

**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.

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|------------------------------|-----------------|--|
| 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 will 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**

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:

15
16 Bob Houston, Rules Coordinator, discussed five separate rule writing requests, four active and one
17 new:

- 18 1) Request approval of proposed Service Fees rule language for adoption
- 19 2) Update on Permit Boundary Survey Maps rulemaking
- 20 3) Update of HB 2202: High Value Soils rulemaking
- 21 4) Request approval of proposed Alternative Dispute Resolution Model rule language for
22 adoption by reference
- 23 5) Request approval to initiate formal rulemaking to address the Oregon Sage Grouse Action
24 Plan (Executive Order No. 15-18)

25
26 **Request 1 – Request Approval of Proposed Service Fees Rule Language for Adoption**

27
28 Background: The Oregon Department of Administrative Services has updated the Statewide Policy on
29 Public Records Request Fees and Charges (107-001-030). At the July 9, 2019 Governing Board
30 meeting, the Board authorized the Department to initiate rulemaking to amend OAR 632-001-0010
31 to comply with the statewide policy on Public Records Request Fees and Charges. The proposed
32 draft amendments to OAR 632-001-0010 were approved at the September 9, 2019 Governing Board
33 meeting.

34
35 Staff Recommendation: Authorize DOGAMI staff to proceed with the proposed language and submit
36 final permanent rule language OAR 632-001-0010 to Archives Division, Secretary of State.

37
38 Bob Houston, Interim Legislative Coordinator, stated The Oregon Department of Administrative
39 Services has updated the Statewide Policy on Public Records Request Fees and Charges (107-001-
40 030). The updated policy has progressed through the rulemaking procedures and now needs to have
41 the final draft language approved by the Board to submit to the Secretary of State’s Office and
42 Legislative Counsel’s Office for final adoption. The effective date, pending Board approval, could be
43 as early as March 11, 2020.

44
45 Chair Maffei asked to clarify if this request is to line up DOGAMI’s fees for Public Records with what
46 DAS requires. Houston confirmed, stating it went through the public hearing process with no
47 comments received.

48
49 Board Action: **Kozlowski moved to authorize DOGAMI staff to proceed with the proposed language**
50 **and submit final permanent rule language OAR 632-001-0010 to Archives Division, Secretary of**
51 **State. Teeman seconded. Motion carried.**

52
53
54 **Request 2 – Update on Permit Boundary Survey Maps Rulemaking**

55
56 Background: The Board authorized the Department to initiate rulemaking on OAR 632-030 at the
57 September 9, 2019 Governing Board meeting to amend rule language relating to the submittal
58 requirements of a permit boundary survey map.

59

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

62
63 Proposed Board Action: No Board Action Required.

64
65
66 **Request 3 – Update of HB 2202 – High Value Soils Rulemaking**

67
68 Background: The legislature passed HB 2202 (2013 Regular Session) involving aggregate mining on
69 high value farmland in the Willamette Valley (ORS 517.825). The legislative intent was to make sure
70 operators mined deep enough to remove all the aggregate and thereby limit impacts on high value
71 soils. On September 9, 2019, the Board authorized the Department to initiate rulemaking on
72 OAR 632-030 to implement provisions specified in HB 2202.

73
74 Houston said the Rules Advisory Committee (RAC) is currently being put together, which is comprised
75 of a group representing the impacted community. The Department sent out invitations to participate
76 on the RAC and it has four of the five needed. Once the group is complete/confirmed, meeting(s) will
77 be scheduled; they will start working on the draft language and develop the Fiscal Impact Statement.

78
79 Kozlowski asked who makes up the RAC. Houston said they identified the impacted stakeholders as
80 being: Oregon Concrete & Aggregate Producers Association (OCAPA), the Farm Bureau, Oregon
81 Department of Agriculture (ODA), Department of Land Conservation and Development (DLCD), and
82 Oregon Independent Aggregate Association (OIAA), who represent the smaller miners. This is a
83 similar group that started in 2013-2014, when at the time the rules making on this ceased due to
84 DOGAMI management transition at the MLRR office.

85
86 Maffei asked how long the RAC will meet and when the Board will start seeing anticipated rule
87 language. Houston explained the RAC provides direction to the Department, and it will progress
88 through the process until it reaches a consensus on the draft language. He is anticipating 4-6 months
89 or longer to complete with two or three meetings to work through the language. Chair Maffei asked
90 if it would be at least two board meetings before the Board would see this rulemaking request again.
91 Houston confirmed.

92
93 Proposed Board Action: No Board Action Required.

94
95
96 **Request 4 – Request approval of proposed Dispute Resolution model rule language for adoption by**
97 **reference**

98
99 Background: Under certain conditions the Department may modify an operating permit or
100 reclamation plan without the consent of the operator (ORS 517.831). The Department must provide
101 the operator with an opportunity for alternative dispute resolution in the manner provided in
102 ORS 183.502. Currently, OAR 632-001 does not provide an alternative means of dispute resolution.
103 At the December 9, 2019 Board meeting, the Board authorized the Department to initiate formal
104 rulemaking on OAR 632-001 to provide an alternative dispute resolution procedure.

105
106 Houston said the Agency is requesting approval of the proposed Dispute Resolution Model Rule
107 language for adoption by reference. The Attorney General (AG) provides this language as a Model

108 Rule. Rulemaking for a Model Rule follows an abbreviated process. The Attorney General's
109 Collaborative Dispute Resolution Model Rule language is provided below for Board approval. The
110 rule's proposed effective date occurs after the rule is filed with the Secretary of State Archives
111 Division.

112
113 Chair Maffei asked if it had gone out for comment. Houston explained that as part of the abbreviated
114 process, it does not need to go through this step because it is a Model Rule that has already gone
115 through the process and been approved for the AG.

116

117

118 Collaborative Dispute Resolution Model Rule language for review:

119 632-001-000X (Collaborative Dispute Resolution Model Rules)

120 The Attorney General's Collaborative Dispute Resolution Model Rules, OAR 137, division 5, as in
121 effect on December 9, 2019, are adopted and incorporated into this division.

122

123

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

127

128

129 **Request 5 – Request approval to initiate formal rulemaking to address the Oregon Sage-Grouse**
130 **Action Plan (Executive Order No. 15-18)**

131

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

138

139 MLRR has not permitted any mine sites within sage-grouse habitat since July 1, 2016; however,
140 DOGAMI has permitted four Exploration Permits in sage-grouse habitat in coordination with ODFW
141 and we have one oil and gas permit application and two exploration applications for sites that may
142 be in sage-grouse habitat.

143

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

146

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

149

150 Ashford asked for background on the timeline. Lewis, MLRR Program Manager, explained when she
151 started at DOGAMI she went through the rule writing efforts, focusing on ones identified in the files,
152 and this was not in there; it only came to her attention in the fall and she put it on the list to get
153 done. She stated MLRR has not actually permitted any sites in sage-grouse habitat for operating
154 permits since 2016. For the Exploration Permits they have worked closely with the Department of
155 Fish and Wildlife (ODF&W) to make sure their concerns were met. Lewis said Division 37, the

156 chemical process mine, is covered by ODF&W under their own rules and is not part of this effort; the
157 Agency will be looking at Division 37 rules to make sure they are in compliance with the Executive
158 Order.

159

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

164

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

172

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

178

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

188

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

198

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

202

203 Chair Maffei said she would rather avoid litigation over implementation of the Executive Order.

204
205 Kozlowski stated the comments Chair Maffei made are the exact kind of comments the Board needs
206 to think about as the Agency moves forward and thinks ultimately they need to support this for
207 reasons outside of the Agency. But stressed, cautioned, and emphasized the Board needs to look at
208 that carefully as we move forward.

209
210 Teeman said DOGAMI needs to move forward with the rulemaking, but in the Executive Order it does
211 say under the second part (Directed and Ordered), "All state agencies shall carry out the actions
212 described in the Oregon Sage-Grouse Action Plan to the full extent of their authorities and funding."
213 This appears to be an unfunded mandate and would not want it to jeopardize the inspections that
214 are occurring.

215
216 Chair Maffei wanted to reflect the level of reluctance of the Board because it is very concerned about
217 taking resources away from MLRR.

218
219 Board Action: **Kozlowski moved to authorize DOGAMI staff to initiate formal rulemaking on**
220 **OAR 632 to implement Executive Order No. 15-18 regarding the Oregon Sage-Grouse Action Plan.**
221 **Teeman seconded. Motion carried.**

222
223 **5) Legislative Update:**

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

225
226 Houston stated the 2020 Short Session adjourned last Thursday. Both the DOGAMI budget and MLRR
227 fee bill went as far as they could in the Legislature but did not receive a floor vote prior to the
228 walkout. There is a potential Special Session that may be scheduled in mid-April. The other option is
229 an anticipated May Emergency Board that could pass the DOGAMI budget, but would not be able to
230 address the MLRR fee bill. The fee bill could be addressed in the upcoming 2021 Session. If the fee
231 bill does not get passed, MLRR would have a shortfall, which could possibly be addressed by being
232 given a one-time General Fund infusion to supplement the program until it made it to session to
233 avoid layoffs and program disruption.

234
235 Kozlowski asked if the Agency is optimistic that the budget will be passed. Houston answered yes.
236 Avy stated everything starts from scratch if it goes to another session and the fee bill would roll up
237 into one bill instead of having the existing amendment. Houston said the Agency did meet with the
238 representative of the aggregate industry, who supports the fee bill after they reached an agreement
239 and consensus of the proposed fee increase. He confirmed it will be backed going into the session.
240 This speaks highly of the aggregate industries' continued support of the MLRR program.

241
242 Houston explained that late in the Subcommittee of the Ways and Means hearing, the mining
243 industry tried to add several amendments to repeal the Exclusion Certificates (EC) provisions or set a
244 lower threshold of when the EC is needed. The Agency did not have time to review the information
245 or engage stakeholders since it was dropped one hour before the hearing. The amendment to
246 modify the EC language was not successful and we are anticipating that it will likely come up again in
247 the 2021 session. Maffei asked if the Agency anticipates this being added into a Special Session and if
248 DOGAMI will be prepared to discuss it. Houston said yes, he does anticipate it and the Agency would
249 be prepared to talk to it since DOGAMI was advocating for a similar concept in a prior session.

250

251 Ashford asked about the status of a House Bill related to the tsunami line and DOGAMI giving
252 approval for certain structures in the tsunami zone. Houston answered it was HB 4119, which died
253 on the floor. It was brought forth by Representative Gomberg, and was intended to direct the
254 Building Codes division to adopt the ASCE 7-16 building codes and tsunami design zone line. It also
255 called DOGAMI out to continue its consulting role with respect to providing information on the
256 impact of the tsunami on a site being proposed prior to the developer submitting their plans to
257 Building Codes. Houston stated there is a clear distinction between Building Codes and DOGAMI.
258 Building Codes would have all land use decisions and DOGAMI would be in a consulting role with the
259 developer to provide information on what the modeled tsunami inundation impact would be at a
260 particular location.

261
262 Kozlowski asked why it did not go forward. Houston explained it reached a similar point as the fee
263 bill. It made it to the floor but did not have enough quorum votes to progress. He said some
264 concerns were raised by community members (push back) advocating for a land use model of
265 avoidance instead of an engineering approach. It will more than likely be brought back. Houston
266 clarified that DOGAMI's role is based on its mission and providing science backed information.
267 Kozlowski asked if the land avoidance issue goes back to the old 379 Line and what the driving force
268 is. Houston said as he understood the comments voiced during the hearing, there was a reference to
269 implementing land use decisions that would say no building could occur in the zone as an alternative
270 solution being advocated.

271
272 Ashford asked if there was any conflict with ASCE 7 and the proposed legislation in DOGAMI's line.
273 Houston said some members of ASCE felt that DOGAMI should not be in the consultation role and
274 the bill should not reference specifically the ASCE 7-16 language, but reference it generally so the
275 legislation would not need to be updated each time it was changed by ASCE. DOGAMI staff provided
276 alternative language to Representative Gomberg and his staff. This could come back to the 2021
277 Session for clarification on language.

278
279 Chair Maffei asked why they had a concern with DOGAMI being in a consultation role. Houston said
280 it was based on DOGAMI providing earth science information, but not consultation on buildings,
281 building location, or design due to HB 3309 that removed DOGAMI's role. Maffei said it appears this
282 is not entirely in conflict with DOGAMI's view about consulting on these matters. Houston confirmed
283 and said the Agency submitted language to address the issue.

284
285 Avy said if there is a Special Session, it may be limited to only bills that focus on urgent matters and
286 not necessarily policy bills that can wait.

287
288 Briefing: **No Board Action Required.**

289
290 **6) Financial Report:**

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

293
294 Ballard walked the Board through the memo in the Board Packet regarding Biennium and Fiscal Year
295 2019, which ended June 30, 2019. Due to the Agency's financial issues last year, it was a slow close
296 that ended December 31, 2019. DOGAMI ended with a General Fund balance of \$4588, coming from
297 a total of \$5.4 million. Ballard said on behalf of DAS and the work they have been doing the last 6

298 months, it was incredible they made it that close. The ending balances for Other Funds ending was
299 \$302,000 and Federal Funds was negative (-) \$18,313. The negative amount is attributed to the fact
300 that DOGAMI is an agency that must do the work first, then bill for it later, but invoicing was not
301 done so it will be collected this next biennium.

