



## STATE OF OREGON

## INTEROFFICE MEMO

TO: Governor

DATE: March 30, 1984

FROM: Gerry

APR 16 1984

Governor Atiyeh

SUBJECT: Cabinet Meetings

Tuesday 3/14 Cabinet

Hegstrom - reaching the Medicaid match cap. Unanticipated. Miscalculated. Could mean an \$8.5 million loss in federal funds. Still looking at the situation.

Still waiting for Fairview report.

Latest shipment of cheese was 10% bad and had to be destroyed, but Feds want it back (about 2,000 pounds).

Southwell - AFS & VR's joint program to evaluate handicapped receiving assistance has been very effective in reducing costs. (Reduction in eligibility through more complete review of clients.)

Brown - Field Services rules are being challenged. Legislative staff has reviewed and found no problem. Rep. Springer now involved.

Rule that permits reimbursement to insurers to pay own staff for rehabilitation services. Springer maintains intent was for PRO's and VRD services. The law is clear.

Rules are too long.

ODOT - dismissed affirmative action officer one year ago. ERB has upheld action. Significant ruling for state management.

Davis - bemoaned abrupt end to basketball season for OSU and U of O.

Intensive review of all engineering departments just complete. Waiting for report.

Interviewing for director of international department at PSU.

Duncan - Task forces preliminary report last Friday. All very good and some exciting things are beginning to surface. Trend is more state control.



Contains Recycled Materials

Monday 3/19 Staff

Don Arnold - Division of Independent Hearings Officers  
Move on ~~Bar's~~ part. Resurrect old file (Smith & Oliver)

Archie Mustard

1 or 1:30 a.m. - tanker (Mobile) *aground*

River mile 88 - Sauvies Island

2 of 6 tanks punctured. #6 Industrial heating oil.

Potential spill 30,000 barrels. 40,000 gallons released.

7:00 a.m. - Coast Guard felt spill shut down. No attempt to move vessel. Coast Guard in charge; Mobile accepted responsibility. Environmental Emergency Services for clean-up.

Coffin Rock - Oregon; Carrol's channel - Wash. side.  
Containment booms in place by 9:00 a.m.

Trojan downstream; DOE on site. Plant preparing - key decision for shut-down. Oil at 140 degrees; when it cools to 60 degrees, will sink. 5 million gallon reserve intake water -- no jeopardy of operation for 36 to 48 to 72 hours. May have to deal with shut-down.

Wednesday 3/21 Cabinet

Heard - staff brown bag lunches with various executive branch members, i.e. Bob Smith, Gerry Thompson, etc., very successful.

Revenue - Remnant Church of Christians in K. Falls filed for exemption of taxes. Hearing held. Two minutes into hearing, participants began reading from bible and basically demonstrating. Hearing dismissed.

Austin - Price Waterhouse Jan. 31, 1984 still shows VA operating in the black.

Wednesday, 3/21 Cabinet (cont.)

Mustard - Tanker still aground. Have been very fortunate with pollution impact. Major portion of slick running down middle of river with remainder drifting to Washington side.

Harney County package ready for review tomorrow. ODOT's announcement of \$3 million for improvement of flood affected roads could adversely affect federal aid.

D. Smith - rule re: private clubs service to non-members - starting all over. Upward mobility program underway. All those under salary range 21 can participate for advanced career training. Commended Dean for his positive attitude and his turnaround of a very negative environment.

Huston - Vehicle misuse report by agency now available. Will wait for release after Governor returns.

Judson Baptist closure (because of arrears) will be discussed at upcoming E. Board. Looks like Murdock Foundation will help, plus a line of credit has been granted by an Oregon bank.

Salem Hospital has requested temporary lease of athletic field at Blind School. Lease for temporary parking during construction of permanent parking structure. No logical reason to turn down, but is reviewing closely.

City of Salem wants decision on easements for Hawthorne extension at Sunnyview near fair. State fair is asking for an exchange.

Williams - "I-5 Killer", Randy Woodfield book on shelves now. Accurate accounting of Woodfield's misdeeds.

Rapist in Springfield crawling through windows and attacking young (8, 9, & 10 year old) girls.

Fatalities down over last year. Good trend continues!

Tuesday 3/27 Cabinet

Post - problems with recruitment of OSU president.

Grant - Tow Motor - Umpqua Valley 50% charge to patient if no insurance or charged against deductible.

Brown - AGC requesting special task force to find ways to contain WC costs. *HOLD FOR GOV'S RETURN.*

Hayes - Mrs. McAdam still appealing for husband's release.

Murray - Hamby concerned about SB 765

Hegstrom - The previously reported deficit of \$8 million on the Medicaid cap now appears to be only \$1 million.

