1) **Call to Order:**
   Chair Larry Givens called the meeting to order at 8:30 am.

2) **Introductions:**
   Board Chair Larry Givens, Vice Chair Steve Macnab and Board Members
   Douglas MacDougal and Charles Vars were present.

   DOGAMI Staff in attendance:
   Vicki McConnell, State Geologist
   Gary Lynch, Assistant Director
   Don Lewis, Assistant Director
   Rachel Lyles, GIS Program Leader
   Seay Johnson, Chief Fiscal Officer
   Clark Niewendorp, Geologist
   Ben Mundie, Reclamationist
   Bob Brinkmann, Reclamationist
   Vaughn Balzer, Reclamationist
   Bob Houston, Oil & Gas, Geothermal
   Isaac Sanders, Fish Biologist
   Alyssa Boles, Office Manager
   ReNeea Gordon, Permits Coordinator
   Andre Sampier, Intern
   Corey Carlson-Ham, Intern
   Carol DuVernois, Executive Assistant

   Others:
   Larry Knudsen, AAG
   Art Ayre, DAS BAM
   John Terpening, LFO
   Larry Tuttle, Center for Environmental Equity
   Edward Wolfe, writer
   Jay Raskin, Ecola Architects
   Angie Dykema, Ormat
   Randy Peterson, Ormat
   Jerry Fish, Stoel-Rives
   Lachlan Reynolds, Oregon Energy LLC
   John Hasleby, Oregon Energy LLC
3) **Approval of Minutes of June 24, 2011 Portland Meeting:** (Board) 
   *Action Item*
   
   **Motion:** Macnab moved and Vars seconded motion to approve minutes as written. Motion carried.

4) **Board Business:**
   
   a. **Update on Director Performance Evaluation:** *Update Item*
   
   Chair Givens reported that he has received all evaluations from the Board and staff. He is planning to conduct a couple of interviews and compile results when those are complete.
   
   b. **Review and approval of Key Performance Measure 11 – Board Governance:** *Action Item*
   
   McConnell summarized the evaluations submitted by the Board and noted that the results are ready to include in the Annual Key Performance Measure report with Board approval.
   
   **Motion:** Vars moved and Macnab seconded that KPM 11 results be included in the Annual Key Performance Measure agency report. Motion carried.
   
   c. **Election of Board Chair and Vice-chair for 2 year period:** 
      *Action Item*
   
   **Motion:** Vars moved and Macnab seconded that Larry Givens continue to serve as Board Chairman for a second two-year term. Motion carried.
   
   Macnab has one year left on the Board, so has withdrawn from the Vice-Chair position. After discussion Douglas MacDougal agreed to serve.
   
   **Motion:** Vars moved and Macnab seconded that MacDougal serve as Vice-Chair for a two-year term. Motion carried.

5) **State of the Agency:** (Vicki S. McConnell, State Geologist)
   
   a. **Update of Agency activity by State Geologist:** *Update Item*
   
   McConnell briefed the Board on recent agency activity, including new projects and proposals, project completions, lidar data collection update, meetings and conferences, and staff changes.
   
   b. **Financial Report for Agency activity through end of 2011 Biennium:** *Information Item*
   
   McConnell summarized each program’s operating revenues, expenses and ending balances. She noted the excellent work of Assistant Director Don Lewis and Business Office staff Seay Johnson, Tove Larsen and Nina Rathbone on completing the financial reporting on time.
   
   c. **Request to approve draft rules for SB 122:** *Action Item*
Draft rule language was completed by the Rule Writing Committee and the Rules Advisory Committee met to discuss the draft rule and the Statement of Need and Fiscal Impact. These were presented to the Board for their approval along with the draft Notice of Proposed Rulemaking. These rules will not be limited to Program 1, but will not in any way affect fees in Program 2. Program 2 could utilize these rules however, for example, with a watershed restoration project, to enter an agreement to deliver services for that project.

Knudsen said that this should be covered by the delegation log, but McConnell will review the orders to make sure this is correct.

**Motion:** Vars moved to approve the draft rule language and Statement of Need and Fiscal Impact. Macnab seconded. Motion carried.

d. **Briefing of Oregon 10 Year Strategic Plan: Information Item**

McConnell gave background and summarized the feedback given to the Governor’s office by various working groups made up of agency directors.

Board members submitted comments on the Governor’s 10 Year Strategic Plan to Director McConnell. McConnell distilled the Board’s comments into a memo that she submitted to the DAS Strategic Initiatives Manager.

Next steps will be vetting the strategies with stakeholders and determining how priorities can be incorporated into the 2013-15 budget process. McConnell urged the Board to consider participation on the vetting panel.

6) **Mineral Land Regulation & Reclamation Program:** (Gary Lynch, Assist. Director & Bob Houston, MLRR staff)

   a. **History of mining, oil & gas, and geothermal regulation in Oregon and the development of the MLRR program:** Information/Training Item

   Lynch briefed the Board on the history of mined land reclamation and how Program 2 accomplishes its mission. He noted specific accomplishments of Ben Mundie, Vaughn Balzer, and the new interns Andre Sampier and Corey Carlson-Ham, and noted that he is proud of the entire MLRR staff.

   b. **Agency staff will brief the Board on OAR 632 Division 37 Rules for Chemical Process Mining:** Information/Training Item

   This item will be discussed at the next Board meeting.

   c. **Summary of operational and enforcement activities for surface mining, oil and gas, and geothermal regulatory programs and update on MLRR rule making:** Update Item
Operational and enforcement activities were outlined in a memo to the Board. Bob Houston gave a presentation on hydraulic fracturing and the regulatory oversight in Oregon.