302
303 Ballard stated the ending balance for MLRR was \$198,751. The Strong Motion Instrument Fund
304 ending balance was \$276,926 and the Reclamation Guarantee Fund ending balance was \$613,637.

305
306 Chair Maffei asked about the security release and what it means. Ballard explained it has to do with
307 a bond or deposit by an entity who is getting a permit that goes on record. The money goes into a
308 bank account, and when all items are addressed, the bond or security is then released. Ballard asked
309 Lewis to provide more details. Lewis explained that as security for the Operating Permits, the Agency
310 requires a deposit to cover the cost of reclamation if the operator walked away at any moment.
311 MLRR accepts several types of securities, including bonds held by a bank, or cash up to \$50,000 per
312 site for smaller sites. This fund represents that cash, which is kept separate from the operating
313 funds, and is held while the Operating Permit is active. Lewis added if someone goes to close a site
314 or if MLRR reevaluates the size of the operation and the security is changed, there may be a need to
315 release the funds in order for them to either submit a different type of bond, or once the site is
316 completely reclaimed and closed, the cash is given back. Maffei asked if the four that were released
317 had to do with sites being closed. Lewis said she was not sure but could provide the information if
318 needed. Maffei replied it was not necessary, she was just curious if sites were closing up.

319
320 Ashford asked when the budgets are rolled up to the Legislature, if the securities are separate or
321 rolled up into the funds to make it appear the program is in better shape than it is. Ballard answered
322 they are separate, but the Strong Motion Instrument Fund rolls up into the GS&S totals.

323
324 Ballard stated Fiscal Year 2020 numbers are through the month of December and General Fund is
325 currently showing a negative (-) \$3,227,978 million due to the Agency tracking to a 1-year budget and
326 does not have the second-year funding. While expenditures are planned out, the revenue has not
327 been dropped in to offset them. Other Funds have an ending balance of \$110,962 and Federal Funds
328 are a negative (-) \$11,978, because there is a lag of invoicing and revenue collection.

329
330 Ballard said MLRR is projecting an ending balance of \$195,542 at the biennium. She wanted to
331 mention that while there is an ending cash balance, this is attributed to projected collections related
332 to the Calico Project. Even though this is an end of the year balance, there is action in the springtime
333 that shows very low numbers which will require the Agency to mitigate the cash flow in order to end
334 the year off. Ballard said due to the concerns of the budget not being signed off by the Legislature,
335 DOGAMI has been in contact with DAS to discuss how to keep the Agency afloat during this time.

336
337 Ballard stated as of December 31, 2019, the ending balance for the Strong Motion Instrument Fund is
338 \$326,136, and the Reclamation Guarantee Fund is \$720,207.

339
340 Kozlowski stated she really likes the summary, it is very clear, and helps her understand the
341 information and where the Agency is financially.

342
343 Ballard said all outstanding grant financial reporting has been completed for the quarter and is
344 current to date. The Grant Budget Monitoring Tool has been released and will help manage grants.
345 It is a monthly projection of all the hours and costs associated with grant tracking. Project managers

346 have been using it and identifying room for improvement. The next step is to add in actual hours to
347 compare to what has been budgeted. It will help direct scheduling of projects, staffing of projects
348 and better management to the grant itself. The grant financial reporting is happening on a monthly
349 basis. Another tool that was created is Project Level Financials, which contains summary numbers
350 and helps provide more detail for project managers to better align with projects.

351
352 Ballard said the Business Office positions have been filled and the activities have been moving over
353 from DAS to the Agency. The backlog has been caught up and there are routine processes
354 happening, including invoicing and revenue collection. Indirect Costs are being calculated and being
355 booked on a monthly basis. She told the Board there will be higher numbers in the next set of
356 financials due to the backlog activity that has been happening. More cleanup activities are being
357 done to reclassify the project charges being moved from General Fund to actual projects. She is
358 happy to report where the Agency is at as of today.

359
360 Kozlowski asked if the staff find the tools easy to use. Ballard said she cannot speak on behalf of the
361 staff, but she can say that as they are being used, people are identifying information that is causing
362 recognition of things that need to be fixed, which is a good sign. One example she gave is benefit
363 costs and recognizing that in budgets it was not very transparent, but it is now. They know how to
364 mitigate it, and this will help them plan better.

365
366 Teeman asked if the Grant Budget Monitoring Tool could be shown to the Board. Ballard said this
367 could be done as a presentation to the Board at the next meeting.

368
369 Chair Maffei asked why the 19-21 spreadsheet shows at 53% use but only at 25% of time. Ballard
370 said there is a higher General Fund spend because of projects that have not been reclassified yet.
371 There are also some shortages for Services and Supplies in the first-year budget, but will be
372 addressed in the second-year budget. Maffei asked why the reallocation/reclassification has been so
373 high and if it is a one-time problem for the first 6 months of the biennium. Ballard explained it was
374 because of the biennium close, there was no funding, and the bills had to be held. She stated
375 invoicing and payables are being caught up. Maffei asked when this backlog is expected to be
376 completely caught up. Ballard answered she thought it will be another 2 months. Ballard stated the
377 next step is to get more finely tuned with the financials by looking at how the Agency is budgeting
378 and being able to budget in a more refined articulate manner, not just for General Fund but Other
379 Funds and Federal Funds as well.

380
381 Ashford said he is so happy to hear the positive news.

382
383 Board Action: **Kozlowski moved to accept the Budget Status Report as presented. Teeman**
384 **seconded. Motion carried.**

385
386 **7) Public Comment:**

387 Chair Maffei asked for public comment. No public comments.

388
389 **Break**

390
391 **8) Civil Penalties:**

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

394
395 Lewis said a full Civil Penalties legal packet containing all the details for the penalty of late payment
396 was presented at the last Board meeting and MLRR received the penalty payment in February. Lewis
397 stated they will be tracking the incoming funds from Civil Penalties and the time spent on collection
398 efforts made by Buchner to provide the Board with a balance sheet showing how the costs are or are
399 not covered by those funds, based on the rules and statutes of how the funds are handled. Lewis
400 explained instead of providing the legal packet for each Civil Penalty for Board approval, a summary
401 table will be provided of all the non-payment of renewal fees that have been recorded since the
402 implementation of Civil Penalties on July 1, 2019. A handout titled Non-Payment of Renewal Fees –
403 Civil Penalty Fact Pattern Matrix was provided to the Board to review.

404
405 Buchner discussed the table, which records the steps in the process to determine whether and how
406 much to propose for a Civil Penalty. She explained the ones that were waived and why, then
407 reviewed the two currently proposed for Civil Penalties, including the City of Pendleton. She said
408 they are requesting the Board's guidance regarding the City of Pendleton on whether a reduced fee
409 penalty should be assessed. Avy stated Pendleton had recently experienced a flood, they are
410 struggling financially, and have not received emergency funds. He thinks this may be one that is not
411 assessed a penalty. Chair Maffei asked questions about the letters sent to the permittees. Buchner
412 explained in the case where they wanted to pursue the Civil Penalty, a Letter of Referral was sent
413 informing them their case is being presented to the Governing Board for a Civil Penalty and the
414 amount they may be charged. For violations not meeting the criteria to receive a Civil Penalty, no
415 referral letter is sent and the permittee is contacted over the phone to resolve the situation.
416 Buchner confirmed the two being discussed today have received the referral letter. Maffei said she
417 feels penalties should be used as a deterrent and issued occasionally, but feels these two do not rise
418 to the level of the one issued a Civil Penalty in November and the penalty fee should be waived.
419 Kozlowski said she is in agreement with Chair Maffei and feels a letter should be sent to both
420 permittees saying the fee is being waived because they paid the renewal fee.

421
422 Ashford said he feels they should receive a letter stating the fee has been waived this time but will
423 not be next time. He is looking at how short staff resources are and how much it costs to keep
424 sending notices. Ashford also does not want to get into a habit of always waiving fees. He asked how
425 much discretion the Agency has in waiving penalties. Chair Maffei asked Diane Lloyd (DOJ) for input
426 on the Agency's discretion. Lloyd answered there is authority in state statute and rules to issue Civil
427 Penalties for late fees. The Agency does have discretion, but the staff is trying to be consistent. She
428 feels as the process develops, DOGAMI will be interested in rulemaking for a more specific
429 framework.

430
431 Kozlowski asked if the staff has a recommendation. Buchner stated when the Notices of Civil Penalty
432 being assessed are sent out, there is an opportunity for the permittee to contest it. Buchner said
433 another option is to adjust the wording to indicate the penalty has been calculated but state due to
434 mitigating factors the penalty has been waived but the violation will still be recorded and considered
435 in calculating Civil Penalties for future violations. Kozlowski said it makes sense and is consistent with
436 what Ashford was thinking about. Lewis asked for input from the Board on what else to consider in
437 the evaluation. Chair Maffei asked how much the permit renewal fee is compared to the penalty.
438 Buchner answered renewal fees are \$850 plus (+) fees for production, calculated at per ton rates.
439 Maffei said the penalties seem to be working. Ashford asked when the Civil Penalties went into

440 effect. Buchner stated July 1, 2019. Ashford also thinks the Agency could be lenient the first year as
441 an education process, with higher charges taking effect after the first year. Kozlowski likes the idea
442 of noting the permittees are late, it is being documented, and considered in the future. Jeremiah
443 said she wants to ensure that each permittee is treated equally, but does agree that leniency should
444 be given if there are compelling factors presented.

445
446 Teeman wanted to clarify the decision for both cases presented is, the fee is waived but a Notice of
447 Violation (NOV) will stay on their record and the next violation would be a fee of \$500. Maffei
448 answered yes. The letter would say the Board has determined that the penalty amount of \$250 will
449 be waived this time and they will have a Notice of Violation on file, so if they are late next year it is
450 \$500. Buchner said they will send a Civil Penalty packet to each one, with a penalty of \$0 and a
451 statement that the violation will be on the record.

452
453 Board Action: **Kozlowski moved to allow staff to move forward with Civil Penalties amount of \$0**
454 **and the Notice of Violation on the record for the presented cases as discussed. Teeman seconded.**
455 **Motion carried.**

456
457 **9) Grassy Mountain Update:**

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

459
460 Lewis stated that at the last Board meeting the Agency was 2 weeks into the 90-day completeness
461 review of the first ever Consolidated Permit Application for chemical processing mining in the State
462 of Oregon. The Completeness Review was completed and submitted to the applicant on February 19,
463 2020, with a request for additional information. It was in the form of a 5-page letter with over 120
464 pages of comments. The comments were compiled from all of the cooperating and permitting
465 agencies that will be reviewing and contributing to the drafting of permits. Lewis wanted to
466 compliment and commend the DOGAMI staff who helped with a very short and intense effort to
467 complete the review. The response from the applicant was generally very positive but overwhelmed;
468 they recognized the comments had validity and are working to develop a plan to address the
469 comments. Chair Maffei asked if there is an anticipated response time. Lewis stated she is having
470 weekly check-ins with Nancy Wolverson, Calico's Project Manager, and they are expecting a
471 minimum of 2-3 months for a response to the comments. Lewis will be meeting with them and their
472 Chief Financial Officer (CFO) to continue conversations around how to keep the process moving
473 forward.

474
475 Chair Maffei asked if more data needs to be collected. Lewis said she did not think there was any
476 additional data collection needed, but there were concerns around the consistency within the data
477 presented. MLRR had Cardno, a contractor, combine the comments into a single format with four
478 categories of comments required by the completeness evaluation. The categories were: 1) if
479 information is missing, baseline would not be complete; 2) conflicting information or difficult to
480 understand; 3) nice to have, and will be needed later on, but not needed for completeness; and 4)
481 could not find what they were looking for. Lewis said the organization of the report was a little
482 lacking so they suggested some federal guidelines for indexing of reports and PDFs, making things
483 accessible and available so the documents can be searched.

484
485 Chair Maffei asked what the next steps will be once the application is complete. Lewis discussed the
486 Application Review Process Diagram presented at the last Board meeting, which is posted on the

487 DOGAMI website. Lewis said as part of the review, a public hearing was held in Ontario, OR in
488 February with about 30-35 attendees; many State agencies participants called in. There were only
489 two submitted written public comments on the completeness of the application. Lewis said the
490 hearing did help her understand the concerns of the public.

491
492 Kozlowski told Lewis the work she is doing is impressive on such an overwhelming project. She
493 complimented the staff and Lewis for her leadership role to keep it moving. Lewis stated she is
494 having weekly conversations with Calico and she writes a meeting summary, Wolverson edits it, then
495 it is turned into a PDF, and each keeps a copy in their file to document their discussion.

