

**GOVERNING BOARD MEETING
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES**

December 5, 2016

8:30 a.m.

Portland, OR

Public Meeting Agenda

The Board makes every attempt to hold strictly to the sequence of the distributed agenda. Times and topics may change up to the last minute, but the times for public comment will be available as indicated below. This agenda is available on the DOGAMI website: www.oregongeology.org.

- 8:30 a.m. Item 1: Call to Order – Chair Lisa Phipps**
- 8:35 a.m. Item 2: Introductions – Chair Lisa Phipps and staff**
- 8:40 a.m. Item 3: Review Minutes of September 26, 2016**
Board Action: The Board will be asked to take action on this item
- 8:45 a.m. Item 4: Financial Report and Audit Update – Kim Riddell, Chief Financial Officer**
Board Action: The board will be asked to take action on this item
- 9:15 a.m. Item 5: Director’s Report – Brad Avy, Director**
Briefing: The board will not be asked to take action on this item
- 10:00 a.m. Break**
- 10:15 a.m. Item 6: Public Comment**
Three minutes limit per person unless otherwise specified at the meeting by the Chair
- 10:30 a.m. Item 7: Public Involvement Plan – Updating the Tsunami Regulatory Line – Ali Hansen, Communications Director**
Board Action: The board will be asked to take action on this item
- 11:15 a.m. Item 8: Public Comment**
Three minutes limit per person unless otherwise specified at the meeting by the Chair
- 11:30 a.m. Item 9: Board Acknowledgement**
No Board Action
- 11:40 a.m. Item 10: Confirm Time and Date for next meeting**
Board Action: The Board will be asked to take action on this item
- 11:45 a.m. Item 11: Board Adjourn**

PLEASE NOTE

AGENDA

The Board meeting will begin at 8:30 am, and proceed chronologically through the agenda.

PUBLIC TESTIMONY

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

1. Provide written summaries of information to the Board (6 sets);
2. Limit testimony to 3 minutes, recognizing that substance, not length, determines the value of testimony or written information;
3. Endorse rather than repeat testimony of other witnesses; and
4. Designate one spokesperson whenever possible when groups or organizations wish to testify.

THANK YOU FOR TAKING TIME TO PRESENT YOUR VIEWS

If you bring written materials to the meeting, please provide six (6) copies. If you have questions regarding this agenda, please contact Ali Ryan Hansen at (971) 673-0628 or you may email her at ali.hansen@oregon.gov

REASONABLE ACCOMMODATION OF DISABILITIES

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

Staff Report and Memorandum

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

From: Holly Mercer, Assistant Director

Date: November 22, 2016

Regarding: Agenda Item 3 – Review Minutes of September 26, 2016

Attached are draft Board Minutes from September 26, 2016.

Proposed Board Action: The Board Minutes of September 26, 2016 be Approved/Approved as amended/Not Approved.

**GOVERNING BOARD MEETING MINUTES
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES**

Monday, September 26, 2016

9:30 a.m.

Corvallis, Oregon

1) Call to Order: (Lisa Phipps, Board Chair)

Chair Lisa Phipps called the meeting to order at 9:31 a.m.

2) Introductions: (Lisa Phipps, Board Chair and staff)

Chair Phipps, Vice Chair Laura Maffei, and Board Members Dennis Luke and Scott Ashford and Katie Jeremiah were in attendance.

Department of Geology and Mineral Industries (DOGAMI) Staff in attendance:

Brad Avy, Director/State Geologist

Lori Calarruda, Recording Secretary/Executive Assistant

Holly Mercer, Assistant Director of Geological Survey and Services (GS&S)

Kim Riddell, Chief Financial Officer (CFO)

Ali Ryan Hansen, Communications Director

Bob Houston, Metallic Ore Geologist / Rules Coordinator

Others in attendance:

Diane Lloyd, Department of Justice (DOJ)

John Terpening, Legislative Fiscal Office (LFO)

Tommy Brooks, Cable Huston

Peggy Lynch, League of Women Voters of Oregon

Claire Withycombe, East Oregonian/Pamplin Media Group

John McKesson, Clatsop #1 Drainage Improvement Company

Samuel Semerjian, MIST

John Richard

Stan Van de Wetering, CTS1

Marie Wilson

Chair Phipps thanked Scott Ashford and OSU for hosting the Board Meeting in Corvallis.

3) Review Minutes of June 10, 2016 and August 1, 2016:

Phipps asked if there were any changes to the minutes as presented. No changes.

Board Action: **Luke moved to approve the minutes of June 10, 2016 as submitted. Maffei seconded. Motion carried.**

Board Action: **Maffei moved to approve the minutes August 1, 2016 as submitted. Ashford seconded. Motion carried.**

4) Proposed 2017 Board Meeting Dates:

Holly Mercer, Assistant Director presented the proposed 2017 Board meeting dates.

Board members Luke, Maffei and Ashford said they preferred Mondays. The following dates were decided, with the understanding that they could change if necessary.

Monday March 13, 2017

Friday, June 23, 2017

Monday, September 18, 2017

Monday, December 11, 2017

Chair Phipps asked if the December 9th Board meeting could be moved due to a conflict. Board agreed to December 5, 2016.

Luke commented that he would prefer the meetings go from 8:30am to 12pm.

Board Action: **Maffei moved to accept proposed 2017 Board meeting dates as presented and discussed. Ashford seconded. Motion carried.**

5) Department of Justice (DOJ) Oil & Gas Briefing:

Diane Lloyd, Assistant Attorney General, provided the Board with a memorandum (attached) explaining Compulsory Integration Orders under the Oil and Gas statutes and rules. She indicated that her office is researching prior board minutes but has only been able to locate one order in the 1980s. Ashford asked if the 1980s ruling is still valid or does it need to be updated. She said it is for the same gas field but not for the same spacing unit and it is still valid. Luke asked if there is timeline for the process and Lloyd indicated that there is no timeline in the current rules.

Maffei declared a conflict of interest relating to an issue involving the Mist gas field. She indicated that her law firm is representing one of the parties involved.

Briefing: **No Board Action Required.**

6) Public Comment:

Phipps asked for public comment.

Comment of John McKesson: McKesson said he is concerned about rural areas receiving sufficient resilience resources. He asked the Board if they could add a self-reliance line to their plan. McKesson asked Luke if he considered what a million refugees would mean to his community in the case of a subduction zone earthquake and Luke replied the fairgrounds in Deschutes County located in Redmond will be an evacuation site. The hospitals are gearing up for it and a location has been identified for an Emergency Management command center. Ashford mentioned the State Resilience Plan indicates people should plan on being on their own for two weeks instead of 3 days.

Comment of Samuel Semerjian: Semerjian commented that he is frustrated with DOGAMI and DEQ regarding the response time from both agencies concerning the dumping of pollutants going on near his property. He also stated he feels DOGAMI should represent him instead of needing to get a lawyer and that he is being asked to sign paperwork to have it swept under the floor. He mentioned the letter he sent to all the Board members regarding the situation and his concerns. Chair Phipps asked Lloyd if DOGAMI has a formal process to look into this matter and Lloyd told Phipps it is the compulsory integration order process. Phipps informed the Board that this is not an action item for the Board at this time.

Chair Phipps asked Bob Houston to discuss the process for the other issues Semerjian had concerns on. Houston stated DEQ was contacted about removing the solid waste and DOGAMI received documentation from DEQ that it had been cleaned up. Houston explained the process is that when someone submits a request to pump DOGAMI allows them to move forward while the agreements are being put in place. Currently the company is continuing to pump and paying out to all spacing units with lease agreements and they are holding back an amount for when the spacing unit agreement is reached with Semerjian dated back to when the wells started production. Ashford stated that he wanted to know what the proper process is going forward so it is clear what the next steps would be. Lloyd specified that either interested party can apply for the compulsory integration. Semerjian replied that that no gas was to be pumped out until all the agreements were in place and DEQ never visited the site due to understaffing at the agency. Chair Phipps requested DOGAMI staff follow up with DEQ on this issue.

