

GOVERNING BOARD
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

September 25, 2020
8:30 a.m. (note: public portion begins at 9:35 a.m.)

Teleconference 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 10:30 a.m. on the meeting day to lori.calarruda@oregon.gov. Written comments received will be distributed to the Board.

Dial: 1-253-215-8782

When prompted, enter ID number: 988 4827 9149

If prompted for a Password: 412713

Governor Brown’s [Executive Orders](#)

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

- | | | |
|-------------------|-----------------|--|
| 8:30 a.m. | Item 1: | Call to Order – Chair Laura Maffei |
| 8:35 a.m. | Item 2: | Executive Session – Annual Director Review

Board Action: The Board will be asked to consider an action on this item |
| 9:35 a.m. | Item 3: | Return to Public Session |
| 9:40 a.m. | Item 4: | Introductions – Chair Laura Maffei and Staff |
| 9:45 a.m. | Item 5: | Annual Director’s Evaluation – Chair Laura Maffei

Board Action: The Board will be asked to take an action on this item |
| 9:55 a.m. | Item 6: | Review Minutes of July 13, 2020 and July 28, 2020 Board Meetings

Board Action: The Board will be asked to take an action on this item |
| 10:00 a.m. | Item 7: | Civil Penalties – Sarah Lewis, MLRR Program Manager

Board Action: The Board will be asked to take an action on this item |
| 10:15 a.m. | Item 8: | Financial Report – Dania Ballard, Chief Financial Officer

Board Action: The Board will be asked to take an action on this item |
| 10:45 a.m. | Break | |
| 10:55 a.m. | Item 9: | Key Performance Measures (KPMs) Annual Data Report – Bob Houston GS&S Program Manager

Board Action: The Board will be asked to take an action on this item |
| 11:25 a.m. | Item 10: | Permitting Process Presentation – Sarah Lewis, MLRR Program Manager

Briefing: The Board will not be asked to take an action on this item |
| 12:25 p.m. | Break | |
| 12:35 p.m. | Item 11: | MLRR Update – Sarah Lewis, MLRR Program Manager

Briefing: The Board will not be asked to take an action on this item |
| 12:55 p.m. | Item 12: | GS&S Update – Bob Houston, GS&S Program Manager

Briefing: The Board will not be asked to take an action on this item |

- 1:15 p.m.** **Item 13: Director’s Report – Brad Avy, Director**
Briefing: The Board will not be asked to take an action on this item
- 1:30 p.m.** **Item 14: Confirm Time and Date for next meeting**
Board Action: The Board may be asked to take an action on this item
- 1:35 p.m.** **Item 15: Public Comment**
Only written comments received prior to or by 1:35 p.m. on the day of the meeting will be accepted
- 1:40 p.m.** **Item 16: Board Adjourn**

PLEASE NOTE

AGENDA

The public portion of the Board meeting will begin at 9:35 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

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: Laura Maffei, Governing Board Chair

Date: September 15, 2020

Regarding: Agenda Item 5 – Annual Director’s Evaluation

The Board will take action on the Director’s Annual Evaluation.

Proposed Board Action: The Annual Director’s Evaluation will be accepted as discussed in the Executive Session.

Staff Report and Memorandum

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

From: Lori Calarruda, Executive Assistant

Date: September 15, 2020

Regarding: Agenda Item 6 – Review Minutes of July 13, 2020 and July 28, 2020 Board Meetings

Attached are draft Board Minutes from July 13, 2020 and July 28, 2020 Board meetings.

Proposed Board Action: The Board Minutes of July 13, 2020 and July 28, 2020 Board meetings be Approved/Approved as amended/Not Approved.

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

Monday, July 13, 2020

8:30 a.m.

Virtual Public Meeting

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

Chair Laura Maffei called the meeting to order at 8:30 a.m.

2) Introductions: (Laura Maffei, Board Chair and Staff)

Chair Laura Maffei, Vice-Chair Katie Jeremiah, and Board Members Scott Ashford, and Diane Teeman and Linda Kozlowski were all in attendance via Zoom video/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 GS&S Program Manager/Legislative Coordinator

Sarah Lewis, MLRR Program Manager

Cari Buchner, Mining Compliance Specialist

Steve Dahlberg, Fiscal Analyst

Others in attendance:

Diane Lloyd, Department of Justice (DOJ)

John Terpening, Legislative Fiscal Office (LFO)

Renee Klein, DAS Office of the Chief Financial Officer

Christina Appleby, DOGAMI Staff on personal time

Chair Maffei thanked Scott Ashford and Jennifer Beck of OSU, for allowing us to use their Zoom account for the meeting.

1 **3) Review Minutes of March 9, 2020, May 14, 2020, and June 23, 2020:**

2 Chair Maffei asked if there were any changes to the minutes as presented.

3

4 Jeremiah had a question about the IT computer system upgrade discussion from a previous meeting.
5 The information was identified in the minutes.

6

7 Board Action: **Kozlowski moved to approve the minutes of March 9, 2020, May 14, 2020, and June**
8 **23, 2020 as submitted. Jeremiah seconded. Motion carried.**

9

10 **4) Civil Penalties:**

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

13 just celebrated her 2-year anniversary as the Mining Compliance Specialist and recognized her for the
14 tremendous amount of work that she has done to develop this program. The program has gone from
15 having no Compliance Specialist to having a systematic way to assess these penalties and help make
16 the program more effective in attaining compliance.

17
18 Buchner reviewed two Civil Penalties for non-payment of renewal fees. The first site is over 92-days
19 late. The permittee sent the renewal form back with a note stating the site is closed per their
20 discussion/agreement with a Reclamationist. Buchner stated she communicated with them this is
21 not the correct way to close the site. There has been no response from them, even with the Notice
22 of Civil Penalty. Buchner does not recommend waiving the \$250 first offense penalty because they
23 have been so non-responsive to the appropriate method of closing a site.

24
25 The second site is a chronic late payer who requested an extension and then paid 25-days late, both
26 occurring after becoming eligible to receive a Civil Penalty. Buchner recommends assessing a \$500
27 penalty.

28
29 Kozlowski said the organization and presentation was very clear on the information provided, which
30 she appreciated. Ashford agreed and thanked Lewis and Buchner for their efforts.

31
32 Chair Maffei said some of these sites are way out of compliance, allowing the Board to make easy
33 and straight forward decisions. Maffei stated the process of having the Board approve all the Civil
34 Penalties is a ramp up to the MLRR program being allowed to do this automatically at some point for
35 routine penalties.

36
37 Board Action: **Ashford moved to allow staff to move forward with Civil Penalties on the presented**
38 **cases. Kozlowski seconded. Motion carried.**

39
40
41 Lewis provided, through the use of a decision tree, an overview for the range of Civil Penalties that
42 are defined in statute and rule. MLRR has focused on the late/non-payment of renewal fees because
43 it has been the highest administrative burden for the lowest level of violation and has brought more
44 sites into compliance for paying on time. Mining Without a Permit (MWOP) is a much higher
45 violation as a Class 4 Violation and is one of the more egregious categories of violation because they
46 are operating without any regulation at all. The goal is to bring the operator into compliance to
47 protect human health, safety and the environment; minimize off-site impacts; ensure reclamation of
48 the site; and level the playing field so all operators bear the full cost of mining and regulation. When
49 someone mines without a permit and they sell the material into the market it is unfair competition.

50
51 Lewis reviewed the steps of MLRR's approach to compliance for Surface Mining, which are done
52 through outreach, by setting clear expectations, providing contact information, sending multiple
53 reminders, and making accommodations for circumstances. Formal notices consist of Notice of
54 Action (NOA) and Notice of Violation (NOV). These are generally effective, but there are few to no
55 consequences to the operator or permittee if the problem is not addressed. There have not been a
56 lot of options on how to proceed and the NOA/NOV approach is a high administrative load and not
57 always effective.

58
59 Lewis discussed the enforcement options. She said the Suspension Order is hard to enforce because
60 it is just an order with no built-in enforcement action. The other option available is to pull the bond

61 and reclaim the site. Lewis said this requires technical follow up with technical staff if they pull the
62 bond and reclaim the site, it is up to MLRR to do the reclamation activity and pay for it. There is now
63 the option of Civil Penalties for Class 1-4. Lewis stated MLRR can use Criminal Penalties, but it
64 requires Circuit Court involvement and is much more expensive. Civil Penalties provide a way to have
65 moderate to severe consequences to operators and permittees, but the goal is not severe
66 consequences, it is to bring them into compliance. This may require high administrative and DOJ
67 effort. Civil Penalties can be used to cover costs if they are recovered.
68

69 Buchner presented information related to a site that was being mined and operated without a
70 permit. Buchner stated for a violation to be considered a Class 4, it either has to pose an immediate
71 threat to human health and safety or cause actual human injury or has caused damage to the
72 environment.
73

74 Buchner presented a case study with photos of harm to the environment. In this example, the
75 operator was assessed a \$117,000 Civil Penalty and convicted of one count of criminal Water
76 Pollution II. A Suspension Order was subsequently issued and an additional \$127,000 in Civil
77 Penalties were assessed by the Department of Environmental Quality.
78

79 Buchner discussed the Morgan Creek Pit (10-0223), an unpermitted mining operation brought to the
80 Board for guidance regarding a Civil Penalty of Mining Without a Permit. There is approximately 10
81 acres of surface disturbance and it is located in steep terrain, upslope from a creek designated as
82 essential salmonid habitat. Buchner said this site is in a landslide area and provided erosion related
83 details. On June 3, 2020, Buchner did a site visit to document the situation. She discussed the
84 specific issues they found, which are: widespread erosion; significant new disturbance with no Best
85 Management Practices (BMPs); evidence of recent slope failures; turbid discharge into Morgan Creek
86 was observed, sampled, documented, and provided to DEQ for follow-up; and the silt fence between
87 the settling pond and Morgan Creek is no longer effective.
88

89 Buchner reviewed the fact pattern timeline for the site that started in 2015.

- 90 • 2015 – Mining Without a Permit (MWOP) confirmed by site inspection, NOV issued;
91 Operating Permit required (disturbance over 5 acres, production unknown)
- 92 • 2016 – Operating Permit Application received; found to be significantly deficient. It was
93 subsequently withdrawn.
- 94 • 2017 – Reclamation inspection determined incomplete reclamation
95 ○ Suspension Order issued; reclamation required
- 96 • 2019 – Reclamation inspection discovered continued activity on site
97 ○ DOGAMI staff were told by operator they always intended to permit the site, wants
98 an Exclusion Certificate
99 ○ Site does not qualify for an Exclusion Certificate, Operating Permit required, security
100 required, still under Suspension Order
101 ○ Inspected again, more activity noted; Operating Permit Application requested
- 102 • 2020 – Exclusion Certificate Application submitted, denied

- 103 ○ Operator requests review of Exclusion Certificate denial by State Geologist, denial
104 upheld; still under Suspension Order
- 105 ○ DOGAMI receives from complainant multiple photos of trucks hauling material off
106 site
- 107 ○ Inspection discovered new expansions at site, documented turbid discharge
- 108 ○ Department recommends Civil Penalties

109
110 There has been a long history of non-responsiveness, non-compliance, and now blatant violations of
111 the Suspension Order. The program is now recommending Civil Penalties for this site. The photos of
112 trucks leaving the site start on April 28, 2020, for context, the State Geologist Review was issued on
113 April 8, 2020. On June 23, 2020, Buchner reminded them the Suspension Order is still in effect, the
114 last two photos are from June 27, 2020.

115
116 To determine the amount of the Civil Penalty, Buchner said they are only considering violations they
117 can document as having occurred after July 1, 2019, when MLRR first began implementing Civil
118 Penalties. She showed a chart of 58 citable violations and discussed several options for determining
119 the Civil Penalty amount that could be charged to both the operator and landowner. Buchner stated
120 per the Internal Management Directive for implementing Civil Penalties, aggravating factors can
121 justify assessing a penalty above the median and mitigating factors can justify assessing a penalty
122 lower than the median. In this case, many of the aggravating factors are applicable and none of the
123 mitigating factors. The 58 violations in the single notice are not counting the previous similar
124 violations that occurred between 2015 and July 1, 2019. It is clear this is a pattern of conduct at this
125 site since 2015.

126
127 Lewis asked the Board what additional information that DOGAMI/MLRR should be considering for
128 this first assessment of Civil Penalties for Mining Without a Permit. Jeremiah said to Lewis and
129 Buchner they did a nice job presenting an example of egregious violations with no respect for the
130 regulatory scheme that all permittees are under and agreed with Lewis that it really creates unfair
131 competition. She said there are enough facts to support issuing Civil Penalties in this situation, but
132 this is a slippery slope and does not want the Agency going from a compliance assistance agency with
133 a lot of stakeholder support into a fully enforcement agency. The stakeholders want even
134 enforcement of regulations, but do not want to receive tickets without having technical assistance to
135 identify ways to come into compliance first; especially stormwater since the Stormwater program has
136 only been in effect the last several years. Operators are trying to go from what inspectors have come
137 onsite and said for 20 plus years to all of a sudden they are under egregious violations of standards
138 and significant Civil Penalties and they didn't even know that they were doing anything wrong; and in
139 some cases have been lauded for their efforts for the same circumstances that they are now under
140 enforcement for. Jeremiah said we need to remember this is a permittee funded arm of the Agency
141 and so to the extent that the Agency expects industry to continue to support them in getting
142 additional funding to move forward, there has to be an investment of the technical support side of
143 the Agency being a priority over enforcement and writing tickets.

144
145 Chair Maffei said she understood Jeremiah to say that the Agency should not be in a position where
146 inspectors go out and write tickets, but at the same time MLRR needs to protect those doing it right.

147

148 Ashford said it seems to him that the Operating Permit is the opening for DOGAMI to help permittees
149 do things in the right way and give them ideas on how to be compliant. Refusing to get the permit in
150 the first place is a different route than the Agency trying to issue tickets.

151
152 Jeremiah agreed with Ashford for the most part, but as a permittee, her experience on the
153 reclamation side, has been that staff of the Agency have been extremely helpful, and very sharp
154 when it comes to being a technical resource. When it came to the new sudden enforcement of the
155 stormwater permits, her experience is the consistent comment was it is not our job to tell you how to
156 comply, you have a permit you are under, you've got to figure it out.

157
158 Kozlowski said she supports the Agency helping in the transition and being a supporter rather than a
159 negative force but is also concerned about the environmental impact and the length of time these
160 permits take and the damage it does to the environment in the interim. She thinks there needs to be
161 a balance with the permitting process, but her concern is about the environmental impact that is
162 happening at this time and the more time it continues.

163
164 Ashford asked Jeremiah if the stormwater comment is coming from DOGAMI or is it another agency.
165 She responded DOGAMI has been delegated authority from DEQ for enforcement of the stormwater
166 permits, and believes that the comment of we can't tell you how to comply, you just have to comply,
167 is coming from DEQ. She does not think DEQ staff is very eager to help find ways to help people with
168 permits.

169
170 Chair Maffei asked if the Board was being requested to approve moving forward with enforcement
171 against this particular mining site. Lewis said yes, there is currently no final number for the penalty
172 amount. She said they could propose a range and get approval to move forward/proceed
173 somewhere within that range, or the other option is for them to take the feedback received today
174 and come back to the Board during a Special Meeting or the September Board meeting. The only
175 concern with delay is there is ongoing harm to the environment. Maffei agreed stating the operation
176 has been continuing on an almost daily basis for 5 years.

177
178 Kozlowski stated this is blatant, which is the discouraging part. Chair Maffei said this is the type of
179 violation that needs to be dealt with. Teeman said she believes MLRR should move forward with
180 assessing the Civil Penalty due to the environmental impact and the fact they are blatantly not
181 following the rules, which is unfair to the ones who are following the rules and are paying.

182
183 Ashford asked if there is a level of penalty that would get them to comply and an amount of penalty
184 to allow the Agency to move ahead. Lewis said they do not know how much economic benefit they
185 may have received through production, but they can determine how much in fees have been
186 avoided. Buchner said they do have one other site they have been trying to get permitted since 2014
187 but it is held up due to fish passage. They have a consistent history of not being responsive to
188 Department communication.

189
190 Buchner said that Civil Penalties are not the first step MLRR takes to get permitted sites into
191 compliance. They start at the beginning of the process and try to work through the issue. It only gets
192 to the Civil Penalties stage if the permittee keeps ignoring them through all the other steps.

193

194 Jeremiah reinforced the slippery slope dynamic when you start having enforcement be the focus of
195 the direction that the Agency is headed. She thinks the way things are going now with the Agency
196 continuing to be a technical resource is helpful for those who want to comply.

197
198 Jeremiah asked if they had the operator on the phone today, what comments would the operator
199 have about not wanting or needing a permit. Diane Lloyd, DOJ, said in the past the operator did hire
200 counsel and sought State Geologist review of the Department's denial of their application for the
201 Exclusion Certificate (EC), but what they have done has surpassed the threshold of mining material.
202 She said perhaps going forward they only intend to mine below the Operating Permit threshold, but
203 they disregard the fact that they have already exceeded the threshold and are not eligible for an EC,
204 because they tried to argue that the statute is written prospectively to allow them to seek an EC
205 based on what they plan in the future as opposed to the current facts on the ground.

206
207 Chair Maffei asked if it is possible to get an EC if you are already mining a site. Buchner answered,
208 yes if it is below the thresholds that require an Operating Permit. Maffei asked how the Agency can
209 determine if they are mining below the threshold if they do not have a permit in the first place and
210 they are not reporting to MLRR. Lewis said the threshold is both a production amount and an aerial
211 disturbance in acreage, so they can assess by the acreage of disturbance. Jeremiah asked if the
212 County has been involved, she believes there would be a land use issue here. Buchner said Douglas
213 County has given them land use approval for this site.

214
215 Chair Maffei mentioned that there is a placeholder meeting for later in July and that she wants to
216 discuss this in more detail. Ashford asked if things had gone well, what would they have paid in fees
217 during this time. Buchner said for the application fees, productions fees, renewal fees, boundary
218 survey map, geotechnical study for slope stability concerns, and stormwater treatment, she is
219 guessing \$30-\$50K. Ashford said he thought the Agency should look at fees. Avy said the company
220 should not only be fined for the cost of obtaining a permit since it might be cheaper to just keep
221 paying fines.

