GOVERNING BOARD MEETING
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

July 13, 2020
8:30 a.m.

Public Meeting Agenda

To adhere to the state’s social distancing requirements and to slow the spread of COVID-19, this public meeting will be conducted as a virtual meeting. Written testimony can be submitted in advance, but no later than 1 p.m. on the meeting day to lori.calarruda@oregon.gov. Written comments received will be distributed to the Board.

Dial: 1-971-247-1195
When prompted, enter ID number: 93506141921

Governor Brown’s Executive Orders

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 March 9, 2020, May 14, 2020, and June 23, 2020
Board Action: The Board will be asked to take an action on these items
8:50 a.m.  Item 4:   Civil Penalties – Sarah Lewis, MLRR Program Manager
Board Action: The Board will be asked to take an action on this item
9:05 a.m.  Item 5:   Financial Update – Dania Ballard, Chief Financial Officer
Board Action: The Board may be asked to take an action on this item
9:35 a.m.  Item 6:   Review 21-23 Agency Request Budget (ARB) – Dania Ballard, Chief Financial Officer
Board Action: The Board may be asked to take an action on this item
10:35 a.m.  Break
10:50 a.m.  Item 7:   Grant Budget Monitoring Tool – Dania Ballard, Chief Financial Officer and Bob Houston, Interim GS&S Program Manager and Legislative Coordinator
Briefing: The Board will not be asked to take an action on this item
11:20 a.m.  Item 8:   Project Pipeline Approval Process – Bob Houston, Interim GS&S Program Manager and Legislative Coordinator
Briefing: The Board will not be asked to take an action on this item
11:50 a.m.  Item 9:   MLRR Update – Sarah Lewis, MLRR Program Manager
Briefing: The Board will not be asked to take an action on this item
12:00 p.m. (noon)  Item 10:  GS&S Update – Bob Houston, Interim GS&S Program Manager and Legislative Coordinator
Briefing: The Board will not be asked to take an action on this item
12:10 p.m.  Item 11:  Director’s Report – Brad Avy, Director
Briefing: The Board will not be asked to take an action on this item

12:30 p.m.  Item 12:  Confirm Time and Date for next meeting
Board Action: The Board may be asked to take an action on this item

12:40 p.m.  Item 13:  Public Comment
Only written comments received prior to or by 1 p.m. on the day of the meeting will be accepted

12:50 p.m.  Item 14:  Board Adjourn

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PLEASE NOTE

AGENDA
The Board meeting will begin at 8:30 a.m. and proceed chronologically through the agenda. Times listed on the agenda are approximate. At the discretion of the chair, the time and order of agenda items—including addition of intermittent breaks—may change to maintain meeting flow.

PUBLIC TESTIMONY
For this meeting, only written comments will be accepted.

REASONABLE ACCOMMODATION OF DISABILITIES
Please contact us at least three business days prior to the meeting to let us know if you need reasonable accommodations. Contact the Director’s Office at (971) 673-1555 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: July 7, 2020

Regarding: Agenda Item 3 – Review Minutes of March 9, 2020, May 14, 2020, and June 23, 2020

Attached are draft Board Minutes from March 9, 2020, May 14, 2020, and January 10, 2020.

Proposed Board Action: The Board Minutes of March 9, 2020, May 14, 2020, and June 23, 2020 be Approved/Approved as amended/Not Approved.
GOVERNING BOARD MEETING MINUTES
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

Monday, March 9, 2020
8:30 a.m.
Portland, Oregon

1) Call to Order: (Laura Maffei, Board Chair)
   Chair Laura Maffei called the meeting to order at 8:35 a.m.

2) Introductions: (Laura Maffei, Board Chair and staff)
   Chair Laura Maffei, and Board Members Diane Teeman and Linda Kozlowski were in attendance in
   person and Vice-Chair Katie Jeremiah and Scott Ashford (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
   Connor Anderson, Chief Information Officer (CIO)
   Steve Dahlberg, Fiscal Analyst

   Others in attendance:
   Diane Lloyd, Department of Justice (DOJ)
   Courtney Graham, SEIU 503
   Renee Klein, DAS Office of the Chief Financial Officer (via phone)
   Amira Streeter, Natural Resources Policy Advisor (via phone)

3) Review Minutes of December 9, 2019 and January 10, 2020:
   Chair Maffei asked if there were any changes to the minutes as presented.
   Ashford asked for page 8 line 315 to be corrected to, “Ashford said the Agency should not be in a
   position...”.

   Board Action: Teeman moved to approve the minutes of December 9, 2019 as corrected.
   Kozlowski seconded. Motion carried.

   Board Action: Teeman moved to approve the minutes of January 10, 2020 as submitted. Kozlowski
   seconded. Motion carried.

4) Rule Writing:
Bob Houston, Rules Coordinator, discussed five separate rule writing requests, four active and one new:

1) Request approval of proposed Service Fees rule language for adoption
2) Update on Permit Boundary Survey Maps rulemaking
3) Update of HB 2202: High Value Soils rulemaking
4) Request approval of proposed Alternative 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)

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.

Staff Recommendation: 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.

Bob Houston, Interim Legislative Coordinator, stated The Oregon Department of Administrative Services has updated the Statewide Policy on Public Records Request Fees and Charges (107-001-030). The updated policy has progressed through the rulemaking procedures and now needs to have the final draft language approved by the Board to submit to the Secretary of State’s Office and Legislative Counsel’s Office for final adoption. The effective date, pending Board approval, could be as early as March 11, 2020.

Chair Maffei asked to clarify if this request is to line up DOGAMI’s fees for Public Records with what DAS requires. Houston confirmed, stating it went through the public hearing process with no comments received.

Board Action: **Kozlowski moved to 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. Teeman seconded. Motion carried.**

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 this request is on hold pending drafting of the language and working through other rulemaking efforts ahead of it.

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, the Board authorized the Department to initiate rulemaking on OAR 632-030 to implement provisions specified in HB 2202.

Houston said the Rules Advisory Committee (RAC) is currently being put together, which is comprised of a group representing the impacted community. The Department sent out invitations to participate on the RAC and it has four of the five needed. Once the group is complete/confirmed, meeting(s) will be scheduled; they will start working on the draft language and develop the Fiscal Impact Statement.

Kozlowski asked who makes up the RAC. Houston said they identified the impacted stakeholders as being: Oregon Concrete & Aggregate Producers Association (OCAPA), the Farm Bureau, Oregon Department of Agriculture (ODA), Department of Land Conservation and Development (DLCD), and Oregon Independent Aggregate Association (OIAA), who represent the smaller miners. This is a similar group that started in 2013-2014, when at the time the rules making on this ceased due to DOGAMI management transition at the MLRR office.

Maffei asked how long the RAC will meet and when the Board will start seeing anticipated rule language. Houston explained the RAC provides direction to the Department, and it will progress through the process until it reaches a consensus on the draft language. He is anticipating 4-6 months or longer to complete with two or three meetings to work through the language. Chair Maffei asked if it would be at least two board meetings before the Board would see this rulemaking request again. Houston confirmed.

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.

Houston said the Agency is requesting approval of the proposed Dispute Resolution Model Rule language for adoption by reference. The Attorney General (AG) provides this language as a Model
Rule. Rulemaking for a Model Rule follows an abbreviated process. The Attorney General’s Collaborative Dispute Resolution Model Rule language is provided below for Board approval. The rule’s proposed effective date occurs after the rule is filed with the Secretary of State Archives Division.

Chair Maffei asked if it had gone out for comment. Houston explained that as part of the abbreviated process, it does not need to go through this step because it is a Model Rule that has already gone through the process and been approved for the AG.

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.

Board Action: Teeman moved to authorize DOGAMI staff to proceed with the proposed language and adopt the Collaborative Dispute Resolution Model Rule language by reference. Kozlowski seconded. Motion carried.

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, DOGAMI has permitted four Exploration Permits in sage-grouse habitat in coordination with ODFW and we have one oil and gas permit application and two exploration applications for sites that may be in sage-grouse habitat.

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

Houston stated the proposed action is to authorize the Department to initiate formal rulemaking on OAR 632 to implement the Executive Order No. 15-18.

Ashford asked for background on the timeline. Lewis, MLRR Program Manager, explained when she started at DOGAMI she went through the rule writing efforts, focusing on ones identified in the files, and this was not in there; it only came to her attention in the fall and she put it on the list to get done. She stated MLRR has not actually permitted any sites in sage-grouse habitat for operating permits since 2016. For the Exploration Permits they have worked closely with the Department of Fish and Wildlife (ODF&W) to make sure their concerns were met. Lewis said Division 37, the
chemical process mine, is covered by ODF&W under their own rules and is not part of this effort; the
Agency will be looking at Division 37 rules to make sure they are in compliance with the Executive
Order.

Lewis stated she has seen in the files that in past practice, it has been helpful to take some time to
see how things play out before initiating rulemaking. The Department also went through a lot of
changes during the time following the Executive Order. It did not rise to the top of the priority list,
but this winter, ODF&W contacted DOGAMI to start the process.

Chair Maffei asked what the rulemaking effort looks like for Lewis and her staff going through all the
rules to ensure they are consistent with what is in the Executive Order. Houston explained they will
need to develop draft language, form a RAC, collect comments, and follow the similar processes for
rule writing. Maffei reiterated it sounds like a lot of work based on the shortfall of funds for the
MLRR program and asked how it would be addressed. Avy said ODF&W has offered to help with this
endeavor and hoped DOGAMI would have it completed by the end of the year. Avy said he explained
to ODF&W this required Board approval in March to proceed with rulemaking.

Kozlowski asked if there are any permits coming up that are implicated by this. Lewis answered none
that she is aware of for Operating Permits, but there are one Oil and Gas Permit and two Exploration
Applications for sites that may be in sage-grouse habitat, but that is not known for certain. The staff
currently works closely with ODF&W to ensure their concerns are addressed, so they are following
the spirit of the Executive Order even if the rules are not in place yet.

Chair Maffei asked how this would be staffed without the fee bill. Lewis said it can be done with
current staff and with it taking priority over other duties. The permit boundary survey map has been
bumped for staff to focus on more of the legislatively required rulemaking and there is capacity to
address these. She stated Vaughn Balzer, Flood Plain Mining Reclamationist, will be working as lead
on both this rule and HB 2202 due to his application workload getting under control. The hope is
there will not be layoffs. Maffei asked how that will impact the inspections. Avy said there will be an
impact and it is based on triaging highest priority issues. He said the inspections will be lower priority
and the Agency will not meet the KPM, but those inspections that are conducted are more targeted
and fruitful; it is not just about total numbers.