Comment of John Richard: Richard stated that Sam Semerjian asked him to look into this matter. He believes the first issue is dumping on the well site before operations began. Richard declared this is a well site governed by DOGAMI law and rule and the Agency owed Semerjian a response back. The second issue is why this is occurring and challenged DOGAMI management to tell him how can Enerfin operate a well that they do not have ownership rights to when the law requires all leases be in place before drilling commences. Richard maintained that DOGAMI should be the enforcer of the rules and that gas well should never have pumped without Semerjian's lease. Richard stated Houston told him it is common practice in other states and he disagreed. Richard recommended DOGAMI review their rules and look at internal processes.

Comment of Tommy Brooks, attorney for Enerfin: Brooks stated that he is confident that they can work through these issues with Mr. Semerjian. Brooks confirmed that Enerfin is holding the funds aside for Mr. Semerjian. Brooks wanted to clarify that the well is not on Mr. Semerjian's property but on a neighboring property and Enerfin did have all the rights and the permits needed to drill. Luke asked about the Mist field and what is a spacing unit. Houston explained a spacing unit is to conserve the resource and not over or under mine it. The initial discovery would be brought to the Board to determine the spacing unit, which also depends on the depth of the well. The size of the spacing unit in the Mist gas field is 160 acres. Ashford requested clarification on the public comment about getting a permit before having the owners sign off on the lease agreement before pumping takes place. Houston said to issue the permit, the applicant needs to provide documentation that they have the mineral interest for the parcel in which the well is being drilled on. Chair Phipps reminded the Board that this not a hearing and not a decision making process. According to Lloyd, staff has followed the DOGAMI rules to date on this issue.

Comment of John McKesson: McKesson brought up the possible issue with water quality issues. Chair Phipps agreed that is a valid concern and stated DOGAMI should following up with DEQ to make sure they have moved through their processes correctly.

7) Existing Key Performance Measures (KPM) 2016 Data Report:

Holly Mercer, Assistant Director presented the 2016 data report. Mercer explained that on KPM 6 it was discovered that it had been reported as kilometers in one report and square miles in another report so they had to true it up as square miles so there is a significant change to it.

Mercer indicated that the Customer Service and Governance KPMs are mandatory KPMs. She also indicated that the Board will need to complete a Director performance evaluation prior to the next report. Mercer specified the Customer Service information is provided by Ali Hansen and the management team will work to increase the numbers.

Chair Phipps explained the reason there was not an evaluation of the Director in 2015 is because DOGAMI had an Interim Director and with the new Director, the timing has not been in place to do an assessment.

Board Action: **Maffei moved to approve the revisions to the 2015-2016 Annual Progress Performance Report as presented/ revised. Luke seconded. Motion carried.**

8) Financial Report:

Kim Riddell, Chief Financial Officer, presented the budget status report as of July 31, 2016. Riddell provided a larger handout of the report including a detailed statement of projects. Riddell stated indirects have been allocated through July. Currently the Agency is looking strong. DOGAMI went to legislature last week to get approval for two federal grants, FEMA CTP and StateMap Grants, and increase the amount of federal funding limitation by \$1.4 million dollars.

Ashford asked if DOGAMI has looked at different scenarios for next biennium. Riddell responded that she is always running different scenarios based on grants the Agency receives. Maffei asked for clarification on the negative ending balance and Riddell replied they need to draw the funds. Chair Phipps asked if they plan on having any General Fund left and Riddell said no.

Riddell discussed the project list and indicated that she meets regularly with the project managers to review the project budgets. She further explained that if a project goes over budget, the general fund has to cover the costs. Riddell updated the Board on the status of the Secretary of State (SOS) and FEMA audits. Although neither audit report is complete, she has been in contact with the auditors and anticipates that the reports will be complete soon. Phipps asked Riddell if she had received any feedback to indicate any looming red flags. Riddell replied no.

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

Break

9) Director's Report:

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

Status of Leadership Development Initiative: Director Avy handed out an organization chart projected for January 2017 which is different than what had been planned due to Holly Mercer's retirement announcement. This allows the Agency to focus on developing leaders and capacity for the Agency over the next several years by opening up an additional opportunity for a Natural Resource Manager position in a two-year rotational role. Ian Madin will move into the Deputy role. Ashford asked if the rotational supervisory positions will supervise their colleagues and then rotate out and be supervised by their colleagues and Avy answered yes. Avy said his experience has been positive with this structure. Ashford queried if there would be training for them and Avy responded yes. He explained the manager position is two years because it is more challenging.

Phipps inquired why there is not a similar opportunity for MLRR. Avy stated there are two leads at MLRR which are new and a manager could be added at a later date. Ashford asked if the MLRR leads will have the same training and Avy replied yes. Maffei asked how the staff has responded so far. Avy said they had six staff members apply for the supervisory positions and four for the manager position. Phipps mentioned that in the past staff has not had the opportunity to advance themselves and stay within the Agency and she is excited to see the opportunities. Phipps said one concern is the MLRR program being forgotten. Avy stated Madin will be working directly with MLLR staff to ensure involvement.

Briefing on Hearings and Reports presented during Legislative Days in September 2016: Ian Madin presented the HB 3089 report for the study on Mineral Resource Potential for Eastern and Southern Oregon to the legislature. It was well received and included future options. Avy indicated that Kim Riddell presented the financial information to the legislative committee. He was pleased with how well it went and thanked Riddell for her efforts.

Status of Information Technology Initiatives: The Agency has been working to get the foundation piece in place and for the first time the Agency is on the same system. The IT Project is on schedule, but may have some overlap into the next fiscal year. Avy stated that the end result is a modern financially efficient and streamlined IT operation that is fully compliant with the State of Oregon Enterprise IT standards, where the IT staff are primarily tasked with enabling the Agency to continue to deliver its mission and to improve the services that it provides to the public and the State. Phipps asked if they will use focus or user groups to ask for input on fixing the website. Avy stated Ali Hansen had discussed that with Connor Anderson and Avy anticipates DOGAMI will need to do that.

Calico Background Update: Director Avy asked Bob Houston to present on this topic. Houston provided detailed background on Calico and the Grassy Mountain Project, which is a gold mine located 25 miles south of Vale in Malheur County and is the largest of twelve (12) recognized precious metal deposits within the Lake Owyhee volcanic field. Calico Resources USA Corporation acquired the property in 2012 and is planning to use a chemical process to obtain the ore, which requires a special permit. Calico is planning on submitting a letter of intent to mining. Oregon uses a consolidating application process for administering the State's Division 37 regulatory requirements.

Chair Phipps asked if Calico is paid up. Avy replied it is and Calico was acquired by Paramount in July and that DOGAMI will work to have the billing current to keep the payments current. DOGAMI will also have the assistance of a facilitator/coordinator as part of the process. Luke asked how many underground mines Oregon has that DOGAMI supervises and Houston said zero that are permitted.

Ashford queried where does oversight for safety go for underground mines. Houston replied Mine Health Safety Administration (MHSA) is responsible for safety aspects at all operating mines in Oregon including gravel pits. Phipps inquired how the public gets involved in the process and how they are made aware of the public meetings and comments. Houston stated the technical meetings are public and they can provide comments during these meetings and Ali Hansen said she works with a consultant to publish the information and put notices out. Luke stated that Calico needs to get the minutes when they are talked about at the meetings. Director Avy said they will be coordinated through Bob Houston.

MLRR Initiatives and Staffing Update: Holly Mercer has been working with the staff in Albany and feels a great deal of progress has been made. Kelly Wood is in a lead role for operating permit applications and has a new hire named Claire Getz, who is a recent geology graduate, starting October 1 to help her with a comprehensive review of the history and permit file. Bob Houston is transitioning to StateMap and Calico, and Bob Brinkmann is taking over the gas and oil responsibility. Tom Wiley retired last week after 27 years with the Department.

