

Agency needs extra \$800,000 to cover expenses through June

By **HILLARY BORRUD**
Capital Bureau

SALEM—The agency that researches geologic hazards such as tsunamis and landslides in Oregon plans to ask the Legislature for an extra \$800,000 from the state general fund to cover expenses through June 30.

The Oregon Department of Geology and Mineral Industries discovered the shortfall this spring after the agency brought in accounting staff from other state agencies to answer some basic questions, such as how much money the agency brings in and how much it spends. The department also regulates mining and drilling for oil, gas and geothermal wells in Oregon.

The agency could go before a House-Senate budget subcommittee this week to request the additional funds, although a hearing had not been scheduled as of Monday afternoon.

In the meantime, the geology department has accumulated a tab with another state agency, the Department of Administrative Services, which is the landlord and payroll administrator for much of state government.

The Oregon Department of Geology and Mineral Industries has a current two-year budget of \$14.7 million, which translates to an average monthly budget of \$612,500.

Matt Shelby, a spokesman for the agency, said at least two factors contrib-

uted to the shortfall: the agency’s reliance on federal money and other non-state funds to pay for much of its work, and an overestimate of the revenue it would raise from fees to review permit applications for surface mining, and oil, gas and geothermal well drilling.

The agency struggled to accurately forecast the revenue stream from federal grants and other sources, and it has not raised the application fees for resource extraction in a decade.

A draft report by the accounting team also attributed the problems to a lack of financial management expertise necessary to manage the complex grants the agency receives, as well as outmoded accounting and budget processes and the failure to fill key jobs within the agency due to budget constraints.

According to the report, the accounting team also asked the state’s chief information officer to consider conducting a review of the Oregon Department of Geology and Mineral Industries’ information technology needs, since the agency stores and shares a large amount of GIS data and might require better computer systems.

Larry Givens, chair of the geology department’s governing board, said he was not completely surprised to learn the agency was \$800,000 short of funding in the final weeks of its two-year budget.

“I was and I was not,” Givens said Monday. Givens said he suspected there would be a shortfall since Interim State

Geologist Ian P. Madin informed the governing board earlier this year that the agency had financial problems. In the past, employees who briefed the board on the agency’s budget said the outlook would improve after they received payments expected under various contracts.

“Long story short, when we would get (financial) reports, we were told we were waiting, the agency was waiting on funding to come in from contracts that were in place and were being worked on,” Givens said. “So at that point the board said, ‘OK, we understand,’ and we went with the information we had.”

The Department of Administrative Services will now set up a new accounting system that “modernizes what (Department of Geology and Mineral Industries’) business processes are like,” Givens said.

Shelby said the accounting team also verified that the Oregon Department of Geology and Mineral Industries has enough money in a fund where the agency keeps money provided by small surface mining operations as a security to ensure they will perform the required reclamation. Questions had arisen about whether the surface mining funds were misspent, because the agency did not separate the security money from other funds.

“So the money’s all there,” Shelby said, although he added that the accounting team continues to verify each individual deposit.

State considers 20 percent tax on retail marijuana

(AP) — The Oregon Legislature is considering imposing up to a 20 percent sales tax on retail sales of marijuana once it becomes available to consumers.

Proposed amendments to a bill (HB 2041) allowing localities to prohibit marijuana facilities within 1,000 feet of schools would impose a 17 percent state tax on retail sales of marijuana products, from buds to candies.

The latest amendments to the main bill (HB 3400) laying out regulations for legal marijuana in Oregon under the ballot measure enacted by voters last fall would allow cities and counties to charge a 3 percent tax, if local voters approve.

Scott Winkels, lobbyist for the League of Oregon Cities, said they were happy the Legislature gave localities authority to charge a tax — Measure 91 gave only the state authority to tax, with some of the revenues

shared with localities — but the league would like to see the amount increased once retail marijuana is up and running and there is a better idea of how much revenue it is generating.

“But having it on the books, we think, is a huge win,” he said.

Senate President Pro Tempore Ginny Burdick, D-Portland, co-chair of the joint committee implementing Measure 91, said the tax rates were chosen to keep Oregon cannabis prices lower than competitors in Washington state and Colorado, to keep prices low enough that consumers won’t go to the black market, and to generate about the same amount of revenue as the original taxes charged growers in Measure 91.

By comparison, the tax on cigarettes is 65 percent of wholesale, and liquor is about 100 percent of wholesale.

Washington governor’s advisers courted oil refinery

PORTLAND (AP) — Washington Gov. Jay Inslee recently said he hadn’t heard much about a new oil refinery along the Columbia River, but emails show his administration has been working for months to facilitate the project.

Citing emails obtained through a public records request, Oregon Public Broadcasting reported that Inslee’s advisers have been courting a project by Riverside Energy to build a combined crude oil and biofuel refinery in Longview, Washington.

Plans for a 45,000-barrels-per-day refinery first surfaced publicly in April. Two thirds of the facility’s production would process crude oil shipped by train from the Bakken region of North Dakota to a facility in southwest Washington. The other third would handle used cooking, seed and vegetable oils.