Chair Maffei asked if it was a fair assessment to say that if the Board approves this rulemaking, it is
also making a policy decision about what the priorities are for MLRR and they are saying that going
forward with this rulemaking is more important than inspections. Avy said he agreed with her
statement, but believes it is balanced by the multi-agency impact of the sage-grouse policy and
Executive Order, and the interest in moving that forward. He thinks the Governor’s Office will be
very supportive of the Board making this policy call in terms of priority. Maffei asked if the Agency is
already implementing the Executive Order in spirit by consulting with ODF&W, why is there a priority
for DOGAMI to change the rules now. Avy said the Agency is the last one to complete this and
ODF&W wants to avoid the potential possibility of litigation that this rulemaking would avoid.

Ashford asked if the same staff doing the rulemaking is the same staff that do the inspections. Lewis
said there is a small overlap but not necessarily the same staff; it is still staff time that is not core
mission.

Chair Maffei said she would rather avoid litigation over implementation of the Executive Order.
Kozlowski stated the comments Chair Maffei made are the exact kind of comments the Board needs to think about as the Agency moves forward and thinks ultimately they need to support this for reasons outside of the Agency. But stressed, cautioned, and emphasized the Board needs to look at that carefully as we move forward.

Teeman said DOGAMI needs to move forward with the rulemaking, but in the Executive Order it does say under the second part (Directed and Ordered), “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.” This appears to be an unfunded mandate and would not want it to jeopardize the inspections that are occurring.

Chair Maffei wanted to reflect the level of reluctance of the Board because it is very concerned about taking resources away from MLRR.

Board Action: Kozlowski moved to authorize DOGAMI staff to initiate formal rulemaking on OAR 632 to implement Executive Order No. 15-18 regarding the Oregon Sage-Grouse Action Plan. Teeman seconded. Motion carried.

5) Legislative Update:

Bob Houston, Interim Legislative Coordinator, provided a Legislative update for DOGAMI.

Houston stated the 2020 Short Session adjourned last Thursday. Both the DOGAMI budget and MLRR fee bill went as far as they could in the Legislature but did not receive a floor vote prior to the walkout. There is a potential Special Session that may be scheduled in mid-April. The other option is an anticipated May Emergency Board that could pass the DOGAMI budget, but would not be able to address the MLRR fee bill. The fee bill could be addressed in the upcoming 2021 Session. If the fee bill does not get passed, MLRR would have a shortfall, which could possibly be addressed by being given a one-time General Fund infusion to supplement the program until it made it to session to avoid layoffs and program disruption.

Kozlowski asked if the Agency is optimistic that the budget will be passed. Houston answered yes. Ayv stated everything starts from scratch if it goes to another session and the fee bill would roll up into one bill instead of having the existing amendment. Houston said the Agency did meet with the representative of the aggregate industry, who supports the fee bill after they reached an agreement and consensus of the proposed fee increase. He confirmed it will be backed going into the session. This speaks highly of the aggregate industries’ continued support of the MLRR program.

Houston explained that late in the Subcommittee of the Ways and Means hearing, the mining industry tried to add several amendments to repeal the Exclusion Certificates (EC) provisions or set a lower threshold of when the EC is needed. The Agency did not have time to review the information or engage stakeholders since it was dropped one hour before the hearing. The amendment to modify the EC language was not successful and we are anticipating that it will likely come up again in the 2021 session. Maffei asked if the Agency anticipates this being added into a Special Session and if DOGAMI will be prepared to discuss it. Houston said yes, he does anticipate it and the Agency would be prepared to talk to it since DOGAMI was advocating for a similar concept in a prior session.
Ashford asked about the status of a House Bill related to the tsunami line and DOGAMI giving approval for certain structures in the tsunami zone. Houston answered it was HB 4119, which died on the floor. It was brought forth by Representative Gomberg, and was intended to direct the Building Codes division to adopt the ASCE 7-16 building codes and tsunami design zone line. It also called DOGAMI out to continue its consulting role with respect to providing information on the impact of the tsunami on a site being proposed prior to the developer submitting their plans to Building Codes. Houston stated there is a clear distinction between Building Codes and DOGAMI. Building Codes would have all land use decisions and DOGAMI would be in a consulting role with the developer to provide information on what the modeled tsunami inundation impact would be at a particular location.

Kozlowski asked why it did not go forward. Houston explained it reached a similar point as the fee bill. It made it to the floor but did not have enough quorum votes to progress. He said some concerns were raised by community members (push back) advocating for a land use model of avoidance instead of an engineering approach. It will more than likely be brought back. Houston clarified that DOGAMI’s role is based on its mission and providing science backed information. Kozlowski asked if the land avoidance issue goes back to the old 379 Line and what the driving force is. Houston said as he understood the comments voiced during the hearing, there was a reference to implementing land use decisions that would say no building could occur in the zone as an alternative solution being advocated.

Ashford asked if there was any conflict with ASCE 7 and the proposed legislation in DOGAMI’s line. Houston said some members of ASCE felt that DOGAMI should not be in the consultation role and the bill should not reference specifically the ASCE 7-16 language, but reference it generally so the legislation would not need to be updated each time it was changed by ASCE. DOGAMI staff provided alternative language to Representative Gomberg and his staff. This could come back to the 2021 Session for clarification on language.

Chair Maffei asked why they had a concern with DOGAMI being in a consultation role. Houston said it was based on DOGAMI providing earth science information, but not consultation on buildings, building location, or design due to HB 3309 that removed DOGAMI’s role. Maffei said it appears this is not entirely in conflict with DOGAMI’s view about consulting on these matters. Houston confirmed and said the Agency submitted language to address the issue.

Avy said if there is a Special Session, it may be limited to only bills that focus on urgent matters and not necessarily policy bills that can wait.

**Briefing:** No Board Action Required.

6) **Financial Report:**

Dania Ballard, Chief Financial Officer, presented the DOGAMI Fiscal Year (FY) and Biennium 2019 End and FY20 Budget Status Report as of December 31, 2019.

Ballard walked the Board through the memo in the Board Packet regarding Biennium and Fiscal Year 2019, which ended June 30, 2019. Due to the Agency’s financial issues last year, it was a slow close that ended December 31, 2019. DOGAMI ended with a General Fund balance of $4588, coming from a total of $5.4 million. Ballard said on behalf of DAS and the work they have been doing the last 6
months, it was incredible they made it that close. The ending balances for Other Funds ending was $302,000 and Federal Funds was negative (-) $18,313. The negative amount is attributed to the fact that DOGAMI is an agency that must do the work first, then bill for it later, but invoicing was not done so it will be collected this next biennium.

Ballard stated the ending balance for MLRR was $198,751. The Strong Motion Instrument Fund ending balance was $276,926 and the Reclamation Guarantee Fund ending balance was $613,637.

Chair Maffei asked about the security release and what it means. Ballard explained it has to do with a bond or deposit by an entity who is getting a permit that goes on record. The money goes into a bank account, and when all items are addressed, the bond or security is then released. Ballard asked Lewis to provide more details. Lewis explained that as security for the Operating Permits, the Agency requires a deposit to cover the cost of reclamation if the operator walked away at any moment. MLRR accepts several types of securities, including bonds held by a bank, or cash up to $50,000 per site for smaller sites. This fund represents that cash, which is kept separate from the operating funds, and is held while the Operating Permit is active. Lewis added if someone goes to close a site or if MLRR reevaluates the size of the operation and the security is changed, there may be a need to release the funds in order for them to either submit a different type of bond, or once the site is completely reclaimed and closed, the cash is given back. Maffei asked if the four that were released had to do with sites being closed. Lewis said she was not sure but could provide the information if needed. Maffei replied it was not necessary, she was just curious if sites were closing up.

Ashford asked when the budgets are rolled up to the Legislature, if the securities are separate or rolled up into the funds to make it appear the program is in better shape than it is. Ballard answered they are separate, but the Strong Motion Instrument Fund rolls up into the GS&S totals.

Ballard stated Fiscal Year 2020 numbers are through the month of December and General Fund is currently showing a negative (-) $3,227,978 million due to the Agency tracking to a 1-year budget and does not have the second-year funding. While expenditures are planned out, the revenue has not been dropped in to offset them. Other Funds have an ending balance of $110,962 and Federal Funds are a negative (-) $11,978, because there is a lag of invoicing and revenue collection.

Ballard said MLRR is projecting an ending balance of $195,542 at the biennium. She wanted to mention that while there is an ending cash balance, this is attributed to projected collections related to the Calico Project. Even though this is an end of the year balance, there is action in the springtime that shows very low numbers which will require the Agency to mitigate the cash flow in order to end the year off. Ballard said due to the concerns of the budget not being signed off by the Legislature, DOGAMI has been in contact with DAS to discuss how to keep the Agency afloat during this time.

Ballard stated as of December 31, 2019, the ending balance for the Strong Motion Instrument Fund is $326,136, and the Reclamation Guarantee Fund is $720,207.

Kozlowski stated she really likes the summary, it is very clear, and helps her understand the information and where the Agency is financially.

Ballard said all outstanding grant financial reporting has been completed for the quarter and is current to date. The Grant Budget Monitoring Tool has been released and will help manage grants. It is a monthly projection of all the hours and costs associated with grant tracking. Project managers
have been using it and identifying room for improvement. The next step is to add in actual hours to compare to what has been budgeted. It will help direct scheduling of projects, staffing of projects and better management to the grant itself. The grant financial reporting is happening on a monthly basis. Another tool that was created is Project Level Financials, which contains summary numbers and helps provide more detail for project managers to better align with projects.

Ballard said the Business Office positions have been filled and the activities have been moving over from DAS to the Agency. The backlog has been caught up and there are routine processes happening, including invoicing and revenue collection. Indirect Costs are being calculated and being booked on a monthly basis. She told the Board there will be higher numbers in the next set of financials due to the backlog activity that has been happening. More cleanup activities are being done to reclassify the project charges being moved from General Fund to actual projects. She is happy to report where the Agency is at as of today.

Kozlowski asked if the staff find the tools easy to use. Ballard said she cannot speak on behalf of the staff, but she can say that as they are being used, people are identifying information that is causing recognition of things that need to be fixed, which is a good sign. One example she gave is benefit costs and recognizing that in budgets it was not very transparent, but it is now. They know how to mitigate it, and this will help them plan better.

Teeman asked if the Grant Budget Monitoring Tool could be shown to the Board. Ballard said this could be done as a presentation to the Board at the next meeting.

Chair Maffei asked why the 19-21 spreadsheet shows at 53% use but only at 25% of time. Ballard said there is a higher General Fund spend because of projects that have not been reclassified yet. There are also some shortages for Services and Supplies in the first-year budget, but will be addressed in the second-year budget. Maffei asked why the reallocation/reclassification has been so high and if it is a one-time problem for the first 6 months of the biennium. Ballard explained it was because of the biennium close, there was no funding, and the bills had to be held. She stated invoicing and payables are being caught up. Maffei asked when this backlog is expected to be completely caught up. Ballard answered she thought it will be another 2 months. Ballard stated the next step is to get more finely tuned with the financials by looking at how the Agency is budgeting and being able to budget in a more refined articulate manner, not just for General Fund but Other Funds and Federal Funds as well.

Ashford said he is so happy to hear the positive news.