Briefing: **No Board Action Required.**

10) Public Comment:

Phipps asked for public comment.

Comment of Marie Wilson: Wilson said that she had a question about whether there is information available about changes in building codes for seismic activities or new mapping for hazards for faults or seismic activity. Chair Phipps replied that staff would help direct her to that information.

Comment of Peggy Lynch with the League of Women Voters of Oregon: Lynch stated that she would like the Board to know that her organization feels the KPMs are very important. The League has been a strong supporter of DOGAMI to get more General Fund to help with the mission of the Agency. Lynch believes that keeping staff is important. On the IT portion the League wants the connection of databases between organizations and the website to look like the rest of the Oregon.Gov sites. Lynch also mentioned a multiple page letter from Senator Brian Boquist on the 14 day responsibilities for individual citizens. Lynch talked about Calico and how the League is interested in the water quality and she mentioned there is a list serve that information can be accessed. The League is very interested in how the consolidated permit process works because it is a permit process amongst agencies and is supposed to be part of the regulatory streamlining.

Comment of John McKesson: McKesson spoke about innovation and comments he heard from Dr. Ashford at a speech he gave and how concerned he was over his staff. He would like the voter file merged with the hazard plan and have the Board mix the platforms and have them hand out the profiles to individuals.

Break

11) Working Lunch - SB 379 Public Engagement Plan:

Ali Ryan Hansen, Communications Director provided an update on the Agency's plan to collect input from coastal communities on a potential change to the regulatory tsunami inundation zone. Oregon law limits construction of certain building types in the regulatory tsunami inundation zone.

The DOGAMI Governing Board sets the regulatory inundation zone based on best available science to prevent loss of life. It is local government and other agencies that determine what can be built in those areas and what rules apply to them.

Hansen reviewed the engagement approach, which begins with collecting feedback from state and local stakeholders, then expands to local groups and organizations, and then to broad community outreach as needed.

Several changes to the plan have been made since the Board was last updated. The feedback DOGAMI heard from the Board as well as other stakeholders was to approach other state agencies and organizations for help with engaging communities. This plan is more collaborative, and Hansen has been reaching out potential collaborators. The timeline has also changed, and now begins in October and ends in February.

Phipps stated that collaboration is the better route to go. She asked for clarification on whether DOGAMI would still have the lead role. Director Avy said yes, but additional collaboration with will help DOGAMI gather the desired input. Phipps stated her concern is having others speak on DOGAMI's behalf, and that others may not be able to answer questions as DOGAMI staff could. Hansen said steps will be taken to ensure that does not happen.

Maffei asked for clarification regarding what the board was voting on. Hansen said the engagement plan has changed, so the vote is confirming that staff should move forward with the plan as presented. Luke asked when the Board might be asked to vote on a change to the line. The earliest is likely to be the June 2017 meeting. Ashford stated that he was interested in seeing the communication materials that will be provided to stakeholders and the public. Hansen will circulate the materials.

Board Action: **Maffei moved to approve staff moving forward. Ashford seconded. Motion carried.**

Stan Van de Wetering came forward and said he strongly encouraged reaching out to the coastal tribes and have them be part of the discussions.

Break

12) Cascadia Lifelines Program (CLiP) Introductions, Overview and Cascadia Subduction Zone

Presentations:

Oregon State University's Cascadia Lifelines Program staff provided presentations on the program's research on Cascadia Subduction Zone earthquake and tsunami hazards, impacts, and resilience. Presentations included:

"Cascadia Lifelines Program (CLiP) and Related CSZ Resilience Research at Oregon State University"

Dan Cox, Director, Cascadia Lifelines Program and Professor of Civil and Construction Engineering

"Meeting the Geotechnical Hazards of the CSZ"

Armin Stuedlein, Associate Professor, Civil and Construction Engineering

“Evaluating Landslide Hazards Impacts on Infrastructure using Lidar”

Ben Leshchinsky, Assistant Professor, College of Forestry

“Seismic Performance of Aging Prestressed Transmission Poles with Simulated Soil Foundation”

Burkan Isgor, Professor, Civil and Construction Engineering

The Oregon Hazard Explorer for Lifelines Program (O-Help) Web GIS

Dan Gillins, Assistant Professor, Civil and Construction Engineering

“Cost-effective Retrofitting of Unreinforced Masonry Walls”

Andre Barbosa, Assistant Professor, Civil and Construction Engineering

“Planning critical infrastructure response in earthquake disasters: An integrated resource location and transportation network design problem”

Salvador Hernandez, Assistant Professor, Civil and Construction Engineering

“CSZ Earthquake and Tsunami Inundation and the Built Environment: Estimating Building Damage at Community Scale”

Dan Cox, Director, Cascadia Lifelines Program and Professor of Civil and Construction Engineering

Briefing: **No Board Action Required.**

13) Break and Travel to O.H. Hinsdale Wave Research Laboratory (HWRL):

14) Tour of HWRL:

The DOGAMI Governing Board members, DOGAMI staff and members of the public took a tour of the O.H. Hinsdale Wave Research Laboratory (HWRL).

15) Board Adjourn:

At the conclusion of the tour, Chair Phipps adjourned the meeting at 3:40 p.m.

APPROVED

Lisa Phipps, Chair



DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

MEMORANDUM

DATE: September 16, 2016

TO: Brad Avy, State Geologist
Holly Mercer, Assistant Director
DOGAMI Governing Board

FROM: Diane Lloyd, Assistant Attorney General
Natural Resources Section

SUBJECT: Oil and Gas-Compulsory Integration Orders

Background: Based on recent inquiries to staff it appears that there may be an application to the DOGAMI Governing Board for a compulsory integration order in the near future. Such a request has not come before the Board for a many years. The following is a brief summary of the law on compulsory integration orders.

Discussion: Oregon statutes regarding "Conservation of Gas and Oil" are at ORS chapter 520. The DOGAMI oil and gas rules are at OAR chapter 632, division 10. To prevent waste of oil or gas, and to avoid the drilling of unnecessary wells, ORS 520.210 provides for the establishment of spacing units. "Spacing Unit" is defined rule as "the acreage dedicated by the board to a well after field limits and rules are established."¹ Spacing units are to be uniform in size and shape for the entire pool unless another size would decrease waste or unnecessary wells.²

Multiple landowners may hold interests within a single spacing unit. Developing spacing units does not address the issue of integration, which determines who gets how much of the value of oil produced within the spacing unit. Integration is addressed in ORS 520.220, and essentially the property owners either must develop their own agreement for sharing the royalties (voluntary integration) or they can ask the board to issue order dividing up the interests (compulsory integration).

ORS 520.220(2) states:

In the absence of voluntary integration, the governing board of the State Department of Geology and Mineral Industries, upon the application of any interested person, shall make an order integrating all tracts or interests in the spacing unit for the development and operation thereof and for the sharing of production therefrom. The board, as a part of the

¹ OAR 632-010-0008(51).

² ORS 520.210(1).

order establishing one or more spacing units, may prescribe the terms and conditions upon which the royalty interests in the units shall, in the absence of voluntary agreement, be deemed to be integrated without the necessity of a subsequent order integrating royalty interests. Each such integration order shall be upon terms and conditions that are just and reasonable.

Additionally, there is an administrative rule regarding compulsory integration orders at OAR 632-010-0161:

Compulsory Integration Orders

(1) Definitions. For purposes of this rule:

(a) "Costs" include:

(A) "Drilling costs," which means all reasonable costs and expenses of drilling, re-drilling, reworking, deepening, plugging back, testing, and completing the well; and

(B) "Production costs," which means all reasonable on-site costs and expenses of production and production equipment for the well, including wellhead, but not pipeline costs and not overhead.