222
223 Ashford asked Lloyd what the Board should consider or not consider in determining the amount of
224 penalties. Lloyd said the Civil Penalty authority has been in DOGAMI's statute since the 1990s. If
225 these penalties continue, the Board may want to look at rulemaking moving forward to standardize
226 the types of Civil Penalties for cases like this one. She said Buchner has done a good job of reflecting
227 the list and range of penalties that can be determined, and the Board can consider. Ashford said one
228 thing discussed was an economic trade off and he was curious about it. Chair Maffei said it is
229 routinely used in calculation of penalties.

230
231 Teeman said she echoed what Director Avy mentioned. In her line of business, they often say that it
232 is better to ask forgiveness than permission, because the Natural Resource and Cultural Resource
233 damages and fines that are assessed are usually less than what the revenue is for some corporations.
234 She thinks that being able to get right what the cost versus benefits of a scenario like this would be
235 would be helpful to make sure that if the Agency is going to go through the trouble of assessing some
236 kind of Civil Penalties or expenses towards the company, that it should have teeth, otherwise why
237 bother doing it.

238
239 Chair Maffei asked if Civil Penalties that are assessed go to General Fund. Lloyd answered fees
240 recovered through Civil Penalties go to the Agency. Lewis said there are restrictions on what can be
241 done with the funds. The agency may recover the costs of assessing Civil Penalties and then it is

242 deposited in the Voluntary Reclamation fund under Division 38 and used solely for reclamation. It is
243 not for general use, but it can go towards any action under the Civil Penalty program. Maffei said she
244 would like the staff to flesh out the penalty to give the Board more information to decide on the
245 penalty.

246
247 Kozlowski asked if a Civil Penalty is assessed, if there is a next step alternative since this operator has
248 a history of ignoring DOGAMI. She is really concerned about the environmental damage and the fact
249 that they are ignoring DOGAMI totally. The Agency needs to make a really strong statement. She
250 would like to know what the Board's options are. This discussion should be part of the next meeting.

251
252 Chair Maffei summarized there is support for a penalty, the Board just wants more specifics. The
253 Board has not had to deal with one of these before. It is very helpful for them to see how the process
254 was laid out and the amount of time spent over the last 5 years to get the site into compliance. The
255 fact that they have another operation makes her a little nervous, but it does sound like they are
256 trying to move forward with their application. Kozlowski said she hopes so.

257
258 **5) Financial Report:**

259 Dania Ballard, Chief Financial Officer, presented the DOGAMI FY20 Budget Status Report, as of
260 April 30, 2020, for the Geological Survey and Services (GS&S) and Mineral Land Regulation &
261 Reclamation (MLRR) programs.

262
263 Ballard said the update is through the end of April. She did a recap of what has been happening. In
264 April, the Agency was still waiting to get the second-year budget approved and the numbers
265 presented reflect that; there was an ask of \$3,104,928. She said revenue collection and accounts
266 payable have become routine and discussed the activities that still need to be done for catch up and
267 year-end, including indirect cost reclassification from General Fund to Federal and Other Funds.

268
269 The current GS&S General Fund ending balance is negative (-) \$3,151,589, because the second-year
270 budget was not approved at this time. The second-year ask of \$3,104,928 was approved for
271 \$2,864,393, after an adjustment of \$240,535 due to COVID-19 related reductions, which include 1.5
272 positions (the CIO and .5 Publications Coordinator), Services and Supplies, and closure of the
273 Newport and Baker City offices.

274
275 The MLRR program is projected to have an ending balance of negative (-) \$201,831 in December 2020
276 due to operating costs being greater than revenue coming in. Two parallel tracks are in place for a
277 fee increase, one this biennium and a Policy Option Package (POP) for next biennium. If the fee
278 increase does not happen this biennium, potential layoffs could start late summer.

279
280 The Strong Motion Instrument Fund had expenditures of \$9,281, leaving an ending balance of
281 \$337,545. Ballard anticipates more expenses that will hit before the end of the year.

282
283 The Reclamation Guarantee Fund released some bonds and securities at the same time it received
284 four more securities, leaving an ending balance of \$614,207 in Cash Securities.

285
286 Federal Funds is a negative (-) \$1 due to rounding adjustments.

287

288 Ballard said the monthly project financials are up-to-date, and budget building has been aligned to
289 actuals. When a project hits 30% budget left, there is a reforecast meeting to determine the
290 remaining details moving forward. Ballard stated the Business Office is coming up to speed and
291 getting routine processes ironed out. Recently a weekly functional status update was launched,
292 which is basically a list of all open-ended items having to do with Accounts Payable (A/P), Accounts
293 Receivable (A/R), invoicing, and requested system project code numbers. This list is reviewed weekly
294 with DAS.

295
296 Ashford asked if the difference between the \$3.1 million and \$2.8 million will cause a deficit at the
297 end of the year and how will the Agency take care of that. Ballard said it is showing a deficit because
298 it has not been reallocated for the changes that have been done with the second-year budget. The
299 amounts will get reallocated during the reclassification process which has been held up because of
300 the second-year budget. Chair Maffei clarified that means it will get allocated to projects so it will
301 come out of grant funding at some point. Ballard stated that is correct.

302
303 Board Action: **Ashford moved to accept the Budget Status Report as presented. Kozlowski**
304 **seconded. Motion carried.**

305
306 **6) Review 21-23 Agency Request Budget (ARB):**

307 Dania Ballard, Chief Financial Officer, reviewed the draft 2021-23 Agency Request Budget (ARB) for
308 DOGAMI.

309
310 Ballard emphasized this is a draft budget document. She explained where the Agency is now and
311 how the ARB is built. In context, she said the previous biennium budget is built with inflation,
312 exceptional changes that are approved DAS controlled costs, and Policy Option Packages (POPs)
313 added into it. For the budget as a whole, if there are no changes from one biennium to the next, the
314 Board will only see inflationary based amounts or centralized costs from DAS or the effects of POPs
315 that were accepted. In DOGAMI's particular case, there are no real Agency changes from this
316 biennium to next biennium. She explained the reason there are holes missing in the budget, is the
317 system entry typically takes the last biennium and rolls it forward into the next one, but since the
318 Agency had a one-year budget and the second-year budget had to be added in differently, it caused a
319 glitch. All the reports that would typically be in the ARB are in audit status. The numbers showing
320 have not been audited and there could be changes once it goes through the audit.

321
322 As Ballard started through the Budget Narrative, she said Chair Maffei will need to sign the
323 Certification page by July 31, 2020. Ballard asked Houston to provide a brief description of HB 3309.
324 Houston said in the 2019 Full Session HB 3309 amended the definition of surface mining to exclude
325 certain excavations and grading activities. It also removed DOGAMI's authority to prohibit certain
326 construction within the tsunami inundation zone.

327
328 For the Agency Summary, Ballard said the expenditures are broken down by program area. She
329 emphasized that for Shared Services versus Administration & Technical Services, most of the GS&S
330 staff are in the Administration & Technical Services category. The amounts for Shared Services are
331 more due to the POPs for IT & Server Replacement for \$196,000 and Matching for Grants and Grant
332 Development of \$400,000. The Distribution by Fund Type is a comparison of the Legislatively
333 Approved Budget (LAB) from the last biennium to the proposed budget which is generally higher due
334 to the POPs. Other Funds is higher due to MLRR's ePermitting POP of \$1,000,000.

335
336 Ballard briefly reviewed the Mission Statement and Statutory Authority that describes what the
337 Agency does and why. It includes the Strategic Framework and Key Performance Measures (KPMs),
338 that also briefly describe the reason for the POPs. She stated the placeholder pages are there
339 because of the audit hold and waiting for information.
340
341 The Program Prioritization for 2021-23 is a repeat of the previous biennium and is a breakdown of
342 each program within both GS&S and MLRR, reflecting what DOGAMI does. It also contains a rollup of
343 all the program areas and the MLRR POPs. In DOGAMI there are two main financial programs of the
344 budget, GS&S and MLRR. GS&S has the entire Agency administrative overhead charges, which have
345 not been separated out yet.
346
347 Ballard went through the 10% reduction option scenarios requirement that is a standard part of the
348 budget process. This particular reduction scenario was based on the work done within the last 3
349 months. In the previous scenario, the Fiscal Analyst position was eliminated and in this scenario it is
350 reduced to a half-time position. This scenario also has a Geologist position being reduced to a half-
351 time position.
352
353 Ballard stated the Organization Charts consist of the first-year budget, the second-year budget, and
354 the anticipated/proposed organization going forward for the GS&S and MLRR programs. The MLRR
355 organization charts are based on getting the fee increase.
356
357 Ballard went through the Revenue Forecast Narrative, which is based on the second-year ask of the
358 2019-21 budget, including the POPs. One of the POPs is for the MLRR fee increase in the amount of
359 \$1,560,000 and is built into the graph amount of \$5,299,099. The narrative is a carryforward of the
360 last biennium and discusses how the Agency is funded. MLRR receives funding through the fees they
361 generate for permits. GS&S is for the work being done in support of the grants. Ballard pointed out
362 that the STATEMAP grant has been awarded since 1992 and the current budget already reflects
363 funding in it to match that grant and expects it to continue moving forward, so it is not included in
364 the POP.
365
366 Ballard discussed the GS&S Program Funding and Request, focusing on years 2021-23, stating the
367 future years listed are simply an inflationary factor applied to those numbers. The General Fund ask
368 is \$6,500,460 for the next biennium. The program is expecting \$2,895,279 in Other Funds and
369 \$6,308,753 in Federal Funds, for a total biennium funding need of \$15,704,492. Avy noted the GS&S
370 Program Manager was added in the 2019-21 second-year budget. Chair Maffei asked about the \$1.9
371 million increase. Ballard answered the differences are mostly attributed to \$600,000 for Policy
372 Option Packages, addition of the Program Manager, personnel services inflation, corrected DAS
373 Assessments, and services and supplies inflation. Maffei said it is a lot of money in a budget year
374 when things are going to be tight.
375
376 Ballard reviewed the key points for the GS&S budget breakdown and the types of grant work being
377 done in previous biennia, which are the basis for the 2021-23 estimates. She stated some grants do
378 not allow for contracted services. Ballard briefly went through the two POPs for IT Equipment
379 Replacement ask of \$196,000, and Match for Grants and Grant Development ask of \$400,000.
380
381 Ballard reviewed the MLRR program Budget Narrative. There are currently 11 permanent FTE
382 positions and the same ask will be done in the next biennium. The expected expenditures are

383 \$4,497,689. The budget increases the MLRR program total funding authority by \$727,216. There are
384 two proposed statutes coming through as POPs that may impact the budget, the fee increase and
385 ePermitting.
386

387 The first POP is the Position Alignment for a staff person working out of class; an ISS 4 working as an
388 ISS 5.
389

390 The second POP is for the fee increase which is on two parallel tracks. The Agency is trying to get the
391 increase approved in this biennium but is also asking for it next biennium, to help mitigate the risk if
392 it does not get approved this biennium. If it is approved for this biennium, the POP will be pulled
393 from the ARB. Avy said the POPs are important to present to tee them up for the future even if they
394 do not go through at this time, so the legislature understands the Agency's needs. Ballard said part
395 of approval of the Agency Request Budget is the Board buying off on the asking of the POPs, not
396 having the assumption the Agency will necessarily receive the funding.
397

398 The third POP is for ePermitting, with a total ask of \$1,184,177 going through several biennia. The
399 rest of the placeholders are for systems reports that still need to have auditing completed.
400

401 Ballard said the next section of the ARB is Special Reports that include the Affirmative Action Report.
402 Avy said the Affirmative Action Report is the last one approved for use in the early ARB submittal, but
403 in the fall an updated report will be included in the Governor's Request Budget (GRB). He expects
404 the next one to include more information on Diversity, Equity and Inclusion.
405

406 Chair Maffei asked what the Board will be approving and when. Ballard said some of the
407 placeholders will show historic information of how much money the Agency had in the past versus
408 how much they are asking for. Ballard said the Board should have the information and be
409 comfortable with it before approving the ARB. She expects the audited information later in July. The
410 placeholders will be updated once the audit is completed and the graphics will align with the budget
411 detail. Maffei asked what the information will contain. Ballard said more detailed line item reports
412 that support the summary level graphics.
413

414 Ashford thanked Ballard for keeping them so well informed over the last several meetings, and that
415 there are no surprises in the narrative. He said it was helpful for Avy to talk about some of the POPs
416 and to get them on the table for the legislature to understand the Agency's needs, even if they are
417 not approved. He is happy with the information being provided. Kozlowski agreed. Teeman said it
418 was thorough and well thought out, the asks are reasonable and hopes it gets funded. Chair Maffei
419 stated this speaks to the importance of the previous meetings that were held and getting a sense of
420 what the budget was going to look like ahead of time. Ballard thanked the Board for their nice
421 commentary, that it is helpful for her to understand what information they want to hear going
422 forward.
423

424 Chair Maffei said she believes it is better to wait to see the final numbers from the audit before
425 approving it. Avy agreed and mentioned the narrative and graphics will align with the line items so
426 the Board members do not have to review all of them unless they want to.
427

428 Chair Maffei asked what the DAS audit process consists of, so the Board understands it and is more
429 comfortable giving the final approval. Ballard explained the process, saying the budget information is
430 input into the system, then another group SABRS (a budget development department in DAS) verifies

431 the information. Once it matches and is approved, it is released to be put in the ARB. Ballard asked
432 Renee Klein to explain what SABRS does. Klein said it stands for Statewide Accounting Budget
433 Reporting Services, it is a technical expert group for the budget entry into the Statewide Budget
434 System. They go through the information with a fine-tooth comb to verify that what has been
435 entered is correct, including percentages. Once they are done, it then goes to Klein to review even
436 further and look at more information. She sits in on the budget calls because it helps her to
437 understand and interpret the information she is reviewing. She stated part of the reason it is taking
438 so long for DOGAMI is because of the one-year budget. They had to ask for it to essentially be
439 backed out and put in as an entire two-year budget, which is a tremendous amount of work to do
440 and taking longer than anticipated.

441
442 Chair Maffei said the next special meeting is scheduled for July 28, 2020. This should allow the
443 audited ARB to be completed and provide the Board time to review it before the meeting so it can be
444 approved by the Board. She will then sign the Certification page, and the final ARB can be turned into
445 DAS.

446

447 **Break**

448

449 **7) Grant Budget Monitoring Tool:**

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

452

453 Ballard said this tool is still in the conceptual stage but some of the items that will be shown are a
454 refinement of things the Agency is already doing. As far as processes are concerned, she and
455 Houston have been having monthly meetings with project managers to review project specific
456 financials and discuss how to stay on budget. At the 30% mark of money left on a project, they have
457 implemented a project reforecast for the remainder of the budget to meet the deadlines and stay on
458 budget. A new budget of the remaining work that needs to be completed is constructed, and if
459 variances are identified of where it can possibly go over, they discuss strategies on how to get it
460 underbudget.

461

462 Ballard said the purpose of the tool is to provide analytics: by taking projected hours and funding and
463 comparing it to actual performance; identifying how to best utilize the various expertise of staff; and
464 obtaining a perspective of individual staff workload. It is to inform staff scheduling and manage
465 project timelines and task scheduling. Overall, it is to provide operational metrics for decision-
466 making related to grant management, performance, and agency resource utilization.

467

468 Ballard reiterated the tool is a conceptual draft that is currently in the testing stage. For it to be
469 successful, the actual information will be added in monthly by project managers and the Business
470 Office. She explained a potential issue that should be avoided with this tool is overscheduling of
471 staff. Ashford asked how quickly can the monthly updates take place so project managers can make
472 educated decisions. Ballard said it is about 3 weeks before the project managers will have the
473 information from the previous month. She explained the financial system closes for the previous
474 month by the second or third week, and the Business Office prepares the project specific financials
475 and detail used for meetings with project managers.

476

477 The **Grant Sheet** is a single grant input sheet that collects key information such as duration, budget,
478 fund-type, and direct costs. Ballard provided and discussed an example of a FEMA grant that is filled
479 out by the project manager with the number of hours for each person on the project. She stated the
480 sheets have been tied to other spreadsheets to pull the information over. Ballard reviewed and
481 explained the example in detail. Chair Maffei said it looks like there is still money that has not been
482 spent. Ballard explained that some information has not been included so she could produce the
483 visual, but it will be spent. She said the goal is to spend the grant to within 1% of the total without
484 going over. This is a cultural change for the Agency. Kozlowski asked if this will show what is left on
485 grants. Ballard said it will say "Award Remaining" but this sheet is not meant to inform that statistic.
486

487 The report **Grants All** will show a summary of projections to actual revenue for all the grants on one
488 page. Ballard explained how this will be used to avoid going overbudget. Ashford asked how much
489 manual time will be used to complete this since it is an automated spreadsheet. Ballard said it will
490 happen monthly to keep current and take Business Office staff about 4 hours to input the
491 information, then maybe 4 hours for the project managers to input their information.
492

493 The report **Grants Total** shows total grant projections to actual revenue total for a time period
494 including award by fund type. Ballard said this spreadsheet is useful because it provides a total idea
495 of what the projected expenses are for all the projects; the bottom shows the distribution of Federal,
496 Other and General Funds that helps the Agency work with DAS to project what the cash flow will be
497 for revenue earned. It is a tool to help better manage the cash flow. The same spreadsheet
498 populates the report **Grants Individual**, which shows individual grant projections to actual revenue
499 total for the time period, including award by fund type.
500

501 The report **Employees All** is the monthly summary of scheduled hours by employee on projects.
502 Ballard stated this shows the scheduled hours for each staff member so they can see where staff may
503 be overbooked or underbooked, to allow the Program Manager to better align and balance the
504 workload and to help balance schedules. An example is Geologists, if the expertise is transferrable
505 amongst different people, that could mean rescheduling staff to work on different projects to better
506 balance the workload. She said it could also lead to the possible need to extend a grant or ask for a
507 no cost extension, to best meet the needs with the expertise availability that the Agency has.
508

509 The report **Employees Individual** is a monthly summary of scheduled hours for an employee. Ballard
510 provided an example of one employee to look at all the projects they are working on, and to see if
511 there is flexibility in a project to be rescheduled to a different timeframe. This view helps identify
512 who to talk to, which project manager to work with in terms of balancing staff.
513

514 The report **Expertise Capacity** is a monthly scheduled capacity by expertise. Ballard said it is a
515 summary view of the Agency's expertise as a whole; how well are they staffed and how does the
516 Agency balance it. She said the position titles will change as they try to get closer to what staff are
517 doing. Ashford asked if someone shows 200%, what does that mean. Ballard explained that multiple
518 project managers planned the staff's time for that period, and it is unrealistic, causing the Program
519 Manager to talk to project managers to shift the timeline in order for the work to get done. She said
520 this tracking sheet will also help determine when to balance the workload based on each type of
521 expertise and it could help to determine if the Agency needs to hire a particular classification of staff.
522 Ballard said this includes help in determining if another position should be included in future biennial
523 asks.
524

525 Chair Maffei asked a question about information not matching up and if it is related to the tool still
526 being in development. Ballard answered it could be because she closed it off at a previous month. It
527 may not have been entered in for the full amount of the grant because there are grants that go two
528 years out and the full schedule was not available for the entire two years. She also stated that she
529 can narrow the report down to a specific timeframe to calculate just that time period. Maffei asked
530 how will the project manager know how much money is left on a grant, so they do not overspend, as
531 the one spreadsheet does not look like it accurately represents what they have left on the grant.
532 Ballard said there are two places for that, the Monthly Project Financials and the projections versus
533 actuals, but it is the Monthly Project Financials which will show how much money is left on a project.
534 Maffei said her concern, with this particular spreadsheet, is that because of that control of the month
535 at the top, it gives the impression there is a higher percentage of the grant left when it is not the
536 case. Ballard said that is a fair statement and it will be changed. Maffei said it does not look like
537 reality and thinks this is the Agency's exact problem with project managers not knowing how much
538 money is left on a grant. She wants the spreadsheets to accurately represent what is really available.
539 Ballard said she appreciated the feedback and the fix will be made. Maffei said with all the problems
540 in the past, it is nice to see a program coming together that will help the staff and Board, and to be
541 able to represent to the world that DOGAMI is doing what they can to track it.
542

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

544

545 **8) Project Pipeline Approval Process:**

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

548

549 Houston went through the Project Pipeline/Grant Approval process timeline and provided the
550 following major takeaways.