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

7) **Public Comment:**

Chair Maffei asked for public comment. No public comments.

8) **Civil Penalties:**
Sarah Lewis, MLRR Program Manager, introduced Cari Buchner, Mining Compliance Specialist, to discuss the Civil Penalties being brought to the Board for approval to proceed.

Lewis said a full Civil Penalties legal packet containing all the details for the penalty of late payment was presented at the last Board meeting and MLRR received the penalty payment in February. Lewis stated they will be tracking the incoming funds from Civil Penalties and the time spent on collection efforts made by Buchner to provide the Board with a balance sheet showing how the costs are or are not covered by those funds, based on the rules and statutes of how the funds are handled. Lewis explained instead of providing the legal packet for each Civil Penalty for Board approval, a summary table will be provided of all the non-payment of renewal fees that have been recorded since the implementation of Civil Penalties on July 1, 2019. A handout titled Non-Payment of Renewal Fees – Civil Penalty Fact Pattern Matrix was provided to the Board to review.

Buchner discussed the table, which records the steps in the process to determine whether and how much to propose for a Civil Penalty. She explained the ones that were waived and why, then reviewed the two currently proposed for Civil Penalties, including the City of Pendleton. She said they are requesting the Board’s guidance regarding the City of Pendleton on whether a reduced fee penalty should be assessed. Avy stated Pendleton had recently experienced a flood, they are struggling financially, and have not received emergency funds. He thinks this may be one that is not assessed a penalty. Chair Maffei asked questions about the letters sent to the permittees. Buchner explained in the case where they wanted to pursue the Civil Penalty, a Letter of Referral was sent informing them their case is being presented to the Governing Board for a Civil Penalty and the amount they may be charged. For violations not meeting the criteria to receive a Civil Penalty, no referral letter is sent and the permittee is contacted over the phone to resolve the situation. Buchner confirmed the two being discussed today have received the referral letter. Maffei said she feels penalties should be used as a deterrent and issued occasionally, but feels these two do not rise to the level of the one issued a Civil Penalty in November and the penalty fee should be waived. Kozlowski said she is in agreement with Chair Maffei and feels a letter should be sent to both permittees saying the fee is being waived because they paid the renewal fee.

Ashford said he feels they should receive a letter stating the fee has been waived this time but will not be next time. He is looking at how short staff resources are and how much it costs to keep sending notices. Ashford also does not want to get into a habit of always waiving fees. He asked how much discretion the Agency has in waiving penalties. Chair Maffei asked Diane Lloyd (DOJ) for input on the Agency’s discretion. Lloyd answered there is authority in state statute and rules to issue Civil Penalties for late fees. The Agency does have discretion, but the staff is trying to be consistent. She feels as the process develops, DOGAMI will be interested in rulemaking for a more specific framework.

Kozlowski asked if the staff has a recommendation. Buchner stated when the Notices of Civil Penalty being assessed are sent out, there is an opportunity for the permittee to contest it. Buchner said another option is to adjust the wording to indicate the penalty has been calculated but state due to mitigating factors the penalty has been waived but the violation will still be recorded and considered in calculating Civil Penalties for future violations. Kozlowski said it makes sense and is consistent with what Ashford was thinking about. Lewis asked for input from the Board on what else to consider in the evaluation. Chair Maffei asked how much the permit renewal fee is compared to the penalty. Buchner answered renewal fees are $850 plus (+) fees for production, calculated at per ton rates. Maffei said the penalties seem to be working. Ashford asked when the Civil Penalties went into
effect. Buchner stated July 1, 2019. Ashford also thinks the Agency could be lenient the first year as an education process, with higher charges taking effect after the first year. Kozlowski likes the idea of noting the permittees are late, it is being documented, and considered in the future. Jeremiah said she wants to ensure that each permittee is treated equally, but does agree that leniency should be given if there are compelling factors presented.

Teeman wanted to clarify the decision for both cases presented is, the fee is waived but a Notice of Violation (NOV) will stay on their record and the next violation would be a fee of $500. Maffei answered yes. The letter would say the Board has determined that the penalty amount of $250 will be waived this time and they will have a Notice of Violation on file, so if they are late next year it is $500. Buchner said they will send a Civil Penalty packet to each one, with a penalty of $0 and a statement that the violation will be on the record.

Board Action: Kozlowski moved to allow staff to move forward with Civil Penalties amount of $0 and the Notice of Violation on the record for the presented cases as discussed. Teeman seconded. Motion carried.

9) Grassy Mountain Update:

Sarah Lewis, MLRR Program Manager, provided the Calico Update.

Lewis stated that at the last Board meeting the Agency was 2 weeks into the 90-day completeness review of the first ever Consolidated Permit Application for chemical processing mining in the State of Oregon. The Completeness Review was completed and submitted to the applicant on February 19, 2020, with a request for additional information. It was in the form of a 5-page letter with over 120 pages of comments. The comments were compiled from all of the cooperating and permitting agencies that will be reviewing and contributing to the drafting of permits. Lewis wanted to compliment and commend the DOGAMI staff who helped with a very short and intense effort to complete the review. The response from the applicant was generally very positive but overwhelmed; they recognized the comments had validity and are working to develop a plan to address the comments. Chair Maffei asked if there is an anticipated response time. Lewis stated she is having weekly check-ins with Nancy Wolverson, Calico’s Project Manager, and they are expecting a minimum of 2-3 months for a response to the comments. Lewis will be meeting with them and their Chief Financial Officer (CFO) to continue conversations around how to keep the process moving forward.

Chair Maffei asked if more data needs to be collected. Lewis said she did not think there was any additional data collection needed, but there were concerns around the consistency within the data presented. MLRR had Cardno, a contractor, combine the comments into a single format with four categories of comments required by the completeness evaluation. The categories were: 1) if information is missing, baseline would not be complete; 2) conflicting information or difficult to understand; 3) nice to have, and will be needed later on, but not needed for completeness; and 4) could not find what they were looking for. Lewis said the organization of the report was a little lacking so they suggested some federal guidelines for indexing of reports and PDFs, making things accessible and available so the documents can be searched.

Chair Maffei asked what the next steps will be once the application is complete. Lewis discussed the Application Review Process Diagram presented at the last Board meeting, which is posted on the
Lewis said as part of the review, a public hearing was held in Ontario, OR in February with about 30-35 attendees; many State agencies participants called in. There were only two submitted written public comments on the completeness of the application. Lewis said the hearing did help her understand the concerns of the public.

Kozlowski told Lewis the work she is doing is impressive on such an overwhelming project. She complimented the staff and Lewis for her leadership role to keep it moving. Lewis stated she is having weekly conversations with Calico and she writes a meeting summary, Wolverson edits it, then it is turned into a PDF, and each keeps a copy in their file to document their discussion.

Lewis said one item not included in the Legislative Update, is the fee bill that moved forward did not include funding for the Limited Duration (LD) NRS 4 position requested to support the project management and technical oversight of the Chemical Process Mining Program. She will now be looking at options to move forward with staffing the project, which may include doing an RFP for a contractor or possibly have a rotation from another state to manage the project. Lewis is confident the staff pulled together to complete the first 90 days would be able to handle the second 90-day completeness review, but someone really needs to be in place moving forward. Kozlowski asked if there are consultants who do this work. Lewis said there are consultants who work on mining projects in other states and manage large projects that have federal-state coordination, so she does believe there are individuals qualified and capable to do the job. Chair Maffei asked if the position is just to see through when the permit is issued. Lewis responded yes.

Ashford asked if it would be a lump sum contract or time and materials, and would it be cost recovery by Calico. Lewis answered yes, it could be either, but she would work with procurement to determine the best option. Chair Maffei asked if Calico has a say in who is hired. Lloyd replied no.

Diane Teeman said she represents the Burns Tribe on this project, so she will abstain from any decision making and may need to recuse herself if necessary.

Briefing: No Board Action Required.

10) MLRR Update:

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

Lewis stated the packet contained the program update and included the ENGAGe Spring 2020 newsletter. [It can also be found online: https://www.oregongeology.org/mlrr/engage.htm]

Permit Status Summary

Lewis reviewed the detailed list of permits. She stated on Table 1 a new permit and exploration application has been received for the Frost resource, which is a Calico Resources application, and is proximal to Grassy Mountain. MLRR also received a gas well application from Trendwell. They closed out three wells and have put in a new one.

Lewis stated the average time to process a surface mining application is down to 6 months, which are ones that have no issues; they are also getting some older ones completed. This is due to staff efficiency, and balancing the number of applications and inspections or compliance issues they are dealing with. She said when staff do inspections, they often find compliance issues. Lewis is working
with staff to target the inspections to new sites, amendments, transfers, closures and complaints as priorities. She would eventually like to add big producers and ones not inspected in 5 years. There is a plan to increase site inspections in a responsible, sustainable manner, while ensuring paperwork is completed.

Lewis briefly discussed the Risk of Late Payment table in Figure 3. There is now 9 months of data. She reviewed the numbers, which included the two Civil Penalties discussed earlier. In January they issued one NOV and have been in communication with them. She explained it is an Exclusion Certificate, which the permittee is going to pay the renewal fee and close their site. Lewis said the threat of Civil Penalties is helping MLRR keep the permittees in compliance with payments. March is potentially a big month and she is curious to see how it plays out.

Lewis said for the Compliance Summary, Buchner has been uncovering the reasons for violations. The total number of compliance actions have gone from 60 to 99 because the specific category of mining outside the permit boundary, now included mining without a permit, has been added. Teeman asked if the mining without a permit are ones that have expired. Buchner answered the category includes ones that have never had a permit, sites that have closed but someone has started using the site again, and ones that are ongoing compliance actions where they have been told they need a permit but are dragging their feet.

Lewis stated the Spring newsletter discusses Grassy Mountain, compliance, and the change in the definition of surface mining that went into effect January 1, 2020, which basically removes construction projects from the definition as long as they are not selling the material from the site. Chair Maffei asked if there has been a reduction in the workload associated with those types of requests. Buchner said not yet.

Lewis stated MLRR will be using the newsletter as a form of outreach to provide information on the fee increase, if it is approved, and also looking at other ideas to roll out the information including webinars.

**Briefing: No Board Action Required.**

**11) GS&S Update:**

Bob Houston introduced himself as the new Interim GS&S Program Manager and gave the GS&S update on behalf of Bill Burns, Acting Earth Science & Remote Sensing Supervisor, and Laura Gabel, Acting Natural Hazards & GIS Supervisor. He thanked them for their efforts over the last 15 months. Houston has been with the Agency for 20 years and briefly discussed the different roles he has done with the Agency.

Houston provided a staffing update. The Agency is recruiting a Limited Duration (LD) NRS 1 position to be a landslide geologist. There were 127 applications received and Sarah Lewis will be lead for the hiring committee. There will be video and in-person interviews for seven candidates, with the anticipation to have someone starting in April to work on a BLM grant for landslides. The grant is intended for someone early in their career to gain experience. Kozlowski asked about the NRS 1 and where the work will be done. Houston answered in the Coos Bay region.
Houston stated there are four new projects, three new publications, and fourteen new proposals and potential projects.