(b) "Participating owner" means each owner in the spacing unit who, prior to commencement of drilling operations, entered into a written agreement with the operator to share costs, production, and entitlements. However, where no such agreement has been reached, an owner, who prior to drilling tendered the operator a written agreement to pay not less than the owner's pro rata share of costs attributable to the owner's interest, as computed in section (2) of this rule, in the spacing unit in exchange for a share of production and entitlements, will be considered to be a participating owner and to have entered into a constructive agreement to that effect.

(2) Timing. In the absence of a voluntary integration agreement for the entire spacing unit, the board will enter an order integrating all mineral rights ownership interests in a spacing unit pursuant to ORS 520.220(2), at any time following the entry of an order establishing the spacing unit for a pool pursuant to ORS 520.210.

(3) Determination of Interests. A compulsory integration order determines the interest of each mineral rights owner in the spacing unit by dividing:

(a) The number of surface acres subject to an owner's mineral rights located in the spacing unit; by

(b) The total number of surface acres in the spacing unit.

(4) Content. The compulsory integration order will provide for the drilling, if necessary, and operation of the well on the spacing unit for the sharing of production and for the payment of costs.

(5) Effective Date. The compulsory integration order becomes effective on the date of initial production, unless the board establishes another date.

(6) Allocation of Costs and Earnings:

(a) The compulsory integration order will treat the operator and participating owners as a single entity. The operator-participating owners' entity is entitled to share production and pay costs, both in proportion

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to the total interest, as computed under section (2) of this rule, of the operator-participating owners' entity in the spacing unit. The express and constructive agreements between the operator and participating owner(s) control the allocations of production and costs attributable to the operator-participating owners' entity; and

(b) The compulsory integration order will allocate each non-participating owner a full share in production in proportion to the owner's interest in the spacing unit subject to royalty obligations, if any.

(c) The compulsory integration order will authorize the operator-participating owners' entity to withhold from each nonparticipating owner's share of production a pro rata share of drilling and production costs. The pro-rata share of costs may also be subject to a multiplier established by the Board to compensate the operator-participating owners assumption of risks associated with production.

Staff Report and Memorandum

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

From: Kim Riddell, Chief Financial Officer

Date: November 22, 2016

Regarding: Agenda Item 4 – Financial Report

Attached is the DOGAMI Budget Status Report, as of October 31, 2016 for both the Geological Survey and Services (GS&S) Program and the Mineral Land Regulation & Reclamation (MLRR) Program. An update will be provided to the Board on the Secretary of State (SOS) and FEMA audits.

Proposed Board Action: The Budget Status Report be Approved/Not Approved as presented.

Department of Geology & Mineral Industries
Budget Status Report: As of October 2016 Close

% of Time Spent 67%	% of Time Remaining: 33%
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Geological Survey & Services (GS&S) Program

Budget Category / Line Item	2015-17 Budget by Funding Source				2015-17 Actual Revenue & Expenditures				Budget Spent				Budget Remaining			
	General Funds	Other Funds	Federal Funds	All Funds	General Funds	Other Funds	Federal Funds	All Funds	GF	OF	FF	All Funds	GF	OF	FF	All Funds
Revenue																
Beginning Balance	-	1,194,513	-	1,194,513	-	1,194,513	-	1,194,513								
2015-17 Revenue	4,806,968	4,273,213	6,865,670	15,945,851	3,018,338	1,867,250	4,222,673	9,108,261								
Total Available Revenue	4,806,968	5,467,726	6,865,670	17,140,364	3,018,338	3,061,763	4,222,673	10,302,774	63%	56%	62%	60%	37%	44%	38%	40%
Expenditures:																
<i>Personnel Services</i>	2,950,781	971,415	2,433,910	6,356,106	1,647,141	655,494	1,512,705	3,815,340	56%	67%	62%	60%	44%	33%	38%	40%
<i>Services & Supplies</i>																
Instate Travel	11,921	69,486	170,519	251,926	62,073	9,017	13,401	84,491								
Out of State Travel	7,177	22,405	6,294	35,876	17,708	5,853	1,497	25,059								
Employee Training	2,569	9,933	12,956	25,458	22,344	472	798	23,614								
Office Expenses	13,034	30,903	4,419	48,356	54,579	1,085	76	55,739								
Telecomm	5,728	218	9,395	15,341	28,625	-	-	28,625								
State Gov't Svc Chg	255,945	287,998	24,927	568,870	282,345	-	-	282,345								
Data Processing	191,054	-	6,841	197,895	142,358	-	-	142,358								
Publicity & Publications	-	3,154	57,231	60,385	11,757	-	-	11,757								
Professional Services	776,280	1,558,824	3,492,630	5,827,734	539,004	724,999	2,626,755	3,890,758								
IT Professional Services	13,500	-	-	13,500	12,483	-	-	12,483								
Employee Recruitment	268	1,309	-	1,577	-	-	-	-								
Dues & Subscriptions	1,430	795	2,109	4,334	6,018	-	-	6,018								
Facilities Rent	215,465	167,133	51,767	434,365	247,125	-	-	247,125								
Fuels & Utilities	-	-	-	-	1,750	-	-	1,750								
Facilities Maintenance	-	-	-	-	-	-	-	-								
Agency Related S & S	-	-	2,500	2,500	1,418	-	196	1,614								
Intra agency Charges	-	-	-	-	-	-	-	-								
Other Services & Suppl	154,220	413,821	534,209	1,102,250	(236,895)	177,779	311,945	252,829								
Attorney General	4,640	(655)	-	3,985	25,836	-	-	25,836								
Undistributed (S&S)	-	-	-	-	-	-	-	-								
Data Processing Hardwa	-	-	-	-	17,194	3,108	-	20,303								
Expendable Prop (\$250-	41,514	18,489	27,341	87,344	6,999	443	-	7,442								
IT Expendable Property	161,442	-	28,622	190,064	71,404	10	1,425	72,839								
Technical Equipment	-	-	-	-	57,072	53	-	57,125								
<i>Total Services & Supplies</i>	1,856,187	2,583,813	4,431,760	8,871,760	1,371,197	922,819	2,956,093	5,250,109	74%	36%	67%	59%	26%	64%	33%	41%
Total Expenditures	4,806,968	3,555,228	6,865,670	15,227,866	3,018,338	1,578,313	4,468,798	9,065,450	63%	44%	65%	60%	37%	56%	35%	40%
GS&S Ending Balance	\$ -	\$ 1,912,498	\$ -	\$ 1,912,498	\$ -	\$ 1,483,450	\$ (246,126)	\$ 1,237,325								
There is currently \$185,989 in Unlimited Fund. This is 100% Strong Motion Instrument Funding.																
Est. Unallocated Indirect	-	-	-	-	-	-	-	-	63%	44%	65%	60%	37%	56%	35%	40%