551

552 Project Idea

553 Potential project ideas are commonly sourced through well-developed professional relationships,
554 networks, and partnerships. Project ideas typically develop a fundamental understanding of
555 geoscience information to help decision makers solve geologic-based concerns. Provides earth
556 science information and regulation to make Oregon safe and prosperous. Project idea timeframe
557 could be 1 week to +10 years.

558

559 Initial Project Concept Discussion

560 Staff and GS&S Program Manager meet to explore the concept and criteria to scope the project to
561 determine if the concept should be further developed. Initial project concept discussion timeframe is
562 1 week to 2 months.

563

564 Project Criteria

- 565 • Justification/need/benefits
- 566 • Alignment to:
 - 567 ○ Agency's Mission
 - 568 ○ Strategic Framework
 - 569 ○ Duties of the Agency – ORS 516
 - 570 ○ Key Performance Measures

- 571 • Estimated budget
- 572 • Limitations on charging indirect funds
- 573 • Matching funds or in-kind match requirement
- 574 • Ability to leverage work to help other projects
- 575 • Publication and public outreach
- 576 • Timeframe
- 577 • Number of staff and staffing capacity
- 578 • Expertise required
- 579 • Geologist of Record
- 580 • External project partners
- 581 • Funding entities and source type
- 582 • Type of agreement
 - 583 ○ State or Federal Grant
 - 584 ○ Inter-Agency Agreement (IAA)
 - 585 ○ Task order, etc.
- 586 • Need for a subcontractor
- 587 • Potential challenges or concerns
- 588 • Need for Legislative authorization to proceed (10-day letter)
- 589 • Board's grant selection/grant management guidance

590

591 Houston stated the Board gave the Agency guidance on avoiding grants with high administrative
 592 costs or increased match requirements, and low total budget amounts where it is not a benefit for
 593 the Department since it would cost more to go after and manage. The Agency is conscientiously
 594 flagging those grants as they come through the process.

595

596 Project Pipeline Proposal Development

597 The project manager and GS&S Program Manager review the potential project's primary budget
 598 criteria with the CFO. Concurrence from the CFO initiates development of the Project Pipeline
 599 Proposal and budget details for Leadership Team review. The GS&S Program Manager schedules a
 600 Project Pipeline Proposal presentation to Leadership Team for authorization to proceed. The Project
 601 Pipeline Proposal development timeframe is 1 to 2 weeks.

602

603 Primary Budget Criteria

- 604 • Budget, task-oriented expense, on-task expense contingency, services and supplies
- 605 • Limitations on charging indirect funds
- 606 • Matching funds or in-kind match requirement
- 607 • Ability to leverage the work to help other projects

608

609 Project Pipeline Proposal Leadership Team Presentation (spreadsheet examples)

610 Staff presents a scoped Project Pipeline Proposal and budget to the Leadership Team. The
 611 Leadership Team reviews the complete criteria as presented in initial project concept discussion
 612 phase. The Leadership Team may authorize the Project Pipeline to proceed to next steps, amend
 613 proposal, or deny approval with an explanation of concerns. The Project Pipeline Proposal
 614 Leadership Team presentation timeframe is 1 to 2 Leadership Team meetings. Examples of a Project
 615 Pipeline Proposal and Grant Budget build were shared with the Board. Houston said together these
 616 are reviewed by the Leadership Team for determination if it will proceed at that time.

617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662

Project Pipeline Proposal Refinement

With Leadership Team’s authorization to proceed, the project manager finalizes the project scope, goals, budget, deliverables, communications plan, closure plan, and obtains all necessary pre-application agreement signatures. Preliminary scoping and refinement with the funder often occur during this phase and it can be a very iterative process. The project manager holds frequent meetings with the GS&S Program Manager to review the proposal, deliverables, and budget to ensure the project remains on scope and within mission. The GS&S Program Manager may request Technical Review Committee review depending on the complexity of the proposal. Houston said up to and including this phase of the pipeline process the Agency is unable to bill this work to any existing grant. All of the grant development work, from project idea to grant award, is billed to and requires General Funds and highlights the need for our Policy Option Package 101 – Match for Federal/Other Fund Grants and Grant Development. The project manager holds a kick-off meeting as a follow-up with project team associates to discuss the project. Project Pipeline Proposal refinement timeframe is 1 week to 3 months.

Legislative Authorization (10-day letter)

The GS&S Program Manager, Legislative Coordinator, and Director coordinate with the Governor’s Office, DAS-CFO, and Legislative Fiscal Office to determine if legislative authorization is required to proceed with the grant application, which is commonly known as a 10-day Letter. If the legislative authorization is required, the project manager will work with the GS&S Program Manager and CFO to prepare a letter for the Director to submit to the Governor’s Office, DAS-CFO, and Legislative Fiscal Office; followed by a presentation to the Joint Committee on Ways and Means Subcommittee on Natural Resources. Legislative authorization timeframe is 1 day to several weeks.

Grant Application Submittal to Funder

Following any required legislative authorization, the project manager works with the CFO to obtain all signatures and approvals to submit the grant application to the funder. Status updates are provided to the GS&S Program Manager. Grant application submittal to funder timeframe is <1 week.

Grant Awarded (grant tracking tool updated)

On notification of a grant award, financial systems are updated, and budget and staff hour projections are entered into the Grant Tracking Tool. Houston said this allows them to have accurate information for the monthly project meetings. The project manager holds a kick-off meeting with the Technical Review Committee, Geologist of Record, technical reviewer, and staff associates. **There is a clear and consistent commitment across the Agency that all projects will be prevented from going overbudget, whatever that requires.** Grant award timeframe is 3 to 6+ months.

Project Research (including 30% budget remaining)

With the commencement of work, the CFO and the GS&S Program Manager hold monthly meetings with the project manager throughout the period of the grant to ensure the grant remains underbudget, progressing to completion within the timeframe of the deliverable. The GS&S Program Manager and CFO in collaboration with the project manager evaluate monthly grant work progress, budgets and assign staff hours. When the grant funds are nearing 30% direct budget remaining, a detailed budget reforecast of the remaining funds is conducted to ensure the project deliverables are

663 completed underbudget. These meetings become more frequent as the project nears completion.
664 **There is a clear and consistent commitment across the Agency that all projects will be prevented**
665 **from going overbudget, whatever that requires.** Project research timeframe is 0.5 to 5 years for
666 grants; 1 week to several weeks for Inter-Agency Agreements and other agreements.
667

668 Project Delivery and Final Closure

669 Following completion of the project deliverables, an after-action review is conducted to determine
670 areas of the project that went well or need improvement. The Business Office completes a final
671 financial closure for the project and requests for final closure of the project in the state system.
672 Project delivery and final closure timeframe is 3 months to 1 year.
673

674 Staff task hours and expenditures of the initial grant budget are reviewed to further refine future
675 similar grant applications.
676

677 For the overall timeframe of Project Idea to Final Closure, Houston said it can take one month for an
678 IAA, most grants take 1 to +5 years, and some projects could take over 10 years before the right mix
679 of funding can be identified.
680

681 Ashford said he is happy with the direction the Agency is going but the proof will actually be in
682 implementing all of it. He stated part of it is the plan that the Agency will not leave money on the
683 table and will plan to spend out all the money in each grant. Ballard explained the first priority is to
684 not go overbudget, but if they find there is more budget remaining, they will contact the funder to
685 see if they can add another task without going overbudget. Houston added that as it gets closer to
686 the end of the project, they have more frequent financial meetings to ensure the grant does not go
687 overbudget. Chair Maffei verified that a contingency is being built in without going overbudget.
688

689 Teeman said this new process may make DOGAMI more competitive on some grants. She also thinks
690 this is heavier on the front end, but will make the mid-grant and final-grant reporting a whole lot
691 easier and asked if that had been a consideration. Ballard said those are true statements. In terms of
692 the budget, communication with the funder, and doing monthly financial processing, has allowed the
693 Agency to be more precise at grant reporting and is allowing DOGAMI to be better organizationally
694 setup to be able to respond to funder needs. Chair Maffei said it is clearly more work on the front
695 end but will make it more efficient.
696

697 Chair Maffei thanked Ballard and Houston for all the work they are doing to keep the Agency from
698 going overbudget.
699

700 Briefing: **No Board Action Required.**
701

702 **9) MLRR Update:**

703 Sarah Lewis, MLRR Program Manager, provided an update on MLRR.
704

705 Please note, included in this packet is the ENGAGe Special Pandemic Edition May 2020 newsletter
706 being sent out and can also be found online: <https://www.oregongeology.org/mlrr/engage.htm>
707

708 Permit Status Summary

709 Lewis reviewed the detailed list of permits. Lewis said with COVID protocols in place, they are
710 prioritizing the limited number of inspections they are doing to ones that are required for moving
711 forward with some kind of action, which include complaints, and new permit and amendment
712 permits that require a site inspection by a Reclamationist. They have also done a few site closures.
713 This will affect the KPM for next year, but it is unavoidable. There are some agencies not doing site
714 inspections at all.

715
716 Lewis stated the permits are being processed on an average of under 6 months and the numbers are
717 staying consistent. She is expecting two to three more Civil Penalties for the September meeting,
718 which will take the Agency through the first year of Civil Penalties. Every renewal will have seen the
719 new procedure at that point. She feels this program is a success.

720
721 A special Pandemic Edition newsletter has been sent out to address permittee concerns. MLRR has
722 been receiving many more complaints because people are now working at home and community
723 members have been more involved with quarry sites. There have been more Public Records
724 Requests as well.

725
726 MLRR held their first Rules Advisory Committee (RAC) meeting in the beginning of July for rulemaking
727 on HB 2202 High Value Farmland in the Willamette Valley. Attendees included representatives from
728 OCAPA, the Farm Bureau, Department of Land Conservation and Development, Department of
729 Agriculture, Department of Justice and DOGAMI. They anticipate one or two more meetings and
730 hope to have made significant progress by September. Lewis said this is one of the good things that
731 the department is still working on moving forward even during this time of budget uncertainty and
732 telework.

733
734 Staff continue to be incredibly committed to the mission of the Agency and to making the program as
735 successful as they can, given the restrictions they are working with. They are also working on a
736 county outreach pamphlet, which is about six to seven pages that they plan to send to counties and
737 other government entities to help them better understand what DOGAMI does and where the
738 challenges are with the process.

739
740 They are participating in a state initiative of a pilot program to receive satellite imagery for the entire
741 state. They are coordinating with the State's centralized technical services and other natural
742 resource agencies to receive access to as frequent as daily satellite imagery at a resolution high
743 enough for them to make a determination of on-site conditions. She said an example is the Civil
744 Penalty case presented, they were able to look at imagery from a project called "Planet Labs" and
745 were able to fine tune the week during which the majority of the new operation had occurred. There
746 is currently no charge for it with the exception of staff time to look over the imagery, but she is
747 hopeful that MLRR can be a test case to show how important it is to have this kind of data. Along
748 with other resource agencies, DOGAMI may be able to be part of a bigger effort to provide this kind
749 of real time information to help decision making with respect to what is going on across the land.
750 She hopes to have more news about this at the September meeting.

751
752 Lewis said regarding Grassy Mountain, she speaks with Calico twice a month. The indications are
753 they expect to start scheduling meetings with state agencies in the coming months. This means they
754 are working on developing the additional information requested during the Completeness Review
755 done back in February. She expects more activity to start in late summer or early fall.

756

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

758

759 **10) GS&S Update:**

760 Bob Houston, Interim GS&S Program Manager and Legislative Coordinator, provided an update on
761 the GS&S program.

762

763 Houston provided the Board with a map of the state showing where all the grant work is being done
764 by the Agency. He said there are three statewide projects effecting the entire state that DOGAMI is
765 working on, the Data Preservation Grant, a Landslide Warning System, and Building Footprints.

766

767 The **Project Concepts in Development** (pre-award phase) are what are currently in the system being
768 tracked. The earlier presentation depicts what these concepts need to proceed through. He said the
769 **Pre-pipeline Concepts** is where it is the idea and when he is working with project managers to
770 develop the grant by answering the criteria questions before it is presented to the Leadership Team.
771 There was approximately \$750,000 worth of grants/projects in this stage when the Board packet was
772 done, with an additional grant identified for \$450,000 for a total of \$1,200,000 of potential activity
773 coming to the Leadership Team for review and approval. The Leadership Team **Approved Pipeline**
774 **Projects** have been presented to the Leadership Team and approved to move forward and are in the
775 refinement stage in prepping to file the grant application online. There is approximately \$175,000
776 worth of projects in this stage. The **Submitted Applications** have been through the full application
777 submittal phase, including legislative authorization (10-day Letter), being submitted to funders, and
778 are awaiting award notification. The total being submitted to the funders is approximately
779 \$1,190,000. There is a total of \$2,569,000 for all the identified projects the Agency has a potential of
780 seeking.

781

782 **Active Projects** (awarded) - Grant Number 1-25: is a total of active projects in the research phase.
783 The charts show the awarded values, broken down by direct and indirect budget in different views.
784 These are also broken out by grants and Inter-Agency Agreements (IAA). The IAAs are often a
785 legislative requirement in the other agencies for which they utilize DOGAMI's expertise. The total for
786 these projects is \$4,298,000, with \$3,500,000 being in direct funds and \$700,000 in indirect funds.
787 Houston went through an example of a FEMA grant to demonstrate how the grant tracker sheet will
788 help reflect if a grant needs to be extended or have a scope change.

789

790 **Project Workload Complete** (pending final grant closure) - Grant Number 26-62: represents those
791 grants that have completed the geologic research and are now in the final financial wrap-up. Some
792 of these grants go back to about 2016 and are going through the system to be closed out through the
793 Statewide Financial Accounting System. Houston said this is a workload staff are unable to bill to
794 anymore. He mentioned this is where they are having after-action conversations with the project
795 manager, Program Manager and CFO to inform the next round of grant applications to get better
796 targeted budgets.

797

798 Houston discussed what has been happening for the GS&S program in 2020. Five Open-File Report
799 publications have been released. Process improvement documents have either been updated or
800 created. Communication improvements have been taking place through one-on-one, small groups,
801 or all-staff meetings, and a listening session.

802

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

804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847

11) Director’s Report:

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

Program Manager Recruitment – Geological Survey & Services Program

Avy said the recruitment for the position posted on June 30, 2020 and it closes July 30, 2020. This is the position that was added in the second-year budget. This position will facilitate continued progress within the program.

Internal Communications Plan Update

Avy stated the Leadership Team has met a couple of times to maintain the Internal Communications Plan as a working document; an update will be shared with the Board shortly. A running list is being kept of staff ideas/suggestions. One part of the plan that has been helpful is weekly reports from staff to their supervisors. It provides an opportunity to address emerging issues that need attention. It is a reference point and written record for the Agency to monitor and act on the items.

Strategic Planning 2022-2028

Avy discussed the past efforts made on the 2015-2021 Strategic Framework to create implementation items to move it into a Strategic Plan. The next Strategic Plan is for 2022-2028. There is currently some funding set aside for a facilitator for this work. Efforts should be starting in the fall and by that time the Agency should know if it still has funding for a facilitator.

DOGAMI – A Sense of Urgency

Avy said from his perspective, and to acknowledge the Leadership Team and staff, there has been no let up on the intensity around financial discipline. This is related to resolving financial issues, last year layoffs; settling Calico disputed charges and increased project activity; gaining DAS and legislative approval to apply for grants; navigating the 2020 Short Session with its successes and disappointments regarding the second-year budget and MLRR fee increase; E-Board approval for the second-year budget (one week before initiating Agency wide-layoffs); and the challenges of recent layoffs. Looking forward, we are anticipating an upcoming Special Session and are hopeful there will be a place on the agenda for the MLRR fee increase. Uncertainty remains regarding potential staff reductions following upcoming revenue forecasts and overall statewide budget balancing in the 2021 Legislative session. Avy acknowledged staff across the Agency for staying on task with a sense of urgency.

Chair Maffei thanked him for his efforts and appreciated him summarizing of where the Agency has been and where it is going.