Houston stated the Portland staff held a food drive selling baked potatoes and baked goods earning $500, which equates to 1500 meals. The team consisted of Lori Calarruda, Bill Burns, Nancy Calhoun, Christina Appleby, and Deb Schueller. Calarruda said this was for the annual Governor’s Food Drive and an additional $50 in tips was raised for the baked goods that were left over after the event.

Houston asked the Board for input on how they would like information conveyed to them. Kozlowski said it would be nice to have a summary for the GS&S projects, similar to what Ballard provides.

**Briefing:** No Board Action Required.

**12) Director’s Report:**

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

**Geological Survey & Services Program Manager**

The new budget proposal has only the PEM D position listed and said the two supervisor positions will be included as Policy Option Packages (POPs) in the next biennial cycle. Avy explained that as long as the Agency received its second-year budget by July 1, through a Special Session or other funding mechanism, it will leave at least a 4-month gap between the supervisor positions ending today and filling a permanent Program Manager position. Avy discussed the email that went out to staff regarding Bob Houston being named the Interim Program Manager. Work is currently being done on the position description, but the Agency will not be able to post the recruitment until the budget for the second year is approved. A candidate would not start until July 1.

Kozlowski asked Avy how optimistic he is regarding the availability of people with the competency for the position. Avy responded it will be a challenge finding someone with technical experience and a manager background, and even more challenging for one with a Registered Geologist license. He believes it is worth the pursuit and feels confident they can find someone to fill the position. Avy stated the Agency did not get the MLRR Chemical Mining Permit Lead position.

**Internal Communications Plan**

Avy discussed the Internal Communications Plan recommended in the Director’s Evaluation and stated it is progressing. A small group of staff developed an initial comprehensive list after which small staff groups helped inform the plan. The plan was presented to the Leadership Team, who has reviewed and discussed for improvements and will review it again after revision. It will go to the Board once it has been finalized.

Kozlowski asked what the components of the plan are. Avy said it will be a written document that contains expectations for different sections of the Agency; it will be a working document and updated as necessary. He hopes to have it completed in the next couple of weeks.

**Grants – Approval Pipeline/Sideboards**

Avy said the team has been coming up with a tool to make the grant selection process easier and ensure everything is covered with appropriate sideboards, and to determine what types of grants to
be pursued. A small group consisting of Bill Burns, Laura Gabel, Jason McLaughry, Dania Ballard and
Director Avy discussed the way to formulate it, so it was informative to project managers, with a way
for the Board to weigh in on and provide guidance on policy. It was sent to all the project managers
for input and Deb Schueller put it into a web-based form that can auto-populate other documents,
which makes it more useable and long-term workable. It will be brought to LTM to review and look
to have a presentation to the Board at the next regular Board meeting. Chair Maffei asked if it was a
policy document. Avy replied that it is a tool but has policy implications, due to the required criteria.
He briefly discussed how the process is currently done. Avy said it will be a good indicator of which
grants to go after and also a good tracking mechanism.

Kozlowski said it appears to be a good tool to determine which specific grants to focus on that will
support the new direction for DOGAMI. Chair Maffei said it will be helpful to see the document/tool.

Strategic Planning 2022-2028
Avy said the Agency strategic planning is on a 6-year cycle and it should be reworked by 2022. Since
the Agency does not have a PIO, it will probably want to look at a facilitator to work on this, which
will be included in the 2021-23 budget. He stated another possible POP is having an outside
management consultant help align the Agency with implementing its mission. Avy said the strategic
plan needs to be a full plan with implementable tasks, not just a strategic framework. Kozlowski
asked how much the Governor’s Office will be involved. Avy said that is still to be worked out and
there may be a Budget Note to identify next steps for the Agency. Kozlowski said she felt
Amira Streeter had some concrete ideas for the Agency with little input from the Board. Avy does
not believe they are completely set in stone. Kozlowski said most of them seemed reasonable. Avy
believes there will be an opportunity for more input from the Board.

Ashford stated participating by phone this time was a good experience and the information was very
clear.

Briefing: No Board Action Required.

13) Confirm Time and Date for Next Meeting:
Chair Maffei stated the next DOGAMI Board is currently scheduled for Monday, July 13, 2020 at 8:30
a.m. in Portland. She confirmed this date is still acceptable for the Board.

Chair Maffei said currently 3 p.m. – 9 p.m. on Sunday, July 12, 2020 is being held for a potential Board
Retreat. Maffei reminded members the Board Retreat is not to discuss business but strictly more of a
team building experience to help the group work together to guide the Agency. The Board discussed if this should still take place. Maffei said she feels the group works together well and does not feel it is a good use of time or money to have one at this time. Jeremiah agreed saying she would prefer to use the time and money for a public meeting. Ashford agreed, but feels it should be brought up again next year. It was decided not to hold a Board Retreat at this time. Maffei asked to have the next Board meeting planned as a working lunch with anticipation of a longer meeting to cover topics, including the Strategic Plan.

Chair Maffei discussed scheduling the Special Meetings, to be held via phone, to review additional financial requirements for the 2021-23 Agency Request Budget (ARB) and Legislative Concepts (LCs).

May 14 – call-in 9 a.m. – 11 a.m.
June 23 – call-in 9 a.m. – 11 a.m.

14) **Public Comment:**
Chair Maffei asked for public comment. No public comments.

15) **Board Adjourn:**
Chair Maffei adjourned the meeting at 12:03 p.m.

APPROVED

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Laura Maffei, Chair
1) **Call to Order:** (Laura Maffei, Board Chair)
   Chair Laura Maffei called the meeting to order at 9:02 a.m.

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

   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 GS&S Program Manager and Legislative Coordinator

   Others in attendance:
   John Terpening, Legislative Fiscal Office (LFO)
   Renee Klein, DAS Office of the Chief Financial Officer (CFO)
   Diane Lloyd, Department of Justice (DOJ)

3) **Financial Update:**
   Dania Ballard, Chief Financial Officer, provided a financial update to the Board.
   Ballard discussed the FY21 Budget Update and 2021-23 Biennium Budget Planning memo in the board packet. She stated DOGAMI was tasked with budget reduction scenarios of 8.5% which is actually equal to about 17% for one year since the first year of the biennium is almost complete. The reductions were posted Tuesday (May 12) on DOGAMI’s website. The list is prioritized by what would be cut first to reach the 8.5% General Fund reduction. Ballard said the parameters were strictly related to General Fund money for services and supplies and positions. She then explained that state-wide actions such as furloughs, COLA freezes and other pay freezes would need to first be negotiated with the unions. Ballard considers it a pre-list because the actions taken on the list will occur after the May 20th state revenue forecast comes out. Since DOGAMI was given a one-year budget of $2,534,180, the exercise required the Agency to double the current budget to come up with the expected General Fund reduction.

   Ballard explained the exercise process in more detail and reviewed the list in order with the Board. She stated the Leadership Team met for at least 2 hours every day and methodically went through
the list of services and supplies by line item for potential cuts followed by individual staff positions. All positions including leadership were discussed regarding what each one did, what the impact would be if the position was lost, and how the work could be covered. A balanced approach to reducing direct and indirect functions was used to best maintain the Agency going forward.

DOGAMI already has a very tight services and supplies budget so the list started with and contained the least negative impact to the Agency. The TriMet commuting pass program in Portland, has been used by the GS&S Program for many years. Ballard said there are really no other services and supplies cuts that could be made without looking at personal services. Chair Maffei confirmed there are no other program cuts that can be made that are not related to personnel because the budget is already cut to the bone.

The two vacant NRS 3 positions, were looked at first. One NRS 3 position was in the process of being underfilled as an NRS 1 but the recruitment was ended. Ballard stated the positions are not being lost, only the funding for them. If the budget for the next biennium is available, these positions could be filled. Kozlowski asked if the NRS 1 was the early learner intern position. Dania said yes and explained it was originally for an intern on a grant with an early career opportunity for landslide mapping. The Agency decided to try and fill it as an NRS 1 permanent employee who met those qualifications to serve on multiple projects. Avy added the hiring process had made it through candidate screening.

The Chief Information Officer (CIO) position was created in 2016 when there was a need for higher-level IT services. Over time, as needs were met, the level of support required has decreased and the Agency has been on more of a maintenance status with the role under capacity. Connor Anderson has been contracting with other agencies to help them and to save on General Fund. There are also other staff supporting the IT needs. Avy stated Anderson was part of the Leadership Team for this exercise and offered up his position because he understood current Agency IT needs. Kozlowski said it was impressive that he stepped up in that manner.

The Publications position serves to do copy editing and consistency control of project report and print production and distribution. This position is also partially funded by Federal Funds and Other Funds. This position was under capacity at times and contracting work with other agencies, so was reduced to half time. The Agency recognizes the continuing value of this position because there is an ongoing need to support the projects.

The Fiscal Analyst 3 position was listed to maintain a balanced approach across the Agency. Ballard said the Business Office now has a Grant Accountant processing accounts payable activity and grant reporting, and a Contract Specialist producing and monitoring contracts as well as accounts receivable activities. The Fiscal Analyst has been doing review work, creating tools to support grant monitoring and has done a phenomenal job in helping with reconciliations and building tools to help better manage things going forward. Ballard said in looking at the big picture and recognizing the Agency still has services with DAS, the Agency could absorb the analytical functions easier than trying to cover the processing activities.

Ballard said direct staff are also impacted, explaining a lengthy Leadership Team discussion took place regarding every programmatic service the Agency has, including tsunami, landslide, STATEMAP, and other services. The Resiliency position is an NRS 4 that deals with resiliency and emergency preparedness. It is on the reduction list because it relies heavily on General Fund, has one staff
Kozlowski asked what products or service is delivered by this position. Avy answered the position work includes consulting with local groups on how to be better prepared for earthquakes and provides it from an engineering background. Also included is some work with the coastal hospitals in producing smaller projects in conjunction with Oregon Health Authority (OHA). The position has a long history of advocating for awareness and preparedness in the resiliency area linked to earthquakes, but OEM has picked up part of that role, as well as other groups. Not to say this position is not important, but in comparison to all the other program areas, this proposed reduction is the least damaging to the mission of the Agency in a collective sense.

Kozlowski said this is very discouraging as a coastal representative, this position has had significant impact on their infrastructure preparedness and in general as a resource. From her perspective, DOGAMI’s leadership and outreach makes and supports its effectiveness. She asked if these are in order of priority, where this position falls in the order, or if it is a package reduction. Ballard said it is in a prioritized order of least negative impact to most to reach the 8.5 percent scenario. It will depend on the outcome of the May 20 state revenue forecast. For example, DOGAMI may only be asked to take 5 percent at first, but she does expect more budget cuts later on (in addition to furloughs and other types of cuts due to the economic environment).