Mineral Land Regulation & Reclamation (MLRR) Program

Budget Category / Line Item	2015-17 Budget by Funding Source				2015-17 Revenue & Expenditures				Spent Budget				Remaining Budget			
	General Funds	Other Funds	Federal Funds	All Funds	General Funds	Other Funds	Federal Funds	All Funds	GF	OF	FF	All Funds	GF	OF	FF	All Funds
Revenue																
Beginning Balance	-	152,600	-	152,600	-	152,600	-	152,600								
2015-17 Revenue	-	2,979,703	-	2,979,703	-	1,816,465	-	1,816,465								
Total Available Revenue	-	3,132,303	-	3,132,303	-	1,969,065	-	1,969,065	63%			63%	37%			37%
Expenditures:																
<i>Personnel Services</i>	-	2,216,124	-	2,216,124	-	1,325,113	-	1,325,113	60%			60%	40%			40%
<i>Services & Supplies</i>																
Instate Travel	-	65,864	-	65,864	-	30,295	-	30,295								
Out of State Travel	-	-	-	-	-	488	-	488								
Employee Training	-	-	-	-	-	1,355	-	1,355								
Office Expenses	-	29,067	-	29,067	-	17,123	-	17,123								
Telecomm	-	44,161	-	44,161	-	16,680	-	16,680								
State Gov't Svc Chg	-	-	-	-	-	-	-	-								
Data Processing	-	-	-	-	-	-	-	-								
Publicity & Publications	-	3,281	-	3,281	-	8,189	-	8,189								
Professional Services	-	91,305	-	91,305	-	75,673	-	75,673								
IT Professional Services	-	-	-	-	-	2,000	-	2,000								
Attorney General	-	51,373	-	51,373	-	44,430	-	44,430								
Employee Recruitment	-	-	-	-	-	-	-	-								
Dues & Subscriptions	-	561	-	561	-	295	-	295								
Facilities Rent	-	71,844	-	71,844	-	56,686	-	56,686								
Fuels & Utilities	-	10,629	-	10,629	-	9,380	-	9,380								
Facilities Maintenance	-	10,595	-	10,595	-	2,494	-	2,494								
Agency Related S & S	-	-	-	-	-	77	-	77								
Intra agency Charges	-	-	-	-	-	-	-	-								
Other Services & Suppl	-	32,672	-	32,672	-	20,102	-	20,102								
Undistributed (S&S)	-	-	-	-	-	-	-	-								
Expendable Prop (\$250-	-	4,486	-	4,486	-	5,370	-	5,370								
IT Expendable Property	-	26,115	-	26,115	-	16,628	-	16,628								
<i>Total Services & Supplies</i>	-	441,953	-	441,953	-	307,264	-	307,264	70%			70%	30%			30%
Total Expenditures	-	2,658,077	-	2,658,077	-	1,632,377	-	1,632,377	61%			61%	39%			39%
MLRR Ending Balance	\$ -	\$ 474,226	\$ -	\$ 474,226	\$ -	\$ 336,688	\$ -	\$ 336,688								
Uncharged Indirect																
MLRR Ending Balance	-	-	-	-	-	336,688	-	336,688								

DOGAMI AY 2015 - 2017
Current and Projected Projects
As of October 2016 Close

Grant / PCA	Grant / PCA Title	Award	Expenditure	Remaining	Notes
32000	NATURE OF THE NORTHWEST	17,399	28,205	(10,806)	To be paid by GF - store closure
83090	HB3089; 2015 REG SESSION; MINERAL STUDY	25,000	24,947	53	
BFE210	BASE FLOOD ELEVATION (BFE) DETERMINATION	10,125	10,612	(487)	Multiple individual public initiated project requests
BLM032	EASTERN OREGON LIDAR ACQ	467,002	266,002	201,000	New Modification \$140k to be added
BLM171	EUGENE LIDAR ACQ	1,011,552	1,011,552	0	
BLM271	GRANTS PASS OREGON LIDAR COLLECTION	534,800	534,800	0	
BLM272	ROSEBURG, OREGON LIDAR COLLECTION	886,000	872,110	13,890	
BLM273	SALEM OREGON LIDAR COLLECTION	435,930	435,927	3	
BLM345	LANDSCAPE MAPPING MILL CREEK & COOS BAY	46,933	38,970	7,963	
BLM382	KENO AOI LIDAR	281,964	281,964	0	
CCB701	CITY OF CANNON BEACH SAND STUDY	30,846	12,477	18,369	
CCO013	CURRY COUNTY ELK RIVER SPIT	17,808	3,548	14,260	
CFO214	DAS/CFO: FACILITIES ASSESSMENT	200,000	198,963	1,037	
COE002	USACE FLOOD ANAL-LIDR-MIDFORK-WILLR-FERN	264,325	199,327	64,998	
COE003	WILLAMETTE VALLEY LEVEE INVENTORY	20,000	20,000	0	
DEQ515	DEQ: RIVERBEND LANDFILL ANALYSIS	10,000	5,992	4,009	
DLC030	DLCD: NHMP 2014	22,500	23,869	(1,369)	
DLCjon	2016 TSUNAMI LAND USE	104,000		104,000	Pending project
DOE045	ODOE: ENERGY FACILITY SITTING COUNCIL	25,000	4,855	20,145	
DSL004	DSL: MINERAL INDUSTRIES LAYER OF OREGON	20,000	30,277	(10,277)	Amendment is pending
FEM007	2013 CTP AGREEMENT - MAS 12	542,493	572,277	(29,784)	
FEM012	FEMA MAS 21 - CTP 2016	340,600	623	339,977	
FEM013	FEMA MAS 22:LIDAR JOHN DAY/GRASS VALLEY	549,010		549,010	
FEM017	CERC	83,060		83,060	
FEM104	2015 CTP MAS18: MULTHAZARD RISK ASMNT	60,047	168	59,879	
FEM106	2015 CTP MAS 20: LANDSLIDE RISK ASMNT	161,687	24,021	137,666	
FEM107	2015 CTP MAS 19: UPPER WILLAMETTE LIDAR	148,770	118,755	30,015	
FEM284	OREGON & WASHINGTON LIDAR	663,201	663,201	0	
FEM288	RISK MAP ASSESSMENT 2014 CTP MAS 14	499,138	383,644	115,494	
FEM289	PORTLAND LANDSLIDE ASMT 2014 CTP MAS 15	175,254	169,416	5,838	
FEM298	IDAHO LIDAR ASSESSMENT	454,594	454,594	0	
GEO099	DAS GEO RADON 2015	86,252	14,068	72,184	
GEO703	DAS/GEO-WILLAMETTE VALLEY LEVEE INVENTORY	67,546	22,286	45,260	
GEO815	DAS/GEO: CUSP & NHD INTEGRATION	81,870	33,492	48,378	
GFL002	USG101 3DEP STATE COST SHARING	770,500	548,641	221,859	GF - Lidar Match for USG101
GFL003	PSOB LIBRARY PROJECT	0	114,432	(114,432)	GF - no 'budget' - Library move
GFL004	FUNDING PROPOSAL DEVELOPMENT	0	58,425	(58,425)	GF - no 'budget'
GFL005	PUBLIC OUTREACH AND EDUCATION	0	49,610	(49,610)	GF - no 'budget'
GFL006	PROJECT OVER ALLOCATION	0	207,095	(207,095)	GF - no 'budget' - This is for project over runs
GFL007	FERC: OLING REVIEW	0	3,815	(3,815)	GF - no 'budget'