Briefing: **No Board Action Required.**

12) Confirm Time and Date for Next Meeting:

Chair Maffei stated the next DOGAMI Board is currently scheduled for Friday, September 25, 2020 at 8:30 a.m. – 1:00 p.m. in Portland. She confirmed this date is still acceptable for the Board. The next regular meeting will include KPMs and the Director’s Evaluation. Maffei said the Evaluation should

848 go to the same recipients as last time and she will work with Sherry Lauer, at DAS HR, to get the
849 survey out. The next revenue forecast is September 23, 2020.

850

851 Chair Maffei said the potential Special Board meeting currently scheduled for 8:30 a.m. – 10:30 a.m.
852 on Tuesday, July 28, 2020 will be held to discuss and approve the 2021-23 Agency Request Budget
853 (ARB). The Board agreed to also include Civil Penalties on the meeting agenda.

854

855 **13) Public Comment:**

856 Only written comments received prior to or by 1:00 p.m. on the day of the meeting were to be
857 accepted. Chair Maffei asked for any written public comments. No public comments.

858

859 **14) Board Adjourn:**

860 Chair Maffei adjourned the meeting at 12:29 p.m.

861

862 APPROVED

863

864

865

866 _____
867 Laura Maffei, Chair

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

Tuesday, July 28, 2020

8:30 a.m.

Virtual Public Meeting

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

Chair Laura Maffei called the meeting to order at 8:38 a.m.

2) Introductions: (Laura Maffei, Board Chair and Staff)

Chair Maffei, Vice-Chair Katie Jeremiah, and Board Members and Linda Kozlowski were all in attendance via Zoom video/phone. Board members Scott Ashford and Diane Teeman were not in attendance.

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

Cari Buchner, Mining Compliance Specialist

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

Steve Dahlberg, Fiscal Analyst

Others in attendance:

John Terpening, Legislative Fiscal Office (LFO)

Renee Klein, DAS Office of the Chief Financial Officer

Diane Lloyd, Department of Justice (DOJ)

Guido Paparoni – Public Citizen

Kale Williams – Reporter, The Oregonian

3) Review 2021-23 Agency Request Budget (ARB):

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

Ballard said the Agency is currently awaiting the final SABRS audit of the AY 2021-23 Agency Request budget. At the Board meeting 2 weeks ago, DAS was going through the audit process. Due to DOGAMI having a split budget, it caused some issues. The second-year budget was increased to reflect true budgetary needs. The AY23 ask has been well vetted and is materially correct. Part of the ARB has a historic component that needs to be input into the system, because of the split-year effect, that portion is still being reviewed in the audit process. It is expected to be completed on Thursday or Friday.

Ballard stated the changes are reflective of the graphics and summary information in the ARB. The first graphic is the Expenditure Estimates by Section for AY23. Due to Year 2 being the basis going

15 forward, there were changes. The MLRR budget was \$4.5 million, but is now \$5.2 million due to
16 Professional Services related to the Calico Project, step increases, and inflation. The changes for
17 GS&S were due to Lidar and Administrative & Technical Services being lumped into the one category
18 of Shared Services. Administrative & Technical Services is the bulk of DOGAMI's scientific staff.
19 Jeremiah asked if the increase from Calico for MLRR expenditures are cost recoverable. Ballard
20 answered yes.

21
22 Ballard stated on the Distribution by Fund Type graph, there is an error for Other Funds. It shows
23 \$9,098,510 but it should be \$8,114,548. The difference is due to MLRR revenue and the Year 2 effect
24 moving forward.

25
26 Ballard said the Program Prioritization section in the Agency Request Budget is between Lidar, GS&S,
27 and MLRR. She noted Lidar and GS&S have been split apart and redistributed. The MLRR change is
28 for the Year 2 effect and ePermitting anticipated charges for the Policy Option Package (POP). There
29 will be reductions to the budget if the POP does not go through.

30
31 Ballard said the Revenue Forecast is consistent compared to what the Agency had before and has not
32 changed except for a couple small exceptions due to inflation.

33
34 Ballard stated the GS&S Program Funding & Request is based off the anticipated ask with the
35 presumed inflation. There was a minor change in the funding ask, which is now \$15,789,233 as
36 opposed to \$15,704,492. This was also changed in the Program Unit Narrative.

37
38 Ballard said for the Comparison to Funding, there is difference from the AY 2019-21 biennium to now
39 of \$1,972,055, which is a significant change from one biennium to the next. This is due to the POPs
40 for grant development/matching and IT related equipment, personnel related changes (program
41 manager addition and inflation), truing up rent, and corrected DAS assessments.

42
43 Ballard said the MLRR Funding Request was \$4,497,689 but now is \$5,216,421, which is related to
44 Year 2, Professional Services for the Calico project, and inflation for Personnel Services. This was also
45 changed in the Program Unit Narrative.

46
47 Ballard said for the Comparison for Funding for MLRR, there is a difference of \$1,445,948 between
48 the previous biennium. The primary differences are the Professional Services change, inflation and
49 step increases, and the \$1 million for the ePermitting process.

50
51 Ballard reviewed the ARB 10% reduction list. As a refresher, the reductions for AY21: are the loss of
52 the CIO position; the offices in Baker City and Newport; Services and Supplies for travel, training and
53 the commuter pass program; and the half-time Public Affairs Specialist/Publications Coordinator.
54 The CIO position and office closures are permanent losses. What the Agency learned is, the funding
55 loss for the other items was only for the second year and has been added back in for the AY23
56 biennium. The reductions were adjusted to have these added back in based on the way they were
57 listed before. Going forward, the audited reports are anticipated to be back by Thursday with the
58 finished ARB due on Friday, July 31, 2020.

59
60 Chair Maffei thanked Ballard, Avy and the team for all the hard work getting this information
61 completed. There were a lot of late nights to get this done.

62

63 Board Action: **Jeremiah moved to approve the DOGAMI Governing Board authorizes Chair Maffei**
64 **to sign and certify the DOGAMI 2021-2023 Agency Request Budget on behalf of the Governing**
65 **Board. Kozlowski seconded. Motion carried.**
66

67 **4) Civil Penalties:**

68 Sarah Lewis, MLRR Program Manager, reviewed the Morgan Creek (10-0223) case with the Board for
69 Civil Penalties.
70

71 Lewis said at the last Board meeting they presented MLRR's framework for Civil Penalties for the
72 violation of Mining Without a Permit (MWOP) and had shared specifics about the particular case of
73 Morgan Creek. The Board supported moving forward and requested MLRR follow up with a proposal
74 for a specific penalty amount for Morgan Creek and additional detail about what happens after a Civil
75 Penalties package is issued.
76

77 Lewis reviewed the document "Steps for Proceeding with Civil Penalties", which is to demonstrate
78 MLRR's process. Over a year ago, staff developed an Internal Management Directive (IMD), with all
79 the supporting documents required to see the process from start to finish.
80

81 Lewis introduced Cari Buchner, Mining Compliance Specialist, to discuss the Civil Penalties being
82 brought to the Board for approval to proceed.
83

84 Buchner reviewed the Notice of Civil Penalty being drafted and what happens next. If the Board
85 approves the penalty, MLRR will issue the Notice of Civil Penalty, the respondents have 20 days to
86 respond and request a hearing. If a hearing is not requested, the Notice becomes a Final Order by
87 default and the penalty is due in 10 days. If they request a hearing, MLRR provides a copy of the
88 notice to DOJ, then DOJ facilitates referral to the Office of Administrative Hearings (OAH). There are
89 opportunities to resolve informally and potentially reduce the penalty throughout the process. If
90 they do not pay, a lien can be placed on the respondents' real property; the past-due Civil Penalties
91 can be referred to the Department of Revenue or a private collections agency. If any portion of the
92 Civil Penalty is not paid, 9% interest will accrue per year. Lloyd said the Agency has put together a
93 great summary and did not have anything to add.
94

95 Buchner said the specific case being reviewed is Morgan Creek (10-0223), located in Douglas County.
96 The violations are: Exceeding 5 acres of disturbance without a Mining Permit; Mining Without a
97 Permit; and Violating Suspension Order. She stated other violations have occurred and the water
98 quality violations have been referred to DEQ, who may also assess Civil Penalties.
99

100 Buchner said the first step in determining the Civil Penalties is classifying the violations. She
101 explained a Class 1 violation is the least severe and a Class 4 violation is the most severe. She
102 discussed the classified violations.

- 103 • Exceeding 5 acres of disturbance without an Operating Permit – Class 4: this is environmental
104 harm. The respondents exceeded the 5 acres by disturbing 10 acres, which requires an
105 Operating Permit. The denial of the Exclusion Certificate (EC) was clearly and repeatedly
106 communicated. There is one count of this violation because once you exceed 5 acres you
107 cannot exceed it again.

- 108 • Engaging in and allowing MWOP – Class 4: this is environment harm by the excavation,
109 stockpiling, and hauling of materials without a permit. There are multiple documented
110 violations.
- 111 • Violating Suspension Order – Class 1: there are multiple documented violations by excavation,
112 stockpiling, and hauling of materials without a permit. The environmental harm is covered by
113 the MWOP violation.
- 114 • MLRR is requesting to assess both the operator and the landowner. The operator for engaging
115 in MWOP, and the landowner who is in violation for allowing this operation to continue on his
116 property without a permit. Buchner said both have accompanied her on site visits.

117
118 Buchner stated they have determined the violation classifications. Now they can look at the
119 magnitude of the penalty to assess. She explained the basis for a Civil Penalty is a median penalty
120 with mitigating factors present that are able to lower the penalty. There are also aggravating factors
121 that can increase the amount of the penalty up to the maximum. She stated the Expedited
122 Enforcement Offer (EEO) is a reduced amount, but the respondent cannot contest the charges.
123 Buchner said in this case, there are multiple aggravating factors for the number of violations,
124 previous similar violations, and pattern of conduct. Chair Maffei asked how many times MLRR has
125 asked them for a permit. Buchner said approximately five times.

126
127 Buchner reviewed the documented occurrences of the violations and the proposed penalty with the
128 Board. She said MLRR is proposing, for the trail camera photos, to assess a penalty per each day that
129 photos are available; \$10,000 for MWOP and \$1,000 for violating the Suspension Order. Jeremiah
130 asked if the violations for the trail camera photo occurrences were after Agency notified the operator
131 of their Mining Without a Permit and Suspension Order. Buchner said yes, the Suspension Order has
132 been in place since 2017 and they have been reminded repeatedly. She stated MLRR is only
133 considering violations that have occurred since July 1, 2019 when the Agency began implementing
134 Civil Penalties, so these do not include any violations prior to that date.

135
136 Buchner reviewed the potential economic benefit and industry context, stating the numbers are
137 rough and are not actual calculations. This site exceeded 5 acres of disturbance between 2012 and
138 2014 based on aerial imagery. Had they applied for the permit in 2013 as required, the regulatory
139 fees avoided since 2013 are about \$16,115. It is not possible for MLRR to calculate their profit from
140 the site, but they estimate if they excavated the lowest level of an Operating Permit of 5,000 cubic
141 yards (CY) per year for 7 years, that would be about 35,000 CY. She reviewed what is necessary for
142 them to come into compliance, which the cost is approximately \$51,500. The breakdown is: DOGAMI
143 and DEQ Permit fees (\$6,500); Consultants for Stormwater plan and implementation (\$5,000-
144 \$15,000); Permit Boundary Survey Map (\$5,000-\$15,000); and Geotechnical study and report
145 (\$5,000-\$15,000). Buchner said there may also be Civil Penalties from DEQ. Maffei asked for
146 clarification that these numbers are context only. Buchner answered yes, the numbers were actually
147 put together after they calculated the penalty.

148
149 Buchner said the MLRR program is recommending Civil Penalties calculated based on violations since
150 July 1, 2019 at the maximum penalty amount for each classification, which is \$98,000 to each the
151 operator and landowner; they are proposing the Civil Penalties do not go below the EEO of \$29,000
152 each. Chair Maffei asked if there are costs to MLRR if the Civil Penalties are challenged; how much to
153 defend the penalty? Lloyd said there are potential costs, since MLRR would refer it to the Office of

154 Administrative Hearings. There have been four or five matters referred to OAH, but none have had a
155 hearing. With facts that are irrefutable, they are unlikely to go through the hearing process. She
156 thinks there is the added benefit of deterring others in the future. Maffei agreed that this should be
157 pursued.

158
159 Jeremiah said the operator has completely disregarded the Suspension Order and asked what is next
160 if they do not pay the fine. Given the state of affairs in the world and the lens that people have for
161 the due process considerations right now, she wants to make sure there are no concerns of violation
162 of due process with all the evidence DOGAMI has gathered. Buchner said all the information was
163 gathered from site visits, they had approval from both owner and operator to conduct those visits,
164 and they accompanied them. The pictures of the access road are from cameras setup by another
165 property owner that put them up on their own property (they share the road). Buchner said if they
166 do not pay the penalty: a lien can be put on their own personal property within Douglas County;
167 MLRR can refer them to the Department of Revenue or a private collections agency for collections;
168 and the penalty will collect 9% interest per year. Lloyd added they can seek a civil temporary
169 restraining order and seek criminal penalties (ORS 517.990), and there could be environmental
170 criminal charges. Jeremiah said she appreciated the concise presentation of facts. The Board wants
171 to hear all sides of the story, but it is clear the respondents have been given notice, due process, and
172 they continue to disregard the law designed to protect the State and mining in general. The industry
173 is looking to DOGAMI to use their enforcement powers. Chair Maffei said it is unfair to those mining
174 and paying the fees. Kozlowski complemented the team for the information put together and said
175 this was an egregious violation that totally supports the conclusion staff have come to, especially the
176 environmental damage.

177
178 Chair Maffei asked when the Notice of Civil Penalty will go out. Buchner responded the next week or
179 two.

180
181 Board Action: **Jeremiah moved to allow MLRR staff to move forward with Civil Penalties on the**
182 **presented case. Kozlowski seconded. Motion carried.**

183
184 **5) Public Comment:**

185 Only written comments received prior to or by 10:30 a.m. on the day of the meeting will be accepted.
186 Chair Maffei asked for any written public comments. No public comments.

187
188 **6) Board Adjourn:**
189 At the conclusion of the public comment period, Chair Maffei adjourned the meeting at 9:39 a.m.

190
191 APPROVED

192
193
194
195 _____
196 Laura Maffei, Chair

Staff Report and Memorandum

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

From: Sarah Lewis, MLRR Program Manager

Date: September 15, 2020

Regarding: Agenda Item 7 – Civil Penalties

Sarah Lewis, MLRR Program Manager, and Cari Buchner, Mining Compliance Specialist, will present program recommended Civil Penalties.

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 9/10/20)

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	66 (126)	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	\$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., x̄=~3 mos.		\$25,000	\$500	\$500	
OP-0023	4/30/20	6/5/20	6/30/20	8/24/20	55 (115)	0/27	None	Improper closure attempt	\$55,000	\$250	Waived	
OP-0056	4/30/20	6/5/20	6/30/20	-	72 (132)*	3/3 yr 6/8 yr	2-5 mos.		\$66,000^	\$500		
OP-0118	5/31/20	7/9/20	7/31/20	9/1/20	35 (95)	2/3 yr 12/40 yr	2-6 mos.		\$35,000	\$500		
OP-0267	5/31/20	7/9/20	7/30/20	-	44 (104)*	0/3 yr 1/11 yr	~5 mos.	Same permittee as OP-0269 below	\$38,000^	\$250		
OP-0269	6/30/20	8/12/20	8/31/20	-	10 (70)*	2/3 yr 3/11 yr	4-5 mos	Same permittee as OP-0267 above	\$10,000^	\$500		
OP-0070	6/30/20	8/12/20	8/31/20	-	10 (70)*	3/3 yr 11/13 yr	3-8 mos		\$10,000^	\$500		
OP-0023	6/30/20	8/12/20	8/31/20	-	10 (70)*	1/3 yr 3/17 yr	~3 mos		\$10,000^	\$250	\$0	

* Days late as of 9/10/2020

^ Max penalty as of 9/10/2020

Staff Report and Memorandum

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

From: Dania Ballard, Chief Financial Officer

Date: September 15, 2020

Regarding: Agenda Item 8 – Financial Report

Attached is the DOGAMI FY21 Budget Status Report, as of July 31, 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: September 15, 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 Year End

Fiscal year (FY) 2020 ended June 30, 2020. FY20 financials are complete; all entries will be audited mid Fall and finalized by December 31, 2020.

*Table below does not include second year General Fund budget of \$2,864,393 approved June 5, 2020.

Geological Survey & Services (GS&S) Program				
As of June 30, 2020 (year-end)				
	2019-21 Actual + Projected Revenue & Expenditures			
	General Funds	Other Funds	Federal Funds	All Funds
Total Available Revenue	\$ 2,534,180	\$ 2,056,065	\$ 3,552,251	\$ 8,142,495
Total Expenditures	\$ 5,679,982	\$ 1,653,362	\$ 3,552,251	\$10,885,595
GS&S Ending Balance	\$ (3,145,802)	\$ 402,703	\$ -	\$ (2,743,100)

The General Fund reflects a deficit of \$3,145,802 due to the circumstance that we have a two-year budget forecasted but have only been allocated one year of General Fund (as of June). A second-year General Fund budget of \$2,864,393 was approved. Reclassification of General Fund expenses and reductions of personnel (currently in Year One projections) will align financials to the second-year budget ask.

The Other Fund ending balance is \$402,703.

Mineral Land Regulation & Reclamation (MLRR) Program				
As of June 30, 2020 (year-end)				
	2019-21 Actual + Projected Revenue & Expenditures			
	General Funds	Other Funds	Federal Funds	All Funds
Total Available Revenue	\$ -	\$ 3,609,612	\$ -	\$ 3,609,612
Total Expenditures	\$ -	\$ 3,723,577	\$ -	\$ 3,723,577
MLRR Ending Balance	\$ -	\$ (113,965)	\$ -	\$ (113,965)

The projected MLRR ending balance at June 30, 2020 indicates a deficit of \$113,965. This deficit was anticipated and is the basis for the fee increase requested beginning January 2021. The fee increase was approved August 10, 2020 in the 2nd Special Session.