496
497 Lewis said one item not included in the Legislative Update, is the fee bill that moved forward did not
498 include funding for the Limited Duration (LD) NRS 4 position requested to support the project
499 management and technical oversight of the Chemical Process Mining Program. She will now be
500 looking at options to move forward with staffing the project, which may include doing an RFP for a
501 contractor or possibly have a rotation from another state to manage the project. Lewis is confident
502 the staff pulled together to complete the first 90 days would be able to handle the second 90-day
503 completeness review, but someone really needs to be in place moving forward. Kozlowski asked if
504 there are consultants who do this work. Lewis said there are consultants who work on mining
505 projects in other states and manage large projects that have federal-state coordination, so she does
506 believe there are individuals qualified and capable to do the job. Chair Maffei asked if the position is
507 just to see through when the permit is issued. Lewis responded yes.

508
509 Ashford asked if it would be a lump sum contract or time and materials, and would it be cost
510 recovery by Calico. Lewis answered yes, it could be either, but she would work with procurement to
511 determine the best option. Chair Maffei asked if Calico has a say in who is hired. Lloyd replied no.

512
513 Diane Teeman said she represents the Burns Tribe on this project, so she will abstain from any
514 decision making and may need to recuse herself if necessary.

515
516 Briefing: **No Board Action Required.**

517
518 **10) MLRR Update:**

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

520
521 Lewis stated the packet contained the program update and included the ENGAGe Spring 2020
522 newsletter. [It can also be found online: <https://www.oregongeology.org/mlrr/engage.htm>]

523
524 Permit Status Summary

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

529
530 Lewis stated the average time to process a surface mining application is down to 6 months, which are
531 ones that have no issues; they are also getting some older ones completed. This is due to staff
532 efficiency, and balancing the number of applications and inspections or compliance issues they are
533 dealing with. She said when staff do inspections, they often find compliance issues. Lewis is working

534 with staff to target the inspections to new sites, amendments, transfers, closures and complaints as
535 priorities. She would eventually like to add big producers and ones not inspected in 5 years. There is
536 a plan to increase site inspections in a responsible, sustainable manner, while ensuring paperwork is
537 completed.

538
539 Lewis briefly discussed the Risk of Late Payment table in Figure 3. There is now 9 months of data.
540 She reviewed the numbers, which included the two Civil Penalties discussed earlier. In January they
541 issued one NOV and have been in communication with them. She explained it is an Exclusion
542 Certificate, which the permittee is going to pay the renewal fee and close their site. Lewis said the
543 threat of Civil Penalties is helping MLRR keep the permittees in compliance with payments. March is
544 potentially a big month and she is curious to see how it plays out.

545
546 Lewis said for the Compliance Summary, Buchner has been uncovering the reasons for violations.
547 The total number of compliance actions have gone from 60 to 99 because the specific category of
548 mining outside the permit boundary, now included mining without a permit, has been added.
549 Teeman asked if the mining without a permit are ones that have expired. Buchner answered the
550 category includes ones that have never had a permit, sites that have closed but someone has started
551 using the site again, and ones that are ongoing compliance actions where they have been told they
552 need a permit but are dragging their feet.

553
554 Lewis stated the Spring newsletter discusses Grassy Mountain, compliance, and the change in the
555 definition of surface mining that went into effect January 1, 2020, which basically removes
556 construction projects from the definition as long as they are not selling the material from the site.
557 Chair Maffei asked if there has been a reduction in the workload associated with those types of
558 requests. Buchner said not yet.

559
560 Lewis stated MLRR will be using the newsletter as a form of outreach to provide information on the
561 fee increase, if it is approved, and also looking at other ideas to roll out the information including
562 webinars.

563
564 Briefing: **No Board Action Required.**

565
566 **11) GS&S Update:**

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

572
573 Houston provided a staffing update. The Agency is recruiting a Limited Duration (LD) NRS 1 position
574 to be a landslide geologist. There were 127 applications received and Sarah Lewis will be lead for the
575 hiring committee. There will be video and in-person interviews for seven candidates, with the
576 anticipation to have someone starting in April to work on a BLM grant for landslides. The grant is
577 intended for someone early in their career to gain experience. Kozlowski asked about the NRS 1 and
578 where the work will be done. Houston answered in the Coos Bay region.

579

580 Houston stated there are four new projects, three new publications, and fourteen new proposals and
581 potential projects.

582
583 Houston stated the Portland staff held a food drive selling baked potatoes and baked goods earning
584 \$500, which equates to 1500 meals. The team consisted of Lori Calarruda, Bill Burns, Nancy Calhoun,
585 Christina Appleby, and Deb Schueller. Calarruda said this was for the annual Governor's Food Drive
586 and an additional \$50 in tips was raised for the baked goods that were left over after the event.

587
588 Houston asked the Board for input on how they would like information conveyed to them. Kozlowski
589 said it would be nice to have a summary for the GS&S projects, similar to what Ballard provides.

590
591 Briefing: **No Board Action Required.**

592
593 **12) Director's Report:**

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

595
596 Geological Survey & Services Program Manager

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

605
606 Kozlowski asked Avy how optimistic he is regarding the availability of people with the competency for
607 the position. Avy responded it will be a challenge finding someone with technical experience and a
608 manager background, and even more challenging for one with a Registered Geologist license. He
609 believes it is worth the pursuit and feels confident they can find someone to fill the position. Avy
610 stated the Agency did not get the MLRR Chemical Mining Permit Lead position.

611
612 Internal Communications Plan

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

618
619 Kozlowski asked what the components of the plan are. Avy said it will be a written document that
620 contains expectations for different sections of the Agency; it will be a working document and
621 updated as necessary. He hopes to have it completed in the next couple of weeks.

622
623 Grants – Approval Pipeline/Sideboards

624 Avy said the team has been coming up with a tool to make the grant selection process easier and
625 ensure everything is covered with appropriate sideboards, and to determine what types of grants to

626 be pursued. A small group consisting of Bill Burns, Laura Gabel, Jason McClaughry, Dania Ballard and
627 Director Avy discussed the way to formulate it, so it was informative to project managers, with a way
628 for the Board to weigh in on and provide guidance on policy. It was sent to all the project managers
629 for input and Deb Schueller put it into a web-based form that can auto-populate other documents,
630 which makes it more useable and long-term workable. It will be brought to LTM to review and look
631 to have a presentation to the Board at the next regular Board meeting. Chair Maffei asked if it was a
632 policy document. Avy replied that it is a tool but has policy implications, due to the required criteria.
633 He briefly discussed how the process is currently done. Avy said it will be a good indicator of which
634 grants to go after and also a good tracking mechanism.

635
636 Kozlowski said it appears to be a good tool to determine which specific grants to focus on that will
637 support the new direction for DOGAMI. Chair Maffei said it will be helpful to see the document/tool.

638
639 2021-23 Agency Request Budget & Legislative Concepts

640 Avy stated that although the Agency is under a 1-year budget and session just ended, the Agency also
641 needs to ramp up for the next biennium's Agency Request Budget (ARB). There is a meeting with
642 DAS next week to review the timeline for the next ARB. Avy said for the Board to have time for input
643 on the budget, including Policy Option Packages prior to the budget being submitted, special Board
644 meetings will be needed prior to the July Board meeting. The Legislative Concepts (LCs) are due in
645 April, which would include the MLRR fee increase. The ARB is typically due August 1, so Avy
646 suggested holding dates in mid-May and mid-June for the Board to review information and provide
647 direction so the ARB can be approved at the July meeting.

648
649 Strategic Planning 2022-2028

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

660
661 Ashford stated participating by phone this time was a good experience and the information was very
662 clear.

663
664 Briefing: **No Board Action Required.**

665
666 **13) Confirm Time and Date for Next Meeting:**

667 Chair Maffei stated the next DOGAMI Board is currently scheduled for Monday, July 13, 2020 at 8:30
668 a.m. in Portland. She confirmed this date is still acceptable for the Board.

669
670 Chair Maffei said currently 3 p.m. – 9 p.m. on Sunday, July 12, 2020 is being held for a potential Board
671 Retreat. Maffei reminded members the Board Retreat is not to discuss business but strictly more of a

672 team building experience to help the group work together to guide the Agency. The Board discussed
673 if this should still take place. Maffei said she feels the group works together well and does not feel it
674 is a good use of time or money to have one at this time. Jeremiah agreed saying she would prefer to
675 use the time and money for a public meeting. Ashford agreed, but feels it should be brought up
676 again next year. It was decided not to hold a Board Retreat at this time. Maffei asked to have the
677 next Board meeting planned as a working lunch with anticipation of a longer meeting to cover topics,
678 including the Strategic Plan.

679
680 Chair Maffei discussed scheduling the Special Meetings, to be held via phone, to review additional
681 financial requirements for the 2021-23 Agency Request Budget (ARB) and Legislative Concepts (LCs).

682
683 May 14 – call-in 9 a.m. – 11 a. m.

684
685 June 23 – call-in 9 a.m. – 11 a. m.

686

687 **14) Public Comment:**

688 Chair Maffei asked for public comment. No public comments.

689

690 **15) Board Adjourn:**

691 Chair Maffei adjourned the meeting at 12:03 p.m.

692

693 APPROVED

694

695

696

697 _____
Laura Maffei, Chair

698

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

Thursday, May 14, 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)

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

18 the list of services and supplies by line item for potential cuts followed by individual staff positions.
19 All positions including leadership were discussed regarding what each one did, what the impact
20 would be if the position was lost, and how the work could be covered. A balanced approach to
21 reducing direct and indirect functions was used to best maintain the Agency going forward.
22

23 DOGAMI already has a very tight services and supplies budget so the list started with and contained
24 the least negative impact to the Agency. The TriMet commuting pass program in Portland, has been
25 used by the GS&S Program for many years. Ballard said there are really no other services and
26 supplies cuts that could be made without looking at personal services. Chair Maffei confirmed there
27 are no other program cuts that can be made that are not related to personnel because the budget is
28 already cut to the bone.
29

30 The two vacant NRS 3 positions, were looked at first. One NRS 3 position was in the process of being
31 underfilled as an NRS 1 but the recruitment was ended. Ballard stated the positions are not being
32 lost, only the funding for them. If the budget for the next biennium is available, these positions could
33 be filled. Kozlowski asked if the NRS 1 was the early learner intern position. Dania said yes and
34 explained it was originally for an intern on a grant with an early career opportunity for landslide
35 mapping. The Agency decided to try and fill it as an NRS 1 permanent employee who met those
36 qualifications to serve on multiple projects. Avy added the hiring process had made it through
37 candidate screening.
38

39 The Chief Information Officer (CIO) position was created in 2016 when there was a need for higher-
40 level IT services. Over time, as needs were met, the level of support required has decreased and the
41 Agency has been on more of a maintenance status with the role under capacity. Connor Anderson
42 has been contracting with other agencies to help them and to save on General Fund. There are also
43 other staff supporting the IT needs. Avy stated Anderson was part of the Leadership Team for this
44 exercise and offered up his position because he understood current Agency IT needs. Kozlowski said
45 it was impressive that he stepped up in that manner.
46

47 The Publications position serves to do copy editing and consistency control of project report and
48 print production and distribution. This position is also partially funded by Federal Funds and Other
49 Funds. This position was under capacity at times and contracting work with other agencies, so was
50 reduced to half time. The Agency recognizes the continuing value of this position because there is an
51 ongoing need to support the projects.
52

53 The Fiscal Analyst 3 position was listed to maintain a balanced approach across the Agency. Ballard
54 said the Business Office now has a Grant Accountant processing accounts payable activity and grant
55 reporting, and a Contract Specialist producing and monitoring contracts as well as accounts
56 receivable activities. The Fiscal Analyst has been doing review work, creating tools to support grant
57 monitoring and has done a phenomenal job in helping with reconciliations and building tools to help
58 better manage things going forward. Ballard said in looking at the big picture and recognizing the
59 Agency still has services with DAS, the Agency could absorb the analytical functions easier than trying
60 to cover the processing activities.
61

62 Ballard said direct staff are also impacted, explaining a lengthy Leadership Team discussion took
63 place regarding every programmatic service the Agency has, including tsunami, landslide, STATEMAP,
64 and other services. The Resiliency position is an NRS 4 that deals with resiliency and emergency
65 preparedness. It is on the reduction list because it relies heavily on General Fund, has one staff

66 member, and will be the next least hurtful to the Agency if it had to lose the program. Also, this
67 function can be served in other ways by the State.

68
69 Kozlowski asked what products or service is delivered by this position. Avy answered the position
70 work includes consulting with local groups on how to be better prepared for earthquakes and
71 provides it from an engineering background. Also included is some work with the coastal hospitals in
72 producing smaller projects in conjunction with Oregon Health Authority (OHA). The position has a
73 long history of advocating for awareness and preparedness in the resiliency area linked to
74 earthquakes, but OEM has picked up part of that role, as well as other groups. Not to say this
75 position is not important, but in comparison to all the other program areas, this proposed reduction
76 is the least damaging to the mission of the Agency in a collective sense.

77
78 Kozlowski said this is very discouraging as a coastal representative, this position has had significant
79 impact on their infrastructure preparedness and in general as a resource. From her perspective,
80 DOGAMI's leadership and outreach makes and supports its effectiveness. She asked if these are in
81 order of priority, where this position falls in the order, or if it is a package reduction. Ballard said it is
82 in a prioritized order of least negative impact to most to reach the 8.5 percent scenario. It will
83 depend on the outcome of the May 20 state revenue forecast. For example, DOGAMI may only be
84 asked to take 5 percent at first, but she does expect more budget cuts later on (in addition to
85 furloughs and other types of cuts due to the economic environment).