Inslee told reporters at a May 28 news conference that he had “not heard

much about it other than what you have reported in the media.”

But emails reveal that Inslee’s cabinet and staff have been in discussions with Riverside Energy CEO Lou Soumas for nearly a year. Inslee’s advisers have invited Soumas to comment on potential legislation that would require cleaner fuels for cars and trucks and asked him to present to staff at different state agencies.

The governor’s executive director of policy, Matt Steurwalt, and the state’s director of commerce, Brian Bonlender, met with the company’s CEO in Steurwalt’s office in February, according to the emails.

Ask about the emails during an appearance on The Seattle Channel last week, Inslee said he expects his staff to have such discussions.

“So I think I’d probably categorize these as: We’re trying to figure out what they have in mind,” Inslee said. “This does not presage any agreement whatso-

ever or opposition whatsoever because you have to know what you’re doing.”

Energy projects such as Riverside’s proposal must be reviewed by the state Energy Facility Site Evaluation Council. Inslee could have a final say in the project’s approval.

“It’s very worrisome that this kind of communication, this kind of lobbying would be happening with the governor’s office outside the view of the public, on an issue of this magnitude,” said Eric de Place, policy director with Sightline Institute, a Seattle-based progressive think tank.

The proposal outlined in Soumas’ pitches aligns with Inslee’s push for cleaner-burning fuels. Earlier this year, Inslee directed the Department of Ecology to draft a rule to reduce carbon pollution from fuels for cars and trucks, though he said he wants feedback before starting a formal rule-making process.

The refinery would create a mixture of low carbon jet fuel, gasoline and other petroleum products for use in the region.

State proposes moving the tsunami line inland

By **ZANE SPARLING**
Capital Bureau

SALEM — A proposed redrawing of the tsunami inundation line on the Oregon Coast increases the amount of urban land at risk for massive flooding by 30 to 40 percent, according to the Department of Geology and Mineral Industries.

Earth Science Information Officer Ali Ryan said the new tsunami boundary will place 28,000 structures on the seaward side of the line, up from 20,000.

Better technology, better maps and better risk assessment are spurring the adjustment — not a change in real danger, scientists say.

The Department used LIDAR, a plane-mounted laser that can take 500,000 measurements a second, sees through vegetation and is accurate to the nearest half inch, in order to create their own tsunami maps.

In conjunction with better simulations, geologists have created five possible tsunami lines — small, medium, large, XL and XXL. The bigger the size, the farther inland the wave will strike.

Corrections

The East Oregonian works hard to be accurate and sincerely regrets any errors. If you notice a mistake in the paper, please call 541-966-0818.

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COMMERCIAL PRINTING

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Forecast

TODAY

THURSDAY

FRIDAY

SATURDAY

SUNDAY

Sunny to partly cloudy and hot

Very warm with plenty of sun

Breezy with plenty of sun

Plenty of sunshine

Plenty of sunshine

PENDLETON TEMPERATURE FORECAST

91°	57°	90°	57°	82°	50°	79°	47°	83°	52°
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HERMISTON TEMPERATURE FORECAST

94°	59°	93°	60°	84°	51°	83°	50°	87°	54°
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ALMANAC

PENDLETON

through 3 p.m. yesterday

TEMPERATURE

	HIGH	LOW
Yesterday	94°	61°
Normals	76°	51°
Records	103° (1918)	39° (1999)

PRECIPITATION

24 hours ending 3 p.m.	0.00"
Month to date	0.05"
Normal month to date	0.50"
Year to date	4.99"
Last year to date	6.47"
Normal year to date	7.01"

HERMISTON

through 3 p.m. yesterday

TEMPERATURE

	HIGH	LOW
Yesterday	95°	63°
Normals	78°	52°
Records	96° (1948)	41° (1985)

PRECIPITATION

24 hours ending 3 p.m.	0.00"
Month to date	Trace
Normal month to date	0.23"
Year to date	3.14"
Last year to date	3.77"
Normal year to date	5.34"

SUN AND MOON

Sunrise today	5:06 a.m.
Sunset tonight	8:44 p.m.
Moonrise today	1:35 a.m.
Moonset today	2:10 p.m.

New

First

Full

Last

June 16

June 24

July 1

July 8

Map

Shown is today's weather. Temperatures are today's highs and tonight's lows.

REGIONAL FORECAST

Coastal Oregon: Mostly sunny today, except mostly cloudy in the south.

Eastern Washington: Sunshine and patchy clouds today. Clear tonight. Sunshine tomorrow.

Cascades: Sunny and warm today; pleasant across the north. Clear tonight.

Northern California: Mostly cloudy today; a couple of showers and a thunderstorm; however, dry at the coast.

Western Washington: Abundant sunshine today. Clear tonight; however, mostly cloudy at the coast.

Eastern and Central Oregon: Sun and clouds today; a thunderstorm in spots in the south.