Strong Motion Instrument Fund (SMIF)			
As of June 30, 2020 (year-end)			
	2019-21 Actual + Projected Revenue & Expenditures		
	Other Funds	Federal Funds	All Funds
June 30, 2019 Ending Balance			\$ 276,926
Total Available Revenue	\$ 382,026		\$ 382,026
Total Expenditures	\$ 12,275		\$ 12,275
SMIF Ending Balance	\$ 369,751	\$ -	\$ 369,751

Reclamation Guarantee Fund	
As of June 30, 2020 (year-end)	
Beginning 2019-21: 54 Cash Securities	\$ 613,637
4 Security Releases	\$ (106,000)
4 New Securities	\$ 106,570
Biennium to Date: 58 Cash Securities	\$ 614,207

The Strong Motion Instrument Fund has a FY20 ending balance of \$369,751 and the Reclamation Guarantee Fund retains \$614,207 in cash securities.

Fiscal Year 2021

The month of July (FY21) is closed. Revenue collections, accounts payable, indirect cost capture and financial system structure set up are becoming routine.

Geological Survey & Services (GS&S) Program				
As of July 31, 2020				
	2019-21 Actual + Projected Revenue & Expenditures			
	General Funds	Other Funds	Federal Funds	All Funds
Total Available Revenue	\$ 5,398,573	\$ 1,990,022	\$ 3,400,776	\$10,789,371
Total Expenditures	\$ 5,371,684	\$ 1,711,108	\$ 3,394,567	\$10,477,360
GS&S Ending Balance	\$ 26,889	\$ 278,914	\$ 6,208	\$ 312,011

The General Fund currently reflects an ending balance of \$26,889. This ending balance is reflective of addition of the second year budget and projection adjustments related mostly to personnel reductions. The Other Fund ending balance is \$278,914 and the Federal Funds ending balance is \$6,208.

Mineral Land Regulation & Reclamation (MLRR) Program				
As of July 31, 2020				
	2019-21 Actual + Projected Revenue & Expenditures			
	General Funds	Other Funds	Federal Funds	All Funds
Total Available Revenue	\$ -	\$ 3,558,054	\$ -	\$ 3,558,054
Total Expenditures	\$ -	\$ 3,673,352	\$ -	\$ 3,673,352
MLRR Ending Balance	\$ -	\$ (115,298)	\$ -	\$ (115,298)

The projected MLRR ending balance at July 31, 2020 indicates a deficit of \$115,298. This deficit was anticipated and is the basis for the fee increase requested beginning January 2021. A fee increase was approved in late August and projections will be adjusted.

Strong Motion Instrument Fund (SMIF)			
As of July 31, 2020			
	2019-21 Actual + Projected Revenue & Expenditures		
	Other Funds	Federal Funds	All Funds
June 30, 2019 Ending Balance			\$ 276,926
Total Available Revenue	\$ 382,951		\$ 382,951
Total Expenditures	\$ 77,669		\$ 77,669
SMIF Ending Balance	\$ 305,282	\$ -	\$ 305,282

Reclamation Guarantee Fund	
As of July 31, 2020	
Beginning 2019-21: 54 Cash Securities	\$ 613,637
4 Security Releases	\$ (106,000)
5 New Securities	\$ 131,570
Biennium to Date: 58 Cash Securities	\$ 639,207

The Strong Motion Instrument Fund has a current FY21 ending balance of \$305,282 and the Reclamation Guarantee Fund retains \$639,207 in cash securities.

Business Office Activities

Grant Reporting

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

Grant Budget Monitoring and Financial Reporting

Grant-level financial reporting is being used to track fiscal progress and facilitate project management strategy to maintain budget compliance. Additionally, improvements continue to progress on grant staff scheduling and projections. Acclimation and familiarity amongst staff with this process is complimenting continuous improvement.

ATTACHMENTS:

DOGAMI Financial Report

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

% of Time Spent of 2 years 50%

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 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	-	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	2,732,594	829,916	842,940	4,405,450					(198,414)	973,873	2,709,311	3,484,770	2,534,180	1,803,789	3,552,251	7,890,220				
Total Available Revenue	2,534,180	2,348,844	2,902,495	7,785,519	2,732,594	1,082,192	842,940	4,657,726	108%	46%	29%	60%	(198,414)	973,873	2,709,311	3,484,770	2,534,180	2,056,065	3,552,251	8,142,495	100%	88%	122%	105%
Expenditures:																								
<i>Personnel Services</i>	1,622,450	337,818	1,185,892	3,146,159	2,159,286	524,341	544,243	3,227,870	133%	155%	46%	103%	2,365,737	458,799	812,256	3,636,792	4,525,023	983,139	1,356,499	6,864,662	279%	291%	114%	218%
<i>Services & Supplies</i>																								
Instate Travel	5,159	32,387	72,570	110,116	30,375	9,724	4,830	44,929					10,000	32,387	72,570	114,957	40,375	42,111	77,400	159,886				
Out of State Travel	3,725	12,059	3,388	19,171	1,307	132	352	1,791					2,000	13,762	3,388	19,150	3,307	13,894	3,740	20,941				
Employee Training	1,333	5,670	4,282	11,285	295	-	-	295					10,000	5,670	4,282	19,952	10,295	5,670	4,282	20,247				
Office Expenses	6,398	16,792	724	23,914	20,576	264	171	21,011					8,500	16,792	724	26,016	29,076	17,056	895	47,027				
Telecomm	43,260	232	7,484	50,975	52,354	-	-	52,354					49,072	232	-	49,304	101,426	232	-	101,658				
State Gov't Svc Chg	61,190	65,870	58,951	186,010	192,353	-	-	192,353					199,596	-	-	199,596	391,949	-	-	391,949				
Data Processing	463,525	-	3,498	467,022	165,515	-	-	165,515					156,220	-	-	156,220	321,735	-	-	321,735				
Publicity & Publications	-	2,555	30,802	33,357	70	271	-	341					-	2,555	30,802	33,357	70	2,826	30,802	33,698				
Professional Services	3,272	345,446	1,446,276	1,794,994	11,834	29,261	160,396	201,491					3,272	345,446	1,446,276	1,794,994	15,106	374,707	1,606,672	1,996,485				
IT Professional Services	-	41,680	-	41,680	5,937	-	-	5,937					4,500	-	-	4,500	10,437	-	-	10,437				
Attorney General	2,665	-	-	2,665	11,627	-	-	11,627					2,665	-	-	2,665	14,292	-	-	14,292				
Employee Recruitment	139	726	-	865	-	-	-	-					500	829	-	1,329	500	829	-	1,329				
Dues & Subscriptions	742	494	1,135	2,371	2,382	-	-	2,382					3,500	494	1,135	5,129	5,882	494	1,135	7,511				
Facilities Rent	135,694	99,249	31,651	266,594	195,225	-	-	195,225					200,000	-	-	200,000	395,225	-	-	395,225				
Fuels & Utilities	-	-	-	-	1,359	-	-	1,359					-	-	-	-	1,359	-	-	1,359				
Facilities Maintenance	-	-	-	-	361	-	-	361					-	-	-	-	361	-	-	361				
Medical Services	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Agency Related S & S	-	-	-	-	496	-	842	1,339					-	-	-	-	496	-	842	1,339				
Intra agency Charges	-	-	-	-	-	-	-	-					125,000	-	-	125,000	125,000	-	-	125,000				
Other Services & Supplies	131,535	337,538	25,724	494,796	130,164	87	-	130,250					117,196	300	370	117,866	247,360	387	370	248,117				
Undistributed (S&S)	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Expendable Prop (\$250-\$500)	3,706	9,951	14,715	28,372	1,437	-	-	1,437					4,000	7,463	14,715	26,178	5,437	7,463	14,715	27,615				
IT Expendable Property	2,555	-	15,405	17,960	83,178	2,211	-	85,389					134,202	-	15,405	149,607	217,380	2,211	15,405	234,996				
Technical Equipment	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing Software	46,835	-	-	46,835	-	-	-	-					93,670	-	-	93,670	93,670	-	-	93,670				
Data Processing Hardware	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Capital Outlay	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Indirect	-	-	-	-	(333,536)	113,198	143,249	(77,088)					(542,242)	89,145	296,245	(156,853)	(875,778)	202,343	439,494	(233,941)				
<i>Total Services & Supplies</i>	911,731	970,644	1,716,603	3,598,977	573,308	155,149	309,840	1,038,296	63%	16%	18%	29%	581,651	515,075	1,885,912	2,982,638	1,154,959	670,223	2,195,751	4,020,934	127%	69%	128%	112%
Total Expenditures	2,534,180	1,308,461	2,902,495	6,745,136	2,732,594	679,489	854,083	4,266,166	108%	52%	29%	63%	2,947,389	973,873	2,698,168	6,619,430	5,679,982	1,653,362	3,552,251	10,885,595	224%	126%	122%	161%
GS&S Ending Balance	\$ -	\$ 1,040,383	\$ -	\$ 1,040,383	\$ -	\$ 402,703	\$ (11,143)	\$ 391,560					\$ (3,145,802)	\$ (0)	\$ 11,143	\$ (3,134,660)	\$ (3,145,802)	\$ 402,702	\$ (0)	\$ (2,743,100)				

Strong Motion Instrument Fund			
	2019-21 Actual Revenue & Expenditures	2019-21 Projected Revenue & Expenditures	2019-21 Actual + Projected Revenue & Expenditures
	Other Funds	Other Funds	Other Funds
Revenue:			
Beginning Balance	276,926	-	276,926
AY 2019-21 Revenue	105,100	-	105,100
Total Available Revenue	382,026	-	382,026
Expenditures:			
<i>Personnel Services</i>	8,062	-	8,062
<i>Services & Supplies</i>	-	-	-
Professional Services:	4,213	-	4,213
Total Expenditures	12,275	-	12,275
SMIF Ending Balance	\$ 369,751	\$ -	\$ 369,751

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

% of Time Spent of 2 years 50%

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	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
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	-	1,588,489	-	1,588,489					-	1,794,021	-	1,794,021	-	3,382,511	-	3,382,511				
Total Available Revenue	-	2,405,613	-	2,405,613	-	1,815,591	-	1,815,591	0%	75%	0%	75%	-	1,794,021	-	1,794,021	-	3,609,612	-	3,609,612	0%	150%	0%	150%
Expenditures:																								
<i>Personnel Services</i>	-	1,215,959	-	1,215,959	-	1,229,082	-	1,229,082	0%	101%	0%	101%	-	1,347,942	-	1,347,942	-	2,577,024	-	2,577,024	0%	212%	0%	212%
<i>Services & Supplies</i>																								
Instate Travel	-	32,350	-	32,350	-	14,539	-	14,539					-	35,000	-	35,000	-	49,539	-	49,539				
Out of State Travel	-	-	-	-	-	498	-	498					-	-	-	-	-	498	-	498				
Employee Training	-	36	-	36	-	1,252	-	1,252					-	7,500	-	7,500	-	8,752	-	8,752				
Office Expenses	-	15,758	-	15,758	-	17,024	-	17,024					-	15,758	-	15,758	-	32,782	-	32,782				
Telecomm	-	42,086	-	42,086	-	24,740	-	24,740					-	22,493	-	22,493	-	47,232	-	47,232				
State Gov't Svc Chg	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing	-	39,473	-	39,473	-	28,918	-	28,918					-	39,947	-	39,947	-	68,865	-	68,865				
Publicity & Publications	-	1,861	-	1,861	-	7,311	-	7,311					-	1,861	-	1,861	-	9,172	-	9,172				
Professional Services	-	49,521	-	49,521	-	101,317	-	101,317					-	350,000	-	350,000	-	451,317	-	451,317				
IT Professional Services	-	-	-	-	-	604	-	604					-	-	-	-	-	604	-	604				
Attorney General	-	29,125	-	29,125	-	41,886	-	41,886					-	50,000	-	50,000	-	91,886	-	91,886				
Employee Recruitment	-	3	-	3	-	-	-	-					-	-	-	-	-	-	-	-				
Dues & Subscriptions	-	310	-	310	-	25	-	25					-	1,000	-	1,000	-	1,025	-	1,025				
Facilities Rent	-	39,860	-	39,860	-	36,560	-	36,560					-	41,000	-	41,000	-	77,560	-	77,560				
Fuels & Utilities	-	5,721	-	5,721	-	5,604	-	5,604					-	6,500	-	6,500	-	12,104	-	12,104				
Facilities Maintenance	-	5,703	-	5,703	-	5,351	-	5,351					-	6,000	-	6,000	-	11,351	-	11,351				
Medical Services	-	-	-	-	-	18	-	18					-	-	-	-	-	18	-	18				
Agency Related S & S	-	-	-	-	-	61	-	61					-	-	-	-	-	61	-	61				
Intra agency Charges	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Services & Supplies	-	16,374	-	16,374	-	38	-	38					-	16,374	-	16,374	-	16,412	-	16,412				
Undistributed (S&S)	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Expendable Prop (\$250-\$500)	-	2,415	-	2,415	-	16	-	16					-	7,000	-	7,000	-	7,016	-	7,016				
IT Expendable Property	-	3,398	-	3,398	-	2,342	-	2,342					-	12,000	-	12,000	-	14,342	-	14,342				
Technical Equipment	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing Hardware	-	9,489	-	9,489	-	-	-	-					-	9,489	-	9,489	-	9,489	-	9,489				
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	-	367,778	-	367,778	0%	125%	0%	125%	-	778,774	-	778,774	-	1,146,553	-	1,146,553	0%	391%	0%	391%
Total Expenditures	-	1,509,435	-	1,509,435	-	1,596,861	-	1,596,861	0%	106%	0%	106%	-	2,126,716	-	2,126,716	-	3,723,577	-	3,723,577	0%	247%	0%	247%
MLRR Ending Balance	\$ -	\$ 896,178	\$ -	\$ 896,178	\$ -	\$ 218,730	\$ -	\$ 218,730					\$ -	\$ (332,695)	\$ -	\$ (332,695)	\$ -	\$ (113,965)	\$ -	\$ (113,965)				

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

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

% of Time Spent of 2 years 54%

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	General	Other	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	-	-	-	-	-	-
2019-21 Revenue & Transfers	5,398,573	2,638,053	5,795,069	13,831,695	2,898,317	829,916	905,407	4,633,641					2,500,256	907,831	2,495,369	5,903,455	5,398,573	1,737,747	3,400,776	10,537,096				
Total Available Revenue	5,398,573	3,667,870	5,795,069	14,861,512	2,898,317	1,082,192	905,407	4,885,916	54%	30%	16%	33%	2,500,256	907,831	2,495,369	5,903,455	5,398,573	1,990,022	3,400,776	10,789,371	100%	54%	59%	73%
Expenditures:																								
Personnel Services	3,518,168	672,329	2,361,863	6,552,360	2,303,835	569,881	596,317	3,470,033	65%	85%	25%	53%	1,910,330	426,764	700,293	3,037,387	4,214,164	996,644	1,296,611	6,507,419	120%	148%	55%	99%
Services & Supplies																								
Instate Travel	25,159	64,772	145,140	235,071	33,241	10,293	4,902	48,436					10,000	29,688	66,523	106,211	43,241	39,982	71,424	154,647				
Out of State Travel	3,725	24,116	6,774	34,615	1,307	132	1,096	2,535					2,000	12,615	3,106	17,721	3,307	12,747	4,202	20,256				
Employee Training	8,833	11,338	8,562	28,733	295	-	-	295					10,000	5,198	3,925	19,123	10,295	5,198	3,925	19,418				
Office Expenses	12,942	33,584	1,448	47,974	11,384	328	171	11,883					7,792	15,393	664	23,848	19,175	15,721	834	35,731				
Telecomm	65,597	464	14,968	81,029	57,380	-	-	57,380					45,272	213	-	45,485	102,652	213	-	102,864				
State Gov't Svc Chg	259,189	131,738	117,902	508,829	193,676	-	-	193,676					199,576	-	-	199,576	393,252	-	-	393,252				
Data Processing	613,524	-	6,994	620,518	175,627	-	-	175,627					144,720	-	-	144,720	320,347	-	-	320,347				
Publicity & Publications	-	5,110	61,604	66,714	70	271	-	341					-	2,555	28,235	30,790	70	2,826	28,235	31,131				
Professional Services	78,272	690,894	2,892,554	3,661,720	11,834	106,761	213,128	331,723					3,272	316,659	1,325,753	1,645,684	15,106	423,420	1,538,881	1,977,407				
IT Professional Services	4,500	83,360	-	87,860	5,937	-	-	5,937					4,500	-	-	4,500	10,437	-	-	10,437				
Attorney General	12,665	-	-	12,665	11,950	-	-	11,950					2,665	-	-	2,665	14,615	-	-	14,615				
Employee Recruitment	639	1,450	-	2,089	-	-	-	-					500	829	-	1,329	500	829	-	1,329				
Dues & Subscriptions	4,242	986	2,270	7,498	2,382	-	-	2,382					3,500	494	1,135	5,129	5,882	494	1,135	7,511				
Facilities Rent	325,554	198,496	63,302	587,352	196,990	-	-	196,990					183,333	-	-	183,333	380,323	-	-	380,323				
Fuels & Utilities	-	-	-	-	1,808	-	-	1,808					-	-	-	-	1,808	-	-	1,808				
Facilities Maintenance	-	-	-	-	464	-	-	464					-	-	-	-	464	-	-	464				
Medical Services	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Agency Related S & S	-	-	-	-	921	-	2,158	3,079					-	-	-	-	921	-	2,158	3,079				
Intra agency Charges	-	-	-	-	-	-	-	-					114,583	-	-	114,583	114,583	-	-	114,583				
Other Services & Supplies	246,635	675,076	51,448	973,159	133,643	123	-	133,766					117,196	300	370	117,866	250,840	423	370	251,632				
Undistributed (S&S)	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Expendable Prop (\$250-\$500)	7,706	19,902	29,430	57,038	1,437	-	-	1,437					4,000	7,463	14,715	26,178	5,437	7,463	14,715	27,615				
IT Expendable Property	117,555	-	30,810	148,365	87,673	2,211	-	89,885					134,202	-	15,405	149,607	221,875	2,211	15,405	239,492				
Technical Equipment	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing Software	93,668	-	-	93,668	-	-	-	-					93,670	-	-	93,670	93,670	-	-	93,670				
Data Processing Hardware	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Capital Outlay	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Indirect	-	-	-	-	(333,536)	113,198	143,249	(77,088)					(517,744)	89,741	273,423	(154,581)	(851,280)	202,939	416,673	(231,669)				
Total Services & Supplies	1,880,404	1,941,286	3,433,206	7,254,896	594,482	233,318	364,703	1,192,504	32%	12%	11%	16%	563,038	481,146	1,733,253	2,777,437	1,157,520	714,464	2,097,957	3,969,941	62%	37%	61%	55%
Total Expenditures	5,398,573	2,613,615	5,795,069	13,807,256	2,898,317	803,198	961,021	4,662,536	54%	31%	17%	34%	2,473,367	907,910	2,433,547	5,814,824	5,371,684	1,711,108	3,394,567	10,477,360	100%	65%	59%	76%
GS&S Ending Balance	\$ -	\$ 1,054,256	\$ -	\$ 1,054,256	\$ -	\$ 278,994	\$ (55,614)	\$ 223,380					\$ 26,889	\$ (80)	\$ 61,822	\$ 88,632	\$ 26,889	\$ 278,914	\$ 6,208	\$ 312,011				