86
87 Avy explained that during the reduction evaluation process, to remain objective, it was important to
88 not look at the individual's skillset or experience. When a person's bumping rights, if any, come into
89 play, skillsets will transfer where they are qualified to do the new position's work. He described
90 potential bumping scenarios. Avy stated the Agency may not necessarily lose the person in a cut
91 position and their contribution to the Agency, though they may be in a different role. The deeper the
92 cuts, the more bumping scenarios will likely occur. Kozlowski said those are hard decisions and she
93 appreciates the effort that went into the process.

94
95 Maffei asked what the next steps are. Ballard replied after the May revenue forecast, the
96 expectation is direction will be given on the required percentage cut, which will then cause layoff
97 notices and any bumping. Avy emphasized the Agency still does not have a second-year budget and
98 hopes to have it through an Emergency Board or Special Session in the near future. There is no
99 guarantee DOGAMI will get a second-year budget.

100
101 Ballard discussed the second year requested budget and the previous issues that led to the one-year
102 budget. She explained that last spring there were issues within fiscal operations and knowledge of
103 where the Agency was at in terms of spending. This led to LFO and DAS CFO to strongly participate in
104 guiding the Agency's financial direction. At the time, LFO did recommend a one-year budget based
105 on the information they knew, which the Agency is finding does not support normal Agency
106 operations. Because the first-year budget is so thin, the Agency expects to have a cash shortfall by
107 the end of May, which would be covered had the second-year budget been approved during the last
108 legislative session. DOGAMI has been told they are a priority for the Emergency Board. Ballard said
109 the Agency approached LFO and DAS CFO about if it should be looking at ceasing agency operations
110 and laying off staff, but was told to keep moving forward as status quo for the present.

111

112 Ashford said that just because there are no questions from the Board, it does not mean they are not
113 listening. They understand how difficult this situation is. Maffei said it seems the Agency cannot
114 catch a break.

115
116 Briefing: **No Board Action Required.**

117
118 **4) Review of Agency's Legislative Concepts (LCs):**

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

122
123 Bob Houston, Interim GS&S Program Manager and Legislative Coordinator and Sarah Lewis, MLRR
124 Program Manager, presented the Agency's draft Legislative Concepts (LCs) for DOGAMI for the 2021-
125 23 Session.

126
127 For the 2021-23 biennium, the Agency is moving forward with two Legislative Concepts, the MLRR
128 Fee Increase and MLRR E-Permitting. Houston explained the MLRR program is supported only by
129 fees, and with the current fee structure the program will run short on money by early 2021. The
130 previous bill was proposed in the Short Session under SB 1579-1. The bill made it through the Joint
131 Committee on Ways and Means, but did not get a floor vote because of no quorum. The proposed LC
132 represents a collaborative agreement across the aggregate, oil and gas, and geothermal industries.
133 Due to the immediate funding needs, the Agency will be proposing to ask for an emergency clause
134 with implementation upon the Governor's signature.

135
136 Houston stated during conversations with the aggregate industry, OCAPA was advocating for an e-
137 permitting system. The E-Permitting LC is the Agency's good faith attempt to bring that request
138 forward. Lewis stated that permit, inspections, customer and other business records, and payments,
139 are still being done by paper. During this telework time, staff are having to go into the office to do
140 deposits to maintain revenue flow, and mail out paper permit renewals, which is causing
141 inefficiencies in core business tasks. Implementation of a modern, paperless e-permitting system and
142 online customer service would result in significant performance improvement, including streamlined
143 operations, more efficient delivery of service and higher customer satisfaction (including public
144 records requests). The e-permitting business case was developed in 2018 and a Policy Option
145 Package was included in the 2019 Legislative Session. Other agencies like State Lands are also looking
146 at a similar system. Lewis has been working with DOGAMI's CIO and Enterprise Information Services
147 to refine the logistics and costs in order to develop a more reasonable estimate, which is looking to
148 be about \$700,000 to \$1.1 million over 5-7 years. This would be covered with a fee across all permits
149 and would have a sunset date. There is very strong indication this is something the industry would
150 support. Lewis stated it is a difficult time to consider an additional fee on top of a fee increase, but it
151 is important to continue moving this concept forward.

152
153 Jeremiah said she is in full support of this fee for the long-term big picture by seeing cost savings due
154 to Agency efficiencies in the future. Maffei asked how this would be impacted if the CIO position is
155 eliminated. Lewis explained the CIO's role was instrumental in the first portion of this project and
156 that the contract would be done by DAS and Enterprise Information Services, then a project manager
157 would be hired to manage it through implementation.

158

159 Maffei asked about the MLRR program being over budget this summer and how it would be impacted
160 it if needed to wait until the long session for the fee increase. Houston said they would try to get the
161 fee increase through a Special Session after the May 20th state revenue forecast. Lewis said her
162 understanding is the revenue cushion will not go below zero until this winter. Ballard said the Agency
163 is attempting to get the fee increase now and explained the program is burning through the balance
164 faster than the fees are being brought in, and by winter the program will be in a negative cash flow
165 situation. Due to the revenue coming in through peaks throughout the year, if the fee increase is not
166 approved this year, the Agency will have to look at programmatic reductions because the current
167 fees do not support the operations.

168
169 Maffei asked what the likelihood is of getting the fee bill passed. Houston answered he thinks it is
170 going to be a challenge based on the COVID-19 economic impact. He stated one of the
171 recommendations received is to make sure it is a very clean bill and that stakeholders are all on the
172 same page. Avy said if the fee increase did not happen in a Special Session, the chances for passage
173 in full session diminish significantly due to competition with COVID related issues. Kozlowski asked if
174 there was full stakeholder support for the fee increase. Houston explained they met with OCAPA and
175 have an agreement with where it was left off at the 2020 Short Session for the fee bill, and there is
176 support from the Oil and Gas, and Geothermal programs as well.

177
178 Houston explained the challenges the Agency has been facing with the COVID-19 pandemic. He said
179 the Emergency Board can only approve the second-year budget, but it will not be able to address the
180 fee bill, only a legislative session can. Houston said it is difficult to move a fee increase forward when
181 there is an economic downturn. It will require the bill to be consistent with the version passing out
182 of full Ways and Means to have the greatest potential to move forward.

183

184

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

187

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

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

193

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

- 195 • IT computer and server replacement;
- 196 • General Fund match for grants and grant development;
- 197 • Increased funding to support "normal" levels of travel, agency representation, and technical
198 proficiency;
- 199 • Two GS&S program supervisors (assuming the second-year budget continues to include a
200 GS&S Program Manager);
- 201 • Position cleanup (matching position classification to actual duties); and
- 202 • General Fund to develop a probabilistic tsunami model.

203

204 **IT Computer and Server Replacement**

205 The IT computer and server replacement is for equipment that is at end of life, the last ones were
206 purchased in 2016 and 2017. The current budget does not support replacement of computer
207 equipment, this funding ask is to support acquiring new equipment for staff to continue functioning
208 in their roles.

209

210 **General Fund Match for Grants and Grant Development**

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

222

223 **Travel, Agency Representation, and Technical Proficiency**

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

230

231 **GS&S Program Supervisors**

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

234

235 **Position Cleanup**

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

238

239 **Probabilistic Tsunami Model**

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

242

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

247

- 248 • The IT computer and server replacement because it is a serious need for the work being
249 done, the physical equipment is going to die within the next year or two and there is no
250 funding to support it.

251

252 • The General Fund match for grants and grant development to have the ability to leverage
253 whatever federal funds and other funds are out there to help provide more funding for the
254 Agency.

255
256 • The position cleanup because it improves budgeting with no financial impact.

257
258 Ballard said that with the Board’s approval to move forward the Legislative Concepts, there are two
259 more POPs related to e-permitting and the fee increase to support those items as well. Maffei asked
260 for clarification on the list of POPs of which ones were being asked for. Ballard went through the list.
261 Maffei wanted to verify the position cleanup is not a General Fund ask. Ballard said that is correct.

262
263 Ashford said he has concern about the General Fund match. When he joined the Board there was a
264 culture of getting work to keep the Agency busy. His concern is that the Agency not go after grants
265 to grow the Agency or to keep people busy versus using General Fund in a really targeted way to do
266 projects that makes sense for the Agency. Ashford is uneasy about the General Fund match for
267 grants. He wants to make sure the Agency is spending state funds on the highest priority projects for
268 the state and not just to get federal money for the work.

269
270 Avy said Ashford is correct that the Agency does not want to be in a position of chasing grants to
271 keep people busy if it is not in line with the mission. Avy believes this POP request is to support
272 grants that are central to the Agency and that it historically goes after like USGS STATEMAP that is
273 fundamental geologic mapping. Because it is a nationally awarded grant, the Agency does not have a
274 lot of flexibility in terms of refusing the match. For the Agency to do the work a match is required (in
275 some cases an in-kind match can be found). Currently the Agency has not been going after grants
276 that require a match and without General Fund support DOGAMI could lose grants that are vital to its
277 work.

278
279 Ashford asked if the Agency would only use the match for federal grants where it is required to
280 compete. Ballard said yes, that is the expectation. Ashford said sometimes the Agency has put in
281 match where it is not required and one of the criteria he wants is that the General Fund match is
282 used only for grants that require a match. Ballard said the other part of the POP request would also
283 support project managers in providing General Fund hours to go seek these grants. Ashford asked
284 who will approve which grants the Agency goes after and its priorities. Avy explained the internal
285 grant pipeline process that is used to approve seeking a grant. Ashford wants this to have quite a bit
286 of oversight. Ballard described more of the process used to determine if grants are pursued.

287
288 Board Action: **Kozlowski moved to approve the Agency’s Policy Option Packages (POPs) as follows:**
289 **IT computer and server replacement, the General Fund match for grants and grant development,**
290 **and the position cleanup, along with the Fee Bill and E-Permitting Legislative Concepts that are also**
291 **POPs. Jeremiah seconded. Motion carried.**

292
293
294 Board Action: **Teeman moved to accept the Agency’s other Policy Option Packages (POPs) that**
295 **were described in the Board Packet being: increased funding to support normal levels of travel, the**
296 **two GS&S program supervisors, and the probabilistic tsunami model to be considered at a later**
297 **date when we are not facing the current budget situation. Kozlowski seconded. Motion carried.**

298
299

300 **6) Public Comment:**

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

303
304 **7) Board Adjourn:**

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

306
307 APPROVED

308
309
310
311 _____
312 Laura Maffei, Chair

DRAFT

**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

17 retaining the staff. These efforts are being done in an attempt to retain more Agency staff members.
18 Avy said during the E-Board concern was voiced about closing the Baker City office located in the
19 county courthouse. It is rent free, but charges for utilities and internet are about \$12,000 per year.
20 There is interest from the county to retain the public accessibility of the DOGAMI staff member and
21 there's a possibility the county might cover the full cost.

22
23 Kozlowski asked if there are any concerns from staff in those offices and are they currently working
24 remotely, particularly Newport. Ballard said the Agency is currently in the midst of shutting down the
25 Newport office effective June 30, 2020. She said employees are working from home and staff are not
26 happy with the closure of the office. Chair Maffei asked if the concern was related to it being more
27 conducive to doing the work in the office. Ballard stated the office is bigger than their home
28 environments, but they have been adapting to working at home. There is currently no option for
29 having a rent and utility free office. Avy stated when the original DAS reduction list came out, it did
30 not contain office facilities, and the Leadership Team was asked why office closures were not listed
31 ahead of staff. Ashford said these are tough decisions.

32
33 Briefing: **No Board Action Required.**

34
35 **4) Preliminary 21-23 Agency Request Budget (ARB) Discussion:**

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

38
39 Ballard said the Agency is currently in planning mode for the 2021-23 Agency Request Budget. The
40 list of Policy Option Packages (POPs) are ideas and funding concepts above the normal rolling forward
41 budget of routine activity. The current ask is for the following items: IT computer and server
42 replacement - \$196,000; General Fund match for grants and grant development - \$400,000; Position
43 cleanup to align the actual budgeted position to the responsibility being performed - \$0; Proposed
44 MLRR Fee Increase - \$1.56 million; and MLRR E-Permitting project - \$1,184,177 that is anticipated for
45 FY 2021-2029.

46
47 Jeremiah asked what the difference is between the current ask for IT expenses and what the \$85,000
48 was for before, which her understanding was for basically hooking into State servers. She wants to
49 understand the holistic cost for IT services; the subscriber fee; and what DOGAMI provides within its
50 budget; and also wants to make sure the IT costs are sustainable every year. Ballard said for the
51 computer replacement for regular use computers, the second-year budget was adjusted to match
52 what the actual spend is. She explained that the previous budgets did not contain the costs
53 associated with a normal replacement cycle, but because the Agency is still in corrective mode, the
54 budget rolling forward does not include that amount either. It is on her agenda to get corrected in
55 the future and this POP is the first step in getting the cycle started. Jeremiah emphasized her
56 position on the importance of having and maintaining top of the line equipment being critical for the
57 Agency due to the technology it uses for maps and the need for public access.