Wednesday 3/28 Cabinet

Heard - Esgate conducting classes on writing. Corporation Division returned from their retreat with an attitude of "sky is the limit".

Commerce will be participating in the "adopt a school" program.

Trouble with CPA's board in adopting rules and ethics standard.

Revenue - Rich Munn at data processing legislative committee.

Tax returns down by 10% (50,000) as compared to this time last year. Down in number of refunds. Suspicion is because more will have to pay, plus some from those who have left the state.

Austin - Still concerned about HB 4170. Told Staryl Congressman Bob Smith working with entire Oregon delegation as well as four other states with Vets programs joining effort.

Mortgage Tax Subsidy Bond act prohibits Veteran home loan holder from conducting business from their home if that business provides tax credits to home owner -- a federal rule; not state rule. Veterans association (Marc Nelson) demand full hearing on the rule.

Wednesday 3/28 Cabinet (cont.)

Bellamy - SB 710 funding being heard by E. Board today.  
A lot of skepticism among legislators.

McGoffin - CNA bid low on retirees' insurance but bid retention. Farwest high on premium, but no retention.

New law effective 7-1-85 does away with 13th check. I asked that Governor be fully briefed upon his return.

Hardy - Harney County heating up rapidly. Hatfield and Packwood becoming heavily involved. 3 national TV Networks involved.

Mt. St. Helens acting up. *(turned out to be minor.)*

Task force being formed (State, local gov't, industry) to review hazardous material transport, spills, safety, etc. Oregon has had 3 most major events in its history -- Willow Creek, Blue Magpie ship, and Mobile Oil tanker.

Huston - Higher Ed has asked to join telecommunications committee.

Some cars in Portland motor pool that do not meet emission standards. Looks as though someone removed pollution control devices.

Williams - endorses Lynn Hardy's efforts toward hazardous material. Nation studies show there is too much proliferation of control, lack of plans, etc.

Enforcement program for trucks going well.

Cracked an amphetamine lab in Eugene.

83 year old observed some people breaking into restaurant; fired two warning shots; ignored -- jumped in car and took off. 83 year old shot out two tires.

Military - Miller in D.C.

Yunker - Smith at legislative hearing. SB 710 tough. Legislature reluctant to use motor vehicle fund. Transportation committee and Fred Miller agree with using motor vehicle fund. Looking at \$2 million this year, but will be more like \$4 million.

Office of administrative hearings being pursued again. Agencies encouraged to get comments into Don Arnold.

Friday 3/30 Cabinet

Kunzman - Canada has put 29.9% tax on Oregon, Wash. and Idaho potatoes because of alleged dumping by Maine. Hearings being conducted to determine appropriate action.

Dogami - looking at bonding for mines -- possible increase. So far all going very well.

Parks - Volunteer had heart attack and died. Widow sued state in absence of Workers' Comp. Widow won. I asked Yunker to work with Jerry Brown for possible legislative concept.

Young - signed proclamation for Fort Rock/Christmas Valley which instructs staff to accept no more water rights applications and begin intensive review for further action.

Dam failure at Starve Mountain Ranch. (Malheur drainage area). Emergency Services has been alerted. Some property damage could occur, but not life threatening.

Hansen - Marion Co. garbage burner voted in. Some problems with Brown Island closure and lots of financial problems to be worked out. Not a certainty yet.

Mobil Oil spill debris at issue -- Washington would not allow disposal in their state so all will come to Oregon.

Zajonc - Marina fees -- alot of concerns are being satisfied. Large group in Portland still not satisfied without flat fee. Better handle on impacts when we get to public hearing phase.

Abandoned property currently being advertised.

Land exchange program in Eastern Oregon going very well. Expect to exchange 300,000 acres in Malheur & Harney Counties by May 1, 1984.

Workshop on fill and removal rules next week.

Maudlin - There will not be mandatory measured residential telephone service.

Friday 3/30 Cabinet (cont.)

Rousseau - Winchester Dam being reviewed for fish and wildlife impact. FERC becoming involved. Possible court action. Oregon F & W handling well and fighting hard to accomodate dam.

Frank - Jean Mater wants to establish a citizens review panel for regulation of Trojan. Al Thompson is scheduled to meet with her to discourage.

I suggested we schedule Jean to meet with Governor.

Ross - Commission schedule very heavy for acknowledgement reviews -- average of 15 to 16 each meeting.

Will start reviewing agency coordination plans in July.

Rajneeshpuram Court of Appeals ruling is hard to understand. Appeal being made because any community of 150 people could incorporate and bypass statewide planning goals.

Eagle Picher exception hearing last night -- result not known but county commissioners asked that LCDC use critical eye. All going well.

GT:ds