not be asked to take an action on this item.
To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Sarah Lewis, MLRR Program Manager

Date: March 2, 2020

Regarding: Agenda Item 10 – MLRR Update

Sarah Lewis, MLRR Program Manager, will provide an update on MLRR and report on the following topics:

1) Permit Status Summary

Please note, included in this packet is the ENGAGe Spring 2020 newsletter being sent out and can also be found online: https://www.oregongeology.org/mlrr/engage.htm

*Proposed Board Action: The Board will not be asked to take an action on this item.*
Map shows aggregate/non-aggregate active permitting applications, compliance actions, site visits in the last 6 months, and renewals due in last 3 months.

Table 1: Permit Status Summary (as of 2/25/20)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permits</td>
<td>Apps</td>
<td>Permits</td>
<td>Apps</td>
</tr>
<tr>
<td><strong>Surface Mining</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Permits</td>
<td>878</td>
<td>26</td>
<td>881</td>
<td>23</td>
</tr>
<tr>
<td>Exclusion Certificates</td>
<td>118</td>
<td>0</td>
<td>117</td>
<td>1</td>
</tr>
<tr>
<td>Sites Closed</td>
<td>(1)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Stormwater (DEQ)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1200A Permits</td>
<td>162</td>
<td>5</td>
<td>161</td>
<td>6</td>
</tr>
<tr>
<td>WPCF 1000 Permits</td>
<td>49</td>
<td>3</td>
<td>49</td>
<td>3</td>
</tr>
<tr>
<td><strong>Exploration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Gas Wells</td>
<td>95</td>
<td>1</td>
<td>92</td>
<td>1</td>
</tr>
<tr>
<td><strong>Geothermal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well Permits</td>
<td>29</td>
<td>1</td>
<td>29</td>
<td>1</td>
</tr>
<tr>
<td>Prospect Wells</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>0</td>
</tr>
</tbody>
</table>
Surface Mining Application Processing Time and Workload

The average processing time for an application completed during the last year was 6 months.

Table 2: Surface Mining Applications by Type (rev. 2/26/20)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>New</th>
<th>Amend</th>
<th>Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>39</td>
<td>10</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>Completed</td>
<td>42</td>
<td>13</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td>FY20 1st Quarter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Completed</td>
<td>14</td>
<td>1</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>FY20 2nd Quarter (updated)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>11</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Completed</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Active</td>
<td>29</td>
<td>14</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>FY20 3rd Quarter (to date)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Completed</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Active</td>
<td>25</td>
<td>11</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Applications older than 1 year</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>
Figure 3: Non-Payment of Renewal Fee

High risk renewals have paid late one or more times in the last 3 years; moderate risk renewals have paid late, but not in the last 3 years. Payments are late when 1 month past due; penalties are assessed after 2 months past due.

Table 3: Compliance Summary – Active Actions (as of 2/26/19)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun</td>
<td>Sep</td>
</tr>
<tr>
<td>Non-Payment of Fees</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Mining Without a Permit</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Mining Outside Permit Boundary</td>
<td>~</td>
<td>~</td>
</tr>
<tr>
<td>Lack of Approval</td>
<td>~</td>
<td>3</td>
</tr>
<tr>
<td>Failure to Comply with Order</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Permit Boundary Survey Map</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Boundary Marking Violation</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Permit Condition Violation</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Reclamation Security</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Failure to Reclaim Timely</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42</td>
<td>49</td>
</tr>
</tbody>
</table>
In the 2019 legislative session, House Bill 3309 was passed. It amended the definition of surface mining (ORS.517.750) to exclude excavation or grading operations that are associated with on-site construction activities, and do not result in any excavated materials being sold into the commercial market. This amendment to the definition of surface mining went into effect on January 1, 2020.

Do I need a permit for on-site construction activities?

In the 2019 legislative session, House Bill 3309 was passed. It amended the definition of surface mining (ORS.517.750) to exclude excavation or grading operations that are associated with on-site construction activities, and do not result in any excavated materials being sold into the commercial market. This amendment to the definition of surface mining went into effect on January 1, 2020.

What does this mean?

• Construction projects that excavate and do sell into market will still require an Operating Permit or Exclusion Certificate from DOGAMI.  
• Construction projects that excavate and do not sell into market do not require an Operating Permit or Exclusion Certificate from DOGAMI.