58
59 Ballard then asked Connor Anderson, Chief Information Officer (CIO), to provide more details on the
60 servers. Anderson explained there originally was money designated for server and hardware
61 replacements, but they were put on hold due to the Agency's financial issues which caused the
62 technology deficit. Ballard clarified that since the first-year budget was estimated low for services

63 and supplies, the Agency went through spending freezes to pay for items that had to be paid, like
64 rent.

65
66 Anderson explained in 2016 DOGAMI went through an IT operations assessment/analysis that
67 resulted in his position being created and an IT alignment plan being put into place. That plan was to
68 get DOGAMI out of owning and operating really important parts of IT infrastructure like servers,
69 networks, and email systems that require capital expenditures. The State offers those services and
70 by moving to those services platforms, it frees up IT staff to work on core mission activities. It also
71 turns those expenses into ongoing operational costs, that turn into the current service level budget
72 and are moved forward each biennium to maintain a stable operation.

73
74 Ballard emphasized the POP line items listed were the ideas the Board settled on from the last
75 meeting for planning Biennium 2021-23. She stated the draft narrative the Board received is the
76 justification for what is going to be submitted with the budget to support the ask of the Agency. The
77 POPs are asks for funding, and before they make it to legislature, it is possible that all, some, or none
78 could be approved.

79
80 Ballard provided the timeline for budget planning and processing. In March and April, the Agency
81 went through the current service level budget, added some inflationary amounts, and identified any
82 needs above that, which requires further discussion with DAS and possibly a POP. She explained the
83 current service level budget is adjusted and moved forward for review. An exercise of expected
84 revenue projections is done to determine the Agency's Request Budget (ARB). In May and June, the
85 Legislative Concepts (LCs) are considered, reviewed and sent to DAS. In July, the Board will see a
86 draft of the ARB and after approval, the ARB is submitted to DAS for adjustments. After DAS reviews
87 and approves it, and once it is approved by the Governor's Office, it is then submitted as the
88 Governor's Recommended Budget (GRB) for consideration by the Legislature during session. The
89 upcoming session is scheduled for January thru June of 2021. Once it has been finalized, it becomes a
90 Legislatively Adopted Budget (LAB), that becomes effective July 1, 2021.

91
92 Chair Maffei wanted to verify the Board will be able to review and approve the ARB at the July
93 meeting, and that they will have input to ensure they are doing their job due to the past financial
94 issues. Avy said the Special Board meetings this spring have been to engage the Board in preliminary
95 discussions. The draft package will be sent to the Board a week before the next Board meeting for
96 review during the meeting to answer any questions. If the Board needs additional time to review, an
97 additional special meeting will be scheduled for the necessary approval. Maffei stated in the past
98 there have not been as many preparatory meetings and she views it as a positive step for the Board
99 to reach an approval. Ashford agreed and said he felt the Board is pretty informed on where the
100 Agency is with the budget and is comfortable with where they are in the process.

101
102 Ballard went through the list of Policy Option Packages and provided a brief overview.

103
104 IT computer and server replacement:

105 The IT server and computer equipment for \$196,000, is to replace personal computers and server
106 equipment that is at or nearing end of life and not supported by the current service level budget.
107 Given the type of work DOGAMI does, it is important and necessary for the Agency.

108
109 General Fund match for grants and grant development:

110 The amount of \$400,000 is to support General Fund match to seek, develop, and leverage Federal
111 Fund and Other Fund grants supportive of the Agency's mission, goals and objectives. Ballard
112 explained the Agency currently has two grants with General Fund match associated to them. The
113 first is STATEMAP with 50% match, and the second is a landslide project with 25% match. The Agency
114 does not have any grants or projects that are solely General Fund based. This POP is to use General
115 Fund for match to leverage against other Federal Fund and Other Fund grants, and to go after new
116 opportunities that align with the Agency's mission.

117
118 Chair Maffei asked if this is additional General Fund match that is not already in the budget. Ballard
119 explained there are positions partially supported by General Fund money (for example, STATEMAP).
120 However, due to the past over-spend behavior of the Agency, there likely was no General Fund
121 match to begin with for other matched projects in the past.

122
123 Chair Maffei asked if there are currently grants that require General Fund match. Ballard used
124 STATEMAP as an example. It is a core piece of business for the Agency since 1992 that requires 50%
125 match, and the indirect cost recovery is capped at 18%, while the Agency's current rate is 26%;
126 therefore, it requires more General Fund spend. This is a national competitive grant/program core to
127 the mission of DOGAMI, so it is pursued each year. The other active grant is the landslide grant that
128 has 25% match. Maffei asked to clarify if this POP is intended to allow the Agency to seek other
129 grants that require General Fund match, as well as support grant proposal writing. Ballard answered
130 yes, she has also been approached about FEMA grants that do not allow for indirects and this would
131 permit the Agency to consider them.

132
133 Ashford asked if these costs were already in the budget or is this the first time this has been formally
134 asked for. Avy said there are grants that have been built into the budget (e.g., STATEMAP) but this is
135 the first time asking for General Fund for grant proposal development and for grants that require
136 match. Avy stated the leadership team currently does not accept grant proposals that require match
137 or does not fully compensate for indirect costs. This POP will allow the Agency to increase the grant
138 pool. Ashford said he understood.

139
140 Position Clean up:

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

145
146 Proposed Fee increase:

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

151
152 E-Permitting:

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

154
155 Board Action: No Board action was required.

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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.

- 199
- 200
- 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.
- 201
- 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.
- 202
- 203

204

205 Lewis stated this is a bit of a grim picture for the program. Chair Maffei asked what are the chances

206 of the fee bill being passed. Houston answered there are definitely serious challenges. There is also

207 a need for a vehicle to move the bill forward and he is working with the Governor's Office. He said

208 the challenge becomes even greater during the 2021 Regular Session due to the projected economic

209 reduction of revenue for the State.

210

211 Kozlowski asked if the support of the stakeholders is still there, and if the Agency has reached out to

212 them to indicate the dire need for the increase and the impact it would have on them in terms of

213 services if it does not go through. Houston said they have reached out to stakeholders and are

214 hearing there is still broad support for the concept. A group representing low-volume mining

215 operations still would like to amend the Exclusion Certificate requirements. He said the Agency

216 should anticipate that attempt. Kozlowski asked how likely this will surface. Houston said at least 80

217 to 95 percent. Kozlowski asked if there is a way to mitigate this. Houston answered they are

218 reaching out to them to have a full discussion on the need for the fee increase and the need for a

219 "clean" bill by resolving all issues.

220

221 Houston stated the 2021 Regular Session is another opportunity to move the fee increase. If the fee

222 increase is not approved in the Special Session, the Agency will move forward with the Legislative

223 Concepts for the fee increase and the E-Permitting placeholder will be removed from the ARB. Based

224 on the May revenue forecast, there is a \$4 billion deficit and a significant hit is expected for the next

225 several biennia due to COVID-19.

226

227 Chair Maffei stated this is frustrating with all the hard work the Agency has put into bring the

228 financials around and the circumstances being out of the Agency's control. She asked if there is any

229 positive news. Kozlowski said she feels the good news is the staff has put into process a way to

230 analyze and understand where the Agency is. Houston explained the staff's response to transitioning

231 to working from home in one day, and having the ability to focus on projects. The Leadership Team

232 has been moving with a sense of urgency to address issues and challenges as they crop up. The

233 ability to operate as a team across the Agency is the positive take away. Avy said the GS&S Program

234 Manager was approved and it is moving forward with recruitment in the next week or two. Maffei

235 said that is a bright spot in all the budget concerns.

236

237 Board Action: No Board action was required.

238

239 **6) July Board Meeting Agenda Discussion:**

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

241 confirmed this date is still acceptable for the Board.

242

243 Chair Maffei said it will more than likely need to be held by phone and the Agency and Board should

244 not count on an in-person meeting. Maffei asked about the possibility of having a video conference.

245 Ashford offered to set up a Zoom meeting through OSU, but would prefer a shorter meeting and
246 suggested having a discussion on how to work effectively remotely with the possibility of not actually
247 meeting in person until next year. Maffei said she would like to take Ashford up on the offer. She
248 went through the proposed list and identified the items to be presented at the next meeting as:

- 249
- 250 1) Proposed Agency Request Budget
- 251 2) Agency 6-Year Strategic Plan (2022-2028)
- 252 3) Grant Budget Monitoring Tool
- 253 4) Project Pipeline Approval Process

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

255
256 Special Board meeting (tentative) – Agency Request Budget: Tuesday, July 28, 2020 - 8:30 a.m. -
257 10:30 a.m.

258
259 Maffei said no need to approve agenda items.

260
261 **7) Public Comment:**

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

264
265 **8) Board Adjourn:**

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

267 APPROVED

268
269
270
271 _____
272 Laura Maffei, Chair

273

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.

Non-Payment of Renewal Fee – Civil Penalty Fact Pattern Matrix (updated 6/30/20)

Site Type-ID	Timeline of Notices				Days in violation (total)	Late Pay History		Mitigating Factors, Other Considerations	Penalty Amount			
	Fee Due	NOV issued	60 days late	Fee Paid		Freq. of occurrence	Length of delay		Max (\$1,000*days)	Recc.	Issued	Paid
OP-0035	8/31/19	10/1/19	10/31/19	11/4/19	4 (64)	None	None	Permittee (county) / landowner miscommunication	\$4,000	\$250	Waived	N/A
EC-0116	8/31/19	10/1/19	10/31/19	11/8/19	8 (68)	None	None	Requested closure at renewal; misunderstood need to renew.	\$8,000	\$250	Waived	N/A
OP-0040	8/31/19	10/1/19	10/31/19	11/15/19	15 (75)	2/3yr 8/9yr	4-13 mos.		\$15,000	\$500	\$500	2/26/20
OP-0074	9/30/19	10/31/19	11/30/19	12/4/19	4 (64)	0/3yr 2/27yr	< 3 mos.	Contact information incorrect in database, resent 11/6/219, paid.	\$4,000	\$250	Waived	N/A
EC-0093	9/30/19	10/31/19	11/30/19	1/3/20	32 (92)	None	None	Out of date contact information, corrected & paid.	\$3,000	\$250	Waived	N/A
OP-0033	10/31/19	12/1/19	1/1/20	2/12/20	41 (101)	0/3yr 5/10yr	~3 mos.		\$41,000	\$250	\$0	N/A
OP-0125	11/30/19	1/2/20	2/1/20	2/12/20	11 (71)	0/3yr 3/12yr	~3 mos.	Permittee (city)	\$11,000	\$250	\$0	N/A
EC-0017	1/31/20	3/2/20	4/1/2020	4/21/20	20 (80)	None	None	Didn't request closure prior to renewal due	\$20,000	\$250	Waived	N/A
OP-0050	3/31/20	4/30/20	5/31/20	NTD	32 (92)*	0/3 yr 3/24 yr	~1-2 mos.	Insists closed per agreement with reclamationist – hasn't paid despite communications clarifying closure requirements	\$32,000^	\$250		
OP-0053	3/31/20	4/30/20	5/31/20	6/24/20	25 (85)	3/3 yr 12/26 yr	1-9 mos., \bar{x} = ~3 mos.		\$25,000	\$500		

* 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.

Geological Survey & Services (GS&S) Program				
As of April, 2020				
	2019-21 Actual + Projected Revenue & Expenditures			
	General Funds	Other Funds	Federal Funds	All Funds
Total Available Revenue	\$ 2,534,180	\$ 2,040,776	\$ 3,962,258	\$ 8,537,214
Total Expenditures	\$ 5,688,769	\$ 1,690,022	\$ 3,962,259	\$11,341,050
GS&S Ending Balance	\$ (3,154,589)	\$ 350,754	\$ (1)	\$ (2,803,836)

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.

Mineral Land Regulation & Reclamation (MLRR) Program				
As of April, 2020				
	2019-21 Actual + Projected Revenue & Expenditures			
	General Funds	Other Funds	Federal Funds	All Funds
Total Available Revenue	\$ -	\$ 3,585,038	\$ -	\$ 3,585,038
Total Expenditures	\$ -	\$ 3,786,869	\$ -	\$ 3,786,869
MLRR Ending Balance	\$ -	\$ (201,831)	\$ -	\$ (201,831)

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.