Avy explained that during the reduction evaluation process, to remain objective, it was important to not look at the individual’s skillset or experience. When a person’s bumping rights, if any, come into play, skillsets will transfer where they are qualified to do the new position’s work. He described potential bumping scenarios. Avy stated the Agency may not necessarily lose the person in a cut position and their contribution to the Agency, though they may be in a different role. The deeper the cuts, the more bumping scenarios will likely occur. Kozlowski said those are hard decisions and she appreciates the effort that went into the process.

Maffei asked what the next steps are. Ballard replied after the May revenue forecast, the expectation is direction will be given on the required percentage cut, which will then cause layoff notices and any bumping. Avy emphasized the Agency still does not have a second-year budget and hopes to have it through an Emergency Board or Special Session in the near future. There is no guarantee DOGAMI will get a second-year budget.

Ballard discussed the second year requested budget and the previous issues that led to the one-year budget. She explained that last spring there were issues within fiscal operations and knowledge of where the Agency was at in terms of spending. This led to LFO and DAS CFO to strongly participate in guiding the Agency’s financial direction. At the time, LFO did recommend a one-year budget based on the information they knew, which the Agency is finding does not support normal Agency operations. Because the first-year budget is so thin, the Agency expects to have a cash shortfall by the end of May, which would be covered had the second-year budget been approved during the last legislative session. DOGAMI has been told they are a priority for the Emergency Board. Ballard said the Agency approached LFO and DAS CFO about if it should be looking at ceasing agency operations and laying off staff, but was told to keep moving forward as status quo for the present.
Ashford said that just because there are no questions from the Board, it does not mean they are not listening. They understand how difficult this situation is. Maffei said it seems the Agency cannot catch a break.

**Briefing: No Board Action Required.**

4) **Review of Agency’s Legislative Concepts (LCs):**

Maffei explained this meeting was scheduled prior to the shutdown and was done to be better prepared for the next biennium and have time to review these ideas instead of waiting until July and having no input.

Bob Houston, Interim GS&S Program Manager and Legislative Coordinator and Sarah Lewis, MLRR Program Manager, presented the Agency’s draft Legislative Concepts (LCs) for DOGAMI for the 2021-23 Session.

For the 2021-23 biennium, the Agency is moving forward with two Legislative Concepts, the MLRR Fee Increase and MLRR E-Permitting. Houston explained the MLRR program is supported only by fees, and with the current fee structure the program will run short on money by early 2021. The previous bill was proposed in the Short Session under SB 1579-1. The bill made it through the Joint Committee on Ways and Means, but did not get a floor vote because of no quorum. The proposed LC represents a collaborative agreement across the aggregate, oil and gas, and geothermal industries. Due to the immediate funding needs, the Agency will be proposing to ask for an emergency clause with implementation upon the Governor’s signature.

Houston stated during conversations with the aggregate industry, OCAPA was advocating for an e-permitting system. The E-Permitting LC is the Agency’s good faith attempt to bring that request forward. Lewis stated that permit, inspections, customer and other business records, and payments, are still being done by paper. During this telework time, staff are having to go into the office to do deposits to maintain revenue flow, and mail out paper permit renewals, which is causing inefficiencies in core business tasks. Implementation of a modern, paperless e-permitting system and online customer service would result in significant performance improvement, including streamlined operations, more efficient delivery of service and higher customer satisfaction (including public records requests). The e-permitting business case was developed in 2018 and a Policy Option Package was included in the 2019 Legislative Session. Other agencies like State Lands are also looking at a similar system. Lewis has been working with DOGAMI’s CIO and Enterprise Information Services to refine the logistics and costs in order to develop a more reasonable estimate, which is looking to be about $700,000 to $1.1 million over 5-7 years. This would be covered with a fee across all permits and would have a sunset date. There is very strong indication this is something the industry would support. Lewis stated it is a difficult time to consider an additional fee on top of a fee increase, but it is important to continue moving this concept forward.

Jeremiah said she is in full support of this fee for the long-term big picture by seeing cost savings due to Agency efficiencies in the future. Maffei asked how this would be impacted if the CIO position is eliminated. Lewis explained the CIO’s role was instrumental in the first portion of this project and that the contract would be done by DAS and Enterprise Information Services, then a project manager would be hired to manage it through implementation.
Maffei asked about the MLRR program being over budget this summer and how it would be impacted if needed to wait until the long session for the fee increase. Houston said they would try to get the fee increase through a Special Session after the May 20th state revenue forecast. Lewis said her understanding is the revenue cushion will not go below zero until this winter. Ballard said the Agency is attempting to get the fee increase now and explained the program is burning through the balance faster than the fees are being brought in, and by winter the program will be in a negative cash flow situation. Due to the revenue coming in through peaks throughout the year, if the fee increase is not approved this year, the Agency will have to look at programmatic reductions because the current fees do not support the operations.

Maffei asked what the likelihood is of getting the fee bill passed. Houston answered he thinks it is going to be a challenge based on the COVID-19 economic impact. He stated one of the recommendations received is to make sure it is a very clean bill and that stakeholders are all on the same page. Avy said if the fee increase did not happen in a Special Session, the chances for passage in full session diminish significantly due to competition with COVID related issues. Kozlowski asked if there was full stakeholder support for the fee increase. Houston explained they met with OCAPA and have an agreement with where it was left off at the 2020 Short Session for the fee bill, and there is support from the Oil and Gas, and Geothermal programs as well.

Houston explained the challenges the Agency has been facing with the COVID-19 pandemic. He said the Emergency Board can only approve the second-year budget, but it will not be able to address the fee bill, only a legislative session can. Houston said it is difficult to move a fee increase forward when there is an economic downturn. It will require the bill to be consistent with the version passing out of full Ways and Means to have the greatest potential to move forward.

**Board Action:** *Jeremiah moved to approve moving forward with the Agency’s Legislative Concepts (LCs) as presented. Teeman seconded. Motion carried.*

5) **Review Agency’s Policy Option Packages (POPs):**

Dania Ballard, Chief Financial Officer, presented the Agency’s Policy Option Packages (POPs) to the Board. She explained that each biennium the service level budget gets incremental percentage increases, if the budget for an item goes above that, it needs to be brought in as a Policy Option Package for approval. She went through the list, which is in descending priority.

In order of priority, DOGAMI is considering the following POPs:

- IT computer and server replacement;
- General Fund match for grants and grant development;
- Increased funding to support “normal” levels of travel, agency representation, and technical proficiency;
- Two GS&S program supervisors (assuming the second-year budget continues to include a GS&S Program Manager);
- Position cleanup (matching position classification to actual duties); and
- General Fund to develop a probabilistic tsunami model.
IT Computer and Server Replacement
The IT computer and server replacement is for equipment that is at end of life, the last ones were purchased in 2016 and 2017. The current budget does not support replacement of computer equipment, this funding ask is to support acquiring new equipment for staff to continue functioning in their roles.

General Fund Match for Grants and Grant Development
The General Fund match for grants and grant development, would allow the Agency to leverage those dollars against Federal Funds or Other Funds for projects that better support DOGAMI’s mission. Ashford asked if the Agency would be subsidizing those federal grants with state funds. Ballard answered yes and no, it would open up the opportunity to pursue new grants, which the Agency currently is unable to do, because there are grants that require some type of a match from the state. There are currently two grants on the books, one for STATEMAP, which has been supported since 1992, it is 50% federal money and 50% state money, and is done on a yearly basis. The second is landslide mapping that is 75% federal money and 25% state money (General Fund). Ballard stated anything that is asked for in terms of General Fund money is going to be a tough ask, and the likelihood that the Agency will receive it might be slim. She would still like to pursue asking for it to support DOGAMI’s ability to look elsewhere for other types of funding.

Travel, Agency Representation, and Technical Proficiency
The increased funding to support “normal” levels of travel, agency representation, and technical proficiency is being asked for due to the budget being skinny and that travel expense is more than budgeted for and is being offset in other categories. This ask for increased funding is in support of normal travel activities related to agency business. Under technical proficiency, the Agency has cut any type of professional development or training opportunities for staff. In a normal circumstance, the Agency would like to have some funding to support the technical expertise it has in house.

GS&S Program Supervisors
The two GS&S program supervisors have been discussed for some time. In the second-year budget, the Agency has asked for a Program Manager role and these supervisors would support that role.

Position Cleanup
Position cleanup is to match staff, working out of class, with what they are doing and what they are being paid. This is not an actual increase in General Fund.

Probabilistic Tsunami Model
The General Fund to develop a probabilistic tsunami model is an idea supported by the Governor’s Office and the Agency wanted to move forward with it as a POP.

Ballard said that given all these items, the changes with budget reductions, and the economic environment, the Agency recognizes the likelihood of anything moving forward is going to be difficult. The list has since been revised and the Agency requests preliminary approval to move forward with the following POPs.

• The IT computer and server replacement because it is a serious need for the work being done, the physical equipment is going to die within the next year or two and there is no funding to support it.
• The General Fund match for grants and grant development to have the ability to leverage whatever federal funds and other funds are out there to help provide more funding for the Agency.

• The position cleanup because it improves budgeting with no financial impact.

Ballard said that with the Board’s approval to move forward the Legislative Concepts, there are two more POPs related to e-permitting and the fee increase to support those items as well. Maffei asked for clarification on the list of POPs of which ones were being asked for. Ballard went through the list. Maffei wanted to verify the position cleanup is not a General Fund ask. Ballard said that is correct.

Ashford said he has concern about the General Fund match. When he joined the Board there was a culture of getting work to keep the Agency busy. His concern is that the Agency not go after grants to grow the Agency or to keep people busy versus using General Fund in a really targeted way to do projects that makes sense for the Agency. Ashford is uneasy about the General Fund match for grants. He wants to make sure the Agency is spending state funds on the highest priority projects for the state and not just to get federal money for the work.

Avy said Ashford is correct that the Agency does not want to be in a position of chasing grants to keep people busy if it is not in line with the mission. Avy believes this POP request is to support grants that are central to the Agency and that it historically goes after like USGS STATEMAP that is fundamental geologic mapping. Because it is a nationally awarded grant, the Agency does not have a lot of flexibility in terms of refusing the match. For the Agency to do the work a match is required (in some cases an in-kind match can be found). Currently the Agency has not been going after grants that require a match and without General Fund support DOGAMI could lose grants that are vital to its work.

Ashford asked if the Agency would only use the match for federal grants where it is required to compete. Ballard said yes, that is the expectation. Ashford said sometimes the Agency has put in a match where it is not required and one of the criteria he wants is that the General Fund match is used only for grants that require a match. Ballard said the other part of the POP request would also support project managers in providing General Fund hours to go seek these grants. Ashford asked who will approve which grants the Agency goes after and its priorities. Avy explained the internal grant pipeline process that is used to approve seeking a grant. Ashford wants this to have quite a bit of oversight. Ballard described more of the process used to determine if grants are pursued.