DOGAMI AY 2015 - 2017
Current and Projected Projects
As of October 2016 Close

Grant / PCA	Grant / PCA Title	Award	Expenditure	Remaining	Notes
L00001	OLC CROOKED RIV	3,561	3,561	0	
L00002	LIDAR WALLOWA 2015	134,291	134,291	0	
L00003	OLC LOWER MALHEUR 2015	67,000	67,000	0	
L00004	OLC CHELAN	43,361	43,361	0	
L00005	OLC UPPER ROGUE (MEDFORD)	21,060	21,060	0	
L00006	LIDAR - OLC SNAKE RIVER	100,379	100,379	0	
L00007	LIDAR - OLC BENTON-YAKIMA	21,200	21,200	0	
L00008	OLC BIG WOOD 2015	10,000	10,000	0	
L00011	OLC FOUR RIVERS	299,428	299,428	0	
L00013	OLC LANE COUNTY 2013	289,721	289,721	0	
L00014	OLC METRO 2014	894,110	894,110	0	
L00015	OLC UPPER UMPQUA (ROSEBURG)	32,074	32,074	0	
L00017	OLC WASCO 2014	298,848	261,870	36,978	
L00019	LIDAR OLC UMATILLA 2015	25,692	553	25,139	
L00021	LANE COUNCIL OF GOVERNMENTS	114,924	102,990	11,934	
L00022	OREGON DEPARTMENT OF FORESTRY	138,803	97,228	41,575	
LIDMIS	LIDAR MISC REVENUE (OF)	1,570	45	1,525	Multiple individual public initiated project requests
NOA034	FY 2015 OREGON TSUNAMI HAZARD MITIGATION	332,955	149,194	183,761	
NOA037	FY 2016 OREGON TSUNAMI HAZARD MITIGATION	445,603	759	444,844	
NOA048	FY 2014 OREGON TSUNAMI HAZARD MITIGATION	319,107	319,107	0	
NRC014	LIDAR	160,000		160,000	
NRC039	NRCS ONTARIO/WALLOWA IRRIGATION	99,000	99,000	0	
NRC079	NRCS:LIDAR WHITE RIVER WATERSHED, WASCO	50,000	50,000	0	
OEM172	OEM: RDPO UASI	368,996	141,673	227,323	
OSL815	OREGON STATE LIBRARY/LSTA FED (61300)	39,962	60,495	(20,533)	To be paid by GF
OSU3AA	OSU COAST LS & BLUFF MONITORING	12,000	577	11,423	
OSU9AA	2016 OSU ENHANCING LANDSLIDE INV W/LIDAR	12,157	1,350	10,807	
OSUJNC	OSU SEA LEVEL RISE 2014	7,280	696	6,584	
PWB202	LIQUIFICATION OREGON RESILIENCE PLAN	5,000	3,350	1,650	
UOW562	NANOOS: UNIVERSITY OF WASHINGTON	186,655	89,260	97,396	
USG086	LANE SOUTH SISTERS LIDAR	346,000	346,000	0	
USG096	WHITE RIVER, MILE CREEK, WASCO	319,000	319,000	0	
USG098	PORTLAND METRO LIDAR	56,885	56,885	0	
USG101	3D ELEVATION PROGRAM (3DEP)	770,500	770,500	0	
USG170	USGS INV. OF CASCADIA EQ LANDSLIDES	120,224	122	120,103	
USG179	MID COLUMBIA, HARNEY BASIN,N CENTRAL OR	337,341	158,716	178,625	
USG180	SOUTH COAST & MIDDLE COLUMBIA BASIN MAPG	330,580	330,575	5	
WAS641	WASHINGTON COUNTY: AREA 93 LANDSLIDE	72,931	17,409	55,521	
WRD013	OWRD DUFUR QUAD MAPPING 2014	70,272	75,816	(5,545)	To be paid by GF
WRD216	OWRD DUFUR QUAD MAPPING 2016	100,000	25,079	74,921	

DOGAMI AY 2015 - 2017
 Current and Projected Projects
 As of October 2016 Close

Grant / PCA	Grant / PCA Title	Award	Expenditure	Remaining	Notes
Grand Total		16,173,675	12,837,389	3,336,286	

2015 – 2017 Budget FAQ

BUDGET STATUS REPORT

Why is the Federal Fund ending balance negative for GS&S?

Federal funding is 'reimbursable'. The revenue is drawn after expenditures are incurred. Draws are completed at least monthly for actual costs. Revenue and expenditure will 'zero out' (be equal) at biennium close as federal funds must balance to zero.

Why is the GS&S expenditure negative in Other Services & Supplies General Fund?

This negative happens as the indirect costs are allocated. All general fund indirect line-items expenses are redistributed to Federal Fund and Other Fund grants using Other Services and Supplies coding to easily identify indirect costs.

How is the current cash flow looking for MLRR?

There is currently a positive cash flow in MLRR. The current funds will help support a 5% work out of class increase in pay for the two new leads at MLRR; an increase in Department of Justice costs as the agency is engaging legal counsel with review of program rules, processes, policies and procedures. The average monthly cost for MLRR is \$120,000. It is 'standard practice' to have 3 months' worth of cash reserve.

CURRENT AND PROJECTED PROJECTS LIST

What is the 'Project Over-allocation' grant?

This grant captures the costs that are over the awarded amounts for projects. DOGAMI will be tracking these costs to better forecast future project budgets on applications.

Why do some grants have a negative projection?

These are project over-allocations that have not yet been moved to the 'Project Over-allocation' grant.

Staff Report and Memorandum

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

From: Brad Avy, Director & State Geologist

Date: November 28, 2016

Regarding: Agenda Item 5 – Director’s Report

Director Brad Avy will deliver his report on the following topics:

- 1) Status of Leadership Development Initiative
- 2) Calico Update
- 3) MLRR Update
- 4) December Emergency Board
- 5) Registered Geologist Requirements Update

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: Ali Hansen, Communications Director

Date: November 28, 2016

Regarding: Agenda Item 7 – Public Involvement Plan – Updating the Tsunami Regulatory Line

Ali Hansen will be presenting the DOGAMI Public Involvement Plan – Updating the Tsunami Regulatory Line.

Proposed Board Action: The Public Involvement Plan – Updating the Tsunami Regulatory Line be Approved/Not Approved as presented.

DRAFT



**Updating the Tsunami
Regulatory Line**

PUBLIC INVOLVEMENT PLAN

Department of Geology and
Mineral Industries

November 2016

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Public Involvement Plan

PUBLIC INVOLVEMENT CONTACT

Ali Ryan Hansen, DOGAMI

ali.hansen@oregon.gov

971-673-0628

BACKGROUND

A Cascadia Subduction Zone earthquake and tsunami will be Oregon's greatest natural disaster. To help reduce loss of life during a Cascadia event, the Oregon Legislature in 1995 limited construction of schools, hospitals, fire and police stations, and other critical buildings in the expected area of tsunami inundation. The DOGAMI Governing Board has responsibility for adopting, by administrative rule, the expected area of inundation, referred to in statute as the tsunami inundation zone and commonly known as the tsunami regulatory line, or SB 379 line.

The existing area of expected inundation is based on the best science available in 1995. New modeling for a range of Cascadia earthquake magnitudes was completed in 2013, and represents best scientific understanding of expected inundation. The DOGAMI Governing Board is considering proposing the magnitude 9 (M9) tsunami inundation scenario, commonly referred to as the "L" scenario or line, as representing updated science as well as reasonable management of tsunami risks.

PUBLIC INVOLVEMENT OVERVIEW

The Governing Board is seeking additional information from coastal communities prior to proposing a new regulatory line and initiating the rulemaking process. The M9 scenario adjusts the line further inland in most locations. The Board has asked DOGAMI to collect feedback on what such a change would mean for coastal communities and stakeholders.

The Governing Board will consider all feedback in making a decision about what will be proposed. Comments from coastal communities and stakeholders will help inform whether the M9 scenario, or another updated inundation scenario, is ultimately proposed. There will be additional opportunities for public comment during rulemaking.

The following principles guided development of the public involvement plan:

- **Focus on direct engagement.** The public involvement plan is phased, with an initial focus on collecting feedback from key stakeholders through direct contact. The scope of engagement widens with each consecutive phase as additional stakeholders whose feedback is critical are identified.
- **Collection of feedback will be guided by the people who know their communities best.** The public involvement plan is purposefully flexible, and leverages key stakeholder knowledge of community interests, issues, and voices to ensure the input gathered results in an informed decision by the Board.
- **Clear, correct information about the tsunami regulatory line needs to be provided in order to collect the most useful feedback.** The purpose of the tsunami regulatory line, the types of development it limits, and how the regulations are implemented are widely misunderstood. Clearly communicating what the regulatory line does and does not do, and how communities will and will not be affected, is essential.