Strong Motion Instrument Fund (SMIF)			
As of April, 2020			
	2019-21 Actual + Projected Revenue & Expenditures		
June 30, 2019 Ending Balance			\$ 276,926
	Other Funds	Federal Funds	All Funds
Total Available Revenue	\$ 346,826		\$ 346,826
Total Expenditures	\$ 9,281		\$ 9,281
SMIF Ending Balance	\$ 337,545	\$ -	\$ 337,545

Reclamation Guarantee Fund	
As of April, 2020	
Beginning 2019-21: 54 Cash Securities	\$ 613,637
0 Security Releases	\$ (106,000)
4 New Securities	\$ 106,570
Biennium to Date: 58 Cash Securities	\$ 614,207

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

Department of Geology & Mineral Industries
Budget Status Report: April 2020

% of Time Spent of 2 years
42%

Geological Survey & Services (GS&S) Program

Budget Category / Line Item	2019-21 Budget by Funding Source				2019-21 Actual Revenue & Expenditures				Actual Budget Spent				2019-21 Projected Revenue & Expenditures				2019-21 Actual + Projected Revenue & Expenditures				Actual + Projected Budget Total			
	General	Other	Federal	All	General	Other	Federal	All	GF	OF	FF	All	General	Other	Federal	All	General	Other	Federal	All	GF	OF	FF	All
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
Revenue																								
Beginning Balance	-	1,029,817	-	1,029,817	-	252,275	-	252,275					-	-	-	-	-	252,275	-	252,275				
2019-21 Revenue & Transfers	2,534,180	1,319,027	2,902,495	6,755,702	2,351,844	484,120	642,110	3,478,073					182,336	1,304,381	3,320,148	4,806,866	2,534,180	1,788,501	3,962,258	8,284,939				
Total Available Revenue	2,534,180	2,348,844	2,902,495	7,785,519	2,351,844	736,395	642,110	3,730,349	93%	31%	22%	48%	182,336	1,304,381	3,320,148	4,806,866	2,534,180	2,040,776	3,962,258	8,537,215	100%	87%	137%	110%
Expenditures:																								
<i>Personnel Services</i>	1,622,450	337,818	1,185,892	3,146,159	1,802,697	404,930	473,325	2,680,953	111%	120%	40%	85%	2,728,625	535,048	915,129	4,178,802	4,531,322	939,978	1,388,454	6,859,755	279%	278%	117%	218%
<i>Services & Supplies</i>																								
Instate Travel	5,159	32,387	72,570	110,116	25,281	4,672	3,311	33,264					13,011	38,326	86,422	137,759	38,292	42,998	89,733	171,023				
Out of State Travel	3,725	12,059	3,388	19,171	-	132	322	454					2,000	16,318	3,388	21,706	2,000	16,450	3,710	22,160				
Employee Training	1,333	5,670	4,282	11,285	300	-	-	300					10,000	6,885	4,282	21,167	10,300	6,885	4,282	21,466				
Office Expenses	6,398	16,792	724	23,914	65,373	224	8	65,605					(7,277)	20,342	724	13,789	58,096	20,566	732	79,394				
Telecomm	43,260	232	7,484	50,975	36,954	-	-	36,954					62,263	282	-	62,545	99,217	282	-	99,499				
State Gov't Svc Chg	61,190	65,870	58,951	186,010	187,375	-	-	187,375					202,364	-	-	202,364	389,739	-	-	389,739				
Data Processing	463,525	-	3,498	467,022	115,483	-	-	115,483					207,729	-	-	207,729	323,212	-	-	323,212				
Publicity & Publications	-	2,555	30,802	33,357	70	-	-	70					-	3,194	30,802	33,996	70	3,194	30,802	34,066				
Professional Services	3,272	345,446	1,446,276	1,794,994	10,212	31,318	142,081	183,610					3,272	412,759	1,807,845	2,223,876	13,484	444,077	1,949,926	2,407,486				
IT Professional Services	-	41,680	-	41,680	4,101	-	-	4,101					4,500	8,931	-	13,431	8,601	8,931	-	17,533				
Attorney General	2,665	-	-	2,665	9,630	-	-	9,630					3,198	-	-	3,198	12,828	-	-	12,828				
Employee Recruitment	139	726	-	865	-	-	-	-					528	984	-	1,512	528	984	-	1,512				
Dues & Subscriptions	742	494	1,135	2,371	409	-	-	409					3,567	600	1,362	5,528	3,976	600	1,362	5,937				
Facilities Rent	135,694	99,249	31,651	266,594	147,440	-	-	147,440					231,765	-	-	231,765	379,205	-	-	379,205				
Fuels & Utilities	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Facilities Maintenance	-	-	-	-	78	-	-	78					(17)	-	-	(17)	61	-	-	61				
Medical Services	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Agency Related S & S	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Intra agency Charges	-	-	-	-	-	-	-	-					125,000	-	-	125,000	125,000	-	-	125,000				
Other Services & Supplies	131,535	337,538	25,724	494,796	125,112	87	-	125,199					123,404	300	740	124,444	248,517	387	740	249,643				
Undistributed (S&S)	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Expendable Prop (\$250-\$5000)	3,706	9,951	14,715	28,372	-	-	-	-					5,853	9,951	18,394	34,198	5,853	9,951	18,394	34,198				
IT Expendable Property	2,555	-	15,405	17,960	79,190	-	-	79,190					151,744	-	19,256	171,000	230,934	-	19,256	250,190				
Technical Equipment	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing Software	46,835	-	-	46,835	-	-	-	-					93,670	-	-	93,670	93,670	-	-	93,670				
Data Processing Hardware	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Capital Outlay	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Indirect	-	-	-	-	(257,862)	82,295	95,892	(79,675)					(628,274)	112,446	358,975	(156,853)	(886,136)	194,741	454,868	(236,528)				
<i>Total Services & Supplies</i>	911,731	970,644	1,716,603	3,598,977	549,146	118,727	241,614	909,488	60%	12%	14%	25%	608,301	631,317	2,332,190	3,571,808	1,157,447	750,044	2,573,804	4,481,296	127%	77%	150%	125%
Total Expenditures	2,534,180	1,308,461	2,902,495	6,745,136	2,351,844	523,657	714,940	3,590,441	93%	40%	25%	53%	3,336,926	1,166,365	3,247,319	7,750,610	5,688,769	1,690,022	3,962,259	11,341,050	224%	129%	137%	168%
GS&S Ending Balance	\$ -	\$ 1,040,383	\$ -	\$ 1,040,383	\$ -	\$ 212,738	\$ (72,829)	\$ 139,908					\$ (3,154,589)	\$ 138,016	\$ 72,829	\$ (2,943,744)	\$ (3,154,589)	\$ 350,754	\$ (0)	\$ (2,803,836)				

Strong Motion Instrument Fund			
	2019-21 Actual Revenue & Expenditures Other Funds	2019-21 Projected Revenue & Expenditures Other Funds	2019-21 Actual + Projected Revenue & Expenditures Other Funds
Revenue:			
Beginning Balance	276,926	-	276,926
AY 2019-21 Revenue	69,900	-	69,900
Total Available Revenue	346,826	-	346,826
Expenditures:			
<i>Personnel Services</i>	5,068	-	5,068
<i>Services & Supplies</i>	-	-	-
Professional Services:	4,213	-	4,213
Total Expenditures	9,281	-	9,281
SMIF Ending Balance	\$ 337,545	\$ -	\$ 337,545

Department of Geology & Mineral Industries
Budget Status Report: April 2020

% of Time Spent of 2 years
42%

Mineral Land Regulation & Reclamation (MLRR) Program

Budget Category / Line Item	2019-21 Budget by Funding Source				2019-21 Actual Revenue & Expenditures				Actual Budget Spent				2019-21 Projected Revenue & Expenditures				2019-21 Actual + Projected Revenue & Expenditures				Actual + Projected Budget Total Spent			
	General Funds	Other Funds	Federal Funds	All Funds	General Funds	Other Funds	Federal Funds	All Funds	GF	OF	FF	All Funds	General Funds	Other Funds	Federal Funds	All Funds	General Funds	Other Funds	Federal Funds	All Funds	GF	OF	FF	All Funds
Revenue																								
Beginning Balance	-	370,374	-	370,374	-	227,101	-	227,101					-	-	-	-	-	227,101	-	227,101				
2019-21 Revenue & Transfers	-	2,035,239	-	2,035,239	-	1,353,933	-	1,353,933					-	2,004,004	-	2,004,004	-	3,357,937	-	3,357,937				
Total Available Revenue	-	2,405,613	-	2,405,613	-	1,581,034	-	1,581,034	0%	66%	0%	66%	-	2,004,004	-	2,004,004	-	3,585,038	-	3,585,038	0%	149%	0%	149%
Expenditures:																								
<i>Personnel Services</i>	-	1,215,959	-	1,215,959	-	1,039,839	-	1,039,839	0%	86%	0%	86%	-	1,558,251	-	1,558,251	-	2,598,090	-	2,598,090	0%	214%	0%	214%
<i>Services & Supplies</i>																								
Instate Travel	-	32,350	-	32,350	-	10,567	-	10,567					-	38,645	-	38,645	-	49,213	-	49,213				
Out of State Travel	-	-	-	-	-	498	-	498					-	128	-	128	-	626	-	626				
Employee Training	-	36	-	36	-	389	-	389					-	7,500	-	7,500	-	7,889	-	7,889				
Office Expenses	-	15,758	-	15,758	-	21,066	-	21,066					-	19,697	-	19,697	-	40,763	-	40,763				
Telecomm	-	42,086	-	42,086	-	18,394	-	18,394					-	30,457	-	30,457	-	48,851	-	48,851				
State Gov't Svc Chg	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing	-	39,473	-	39,473	-	25,803	-	25,803					-	60,307	-	60,307	-	86,110	-	86,110				
Publicity & Publications	-	1,861	-	1,861	-	5,563	-	5,563					-	4,337	-	4,337	-	9,900	-	9,900				
Professional Services	-	49,521	-	49,521	-	38,646	-	38,646					-	413,202	-	413,202	-	451,848	-	451,848				
IT Professional Services	-	-	-	-	-	456	-	456					-	-	-	-	-	456	-	456				
Attorney General	-	29,125	-	29,125	-	36,691	-	36,691					-	57,452	-	57,452	-	94,144	-	94,144				
Employee Recruitment	-	3	-	3	-	0	-	0					-	0	-	0	-	1	-	1				
Dues & Subscriptions	-	310	-	310	-	-	-	-					-	1,077	-	1,077	-	1,077	-	1,077				
Facilities Rent	-	39,860	-	39,860	-	32,574	-	32,574					-	47,310	-	47,310	-	79,884	-	79,884				
Fuels & Utilities	-	5,721	-	5,721	-	4,429	-	4,429					-	6,758	-	6,758	-	11,187	-	11,187				
Facilities Maintenance	-	5,703	-	5,703	-	4,026	-	4,026					-	6,335	-	6,335	-	10,361	-	10,361				
Medical Services	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Agency Related S & S	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Intra agency Charges	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Services & Supplies	-	16,374	-	16,374	-	30	-	30					-	16,374	-	16,374	-	16,404	-	16,404				
Undistributed (S&S)	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Expendable Prop (\$250-\$5000)	-	2,415	-	2,415	-	-	-	-					-	7,000	-	7,000	-	7,000	-	7,000				
IT Expendable Property	-	3,398	-	3,398	-	1,959	-	1,959					-	15,601	-	15,601	-	17,560	-	17,560				
Technical Equipment	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing Hardware	-	9,489	-	9,489	-	-	-	-					-	18,978	-	18,978	-	18,978	-	18,978				
Data Processing Hardware	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Capital Outlay	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Indirect	-	-	-	-	-	79,675	-	79,675					-	156,853	-	156,853	-	236,528	-	236,528				
<i>Total Services & Supplies</i>	-	293,477	-	293,477	-	280,767	-	280,767	0%	96%	0%	96%	-	908,012	-	908,012	-	1,188,780	-	1,188,780	0%	405%	0%	405%
Total Expenditures	-	1,509,435	-	1,509,435	-	1,320,606	-	1,320,606	0%	87%	0%	87%	-	2,466,263	-	2,466,263	-	3,786,869	-	3,786,869	0%	251%	0%	251%
MLRR Ending Balance	\$ -	\$ 896,178	\$ -	\$ 896,178	\$ -	\$ 260,428	\$ -	\$ 260,428					\$ -	\$ (462,259)	\$ -	\$ (462,259)	\$ -	\$ (201,831)	\$ -	\$ (201,831)				

Reclamation Guarantee Fund	
Beginning 2019-21:	
54 Cash Security's	613,637
4 Security releases	(106,000)
4 New Securities	106,570
Biennium to date:	
58 Cash Security's	\$ 614,207