Board Action: Kozlowski moved to approve the Agency’s Policy Option Packages (POPs) as follows: IT computer and server replacement, the General Fund match for grants and grant development, and the position cleanup, along with the Fee Bill and E-Permitting Legislative Concepts that are also POPs. Jeremiah seconded. Motion carried.

Board Action: Teeman moved to accept the Agency’s other Policy Option Packages (POPs) that were described in the Board Packet being: increased funding to support normal levels of travel, the two GS&S program supervisors, and the probabilistic tsunami model to be considered at a later date when we are not facing the current budget situation. Kozlowski seconded. Motion carried.
6) **Public Comment:**

Only written comments received prior to or by 11 a.m. on the day of the meeting will be accepted. Chair Maffei asked for any written public comments. No public comments.

7) **Board Adjourn:**

At the conclusion of the public comment period, Chair Maffei adjourned the meeting at 10:34 a.m.

APPROVED

______________________________
Laura Maffei, Chair
GOVERNING BOARD SPECIAL MEETING MINUTES
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

Tuesday, June 23, 2020
9:00 a.m.
Teleconference Public Meeting Agenda

1) **Call to Order:** (Laura Maffei, Board Chair)
   Chair Laura Maffei called the meeting to order at 9:02 a.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 GS&S Program Manager and Legislative Coordinator
   Connor Anderson, Chief Information Officer (CIO)

   Others in attendance:
   John Terpening, Legislative Fiscal Office (LFO)
   Renee Klein, DAS Office of the Chief Financial Officer (CFO)
   Diane Lloyd, Department of Justice (DOJ)
   ReNeea Lofton, DOGAMI staff on own time as a public citizen
   Nancy Calhoun, DOGAMI staff on own time as a public citizen

3) **Financial Update:**
   Dania Ballard, Chief Financial Officer, provided a financial update to the Board.

   Ballard stated the second-year budget request was approved at an Emergency Board (E-Board) meeting held on June 5, 2020. The original budget ask was for $3,104,928, but with COVID-19 related reductions of $240,535 the final budget approval was for $2,864,393. The reductions include one full-time position, the Chief Information Officer (CIO), a reduction of the Public Affairs Specialist (publications) to a half time position, some services and supplies, and the closure of the Newport and Baker City offices with staff being assigned to work remotely. Ballard said the first-year budget was $2,534,180.

   Chair Maffei asked if there were any surprises to what the Legislature approved as to what was expected. Avy responded it is difficult to take cuts in any form, especially the two individuals affected, but one good thing is the GS&S Program Manager position was retained from the second-year budget proposal. Ballard said there was a reduction list that was made public and the actual cuts were a little different with the physical closure of the Newport and Baker City offices, while
Kozlowski asked if there are any concerns from staff in those offices and are they currently working remotely, particularly Newport. Ballard said the Agency is currently in the midst of shutting down the Newport office effective June 30, 2020. She said employees are working from home and staff are not happy with the closure of the office. Chair Maffei asked if the concern was related to it being more conducive to doing the work in the office. Ballard stated the office is bigger than their home environments, but they have been adapting to working at home. There is currently no option for having a rent and utility free office. Avy stated when the original DAS reduction list came out, it did not contain office facilities, and the Leadership Team was asked why office closures were not listed ahead of staff. Ashford said these are tough decisions.

Briefing: No Board Action Required.

4) Preliminary 21-23 Agency Request Budget (ARB) Discussion:

Dania Ballard, Chief Financial Officer, reviewed the preliminary 2021-23 Biennium Agency Request Budget (ARB) for DOGAMI with the Board.

Ballard said the Agency is currently in planning mode for the 2021-23 Agency Request Budget. The list of Policy Option Packages (POPs) are ideas and funding concepts above the normal rolling forward budget of routine activity. The current ask is for the following items: IT computer and server replacement - $196,000; General Fund match for grants and grant development - $400,000; Position cleanup to align the actual budgeted position to the responsibility being performed - $0; Proposed MLRR Fee Increase - $1.56 million; and MLRR E-Permitting project - $1,184,177 that is anticipated for FY 2021-2029.

Jeremiah asked what the difference is between the current ask for IT expenses and what the $85,000 was for before, which her understanding was for basically hooking into State servers. She wants to understand the holistic cost for IT services; the subscriber fee; and what DOGAMI provides within its budget; and also wants to make sure the IT costs are sustainable every year. Ballard said for the computer replacement for regular use computers, the second-year budget was adjusted to match what the actual spend is. She explained that the previous budgets did not contain the costs associated with a normal replacement cycle, but because the Agency is still in corrective mode, the budget rolling forward does not include that amount either. It is on her agenda to get corrected in the future and this POP is the first step in getting the cycle started. Jeremiah emphasized her position on the importance of having and maintaining top of the line equipment being critical for the Agency due to the technology it uses for maps and the need for public access.

Ballard then asked Connor Anderson, Chief Information Officer (CIO), to provide more details on the servers. Anderson explained there originally was money designated for server and hardware replacements, but they were put on hold due to the Agency’s financial issues which caused the technology deficit. Ballard clarified that since the first-year budget was estimated low for services
and supplies, the Agency went through spending freezes to pay for items that had to be paid, like rent.

Anderson explained in 2016 DOGAMI went through an IT operations assessment/analysis that resulted in his position being created and an IT alignment plan being put into place. That plan was to get DOGAMI out of owning and operating really important parts of IT infrastructure like servers, networks, and email systems that require capital expenditures. The State offers those services and by moving to those services platforms, it frees up IT staff to work on core mission activities. It also turns those expenses into ongoing operational costs, that turn into the current service level budget and are moved forward each biennium to maintain a stable operation.

Ballard emphasized the POP line items listed were the ideas the Board settled on from the last meeting for planning Biennium 2021-23. She stated the draft narrative the Board received is the justification for what is going to be submitted with the budget to support the ask of the Agency. The POPs are asks for funding, and before they make it to legislature, it is possible that all, some, or none could be approved.

Ballard provided the timeline for budget planning and processing. In March and April, the Agency went through the current service level budget, added some inflationary amounts, and identified any needs above that, which requires further discussion with DAS and possibly a POP. She explained the current service level budget is adjusted and moved forward for review. An exercise of expected revenue projections is done to determine the Agency’s Request Budget (ARB). In May and June, the Legislative Concepts (LCs) are considered, reviewed and sent to DAS. In July, the Board will see a draft of the ARB and after approval, the ARB is submitted to DAS for adjustments. After DAS reviews and approves it, and once it is approved by the Governor’s Office, it is then submitted as the Governor’s Recommended Budget (GRB) for consideration by the Legislature during session. The upcoming session is scheduled for January thru June of 2021. Once it has been finalized, it becomes a Legislatively Adopted Budget (LAB), that becomes effective July 1, 2021.

Chair Maffei wanted to verify the Board will be able to review and approve the ARB at the July meeting, and that they will have input to ensure they are doing their job due to the past financial issues. Avy said the Special Board meetings this spring have been to engage the Board in preliminary discussions. The draft package will be sent to the Board a week before the next Board meeting for review during the meeting to answer any questions. If the Board needs additional time to review, an additional special meeting will be scheduled for the necessary approval. Maffei stated in the past there have not been as many preparatory meetings and she views it as a positive step for the Board to reach an approval. Ashford agreed and said he felt the Board is pretty informed on where the Agency is with the budget and is comfortable with where they are in the process.

Ballard went through the list of Policy Option Packages and provided a brief overview.

**IT computer and server replacement:**

The IT server and computer equipment for $196,000, is to replace personal computers and server equipment that is at or nearing end of life and not supported by the current service level budget. Given the type of work DOGAMI does, it is important and necessary for the Agency.
The amount of $400,000 is to support General Fund match to seek, develop, and leverage Federal Fund and Other Fund grants supportive of the Agency’s mission, goals and objectives. Ballard explained the Agency currently has two grants with General Fund match associated to them. The first is STATEMAP with 50% match, and the second is a landslide project with 25% match. The Agency does not have any grants or projects that are solely General Fund based. This POP is to use General Fund for match to leverage against other Federal Fund and Other Fund grants, and to go after new opportunities that align with the Agency’s mission.

Chair Maffei asked if this is additional General Fund match that is not already in the budget. Ballard explained there are positions partially supported by General Fund money (for example, STATEMAP). However, due to the past over-spend behavior of the Agency, there likely was no General Fund match to begin with for other matched projects in the past.

Chair Maffei asked if there are currently grants that require General Fund match. Ballard used STATEMAP as an example. It is a core piece of business for the Agency since 1992 that requires 50% match, and the indirect cost recovery is capped at 18%, while the Agency’s current rate is 26%; therefore, it requires more General Fund spend. This is a national competitive grant/program core to the mission of DOGAMI, so it is pursued each year. The other active grant is the landslide grant that has 25% match. Maffei asked to clarify if this POP is intended to allow the Agency to seek other grants that require General Fund match, as well as support grant proposal writing. Ballard answered yes, she has also been approached about FEMA grants that do not allow for indirects and this would permit the Agency to consider them.

Ashford asked if these costs were already in the budget or is this the first time this has been formally asked for. Avy said there are grants that have been built into the budget (e.g., STATEMAP) but this is the first time asking for General Fund for grant proposal development and for grants that require match. Avy stated the leadership team currently does not accept grant proposals that require match or does not fully compensate for indirect costs. This POP will allow the Agency to increase the grant pool. Ashford said he understood.

**Position Clean up:**

The position alignment POP is an administrative effort to clean up a work-out-of-class position to match up the staff classification with budget classification. It changes it from a non-exempt to an exempt position because it requires higher skill level and flexible hours to meet Agency needs. There is not a cost impact with this request.

**Proposed Fee increase:**

The MLRR fee increase is being run on two different sets of tracks to get this done. Ballard explained the program’s expenditures are higher than the revenue coming in to support it. Without the fee increase, the program will run out of funds in mid to late winter or early spring. If this fee increase is passed in a Special Session for this biennium, this POP will be pulled from the 2021-23 ARB.

**E-Permitting:**

The E-Permitting ask for $1,184,177 is to implement a program between AY 2021 and 2029.

Board Action: No Board action was required.
5) **MLRR Fee Increase – Next Steps:**

Bob Houston, Interim GS&S Program Manager and Legislative Coordinator and Sarah Lewis, MLRR Program Manager, reviewed the next steps for the MLRR fee increase.

Houston said the proposed fee increase did not get a floor vote during the 2020 Short Session. There is a Special Session starting June 24, 2020 but is specifically for police accountability and COVID-19 related issues. There is a possibility of another Special Session in late July for budget-related topics and this would be the next opportunity to move the fee increase. The fee increase that could be moved in the potential upcoming Special Session would be the same as was passed with amendments in the Joint Ways and Means Committee during the 2020 Short Session.

Houston went through the potential Special Session requirements. He said the proposed fee increase still represents a collaborative agreement with the aggregate, geothermal and oil and gas industries. Due to the short timeframe, it must be a “clean” bill with all issues resolved, and the Agency and the stakeholders need to demonstrate this to the legislators. He said there are challenges and the Agency should anticipate difficulties moving a fee increase during this economic downturn. Without a fee increase with an effective date of January 1, 2021, the MLRR program will need to begin layoffs by late summer to early fall to avoid a cash shortfall at the end of the biennium.