PUBLIC INVOLVEMENT PLAN

December 2016-February 2017 – Phase One: Key Stakeholder Engagement

The first phase of public involvement will engage key state and local stakeholders. At the state level, this includes legislators and agencies with responsibility for tsunami hazard planning & preparedness, development and building regulations, and management of critical facilities. At the local level, this includes stakeholders from cities and counties – such as administrators, planners, emergency managers, police and fire chiefs – school districts, and hospitals. Federal stakeholders will also be engaged. At the end of this phase, the goal is that key stakeholders will:

- Fully understand what the tsunami regulatory line does/does not do
- Have reviewed the regulatory line being considered
- Have provided feedback on what adoption of that line would mean for their communities
- Have provided guidance on what additional stakeholders should be engaged, and the best ways to engage

Phase One Key Tasks & Timeline

December 2016-January 2017

- December 5: Check in with the Governing Board
- Check in with state agencies to inform on upcoming activities and identify any initial concerns/issues prior to legislative briefings
- Meet with members of the Coastal Caucus
- Identify primary points of contact for each key state and local stakeholder group
- Identify, with input from legislators and primary points of contact, additional key stakeholders and most effective method(s) of gathering feedback from them
- Provide key stakeholders with review materials – information sheet, maps, summary of buildings/area included in line being considered

January-February 2017

- Gathering feedback from key stakeholders (feedback from legislators, primary points of contact will help determine what the most effective method of gathering feedback is. Options include group meetings & webinars, individual meetings & calls, etc.)
- Develop tailored state and local strategies for direct engagement phase
- Check in with key stakeholders on Phase Two engagement strategies
- Assess whether public involvement plan changes are needed before beginning Phase Two

March-April 2017 – Phase Two: Direct Engagement

The second phase of public involvement will engage groups, organizations and individuals whose feedback will help ensure the Governing Board has a full understanding of how the line being considered may affect specific interests. The key stakeholders from Phase One will have helped identify these additional stakeholders, as well as the best ways to engage. At the end of Phase Two, the goal is that additional stakeholders engaged will:

- Fully understand what the tsunami regulatory line does/does not do
- Have reviewed the regulatory line being considered
- Have provided feedback on what adoption of that line would mean for their area of interest

Phase Two Key Tasks & Timeline

April 2017

- Review participation/feedback to date with Governing Board and key stakeholders and assess broad community outreach needs

TBD Spring 2017 – AS NEEDED: Broad Community Outreach

DRAFT

- Implement broad community engagement plans as developed with guidance from key stakeholders, feedback to-date

Spring–Summer 2017 –Phase Four: Considering Feedback and Proposing a Line

- Review and summarize feedback
- Develop rulemaking recommendations for Governing Board consideration
- Present feedback summary and recommendations to the Board
- Governing Board directs DOGAMI to move forward with rulemaking to adopt a new line
- Begin rulemaking process
 - o Prepare notice of rulemaking
 - o Provide notice to legislators (49 days); Agency mailing list (28 days); Secretary of State’s Bulletin (21 days)
 - o Hold hearing
 - o Fully consider comments and adopt, amend or repeal rule



Appendix A: Public Involvement Tools

PUBLIC INVOLVEMENT TOOLS

- Public involvement overview : *Summarizes the public involvement process*
- Information sheet with FAQ: *Summarizes the statute, the need to update the regulatory line, and how to provide feedback*
- Public involvement worksheet: *Summarizes steps and tools needed to collect feedback for each geographic area*



PUBLIC INVOLVEMENT OVERVIEW

BACKGROUND

A Cascadia Subduction Zone earthquake and tsunami will be Oregon's greatest natural disaster. To help reduce loss of life during a Cascadia event, the Oregon Legislature in 1995 limited construction of schools, hospitals, fire and police stations, and other critical buildings in the expected area of tsunami inundation. The DOGAMI Governing Board has responsibility for adopting, by administrative rule, the expected area of inundation, referred to in statute as the tsunami inundation zone and commonly known as the tsunami regulatory line, or SB 379 line.

CURRENT STATUS

An updated line will be proposed for adoption by rule in 2017

The existing area of expected inundation is based on the best science available in 1995. New modeling for a range of Cascadia earthquake magnitudes was completed in 2013, and represents best scientific understanding of expected inundation. The Board is considering proposing the magnitude 9 (M9) tsunami inundation scenario, commonly referred to as the "L" scenario or line, as representing updated science as well as reasonable management of tsunami risks.

Feedback will be collected before a new line is formally proposed

The M9 scenario adjusts the line further inland in most locations. The Board has asked DOGAMI to collect information on what such a change would mean for coastal communities and stakeholders.

Feedback will inform which line is proposed during the rulemaking process

The Governing Board will consider all feedback prior to proposing a new regulatory line and initiating the rulemaking process. There will be additional opportunities for public comment during rulemaking.

PUBLIC INVOLVEMENT TIMELINE

December-February 2016 – Phase One

- Engage key state and local stakeholders:
 - o State legislators, and agencies with responsibility for tsunami hazard planning & preparedness, development and building regulations, and management of critical facilities
 - o Local stakeholders from cities and counties – such as administrators, planners, emergency managers, police and fire chiefs – school districts, and hospitals
- Assess whether public involvement plan changes are needed before beginning Phase Two

March-April 2017 – Phase Two

- Engage additional stakeholders identified during Phase One whose feedback will help ensure the Governing Board has a full understanding of how the line being considered may affect specific interests
- Assess whether broad community engagement strategies are needed as a Phase Three

Spring 2017 – AS NEEDED – Phase Three

- Implement additional broad community engagement strategies as developed with guidance from key stakeholders and feedback to-date

Spring-Summer 2017 – Phase Four

- Review and summarize feedback and present, along with recommendations for rulemaking, to the Governing Board
- Governing Board directs DOGAMI to move forward with rulemaking to adopt a new line
- Begin rulemaking process, which will also provide opportunities for public input



INFO SHEET — UPDATING THE TSUNAMI REGULATORY LINE

A Cascadia Subduction Zone earthquake and tsunami will be Oregon’s greatest natural disaster. To help reduce loss of life during a Cascadia event, Oregon law limits new construction of certain critical buildings in the expected area of tsunami inundation.

- **Schools, hospitals, police and fire stations, and other critical buildings cannot be constructed in the area of expected inundation, unless an exception is granted.**

The law contains exemptions for schools that need to be built within the boundaries of their district, fire and police stations that need to be strategically located, and water-dependent facilities. The law also allows for consideration of case-by-case exceptions. *See the FAQ on the back of this page for more information.*

- **All other new buildings can be constructed in the area of expected inundation.**

Developers of some buildings, like emergency preparedness centers, buildings greater than a specific height and square footage, and buildings with a capacity to hold many people, must consult with the Oregon Department of Geology and Mineral Industries (DOGAMI) regarding tsunami impacts, and ways to reduce loss of life, before beginning the permit process.

Common building types such as single and multi-family homes and commercial buildings can be constructed in the area of expected inundation with no requirement for consultation. *See the FAQ on the back of this page for more information.*

The area of expected inundation needs to be updated

The existing area of expected inundation was adopted in 1995. To be most effective in reducing the risk of loss of life, the area needs to reflect current scientific understanding of how far a tsunami would reach. New modeling for a range of Cascadia earthquake magnitudes was completed in 2013, and represents best scientific understanding of expected inundation.

The DOGAMI Governing Board is responsible for adopting the area of expected inundation as the regulatory tsunami inundation zone, commonly known as the tsunami regulatory line, or the SB 379 line. The Board is considering proposing the magnitude 9 (M9) tsunami inundation scenario, also referred to as the “L” scenario or line, as representing updated science as well as reasonable management of tsunami risks.

Your feedback is important

The Board is seeking information on what a change from the existing line to the “L” line would mean for coastal communities and stakeholders. A new line will be proposed for adoption through the state’s rulemaking process in 2017. The Board will consider all feedback before proposing a new line and initiating the rulemaking process.

To review the line being considered and provide feedback:

- Visit DOGAMI’s website at www.oregongeology.org

For more information:

- Contact Ali Ryan Hansen of DOGAMI at ali.hansen@oregon.gov or 971-673-0628.



FREQUENTLY ASKED QUESTIONS

What new buildings cannot be built in the area of expected inundation?

Unless an exception is granted: Schools and child care centers with capacity greater than 50 persons • Colleges or adult education schools with capacity greater than 500 persons • Fire and police stations • Hospitals and other medical facilities with surgery and emergency treatment areas • Jails and detention facilities • Government communication centers and other facilities required for emergency response

What new buildings can be built in the area of expected inundation?