ENGAGe Feature: Grassy Mountain Mine Project

On November 15, 2019, Calico Resources USA Corporation (Calico) filed a Consolidated Permit Application (CPA) under Oregon’s chemical process mining laws and regulations. Calico is proposing to construct an underground gold mine, surface mill complex, and tailings storage facility at Grassy Mountain in Malheur County. The site includes both private and public lands. This CPA represents the first ever submitted to the state of Oregon.

DOGAMI is the lead agency for chemical process mining permitting in Oregon, with responsibility for coordinating a multi-agency review of the Grassy Mountain Mine Project CPA. On February 19, 2020, DOGAMI advised the applicant that, in conjunction with permitting and cooperating agencies, that the CPA was not complete and additional information was required.

More information on Chemical Process Mining in Oregon, the Grassy Mountain Project and opportunities for public comment on the application is available on our website:
https://www.oregongeology.org/mlrr/chemicalprocess_Calico-GrassyMtn.htm
**Nominate For MLR Awards**
Each year, the MLRR Program recognizes outstanding reclamation in several categories. We are continually seeking nominations for our annual Mined Land Reclamation Awards, and we encourage operators to nominate themselves.

With your help, we would like to identify operators who excel at the day-to-day operations of a site, perform high-quality reclamation, involve their companies in community service, or work to meet the goals of the Oregon Plan.

Nominations collected through March 15th are considered for this year’s award.

For more details, please call 541-967-2149 or email ben.mundie@oregon.gov.

**Cari’s Compliance Corner**
On July 1, 2019, MLRR began using civil penalties as part of our enforcement program to bring mining sites into compliance with Oregon statute and rule.

**First, we implemented civil penalties for the non-payment of renewal fees** (more than 60 days late). Our Civil Penalties newsletter from Summer 2019 explains this in more detail. As a result of changes to the renewal timeline and these penalties, we have seen a steady decline in excessively late renewal payments! Thank you for your attention to the deadlines, as this allows staff to spend less time chasing fees and more time assisting applicants, permittees and the public.

**DOGAMI is now implementing civil penalties for mining without a permit.** DOGAMI will focus on sites that are operating without an Operating Permit from DOGAMI. Without appropriate regulation, there is no oversight on off-site impacts or reclamation once mining is completed. The sites may also be selling materials into market in competition with sites who are properly permitted. Depending on the severity of the violation, penalties for mining without a permit can be up to $10,000 per day.

DOGAMI is striving to improve consistency and fairness in our enforcement program, while also providing support and advocating for voluntary compliance. In the future, civil penalties for mining without a permit will expand to include any mining activity conducted outside of your permit boundary (such as storing overburden, stockpiling, and excavation). A step you can take now to ensure compliance with your permit is to mark your permit boundary in the field.

If you have questions about compliance at your site, please contact DOGAMI’s Mining Compliance Specialist – Cari Buchner at cari.buchner@oregon.gov or 541-967-2081.

Please help DOGAMI-MLRR provide excellent customer service by taking our customer satisfaction survey: [https://www.surveymonkey.com/r/MLRRCustomer](https://www.surveymonkey.com/r/MLRRCustomer)
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Bill Burns, Acting Earth Science & Remote Sensing Supervisor and Laura Gabel, Acting Natural Hazards & GIS Supervisor

Date: March 2, 2020

Regarding: Agenda Item 11 – GS&S Update

Bill Burns, Acting Earth Science & Remote Sensing Supervisor and Laura Gabel, Acting Natural Hazards & GIS Supervisor will provide an update on GS&S.

Proposed Board Action: The Board will not be asked to take an action on this item.
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board
From: Brad Avy, Director & State Geologist
Date: March 3, 2020

Regarding: Agenda Item 12 – Director’s Report

Director Avy will deliver his report on the following topics:

1) Geological Survey & Services Program Management
2) Internal Communications Plan
3) Grants – Approval Pipeline/Sideboards
4) 2021-23 Agency Request Budget & Legislative Concepts
5) Strategic Planning 2022-2028

Proposed Board Action: The Board will not be asked to take an action on this item.
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Laura Maffei, Governing Board Chair

Date: March 2, 2020

Regarding: Agenda Item 13 – Confirm Time and Date for next meeting

Currently the next DOGAMI Board meeting is scheduled for Monday, July 13, 2020 in Portland.

Note: Currently 3 p.m. – 9 p.m. on Sunday, July 12, 2020 is being held for a potential Board Retreat.

Proposed Board Action: The Board may be asked to take action on this item by Confirming or Amending the currently scheduled Board meeting date.