Houston introduced Sarah Lewis, MLRR Program Manager to provide more context. Lewis discussed what the lack of the fee increase would mean to the program and its operation.

- Revenue brought in to MLRR by permit and renewal fees is no longer adequate to cover the operational costs of the program.
- This negative offset reduces the “reserve” that the program carries from month to month, and year to year. Current budget projections show that the reserve funds will be depleted in February 2021.
- Continued operation at current service levels is contingent on having a fee increase in place for January 2021.
- Without that increase on the horizon, MLRR must consider changes to operations to slow the use of reserve funds and bring expenditures into alignment with revenue.
- Budget projections suggest that a reduction of $20,000/month will maintain the reserve fund and result in a small, but positive, ending balance for Fiscal Year 2021.
- If you imagine the MLRR budget as a pie cut into six pieces, one of those pieces is services and supplies, the remaining five pieces represent personnel costs in the form of salary & OPE.
- To achieve a reduction of $20,000/month, the program would need to cut one piece of pie. MLRR can make small changes to services and supplies ($2,000/month); the remaining amount would need to come from personnel cuts.
- A salary reduction of that magnitude is equivalent to the cost of two full-time positions. We are currently exploring other options that may mitigate the need to lay off staff, including an overall reduction in operating hours for the program. For example, closing on one day of the week.
• Any reductions of staff (either positions or overall hours) in this small program of 11 staff will necessitate a reduction or loss of services to the public and regulated community.

• In the absence of a fee increase, these adjustments to expenditures should be considered by late summer; delaying the adjustments will require deeper cuts to the program to maintain operations.

Lewis stated this is a bit of a grim picture for the program. Chair Maffei asked what are the chances of the fee bill being passed. Houston answered there are definitely serious challenges. There is also a need for a vehicle to move the bill forward and he is working with the Governor’s Office. He said the challenge becomes even greater during the 2021 Regular Session due to the projected economic reduction of revenue for the State.

Kozlowski asked if the support of the stakeholders is still there, and if the Agency has reached out to them to indicate the dire need for the increase and the impact it would have on them in terms of services if it does not go through. Houston said they have reached out to stakeholders and are hearing there is still broad support for the concept. A group representing low-volume mining operations still would like to amend the Exclusion Certificate requirements. He said the Agency should anticipate that attempt. Kozlowski asked how likely this will surface. Houston said at least 80 to 95 percent. Kozlowski asked if there is a way to mitigate this. Houston answered they are reaching out to them to have a full discussion on the need for the fee increase and the need for a “clean” bill by resolving all issues.

Houston stated the 2021 Regular Session is another opportunity to move the fee increase. If the fee increase is not approved in the Special Session, the Agency will move forward with the Legislative Concepts for the fee increase and the E-Permitting placeholder will be removed from the ARB. Based on the May revenue forecast, there is a $4 billion deficit and a significant hit is expected for the next several biennia due to COVID-19.

Chair Maffei stated this is frustrating with all the hard work the Agency has put into bring the financials around and the circumstances being out of the Agency’s control. She asked if there is any positive news. Kozlowski said she feels the good news is the staff has put into process a way to analyze and understand where the Agency is. Houston explained the staff’s response to transitioning to working from home in one day, and having the ability to focus on projects. The Leadership Team has been moving with a sense of urgency to address issues and challenges as they crop up. The ability to operate as a team across the Agency is the positive take away. Avy said the GS&S Program Manager was approved and it is moving forward with recruitment in the next week or two. Maffei said that is a bright spot in all the budget concerns.

Board Action: No Board action was required.

6) July Board Meeting Agenda Discussion:

Currently the next DOGAMI Board meeting is scheduled for Monday, July 13, 2020 in Portland. She confirmed this date is still acceptable for the Board.

Chair Maffei said it will more than likely need to be held by phone and the Agency and Board should not count on an in-person meeting. Maffei asked about the possibility of having a video conference.
Ashford offered to set up a Zoom meeting through OSU, but would prefer a shorter meeting and suggested having a discussion on how to work effectively remotely with the possibility of not actually meeting in person until next year. Maffei said she would like to take Ashford up on the offer. She went through the proposed list and identified the items to be presented at the next meeting as:

1) Proposed Agency Request Budget
2) Agency 6-Year Strategic Plan (2022-2028)
3) Grant Budget Monitoring Tool
4) Project Pipeline Approval Process

The meeting will be limited to 8:30 a.m. - 1:00 p.m.

Special Board meeting (tentative) – Agency Request Budget: Tuesday, July 28, 2020 - 8:30 a.m. - 10:30 a.m.

Maffei said no need to approve agenda items.

7) Public Comment:

Only written comments received prior to or by 11:00 a.m. on the day of the meeting were to be accepted. Chair Maffei asked for any written public comments. No public comments.

8) Board Adjourn:

At the conclusion of the public comment period, Chair Maffei adjourned the meeting at 10:32 a.m.

APPROVED

Laura Maffei, Chair
Staff Report and Memorandum

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

From: Sarah Lewis, MLRR Program Manager

Date: July 7, 2020

Regarding: Agenda Item 4 – Civil Penalties

Sarah Lewis, MLRR Program Manager, will present potential civil penalty actions.

**Proposed Board Action:** The Board will be asked to take an action on this item.
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* Days late as of 6/30/2020
^ Max penalty as of 6/30/2020
Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board
From: Dania Ballard, Chief Financial Officer
Date: July 7, 2020

Regarding: Agenda Item 5 – Financial Report

Attached is the DOGAMI FY20 Budget Status Report, as of April 30, 2020 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: July 13, 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 2020

The month of April (FY20) is closed. The second-year budget was not approved until June 2020, therefore projections still reflect expenses associated to a requested second year General Fund budget ASK of $3,104,928. Revenue collection and Accounts Payable has become routine. Additional catch up and year-end activities still include payroll, SPOTS (credit card) expense, and indirect cost reclassification from General Fund to Other Funds/Federal Funds.
The General Fund currently reflects a deficit of $3,151,589 due to the circumstance that we have a two year budget forecasted but have only been allocated one year of General Fund (as of April). Reclassification of General Fund expenses will align financials to the second-year budget ask.

Per approval of the second-year General Fund budget in June, projections will be further adjusted to reflect reductions. A second-year General Fund budget of $2,864,393 was approved after COVID-19-related reductions of $240,535. Projections will be further adjusted for reductions of 1.5 positions (1 Information Systems Specialist [Chief Information Officer] and 0.5 Public Affairs Specialist [publications]), travel, training, the commuter pass program, and closure of the Newport and Baker City offices.

The Other Fund ending balance is $350,754. Federal Funds ending balance is negative $1. This balance can be attributed to rounding adjustments.

MLRR ending Other Fund balance is projected to have a negative ending balance of $201,831 with an anticipated deficit beginning in January, 2021. Currently revenue collection does not cover MLRR operating expenses. A fee increase is being requested this biennium and also concurrently in the 2021-23 budget ask. Dependent on approval and implementation of a fee increase, MLRR may be required to lay off staff by late summer to reduce expenses.
The Strong Motion Instrument Fund has a current FY20 ending balance of $337,545 and the Reclamation Guarantee Fund retains $614,207 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 reviewed for utility and improvement. This tool summarizes all budgeted costs, by grant/project with labor hour detail by staff. Additionally, it projects revenue by fund source as well as serves as a staff scheduling tool to facilitate project management objectives. Further enhancements will provide comparison of actual performance to budgeted performance informing staff hour scheduling to maintain budget. A demonstration of the tool will be provided to the board.

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. New process and tool improvements include a grant budget builder that uses individual staff OPE
calculation vs. agency average, a 30% end of budget reforecast exercise, and routine monthly detailed reports of project hours by individual staff and expenses.

**Business Office Functions**

The Business Office staff hired in January continue to gain competence and consistency in routine processing activities. New reporting tools including a weekly functional status update (visible to all staff) and has proved a good communication tool to provide awareness of fiscal activities and status of completion. This list is reviewed weekly with DAS and is used to identify areas of concern and reprioritize objectives as required. Positive changes include increased timeliness of invoice system number asks, revenue draws and collection, and general communication of tasks inter-dependent amongst both DOGAMI team members and DAS.

**ATTACHMENTS:**

DOGAMI Financial Report
### Budget Status Report: April 2020

**Department of Geology & Mineral Industries**

**Budget Category / Line Item**

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**Total Expenditures:**

2,534,180 - 2,002,495 = 531,685

**GS&S Ending Balance:**

1,029,817 - (531,685) = 498,132

**Strong Motion Instrument Fund**

<table>
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<tr>
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<td>Expenditures:</td>
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<td>Personnel Services</td>
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<td>5,068</td>
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<tr>
<td>Services &amp; Supplies</td>
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<td></td>
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<td>Professional Services</td>
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## Mineral Land Regulation & Reclamation (MLRR) Program

### 2019-21 Budget by Funding Source

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<th>Budget Category / Line Item</th>
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<th>Other Funds</th>
<th>Federal Funds</th>
<th>All Funds</th>
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</thead>
<tbody>
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<td>Beginning Balance</td>
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<td>2019-21 Revenue &amp; Transfers</td>
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### Expenditures:

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<td>Employee Recruitment</td>
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<td>-</td>
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<tr>
<td>Dues &amp; Subscriptions</td>
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<td>-</td>
<td>-</td>
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<td>Medical Services</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Agency Related &amp; S &amp; S</td>
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<td>Intern agency Expenses</td>
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<td>-</td>
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<tr>
<td>Utilities</td>
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<td></td>
<td></td>
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<tr>
<td>Unallocable (M&amp;A)</td>
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<tr>
<td>Expendable Prop ($250-5000)</td>
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<tr>
<td>IT Expendable Property</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Equipment</td>
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<tr>
<td>Data Processing Hardware</td>
<td>-</td>
<td></td>
<td></td>
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<tr>
<td>Data Processing Hardware</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Capital Outlay</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 Services &amp; Supplies</td>
<td>285,247</td>
<td>285,247</td>
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</table>

### MLRR Ending Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Beginning Balance</th>
<th>4 Security releases</th>
<th>Biennium to date</th>
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</thead>
<tbody>
<tr>
<td>2019-21</td>
<td>$896,178</td>
<td>$896,178</td>
<td>$260,428</td>
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</table>

### MLRR Ending Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Beginning Balance</th>
<th>Ending Balance</th>
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</thead>
<tbody>
<tr>
<td>2019-21</td>
<td>$896,178</td>
<td>$3,786,869</td>
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### Reclamation Guarantee Fund

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<tr>
<th>Year</th>
<th>Beginning Balance</th>
<th>Ending Balance</th>
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</thead>
<tbody>
<tr>
<td>2019-21</td>
<td>$414,207</td>
<td>$414,207</td>
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Department of Geology & Mineral Industries
Budget Status Report: April 2020
Staff Report and Memorandum

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

From: Dania Ballard, Chief Financial Officer

Date: July 7, 2020

Regarding: Agenda Item 6 – Review 21-23 Agency Request Budget (ARB)

Dania Ballard, Chief Financial Officer, will review the 21-23 Agency Request Budget (ARB) for DOGAMI.