Strong Motion Instrument Fund			
	2019-21 Actual Revenue & Expenditures	2019-21 Projected Revenue & Expenditures	2019-21 Actual + Projected Revenue & Expenditures
	Other Funds	Other Funds	Other Funds
Revenue:			
Beginning Balance	276,926	-	276,926
AY 2019-21 Revenue	106,025	-	106,025
Total Available Revenue	382,951	-	382,951
Expenditures:			
Personnel Services	8,062	-	8,062
Services & Supplies	-	-	-
Professional Services	69,607	-	69,607
Total Expenditures	77,669	-	77,669
SMIF Ending Balance	\$ 305,282	\$ -	\$ 305,282

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

% of Time Spent of 2 years
54%

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	-	3,898,616	-	3,898,616	-	1,674,061	-	1,674,061					-	1,656,892	-	1,656,892	-	3,330,953	-	3,330,953				
Total Available Revenue	-	4,268,990	-	4,268,990	-	1,901,162	-	1,901,162	0%	45%	0%	45%	-	1,656,892	-	1,656,892	-	3,558,054	-	3,558,054	0%	83%	0%	83%
Expenditures:																								
<i>Personnel Services</i>	-	2,814,372	-	2,814,372	-	1,326,887	-	1,326,887	0%	47%	0%	47%	-	1,238,616	-	1,238,616	-	2,565,502	-	2,565,502	0%	91%	0%	91%
<i>Services & Supplies</i>																								
Instate Travel	-	67,350	-	67,350	-	15,836	-	15,836					-	32,083	-	32,083	-	47,920	-	47,920				
Out of State Travel	-	-	-	-	-	498	-	498					-	-	-	-	-	498	-	498				
Employee Training	-	7,536	-	7,536	-	1,532	-	1,532					-	7,500	-	7,500	-	9,032	-	9,032				
Office Expenses	-	31,516	-	31,516	-	17,106	-	17,106					-	14,445	-	14,445	-	31,551	-	31,551				
Telecomm	-	64,578	-	64,578	-	26,511	-	26,511					-	20,618	-	20,618	-	47,129	-	47,129				
State Gov't Svc Chg	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing	-	79,419	-	79,419	-	30,042	-	30,042					-	36,618	-	36,618	-	66,660	-	66,660				
Publicity & Publications	-	3,721	-	3,721	-	7,311	-	7,311					-	1,861	-	1,861	-	9,172	-	9,172				
Professional Services	-	399,520	-	399,520	-	101,774	-	101,774					-	320,833	-	320,833	-	422,607	-	422,607				
IT Professional Services	-	-	-	-	-	604	-	604					-	-	-	-	-	604	-	604				
Attorney General	-	79,124	-	79,124	-	43,855	-	43,855					-	45,833	-	45,833	-	89,688	-	89,688				
Employee Recruitment	-	5	-	5	-	-	-	-					-	-	-	-	-	-	-	-				
Dues & Subscriptions	-	1,309	-	1,309	-	25	-	25					-	1,000	-	1,000	-	1,025	-	1,025				
Facilities Rent	-	80,859	-	80,859	-	39,410	-	39,410					-	37,583	-	37,583	-	76,993	-	76,993				
Fuels & Utilities	-	12,220	-	12,220	-	6,538	-	6,538					-	5,958	-	5,958	-	12,496	-	12,496				
Facilities Maintenance	-	11,702	-	11,702	-	5,351	-	5,351					-	5,500	-	5,500	-	10,851	-	10,851				
Medical Services	-	-	-	-	-	18	-	18					-	-	-	-	-	18	-	18				
Agency Related S & S	-	-	-	-	-	61	-	61					-	-	-	-	-	61	-	61				
Intra agency Charges	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Services & Supplies	-	73,454	-	73,454	-	38	-	38					-	16,374	-	16,374	-	16,412	-	16,412				
Undistributed (S&S)	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Expendable Prop (\$250-\$500)	-	9,414	-	9,414	-	43	-	43					-	6,950	-	6,950	-	6,993	-	6,993				
IT Expendable Property	-	15,397	-	15,397	-	2,395	-	2,395					-	12,000	-	12,000	-	14,395	-	14,395				
Technical Equipment	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Data Processing Hardware	-	18,977	-	18,977	-	-	-	-					-	9,489	-	9,489	-	9,489	-	9,489				
Data Processing Hardware	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Other Capital Outlay	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-				
Indirect	-	-	-	-	-	79,675	-	79,675					-	154,581	-	154,581	-	234,255	-	234,255				
<i>Total Services & Supplies</i>	-	956,101	-	956,101	-	378,622	-	378,622	0%	40%	0%	40%	-	729,228	-	729,228	-	1,107,850	-	1,107,850	0%	116%	0%	116%
Total Expenditures	-	3,770,473	-	3,770,473	-	1,705,509	-	1,705,509	0%	45%	0%	45%	-	1,967,843	-	1,967,843	-	3,673,352	-	3,673,352	0%	97%	0%	97%
MLRR Ending Balance	\$ -	\$ 498,518	\$ -	\$ 498,518	\$ -	\$ 195,653	\$ -	\$ 195,653					\$ -	\$ (310,951)	\$ -	\$ (310,951)	\$ -	\$ (115,298)	\$ -	\$ (115,298)				

Reclamation Guarantee Fund	
Beginning 2019-21:	
54 Cash Security's	613,637
4 Security releases	(106,000)
5 New Securities	131,570
Biennium to date:	
58 Cash Security's	\$ 639,207

Staff Report and Memorandum

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

From: Bob Houston, GS&S Program Manager

Date: September 15, 2020

Regarding: Agenda Item 9 – Key Performance Measures (KPMs) Annual Data Report

Attached is the draft Annual Performance Progress Report (APPR) for your review.

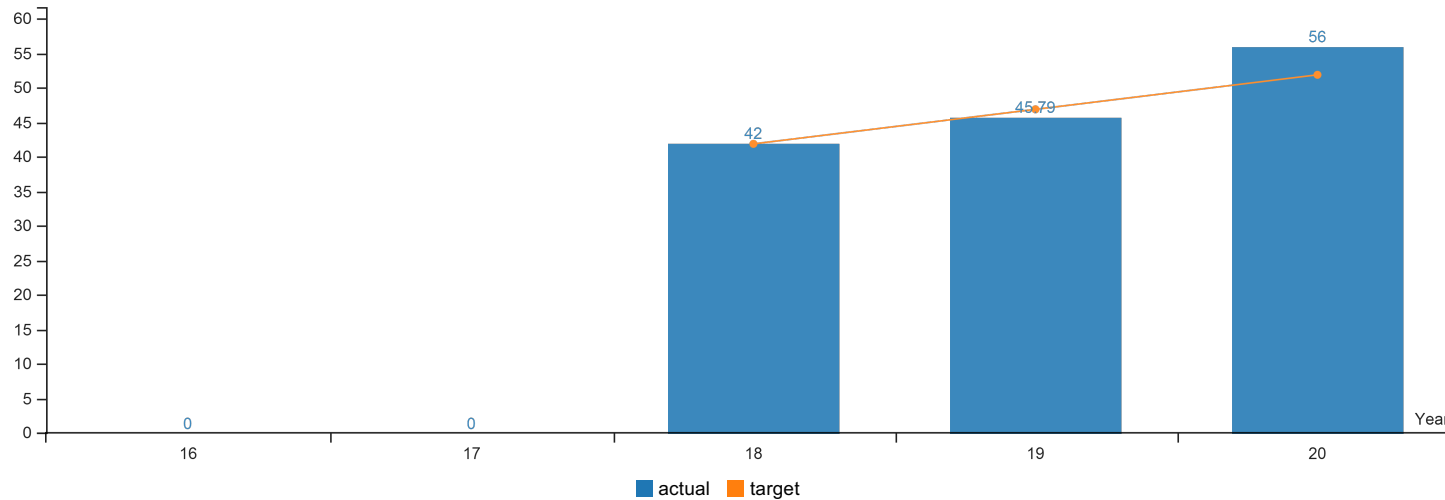
KPM 6 is an annual assessment by the Board based on a set of 15 best practice criteria (see below). The Board will be asked to review and respond affirmatively or negatively to each of the following best practice criteria:

- 1) Executive Director's performance expectations are current;
- 2) Executive Director receives annual performance feedback;
- 3) The agency's mission and high-level goals are current and applicable;
- 4) The Board reviews the Annual Performance Progress Report;
- 5) The Board is appropriately involved in review of the agency's key communications;
- 6) The Board is appropriately involved in policy-making activities;
- 7) The agency's policy option packages are aligned with their mission and goals;
- 8) The Board reviews all proposed budgets;
- 9) The Board periodically reviews key financial information and audit findings;
- 10) The Board is appropriately accounting for resources;
- 11) The agency adheres to accounting rules and other relevant financial controls;
- 12) The Board members act in accordance with their roles as public representatives;
- 13) The Board coordinates with others where responsibilities and interests overlap;
- 14) The Board members identify and attend appropriate training sessions;
- 15) The Board reviews its management practices to ensure best practices are utilized.

Proposed Board Action: The Board approves the revisions to the 2020 Annual Progress Performance Report as presented/revised.

KPM #1	HAZARD AND RISK ASSESSMENT COMPLETION - Percent of population residing in Oregon Urban Growth Boundary Areas (UGBs) that have completed geologic hazard and risk assessments that are suitable to initiate Department of Land Conservation and Development goal 7 planning for earthquake, landslide, tsunami, coastal erosion, volcanic and flooding hazards.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
HAZARD AND RISK ASSESSMENT COMPLETION					
Actual	No Data	No Data	42%	45.79%	56%
Target	TBD	TBD	42%	47%	52%

How Are We Doing

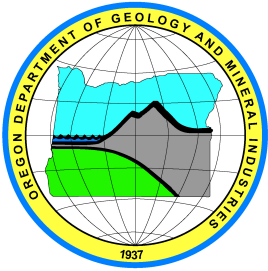
KPM # 1 was legislatively approved during the 2017 Legislative Session and tracks the percent of population residing in Oregon Urban Growth Boundary Areas (UGBs) that have completed geologic hazard and risk assessments that are suitable to initiate Department of Land Conservation and Development goal 7 planning for earthquake, landslide, tsunami, coastal erosion, volcanic and flooding hazards.

The agency has completed 97% of the 2019 target.

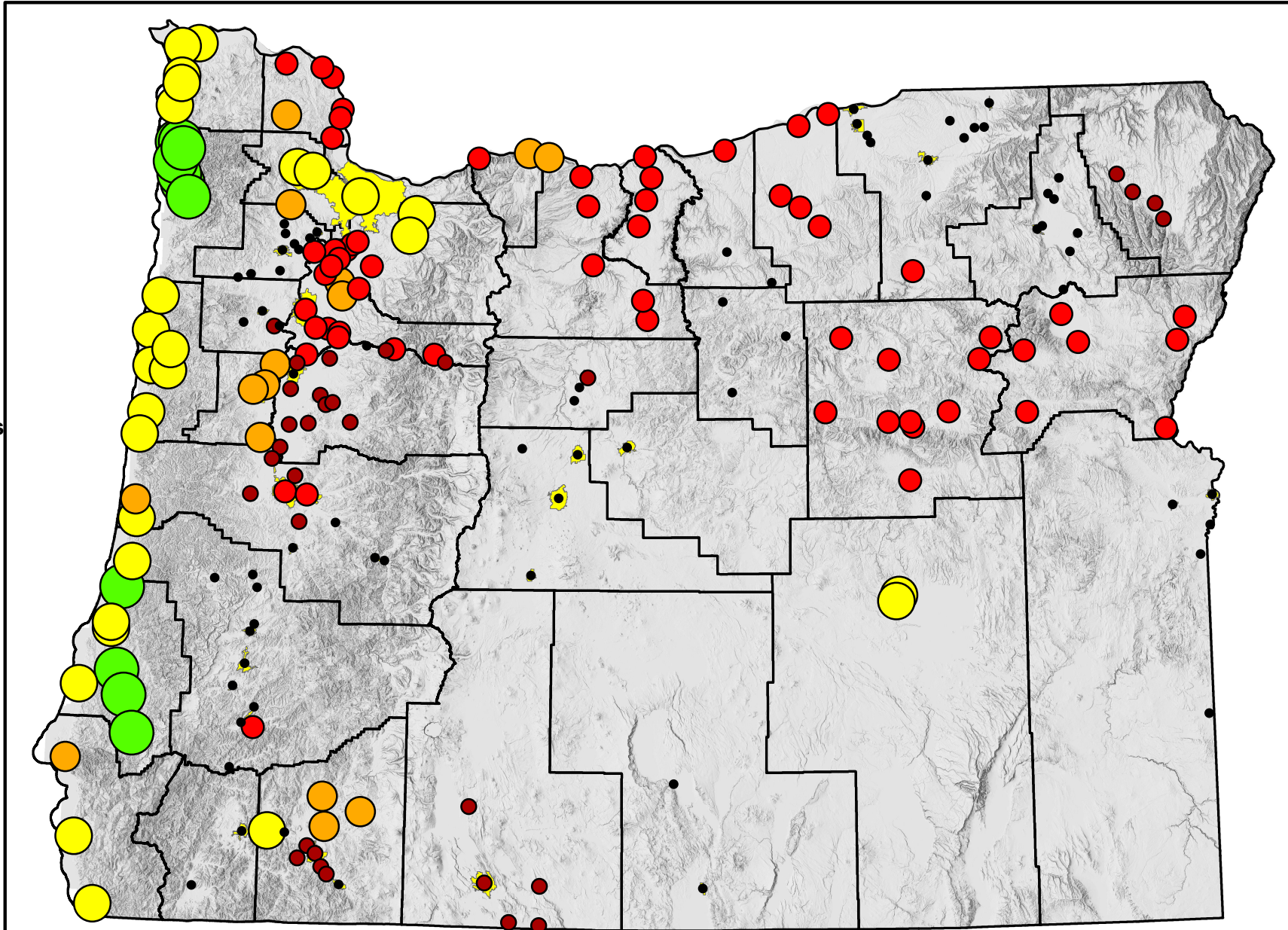
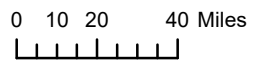
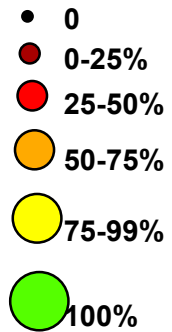
Factors Affecting Results

The completion of hazard and risk assessments are dependent on funding from local, state, and federal resources.

DOGAMI KPM #1-Hazard and Risk Assessment Completion



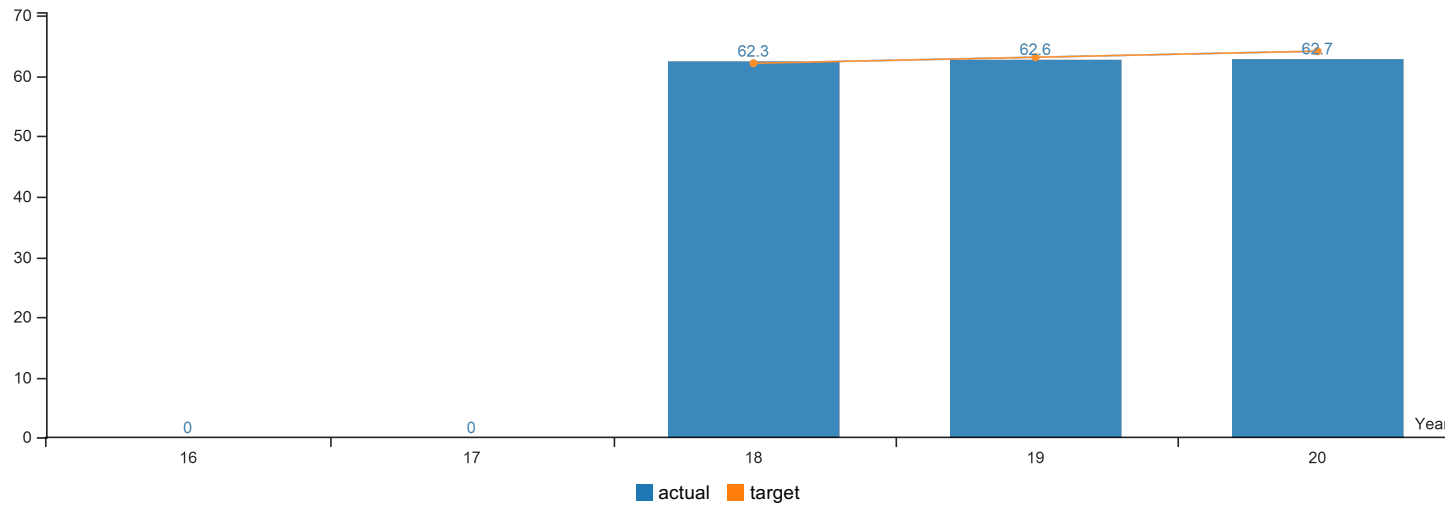
Hazard/Risk Studies Completeness



KPM #2 DETAILED GEOLOGIC MAP COMPLETION - Percent of Oregon where geologic data in the form of high resolution maps have been completed to be used for local problem solving.

Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
DETAILED GEOLOGIC MAP COMPLETION					
Actual	No Data	No Data	62.30%	62.60%	62.70%
Target	TBD	TBD	62%	63%	64%

How Are We Doing

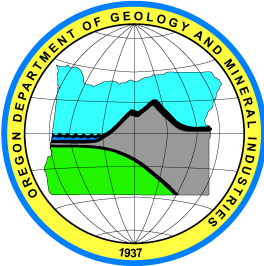
KPM # 2 was legislatively approved during the 2017 Legislative Session and tracks the completion of high resolution geologic maps in Oregon's nominal inhabited area.

The agency has completed 99% of the 2019 target.

Factors Affecting Results

Creating high resolution geologic maps in nominal inhabited areas are dependent on funding from local, state, and federal resources.





DOGAMI KPM #2 Location Map 2020 - Detailed Geologic Mapping

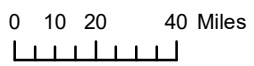
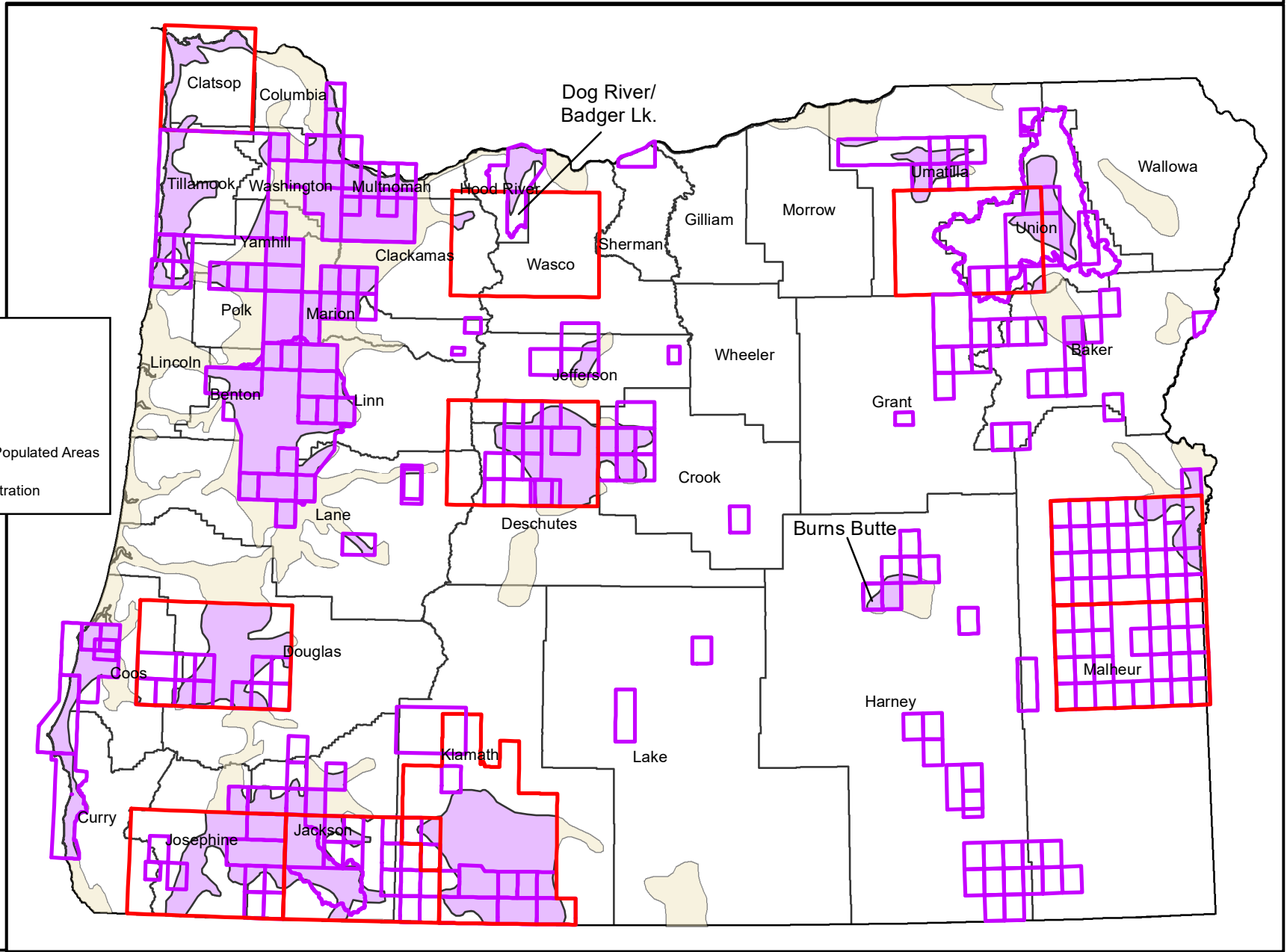


Oregon Dept. of Geology and Mineral Industries

Legend

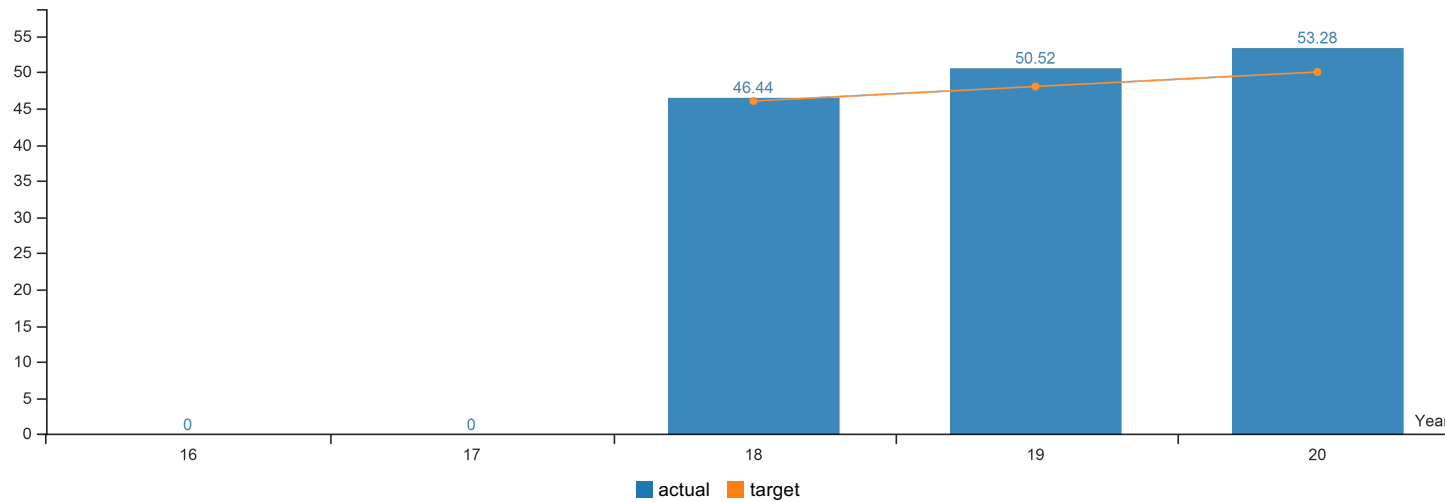
SCALE

-  24,000-scale
-  100,000-scale
-  Detailed Mapping Populated Areas
-  Population Concentration



KPM #3	LIDAR DATA COMPLETION - Percent of Oregon (sq. miles) with lidar data at USGS quality level 2 or better.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
LIDAR DATA COMPLETION					
Actual	No Data	No Data	46.44%	50.52%	53.28%
Target	TBD	TBD	46%	48%	50%

How Are We Doing

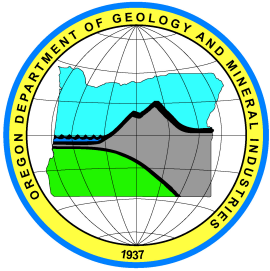
KPM # 3 was legislatively approved during the 2017 Legislative Session and tracks the percentage Oregon with lidar data at USGS quality level 2 or better. The agency gathered this data from July 1, 2018 through June 30, 2019 and determined the percentage of Oregon with existing lidar data at USGS quality level 2 or better.

The agency has completed 105.25% of the 2019 target.

Factors Affecting Results




Obtaining lidar data is dependent on funding through local, state, and federal resources.

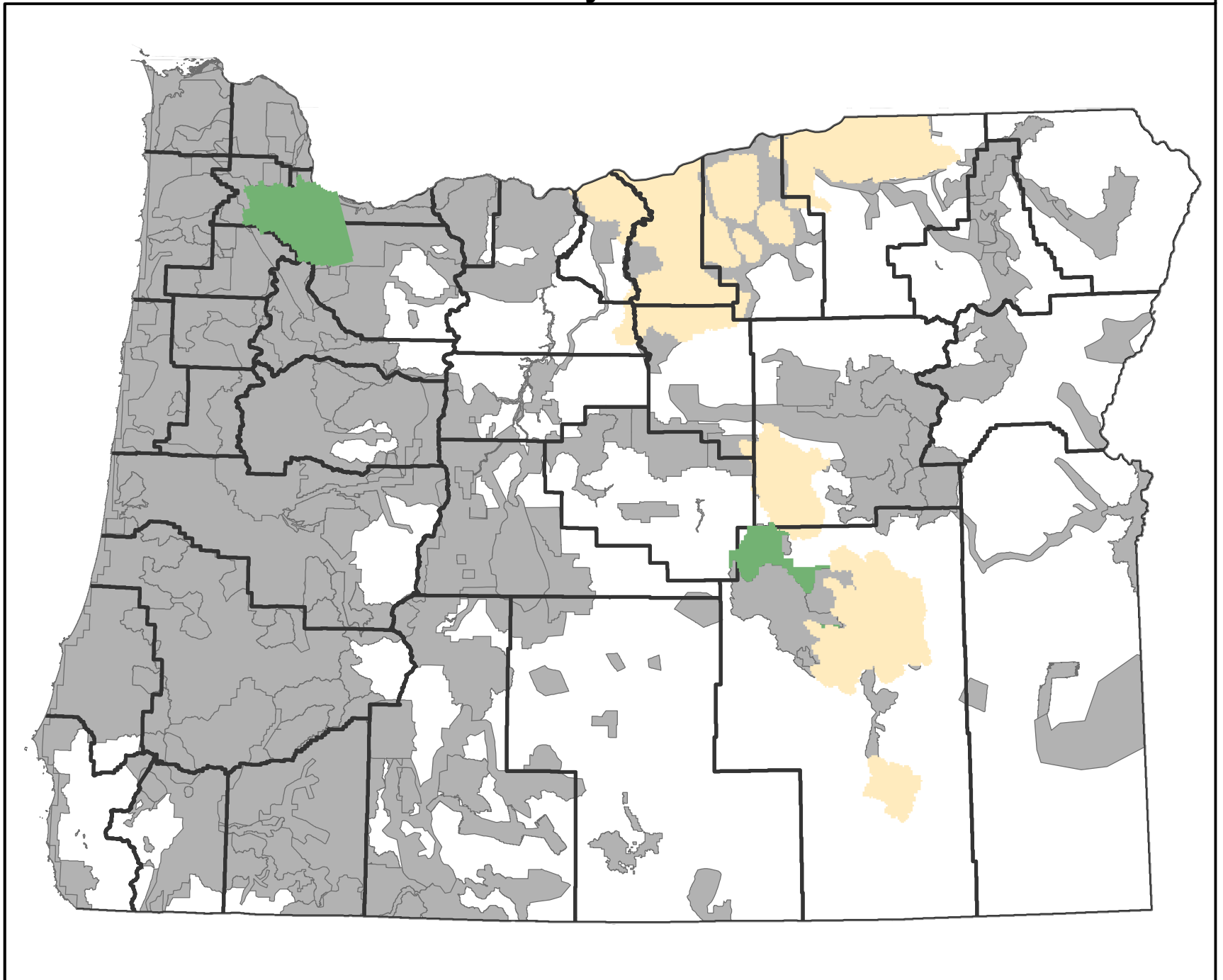
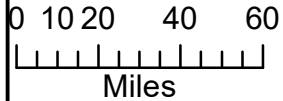
DOGAMI KPM 3 - Lidar Data Completion Collection Period July 01 2019 - June 30 2020



Oregon Department of Geology
and Mineral Industries
Oregon Lidar Consortium
800 NE Oregon st.
Portland Oregon
Tele: 971-865-1073
Fax: 541-967-2075

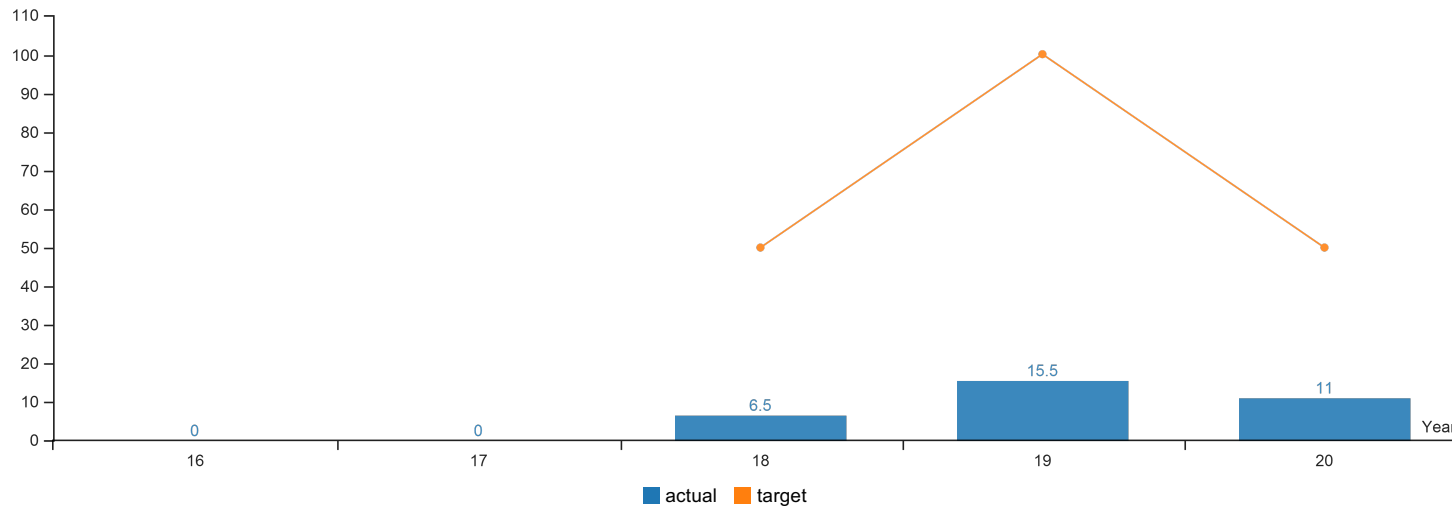
Legend

-  OLC lidar collected
-  Non-OLC lidar collected
-  Current lidar coverage in Oregon



KPM #4	PERCENT OF MINE SITES INSPECTED BIENNIALLY - Percent of permitted mine sites inspected biennially.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Percent of permitted mine sites inspected biennially;					
Actual	No Data	No Data	6.50%	15.50%	11%
Target	TBD	TBD	50%	100%	50%

How Are We Doing

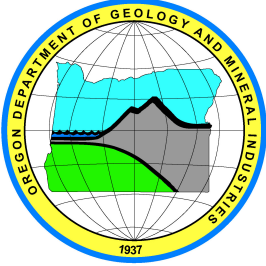
The KPM was legislatively approved during the 2017 Legislative Session and tracks the percentage of the total number of permitted mine sites inspected biennially. The target percentage of permitted mine sites inspected during the first half of the biennium is 50% of the total number of permitted mine sites. The target percentage of permitted mine sites inspected within the entire biennium (first half and second half of the biennium) is 100% of the total number of permitted mine sites. The 2019 data represents the percentage of the total number of permitted mine sites inspected during the entire biennium.

The agency has completed 15.5% of the 2019 biennium target.

Factors Affecting Results

Completing sites inspections is dependent on funding and staffing resources.