8) **Aurora Uranium Deposit Exploration & Development:**

(Lachlan Reynolds & John Hasleby, Oregon Energy LLC)

a. Oregon Energy LLC President and Vice President presented their work to date on exploration for uranium at the Aurora site in Malheur County and described their business plans for further development at the site: *Update Item*

Reynolds and Hasleby gave a PowerPoint presentation outlining the scope of their plans for a uranium mine in Eastern Oregon.

b. **Questions and Comments from Board**

Chair Givens first acknowledged receiving a letter from Laurence Tuttle, Director of the Center for Environmental Equity, protesting the inclusion of Oregon Energy LLC on the agenda.

A complete copy of Mr. Tuttle’s letter was submitted for the record.

Chair Givens noted for the record that this is not a contested hearing of any type, it is simply an informational presentation and the Board is not making any decisions on permits. Furthermore, this is a public meeting so anyone could attend and Oregon Energy LLC will be putting the presentation on their website as well.

MacDougal asked what chemicals are used in uranium mining. Reynolds said it is a conventional open pit mine with a thin layer of rocks that cover the mineralized zones which will be removed and stockpiled. The ore is soft and easy to dig, so will not require a lot of blasting to remove. Ore will be collected and trucked to the processing plant. The plant specifications have not yet been worked out. There are a number of potential scenarios that will most likely involve a leaching process, which is a contained process. All the ore will be contained in a series of engineered tanks and subjected to some form of acid to leach the uranium products and will then be precipitated to form a product for customers. That product will be loaded into drums, secured into containers and delivered by road to an existing conversion system here in the US. Most uranium is produced outside of the US. There are 104 nuclear power stations in the US, so they would be delivering product to an established market that may indeed diminish, but they are not depending upon an increased market. Nevertheless there is a forecast of increasing nuclear power generation worldwide particularly in emerging countries like China, India and Russia which should put pressure on the uranium supply with a consequent increase in the cost of the commodity.
Givens noticed the impact on the Fort McDermitt Indian Reservation. Haselby said they have been working closely with the community as they are forming their plans to ensure community support.

The next milestone for the company is to submit a Notice of Intent of this becoming a project, which will initiate the formation of the oversight committee led by DOGAMI. They have collected enough information that they feel it’s time to move to the next step, initiating the permitting process. They anticipate submitting the documentation in the next couple of months.

The counties have been kept aware of their presence and plans. BLM is the landowner, so they are closely involved with applications for drilling access. They are also reaching out to other agencies so they are aware of the project. Givens suggested reaching out to the Association of Oregon Counties as well.

Ultimately, the price of uranium and the cost of development will dictate whether this project is economically feasible.

Givens asked if there is a contingency plan for what will happen economically to the region after the 10 to 12 years of mining, when the mine is no longer viable. Reynolds noted that this is a problem that is not isolated to this particular project. It is early to speculate, but the process will take into account economic impacts from the mine, which are well understood from many past examples. They do not have any concrete plans, but the local community will likely get a lot of training and skills, and that area is central to a lot of mining activity. If nothing else, they will be able to provide skilled training that the local people will then be able to take to other employment relatively nearby. The company is getting the sense that the local community would like it if they were in production today, and they remember when the mercury mine was active and would like to see the development and opportunities that would come back to the community that a mine would bring.

The proposed pit will go through a gully that is not an active stream and the mining impacts will be relatively small. The permitting process will clarify the reclamation requirements.

There is an historic mercury mine on the site and the company that had the mine is still in existence and they are responsible for the cleanup.

MLRR is developing a Request for Proposal that will bring a coordinator on board that is familiar with Division 37 Rules for Chemical Process Mining who would be the lead coordinator for the permitting for this site. We do not have the staff that could dedicate the time for this project.
9) **Additional Public Comment:** (three minutes limit per person unless otherwise specified at the meeting by the Chair)

Edward Wolf, a science and environmental writer, read a letter he submitted to the Board. His two main points were:

1. DOGAMI bears a special responsibility with respect to the rapidly advancing scientific understanding of our state’s greatest geologic hazard, the Cascadia Subduction Zone; and
2. Stewardship of past achievements is a continuing agency responsibility that should be monitored and reported to the Governing Board.

A complete copy of Mr. Wolf’s public comment was submitted for the record.

Chair Givens noted for the record that they will take his comments under advisement and he asked Director McConnell to research this further and respond to Mr. Wolf.

Jay Raskin, of Ecola Architects also submitted a letter to the Board, which he summarized. He believes DOGAMI’s role in risk reduction for a potential Cascadia earthquake and tsunami event should be strengthened. He would like to see a Key Performance Measure and budget goals based on this role.

A complete copy of Mr. Raskin’s public comment was submitted for the record.

Chair Givens noted for the record that they will take his comments under advisement and he asked Director McConnell to research this further and respond to Mr. Raskin.

10) **Set Time and Date for next meeting: (Board)**

The next meeting will be held on Friday December 9th in Portland.

11) **Lunch**

a. Bag lunch was served for Board, staff, and invited participants
b. MLRR staff provided overview of afternoon field visit

12) **Adjourn Meeting and Begin Field Trip**

**Action Items:**

1. A copy of Bob Houston’s presentation will be sent to the Board. Done
2. McConnell will respond to public comment by Edward Wolf, Jay Raskin, and Larry Tuttle, and report back to Board.
3. Copies of LAB to Board

4. McConnell will review delegation log to ensure the draft rules for SB 122 will be covered by the log.

APPROVED:

______________________________ ________________________________
Larry Givens, Chair   Steve Macnab, Vice Chair

______________________________ ________________________________
Charles Vars   Lisa Phipps

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Douglas MacDougal