REGIONAL CITIES

	Today			Thu.		
	Hi	Lo	W	Hi	Lo	W
Astoria	64	53	s	64	52	pc
Baker City	84	46	pc	84	47	s
Bend	83	44	s	83	47	s
Brookings	66	52	c	72	54	s
Burns	86	44	pc	86	47	s
Enterprise	82	47	pc	82	46	s
Eugene	82	47	s	83	49	s
Heppner	89	51	s	89	52	s
Hermiston	94	59	s	93	60	s
John Day	84	49	pc	84	51	s
Klamath Falls	84	45	t	86	49	s
La Grande	84	49	pc	84	51	s
Meacham	78	41	pc	78	44	s
Medford	91	54	t	91	57	s
Newport	58	48	s	59	48	s
North Bend	62	50	s	64	51	s
Ontario	95	64	pc	94	62	s
Pasco	95	58	s	95	59	s
Pendleton	91	57	s	90	57	s
Portland	81	54	s	78	52	pc
Redmond	86	43	s	85	46	s
Salem	82	50	s	83	51	pc
Spokane	88	59	s	86	57	s
Ukiah	84	44	pc	84	46	s
Vancouver	80	53	s	78	51	pc
Walla Walla	93	64	s	90	63	s
Yakima	96	60	s	94	58	s

WORLD CITIES

	Today			Thu.		
	Hi	Lo	W	Hi	Lo	W
Beijing	82	63	c	86	68	s
Hong Kong	91	84	sh	91	83	sh
Jerusalem	83	56	s	82	56	s
London	66	51	pc	73	59	s
Mexico City	79	55	pc	80	54	t
Moscow	64	49	pc	66	50	c
Paris	75	62	pc	85	64	t
Rome	82	64	s	83	63	s
Seoul	88	64	pc	84	63	t
Sydney	61	52	sh	62	50	sh
Tokyo	78	69	pc	76	69	pc

WINDS

	Today	Thursday
(in mph)		
Boardman	W 6-12	W 7-14
Pendleton	W 7-14	W 7-14

UV INDEX TODAY

2	5	7	7	5	2
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8 a.m. 10 a.m. Noon 2 p.m. 4 p.m. 6 p.m.

0-2, Low 3-5, Moderate 6-7, High; 8-10, Very High; 11+, Extreme

The higher the AccuWeather.com UV Index™ number, the greater the need for eye and skin protection.

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NATIONAL WEATHER TODAY

Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day.

showers t-storms rain flurries snow ice cold front warm front stationary front high low

National Summary: Thunderstorms will drench parts of the South and the West today. Locally gusty storms will sweep across the Great Lakes. Most areas from Texas to Maine will be sunny and free of rain.

Yesterday's National Extremes: (for the 48 contiguous states)
High 106° in Redding, Calif. Low 33° in Leadville, Colo.

NATIONAL CITIES

	Today			Thur.				Today			Thur.			
	Hi	Lo	W	Hi	Lo	W		Hi	Lo	W	Hi	Lo	W	
Albuquerque	87	64	pc	85	60	s		Louisville	91	70	s	91	73	pc
Atlanta	85	69	t	84	69	t		Memphis	93	74	s	90	73	t
Baltimore	87	67	s	93	70	pc		Miami	89	77	t	88	79	t
Billings	81	56	t	78	56	s		Minneapolis	82	56	pc	70	54	pc
Birmingham	85	69	t	85	70	t		Nashville	89	68	s	88	70	t
Boise	92	62	c	92	61	s		New Orleans	86	74	t	85	74	t
Boston	80	63	s	85	62	t		New York City	82	69	s	90	70	t
Charleston, SC	87	71	t	87	72	t		Oklahoma City	94	72	s	91	72	t
Charleston, WV	89	63	pc	92	66	pc		Omaha	92	69	s	80	64	t
Chicago	86	62	pc	75	60	pc		Philadelphia	87	69	s	93	72	pc
Cleveland	87	63	t	79	65	pc		Phoenix	96	79	s	99	78	t
Dallas	96	72	s	94	72	s		Portland, ME	79	59	s	84	61	t
Denver	78	56	t	72	52	t		Providence	83	62	s	87	62	t
Detroit	88	63	t	80	64	pc		Raleigh	88	69	pc	90	71	s
El Paso	97	76	pc	98	74	s		Rapid City	76	57	t	64	53	r
Fairbanks	65	46	c	60	44	sh		Reno	75	57	t	87	58	s
Fargo	77	56	s	77	54	c		Sacramento	79	63	c	95	62	t
Honolulu	86	72	pc	87	72	pc		St. Louis	94	74	s	92	76	pc
Houston	93	73	t	91	75	t		Salt Lake City	84	63	t	74	61	t
Indianapolis	90	69	pc	90	69	pc		San Diego	73	64	pc	71	65	pc
Jacksonville	89	68	t	86	67	t		San Francisco	72	56	c	73	56	pc
Kansas City	91	70	s	83	68	t		Seattle	78	55	s	75	52	pc
Las Vegas	93	72	c	95	77	pc		Tucson	89	72	t	96	71	pc
Little Rock	94	74	s	92	73	t		Washington, DC	95	73	s	94	76	pc
Los Angeles	79	63	pc	78	63	pc		Wichita	95	71	s	92	70	t

Weather (W): s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.