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

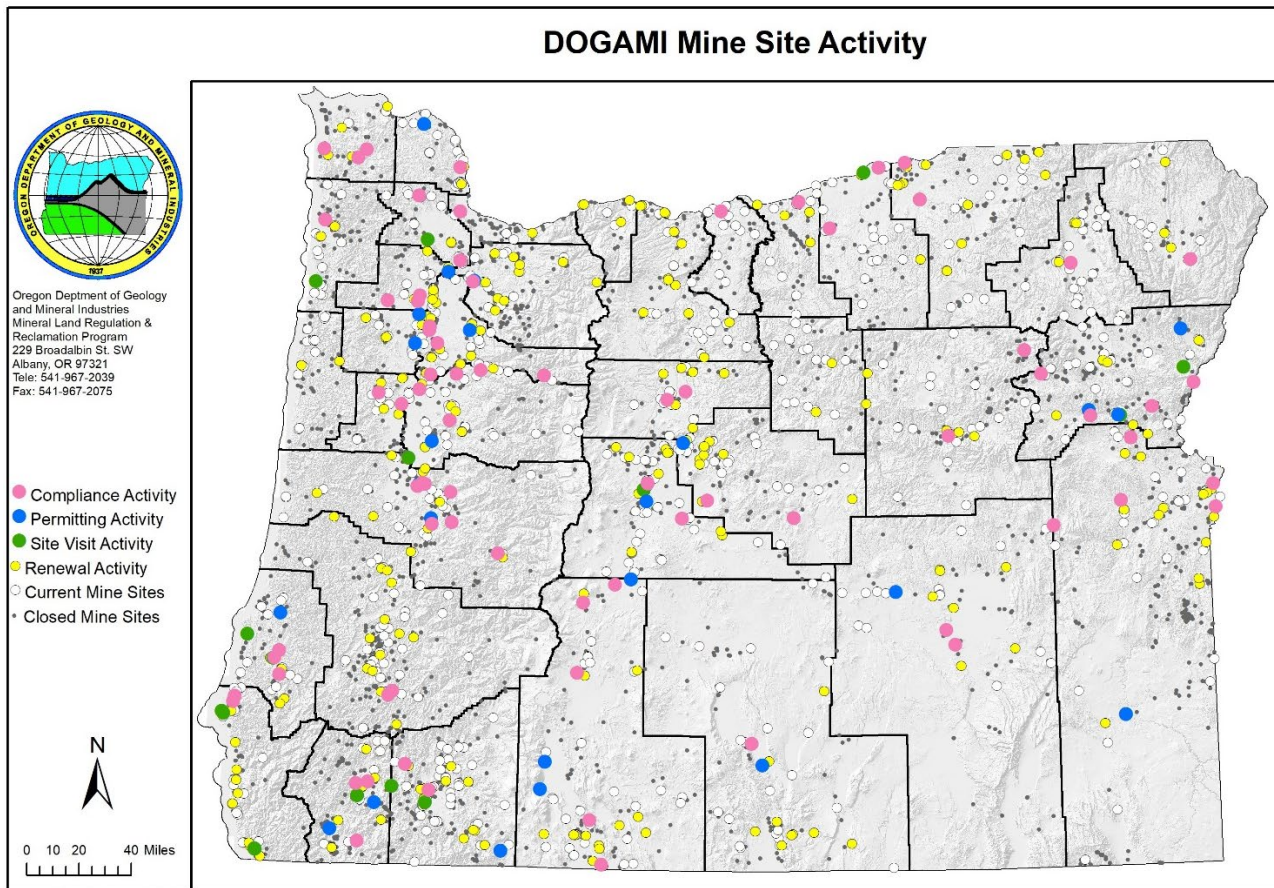
Sarah Lewis, MLRR Program Manager, will provide an update on MLRR and report on the following topics:

- 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.



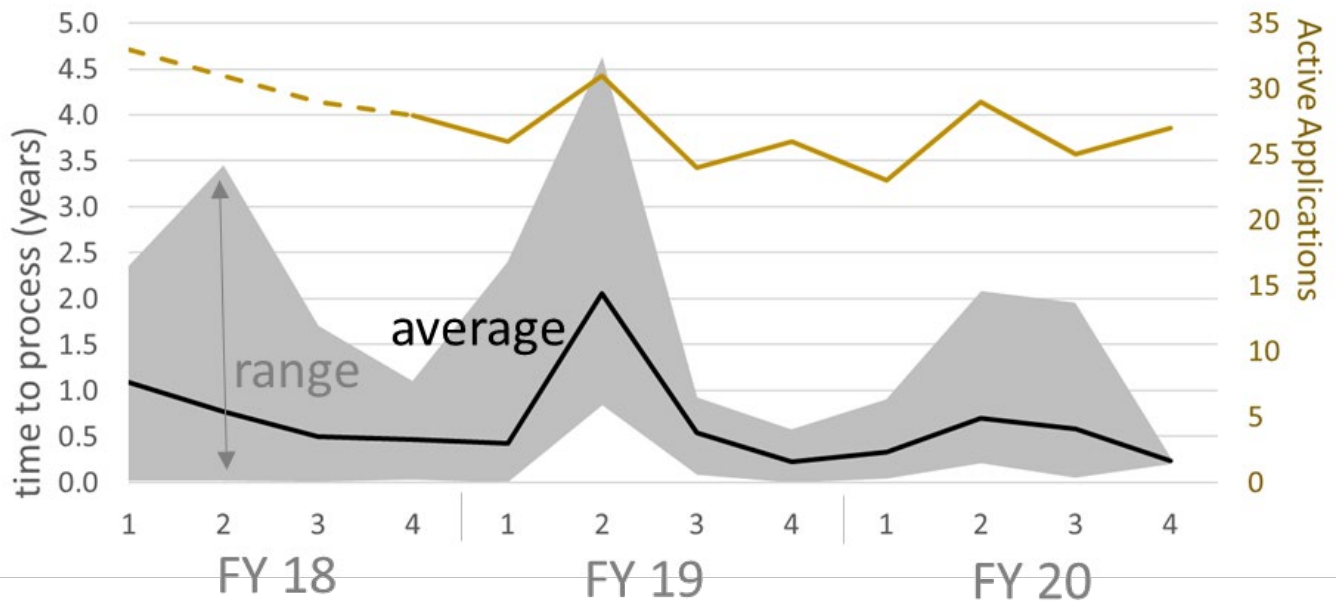
Prepared By: E. Buchner / 7-2-2020

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)

	Jul-Sep 2019		Oct-Dec 2019		Jan-Mar 2020		Apr-Jun 2020	
	Permits	Apps	Permits	Apps	Permits	Apps	Permits	Apps
Surface Mining								
Operating Permits	881	23	872	29	873	25	872	27
Exclusion Certificates	117	1	119	1	120	6	131	9
Sites Closed	(2)		(1)		(0)		(2)	
Stormwater (DEQ)								
1200A Permits	161	6	161	7	160	6	159	7
WPCF 1000 Permits	49	3	49	4	49	4	49	4
Exploration	15	1	14	1	14	2	14	2
Oil & Gas Wells	92	1	92	1	92	2	91	2
Geothermal								
Well Permits	29	1	29	1	26	1	26	1
Prospect Wells	7	0	7	0	7	0	7	0

Surface Mining Application Processing Time and Workload

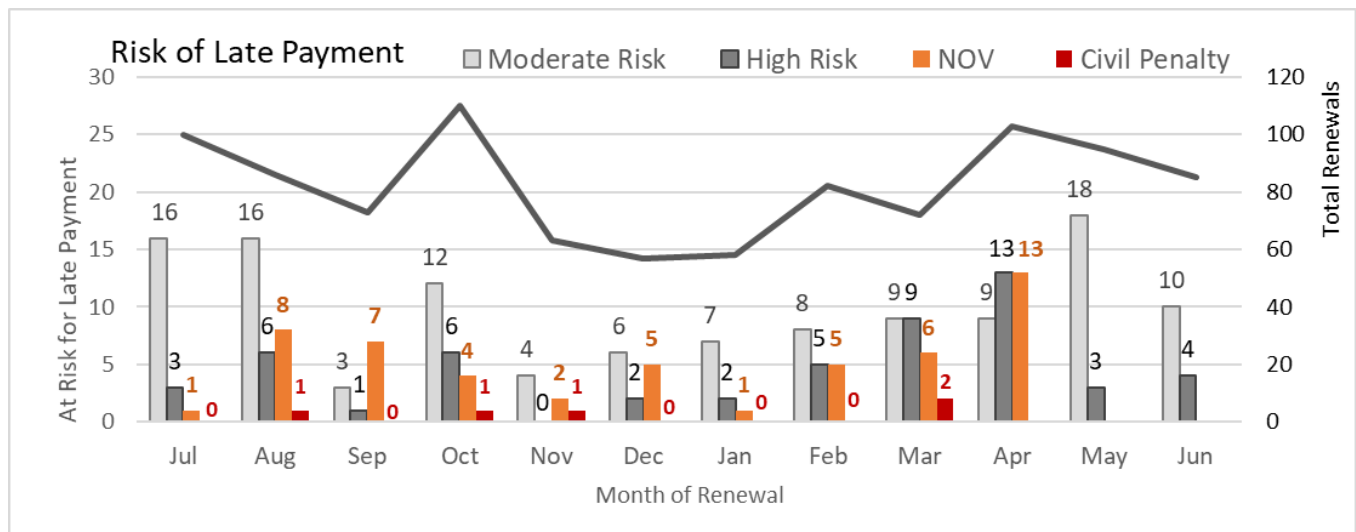


The average processing time for an application completed during the last year was less than 6 months.

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

	Total	New	Amend	Transfer
FY 2019				
Received	39	10	7	22
Completed	42	13	7	21
FY20 1st Quarter				
Received	12	3	1	8
Completed	14	1	4	9
FY20 2nd Quarter				
Received	11	4	1	6
Completed	5	2	1	2
Active	29	14	6	9
FY20 3rd Quarter (updated)				
Received	8	1	3	4
Completed	12	4	1	7
Active	25	11	8	6
FY20 4th Quarter (to date)				
Received	6	2	1	3
Completed	4	0	0	4
Active	27	13	9	5
<i>Applications older than 1 year</i>	11	7	3	1

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)

	2019			2020			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Non-Payment of Fees	7	8	15	13	18		
Mining Without a Permit	12	20	18	18	16		
Mining Outside Permit Boundary	~	~	~	24	21		
Lack of Approval	~	3	3	3	3		
Failure to Comply with Order	8	6	6	6	6		
Permit Boundary Survey Map	7	6	6	14	13		
Boundary Marking Violation	1	1	3	4	4		
Permit Condition Violation	3	1	5	4	7		
Reclamation Security	4	3	3	7	7		
Failure to Reclaim Timely	0	1	1	6	6		
Total	42	49	60	99	101		

the newsletter of the **Mineral Land Regulation and Reclamation** program

ENGAGe

**Special Pandemic
Edition May 2020**



Exploration, Non-aggregate, Gas/oil, Aggregate, Geothermal

To slow the spread of COVID-19, Governor Brown issued an Executive Order that Oregonians stay home except for essential needs. Health officials urge social or physical distancing, good hand hygiene and covering coughs.

For general information on COVID-19 in Oregon, **call 211** or visit <https://govstatus.egov.com/OR-OHA-COVID-19>.

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.

Contact Us at 541-967-2039 mlrr.info@oregon.gov

<https://www.oregongeology.org/mlrr>

Oregon Department of Geology and Mineral Industries

Mineral Land Regulation & Reclamation

229 Broadalbin St. SW, Albany, OR 97321



STAY HOME. SAVE LIVES.

ESSENTIAL
WORKERS,

THANK YOU
FOR ALLOWING
MY FAMILY
TO BE SAFE
AND INSIDE.

STAY HOME. SAVE LIVES.