DOGAMI KPM 4 - % Mine Sites Inspected Biennially



Oregon Department of Geology and Mineral Industries
 Mineral Land Regulation & Reclamation Program
 229 Broadalbin St. SW
 Albany, OR 97321
 Tele: 541-967-2039
 Fax: 541-967-2075

Inspections

- 1 (76 sites)
- 2 (12 sites)
- 3 (1 site)
- 4+ (0 sites)

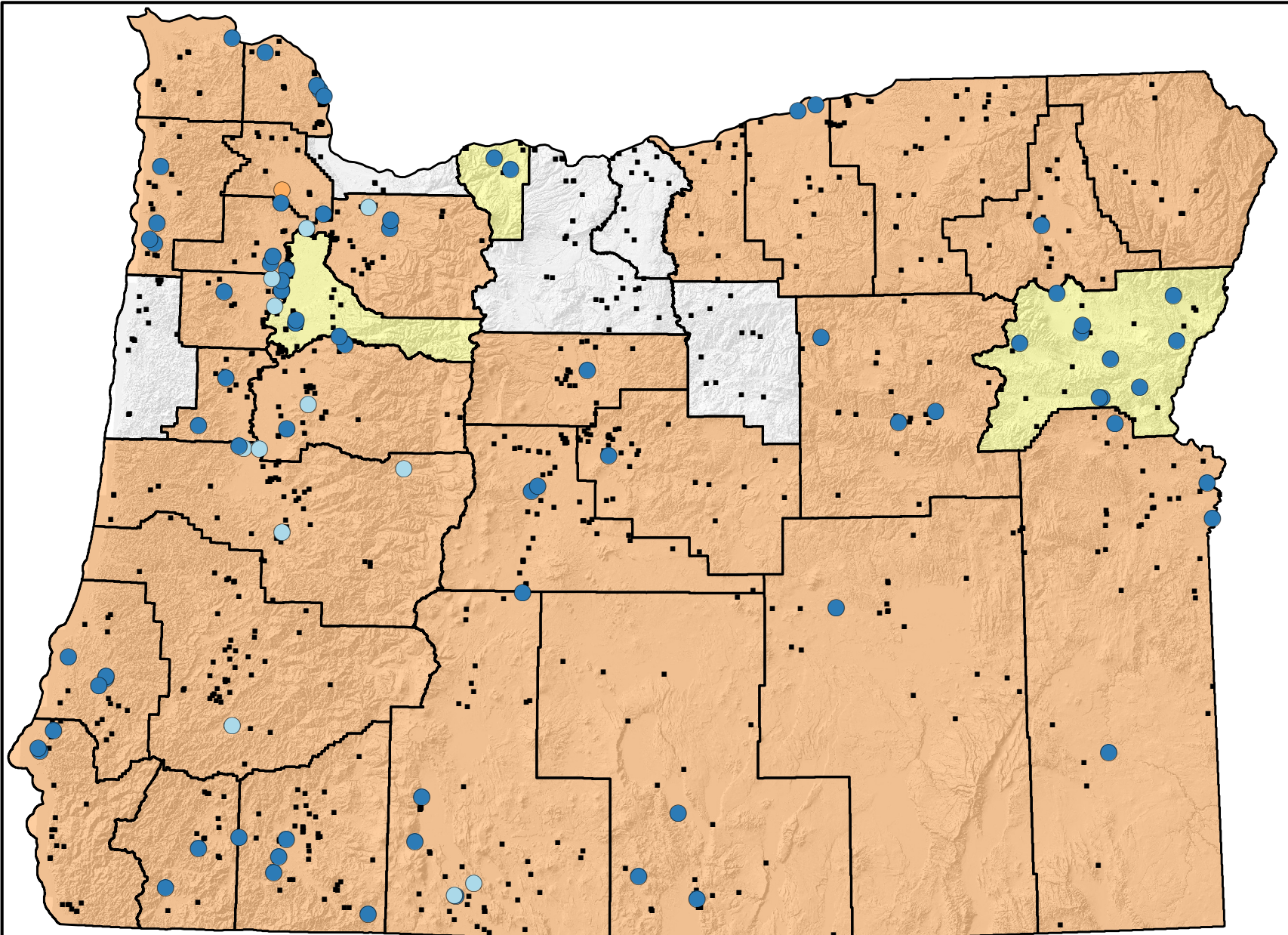
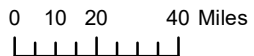
Mine Sites

- (902 Sites)

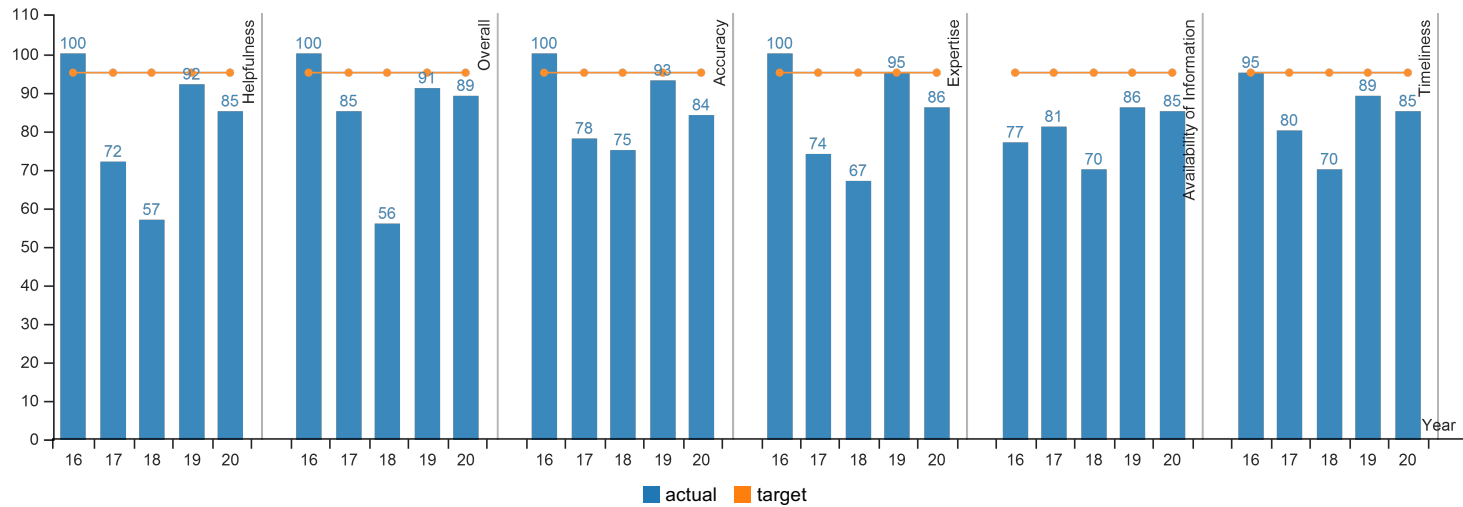
KPM4 By County

Percent Inspected

- 0%
- 1-24%
- 25-49%
- 50-74%
- 75-100%



KPM #5 CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
 Data Collection Period: Jul 01 - Jun 30



Report Year	2016	2017	2018	2019	2020
Helpfulness					
Actual	100%	72%	57%	92%	85%
Target	95%	95%	95%	95%	95%
Overall					
Actual	100%	85%	56%	91%	89%
Target	95%	95%	95%	95%	95%
Accuracy					
Actual	100%	78%	75%	93%	84%
Target	95%	95%	95%	95%	95%
Expertise					
Actual	100%	74%	67%	95%	86%
Target	95%	95%	95%	95%	95%
Availability of Information					
Actual	77%	81%	70%	86%	85%
Target	95%	95%	95%	95%	95%
Timeliness					
Actual	95%	80%	70%	89%	85%
Target	95%	95%	95%	95%	95%

How Are We Doing

Based on 198 survey responses, the agency's customer service performance has improved across all areas in 2019.

For each category, the agency has obtained:

97% of the "Helpfulness" target in 2019;

95% of the "Overall" target in 2019;

98% of the "Accuracy" target in 2019;

100% of the "Expertise" target in 2019;

91% of the "Availability" target in 2019; and

94% of the "Timeliness" target in 2019.

Factors Affecting Results

Customer surveys responses were gathered following meetings and in response to an online survey program from geoscience stakeholders. Multiple factors can influence response rates. Opportunities to improve customer survey engagement is a continuing focus moving forward.

Staff Report and Memorandum

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

From: Sarah Lewis, MLRR Program Manager

Date: September 15, 2020

Regarding: Agenda Item 10 – Permitting Process Presentation

Sarah Lewis, MLRR Program Manager, and Nick Tatalovich, Aggregate Permitting Reclamationist, will present the Permitting Process Presentation for MLRR.

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

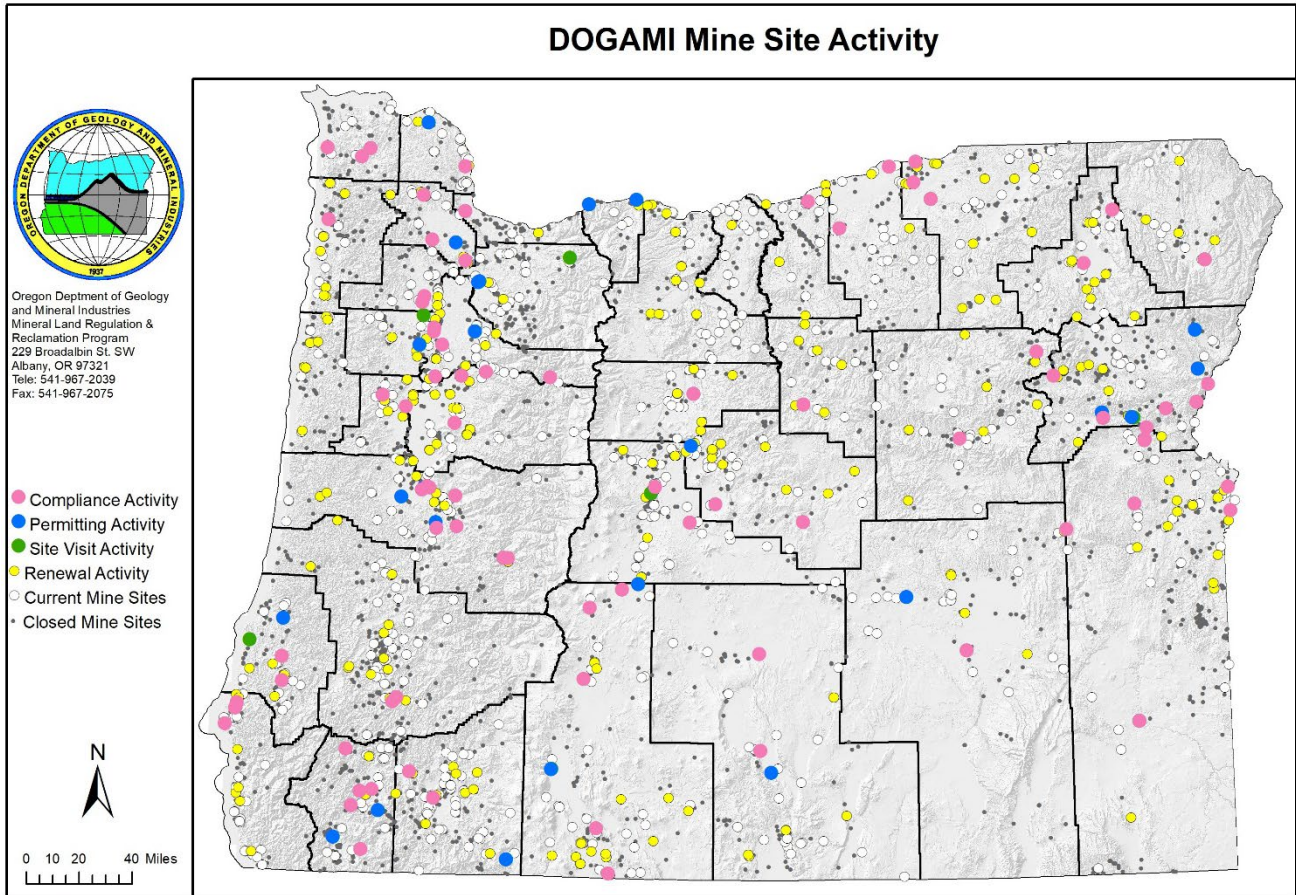
Date: September 15, 2020

Regarding: Agenda Item 11 - MLRR Update

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

- 1) MLRR Fee Increase
- 2) Permit Status Summary
- 3) Rulemaking Update
- 4) Grassy Mountain Update

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

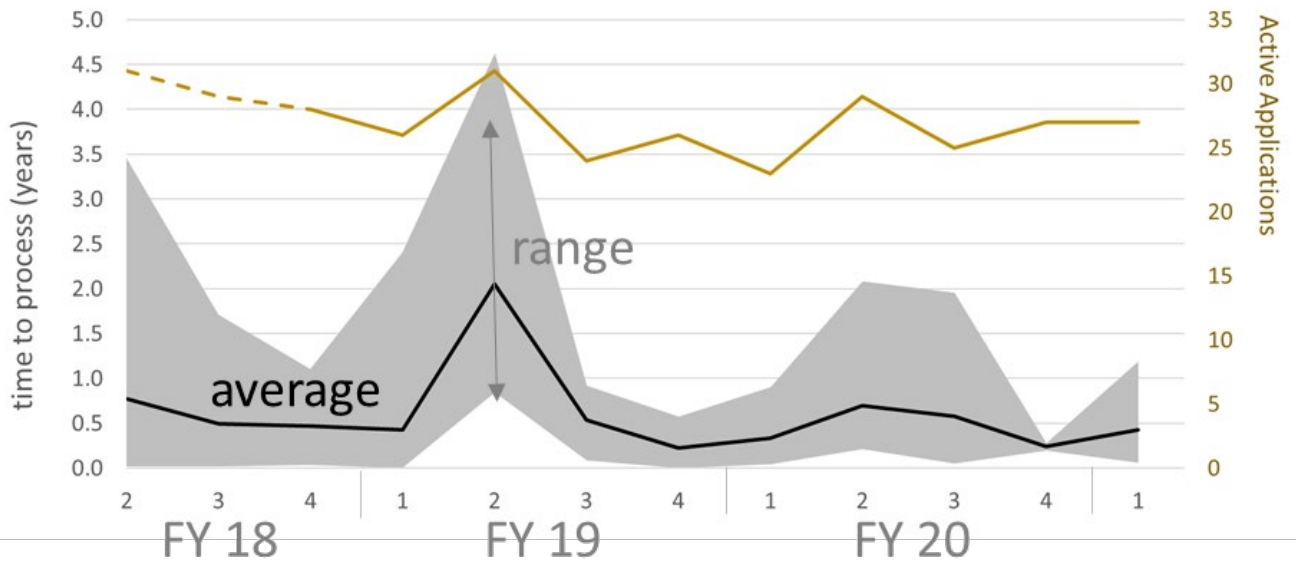


Map shows aggregate/non-aggregate active permitting applications, compliance actions, site visits in the last 6 months, and renewals due in last 3 months. COVID-19 protocols have resulted in a decrease in site visit activity.

Table 1: Permit Status Summary (as of 9/11/20)

	Oct-Dec 2019		Jan-Mar 2020		Apr-Jun 2020		Jul -Sep 2020	
	Permits	Apps	Permits	Apps	Permits	Apps	Permits	Apps
Surface Mining								
Operating Permits	872	29	873	25	872	27	884	27
Exclusion Certificates	119	1	120	6	131	9	134	2
Sites Closed	(1)		(0)		(2)		(1)	
Stormwater (DEQ)								
1200A Permits	161	7	160	6	159	7	158	7
WPCF 1000 Permits	49	4	49	4	49	4	49	4
Exploration	14	1	14	2	14	2	14	2
Oil & Gas Wells	92	1	92	2	91	2	89	0
Geothermal								
Well Permits	29	1	26	1	26	1	24	0
Prospect Wells	7	0	7	0	7	0	7	0

Surface Mining Application Processing Time and Workload

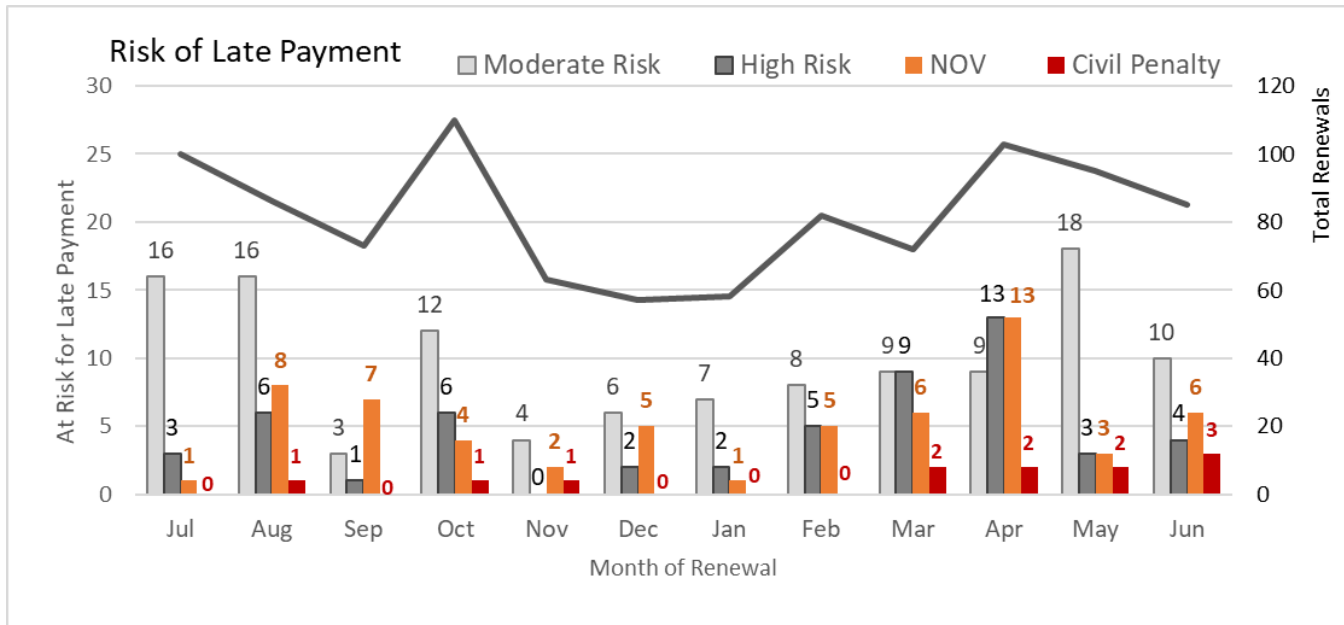


The average processing time for an application completed during the last year was approx. 6 months.

Table 2: Surface Mining Applications by Type (rev. 9/8/20)

	Total	New	Amend	Transfer
FY 2019				
Received	39	10	7	22
Completed	42	13	7	21
FY2020				
Received	38	10	7	21
Completed	35	7	6	22
FY21 1st Quarter (to date)				
Received	5	0	1	4
Completed	6	1	1	4
Active	27	12	10	5
<i>Applications older than 1 year</i>	11	7	4	0

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 9/10/20)

	2019			2020			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Non-Payment of Fees	7	8	15	13	18	18	
Mining Without a Permit	12	20	18	18	16	18	
Mining Outside Permit Boundary	~	~	~	24	21	21	
Lack of Approval	~	3	3	3	3	3	
Failure to Comply with Order	8	6	6	6	6	6	
Permit Boundary Survey Map	7	6	6	14	13	13	
Boundary Marking Violation	1	1	3	4	4	4	
Permit Condition Violation	3	1	5	4	7	11	
Reclamation Security	4	3	3	7	7	8	
Failure to Reclaim Timely	0	1	1	6	6	6	
Total	42	49	60	99	101	108	

Staff Report and Memorandum

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

From: Bob Houston, GS&S Program Manager

Date: September 15, 2020

Regarding: Agenda Item 12 - GS&S Update

Bob Houston, 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.

Staff Report and Memorandum

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

From: Brad Avy, Director & State Geologist

Date: September 18, 2020

Regarding: Agenda Item 13 – Director’s Report

Director Avy will deliver his report on the following topics:

- 1) DOGAMI’s Permanent GS&S Program Manager
- 2) Update: Internal Communications Plan
- 3) Strategic Planning 2022-2028
- 4) Looking Forward

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: September 15, 2020

Regarding: Agenda Item 14 - Confirm Time and Date for next meeting

Currently the next DOGAMI Board meeting is scheduled for 8:30 a.m. – 1:00 p.m. on Friday, December 4, 2020.

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