All other buildings can be built. Developers of some buildings are required to consult with DOGAMI regarding tsunami impacts and ways to reduce loss of life before beginning the permit process. Those building types are:

Emergency-preparedness centers • Structures where hazardous materials are housed, supported or contained • Major structures over six stories with an aggregate floor area of 60,000 square feet, buildings over ten stories and parking structures • Covered structures whose primary occupancy is public assembly, with a capacity greater than 300 persons • Medical facilities with 50 or more residents • All structures with a capacity greater than 5,000 persons

Are there exemptions or exceptions to restrictions on building in the tsunami zone?

Yes. The law grants an exemption for public schools that need to be built within the boundaries of their district, fire and police stations that need to be strategically located to serve their function, and water-dependent facilities such as marinas, wharves and piers.

The law also gives DOGAMI the authority to provide exceptions to the restrictions. The process for an exception includes requirements for addressing relative risks, balancing competing interests, considering strategies that mitigate the hazard, and holding a public hearing. The DOGAMI Governing Board must ultimately conclude that the safety of building occupants will be ensured. The exception process can be found in Oregon Administrative Rule Chapter 632, Division 005, Rule 0080: arcweb.sos.state.or.us/pages/rules/oars_600/oar_632/632_005.html

To-date, no entity has asked DOGAMI for an exception to these restrictions.

How was the proposed regulatory line selected?

In 2013, DOGAMI published new tsunami inundation scenarios for a range of Cascadia Subduction Zone earthquake magnitudes. The five scenarios, labeled as "T-shirt sizes" from S to XXL, show the full range of tsunami inundation that might occur with the next Cascadia earthquake. The Governing Board chose the magnitude 9 "L" scenario as best representing updated science as well as reasonable management of tsunami risks. Adoption of the "L" scenario was also recommended by the Oregon Resilience Task Force. A team of technical experts and DOGAMI staff advised adoption of the "L" scenario as well.

Would this change impact tsunami evacuation zones or routes?

No. Updating the expected area of inundation by adopting a new regulatory line has no impact on tsunami evacuation zones or routes. The tsunami evacuation brochures show the inundation resulting from the largest modeled tsunami scenario, the magnitude 9.1 “XXL” scenario.

How would a change to the line be made?

The change would be adopted through Oregon’s administrative rulemaking process. The process includes public notice of rulemaking and a hearing. DOGAMI anticipates beginning rulemaking in summer 2017. An overview of the process is available here: www.oregongeology.org



PUBLIC INVOLVEMENT WORKSHEET

PUBLIC INVOLVEMENT CHECKLIST

- ✓ Determine public involvement approach for specific geographic area or stakeholder group
- ✓ Identify key stakeholders by area/organization type – primary point of contact and draft stakeholder list
- ✓ Connect with primary point of contacts to:
 - Let them know the project is beginning and provide information about the process
 - Discuss draft list of key stakeholders for their area/organization, and request guidance on how best to engage
 - Identify potential times/locations for in-person meetings as needed
 - Follow up with review materials, next steps for engaging additional stakeholders
- ✓ Connect with additional key stakeholders to:
 - Provide review materials
 - Request feedback (via meetings, phone conversations, email etc.)
- ✓ Schedule and conduct meetings (group meetings, one-on-ones, request agenda time at already scheduled meetings, etc.)
 - Review and provide feedback on what change would mean for their community/interest
 - Provide feedback on additional stakeholders to engage during phase two
- ✓ Follow up
 - Provide feedback summary for review and comment
 - Ask for any additional feedback & answer additional questions
 - Provide information about the anticipated timeline – additional engagement, rulemaking

[COUNTY NAME] - PUBLIC INVOLVEMENT SUMMARY

Approach

[Summarize the public involvement approach]

Key Stakeholders

[Group/Organization: (County, city, hospital, school district, fire, police, etc)]

Primary Point of Contact: Jane Smith, County Administrator, 503-502-5021, jsmith@email.com

Additional Stakeholders: (add additional stakeholder(s) name(s) here)]

[Group/Organization: (County, city, hospital, school district, fire, police, etc)]

Primary Point of Contact: Jane Smith, County Administrator, 503-502-5021, jsmith@email.com

Additional Stakeholders: (add additional stakeholder(s) name(s) here)]

[Group/Organization: (County, city, hospital, school district, fire, police, etc)]

Primary Point of Contact: Jane Smith, County Administrator, 503-502-5021, jsmith@email.com

Additional Stakeholders: (add additional stakeholder(s) name(s) here)]

Meeting Agenda Template

- Introductions
- Tsunami Regulatory Line Overview
- Review – public involvement approach
- Review – Existing line and line being considered
- Feedback:
 - o What would a change from the existing line to the line being considered mean for your community?
 - o Feedback – what other groups, organizations are important for the Governing Board to hear feedback from?
- Final thoughts & wrap-up

Review Materials

- Info Sheet & FAQ
- Change summary
- Interactive and print maps



Appendix B: Work Plan Summary – Phase One

Action	Timeline	Tasks	Staff
Check in with state agencies: <ul style="list-style-type: none"> • DLCD • Parks • OEM • Building Codes • Business Oregon 	December 2016	Schedule meeting	Lori Calarruda
		Email meeting materials – public involvement overview and agenda	
		Attend meeting	Brad Avy, Ali Ryan Hansen, State Resilience Officer Mike Harryman
		Provide meeting summary	Ali Ryan Hansen
		Follow up with additional state agency staff as needed	
Meet with members of the Oregon Coastal Caucus	December 2016	Schedule meetings	Lori Calarruda
	December 2016	Prepare materials for each meeting: Public involvement overview, district change summary	Ali Ryan Hansen
	December-January 2016	Attend meetings	Brad Avy, Ali Ryan Hansen, State Resilience Officer Mike Harryman (as available)
	December 2016-January 2017	Follow up as needed	Ali Ryan Hansen
Public Involvement: <ul style="list-style-type: none"> • Clatsop County • Tillamook County • Douglas County • Curry County 	January 2017	Complete public involvement worksheet for each county	Ali Ryan Hansen, Pat Corcoran
		Contact key stakeholders	Ali Ryan Hansen
		Schedule meetings, arrange meeting logistics	Public involvement assistant
		Provide review materials	Public involvement assistant
		Conduct meetings	Ali Ryan Hansen and Pat Corcoran
		Develop feedback summary for review and comment	Public involvement assistant
Public Involvement: <ul style="list-style-type: none"> • Coos County • Lincoln County • Lane County 	February 2017	Complete public involvement worksheet	Ali Ryan Hansen, Pat Corcoran
		Contact key stakeholders	Ali Ryan Hansen
		Schedule meetings, arrange meeting logistics	Public involvement assistant
		Provide review materials	Public involvement assistant
		Conduct meetings	Ali Ryan Hansen and Pat Corcoran
		Develop feedback summary for review and comment	Public involvement assistant
Assess whether changes to the public involvement plan are needed before beginning Phase Two	February 2017	Review process to-date, feedback to-date	Ali Ryan Hansen, Pat Corcoran, Brad Avy, Ian Madin
Prepare for Phase Two	February-March 2017	Complete public involvement worksheets	Ali Ryan Hansen, Pat Corcoran
		Develop tailored engagement strategies for Phase Two	Ali Ryan Hansen
		Check in with key stakeholders on Phase Two engagement strategies	Ali Ryan Hansen
Update Governing Board	March 13, 2017	Provide status report at Governing Board meeting	Ali Ryan Hansen

Staff Report and Memorandum

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

From: Holly Mercer, Assistant Director

Date: November 28, 2016

Regarding: Agenda Item 10 – Confirm Time and Date for next meeting

Currently the next DOGAMI Board meeting is scheduled for Monday, March 13, 2017.

Proposed Board Action: The Currently Scheduled Board Meeting Date be Confirmed or Amended.