Proposed Board Action: The Board may 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: Dania Ballard, Chief Financial Officer and Bob Houston, Interim GS&S Program Manager and Legislative Coordinator

Date: July 7, 2020

Regarding: Agenda Item 7 – Grant Budget Monitoring Tool

Dania Ballard, Chief Financial Officer, and Bob Houston, Interim GS&S Program Manager and Legislative Coordinator, will present the Grant Budget Monitoring Tool for DOGAMI.

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: Bob Houston, Interim GS&S Program Manager and Legislative Coordinator

Date: July 7, 2020

Regarding: Agenda Item 8 – Project Pipeline Approval Process

Bob Houston, Interim GS&S Program Manager and Legislative Coordinator, will present the Project Pipeline Approval Process for DOGAMI.

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: Sarah Lewis, MLRR Program Manager

Date: July 7, 2020

Regarding: Agenda Item 9 – 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 Special Pandemic Edition May 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 6/30/20)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<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>
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<tr>
<td>Operating Permits</td>
<td>881</td>
<td>23</td>
<td>872</td>
<td>29</td>
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<tr>
<td>Exclusion Certificates</td>
<td>117</td>
<td>1</td>
<td>119</td>
<td>1</td>
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<tr>
<td>Sites Closed</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
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<tr>
<td><strong>Stormwater (DEQ)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1200A Permits</td>
<td>161</td>
<td>6</td>
<td>161</td>
<td>7</td>
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<tr>
<td>WPCF 1000 Permits</td>
<td>49</td>
<td>3</td>
<td>49</td>
<td>4</td>
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<tr>
<td><strong>Exploration</strong></td>
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<td></td>
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<td></td>
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<tr>
<td>Oil &amp; Gas Wells</td>
<td>92</td>
<td>1</td>
<td>92</td>
<td>1</td>
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<tr>
<td><strong>Geothermal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<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>
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</table>
Surface Mining Application Processing Time and Workload

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

Table 2: Surface Mining Applications by Type (rev. 6/30/20)

<table>
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<tr>
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<th>Total</th>
<th>New</th>
<th>Amend</th>
<th>Transfer</th>
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<td></td>
<td></td>
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</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><strong>FY20 1st Quarter</strong></td>
<td></td>
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<td></td>
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</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><strong>FY20 2nd Quarter</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Received</td>
<td>11</td>
<td>4</td>
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<td>6</td>
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<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><strong>FY20 3rd Quarter (updated)</strong></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Received</td>
<td>8</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Completed</td>
<td>12</td>
<td>4</td>
<td>1</td>
<td>7</td>
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<tr>
<td>Active</td>
<td>25</td>
<td>11</td>
<td>8</td>
<td>6</td>
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<td><strong>FY20 4th Quarter (to date)</strong></td>
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<td>Received</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Completed</td>
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<td>0</td>
<td>0</td>
<td>4</td>
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<td>Active</td>
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<td>5</td>
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<td>Applications older than 1 year</td>
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<td>7</td>
<td>3</td>
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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 6/30/20)

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<th></th>
<th>2019</th>
<th></th>
<th></th>
<th>2020</th>
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<td></td>
<td>Jun</td>
<td>Sep</td>
<td>Dec</td>
<td>Mar</td>
<td>Jun</td>
<td>Sep</td>
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<td>Non-Payment of Fees</td>
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<td>Mining Outside Permit Boundary</td>
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<td>~</td>
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<td></td>
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<tr>
<td>Lack of Approval</td>
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<td>3</td>
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<td>Failure to Comply with Order</td>
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<td>Permit Boundary Survey Map</td>
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<td>Boundary Marking Violation</td>
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<td>Permit Condition Violation</td>
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<td>Reclamation Security</td>
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DOGAMI OPERATIONS in RESPONSE to COVID-19

We hope this finds you well. DOGAMI would like you to know that our offices are still open to serve you. MLRR staff are coming into the Albany office on staggered schedules, and many of us are working from home. If you need to get in touch, the best way is via email and the general contact email address is mlrr.info@oregon.gov. The direct phone line is still 541-967-2039, but please be sure to leave a message so we may return your call.

Our goal during this unprecedented time is to work with you to continue business as safely and consistently as possible. To do our part to flatten the curve and limit the spread of COVID-19, we have implemented changes to the services we can offer during this time, beginning with suspending routine site inspections and conducting site visits only if the need is urgent and the visit can be conducted in a manner that keeps inspectors and on-site personnel safe.

In addition to limited site visits, you may also experience slightly longer processing times for applications, permits and complaints due to the coordination required with other entities and current scheduling constraints. We have also made the difficult decision to postpone the selection and presentation of this year’s MLR Awards. We hope to bring those back online as soon as the program is in a more stable situation.

MLRR is aware that your world also feels turned upside-down. We are here to answer questions about your permits or to work out extensions to deadlines if necessary. Even with the possibility of extended timelines, we are still trying to keep it business as usual. This means that renewals will be sent at the beginning of the month that they are due. If you don’t see your renewal by mid-month, please give us a call and we will resend it to you.
INCREASED AWARENESS of QUARRY OPERATIONS
Following Executive Order 20-12, thousands of Oregonians are working from home or staying at home for the safety of others for an extended period of time. While most quarries haven't changed their operations, having people home during the day has increased calls to DOGAMI for complaints.

For example, in response to a blasting complaint, DOGAMI will reach out to the operator to notify them of the complaint and request the blasting reports for review against industry standard levels. We will then follow-up with both the operator and the complainant. This may take several days depending on the site circumstances and staff capacity. We encourage operators to reach out to their neighbors, and neighbors to ask to be added to the notification list to be alerted in advance of blasting.

We ask that everyone is patient with each other as we address these concerns.

Please plan ahead. The average time to process an operating permit is 5 months.

HOW TO PARTICIPATE IN UPCOMING RULE MAKING
MLRR has received approval from the DOGAMI Governing Board to initiate rule making on various topics. We will be holding Rule Advisory Committee meetings in the coming months to discuss proposed draft rule language with respect to:

- Executive Order 15-18: Oregon Sage Grouse Action Plan
- 2013 House Bill 2202: High Value Farmland in the Willamette Valley

The Rules Advisory Committee meetings are open to the public, but comments are not accepted during the meetings. Interested parties may attend the meetings to listen to the discussions and learn about the proposed rules. There will be an opportunity to submit comments on the rule language during the formal public comment period when the rules are filed with the Secretary of State’s Office. The public comment period will be scheduled following the completion of the Rule Advisory Committee meetings.

The time, date, and options for listening in on these meetings will be posted on DOGAMI’s website https://www.oregongeology.org and sent out to interested individuals via a new DOGAMI rule making listserv, http://listsmart.osl.state.or.us/mailman/listinfo/dogami-rulemaking. Please sign up for the list serv to be notified of this and any future rule making.

Sign up to get this newsletter: listsmart.osl.state.or.us/mailman/listinfo/mlrr.newsletter
Take our customer satisfaction survey:
https://www.surveymonkey.com/r/2020_Stakeholder_Satisfaction_Survey_DOGAMI_MLRR_ENGAGE
Staff Report and Memorandum

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

From: Bob Houston, Interim GS&S Program Manager and Legislative Coordinator

Date: July 7, 2020

Regarding: Agenda Item 10 – GS&S Update

Bob Houston, Interim GS&S Program Manager and Legislative Coordinator, will provide an update on the GS&S program.

Proposed Board Action: The Board will not be asked to take an action on this item.
Project Grant Details:

Spatial Distribution of Active Projects

Legend

- **Active Grant Focus Areas**

Statewide Grant Projects:
- Data Presentation
- Landslide Warning System
- Building Footprints

Project Concepts in Development (pre-award phase)

- DSL Mineral Assessment Report 1: $10,000
- DSL Mineral Assessment Report 2: $10,000
- OEM_HMGP Post Disaster Funding Hood River: $15,000
- Quaternary Faults Study Concept: $15,000
- UO / National Earthquake Hazards Reduction Program Cascadia triggered Landslide: $300,000
- USGS Geologic Faults Project: $63,835
- USGS Oregon Stratigraphic Project: $121,865

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<tr>
<th>Proposed Budget</th>
<th>Pre-pipeline Concepts</th>
<th>Leadership Team Approved Pipeline Projects</th>
<th>Submitted Applications</th>
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- NOAA National Tsunami Hazard Mitigation Program (NTHMP): $492,191
- FEMA Cooperating Technical Partnership (CTP) RiskMAP program: $702,000
Publications Released in 2020 (to date):

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<th>Publication Type</th>
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<tr>
<td>Open-File Report</td>
<td>O-20-01</td>
<td>Earthquake regional impact analysis for Columbia County, Oregon and Clark County, Washington</td>
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<td>Open-File Report</td>
<td>O-20-02</td>
<td>Oregon Coastal Hospital Resilience Project</td>
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<td>Open-File Report</td>
<td>O-20-03</td>
<td>Analysis of earthquake and tsunami impacts for people and structures inside the tsunami zone for five Oregon coastal communities: Gearhart, Rockaway Beach, Lincoln City, Newport, and Port Orford</td>
<td>2020</td>
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<tr>
<td>Open-File Report</td>
<td>O-20-04</td>
<td>Temporal and spatial changes in coastal morphology, Tillamook County, Oregon</td>
<td>2020</td>
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<tr>
<td>Open-File Report</td>
<td>O-20-05</td>
<td>Tsunami evacuation analysis of Port Orford, Curry County, Oregon</td>
<td>2020</td>
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**Other News:**

**Process Improvement Documents**

- Tech. Review Committee – updated charter
- 30% budget remaining spend down tracking sheet
- Travel/Field Work procedure during COVID-19
- Leave request procedure

**Communication Improvements**

- One-on-one
- Small groups
- GSS all-staff meetings
- Listening session
To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Brad Avy, Director & State Geologist

Date: July 7, 2020

Regarding: Agenda Item 11 – Director’s Report

Director Avy will deliver his report on the following topics:

1) Program Manager Recruitment – Geological Survey and Services Program
2) Internal Communications Plan Update
3) Strategic Planning 2022-2028
4) DOGAMI – A Sense of Urgency

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: Lori Calarruda, Executive Assistant
Date: July 7, 2020

Regarding: Agenda Item 12 – Confirm Time and Date for next meeting

Currently the next DOGAMI Board meeting is scheduled for Friday, September 25, 2020 in Portland.

Note: Currently 8:30 a.m. – 10:30 a.m. on Tuesday, July 28, 2020 is being held for a potential Special Board Meeting.

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