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

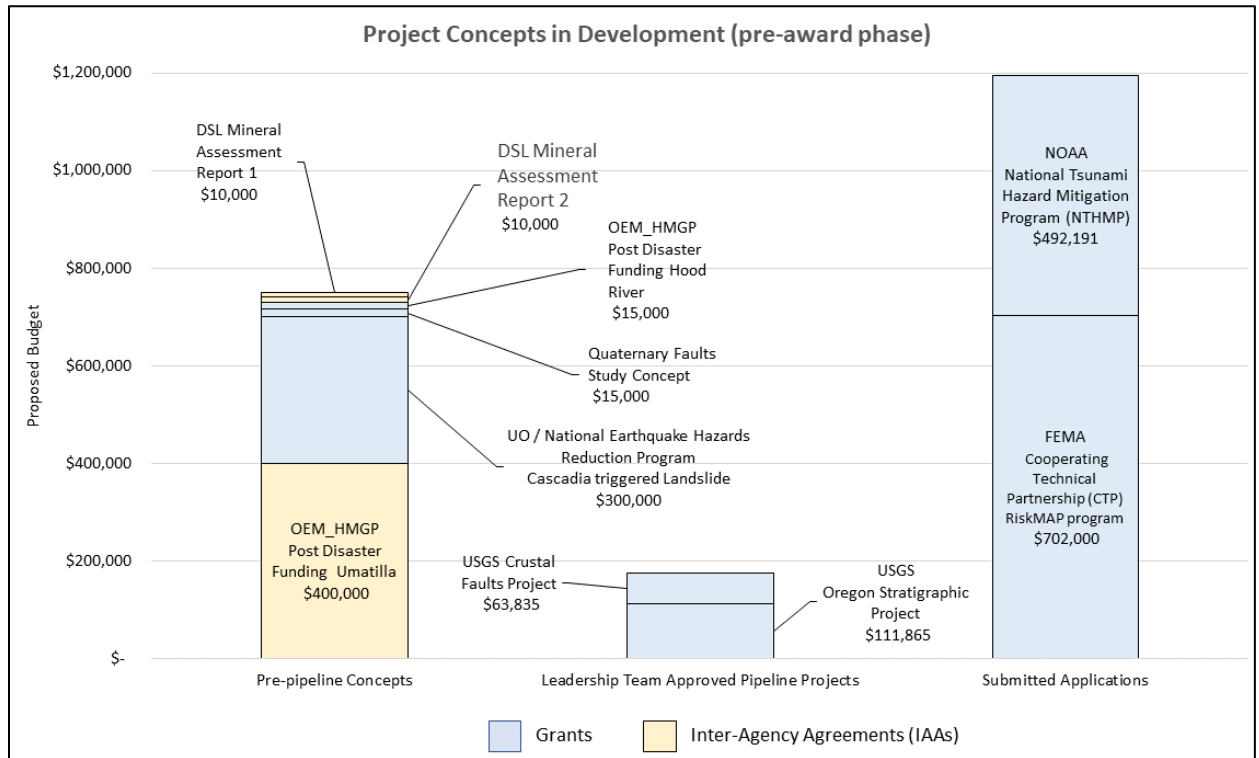
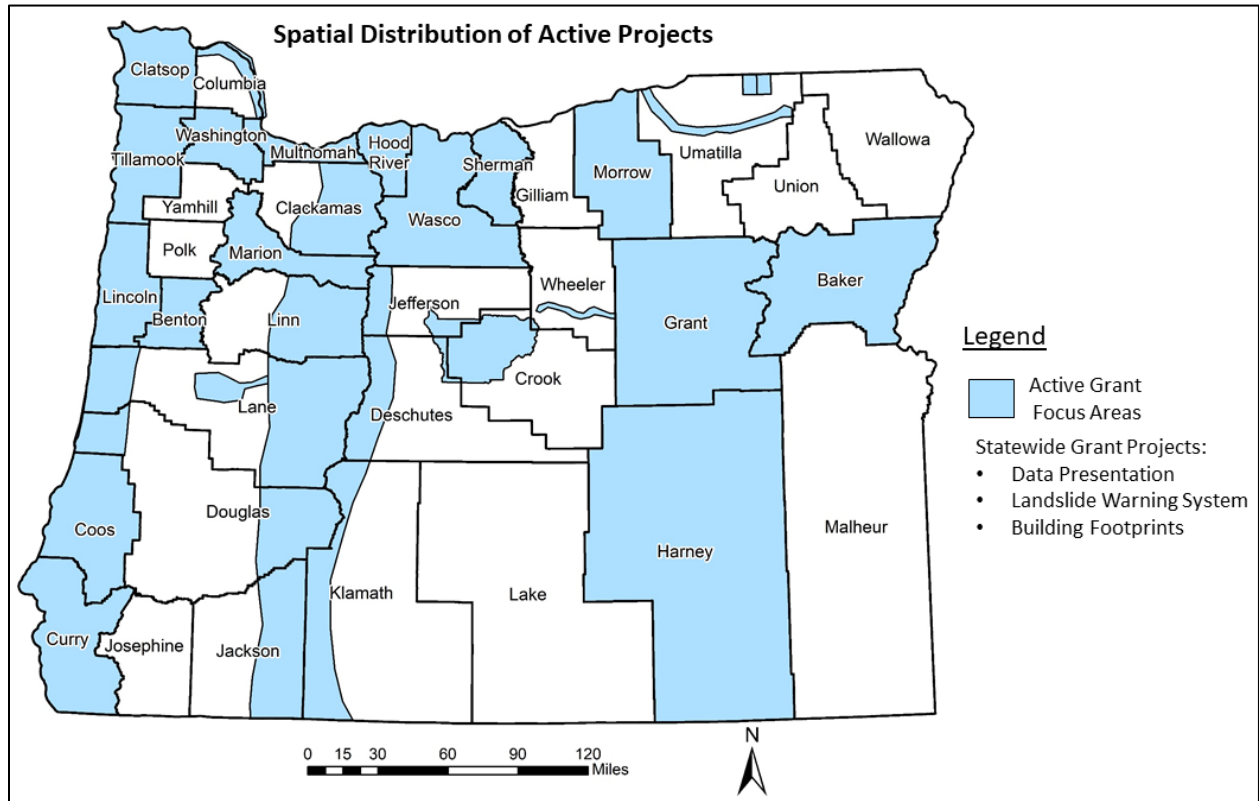
To: Chair, Vice-Chair, and members of the DOGAMI Governing Board
From: Bob Houston, Interim GS&S Program Manager and Legislative Coordinator
Date: July 7, 2020

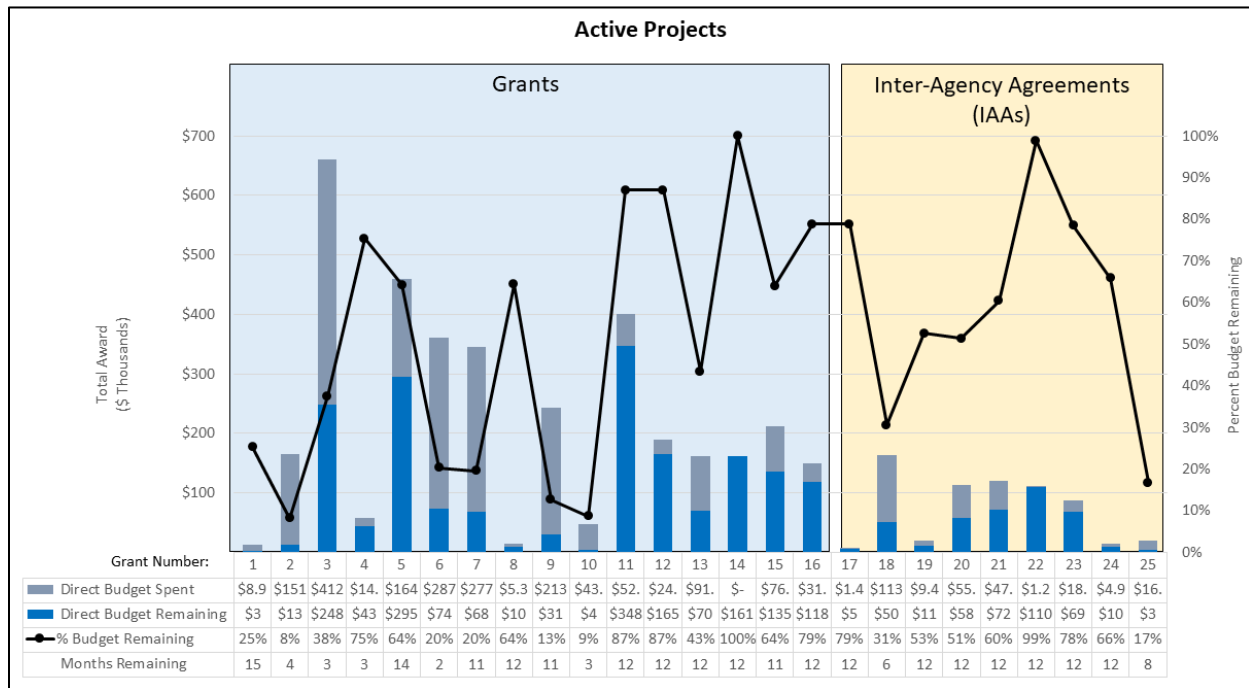
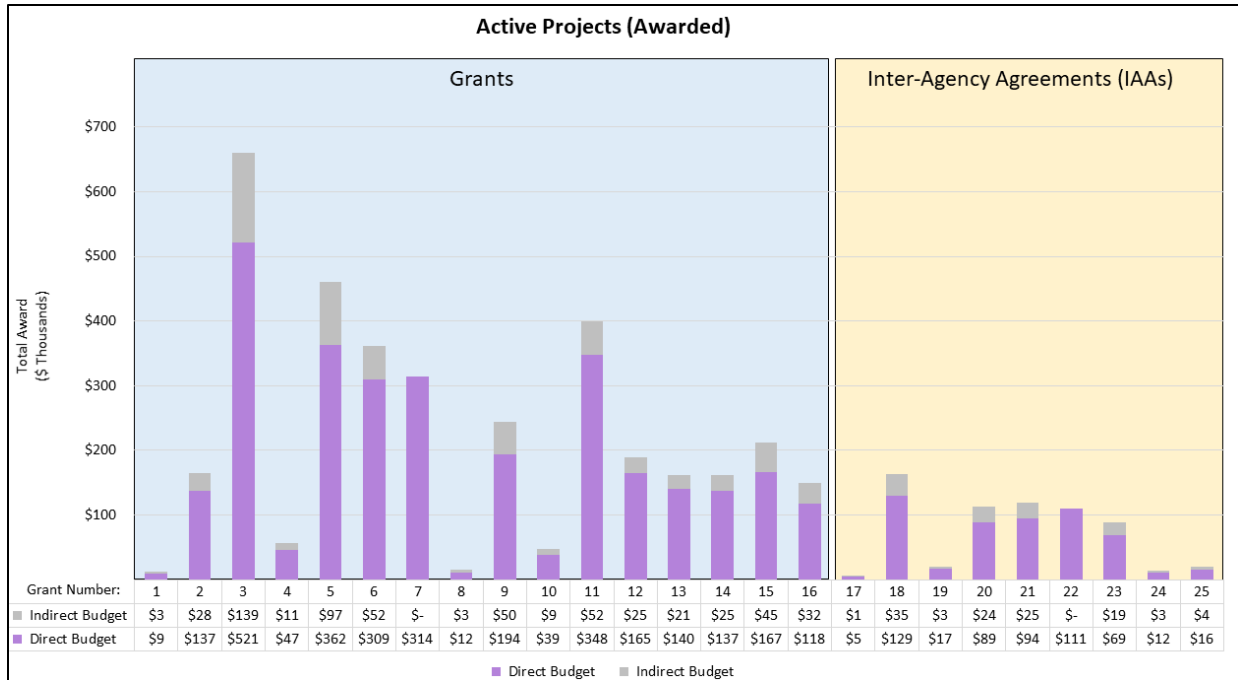
Regarding: Agenda Item 10 – GS&S Update

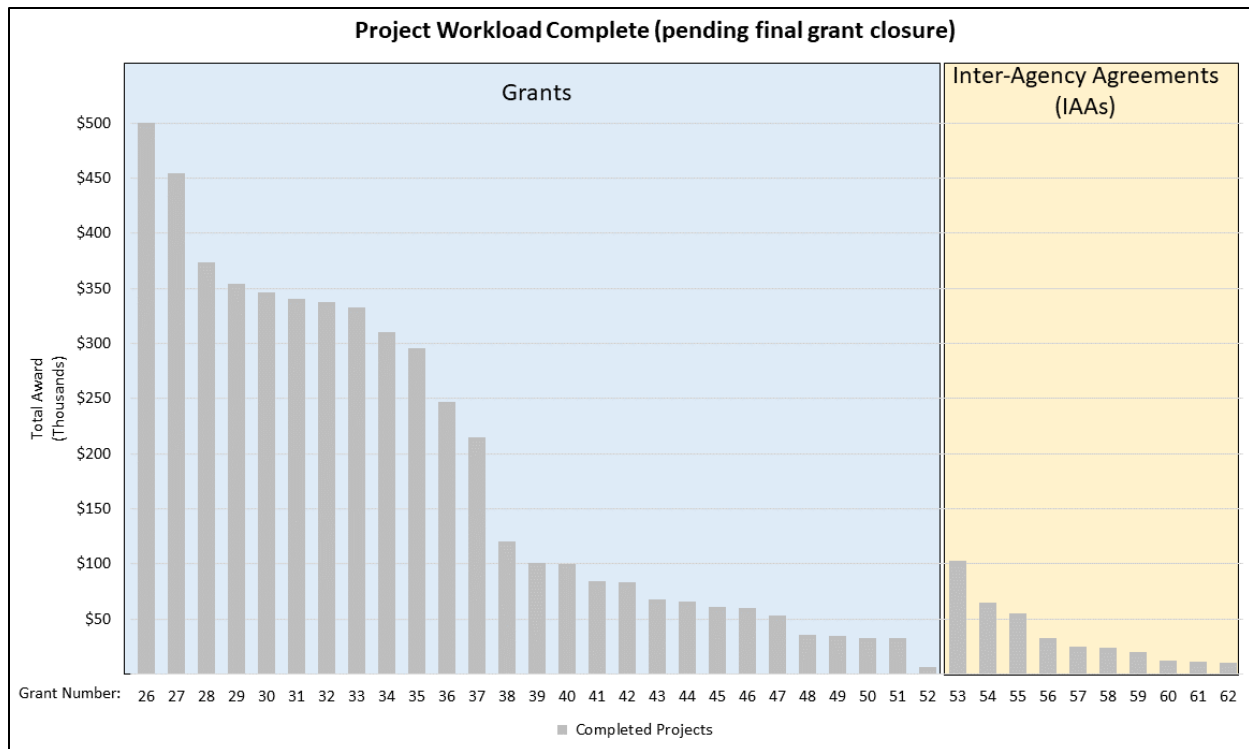
Bob Houston, Interim GS&S Program Manager and Legislative Coordinator, will provide an update on the GS&S program.

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

Project Grant Details:







Publications Released in 2020 (to date):

Publication Type	No.	Title	Year
Open-File Report	O-20-01	Earthquake regional impact analysis for Columbia County, Oregon and Clark County, Washington	2020
Open-File Report	O-20-02	Oregon Coastal Hospital Resilience Project	2020
Open-File Report	O-20-03	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	2020
Open-File Report	O-20-04	Temporal and spatial changes in coastal morphology, Tillamook County, Oregon	2020
Open-File Report	O-20-05	Tsunami evacuation analysis of Port Orford, Curry County, Oregon	2020

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

Staff Report and Memorandum

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.