

**GOVERNING BOARD MEETING
OREGON DEPARTMENT OF GEOLOGY & MINERAL INDUSTRIES**

Friday, December 9, 2011
Portland, Oregon

1) Call to Order:

Chair Larry Givens called the meeting to order at 8:30 am. The Board then went into executive session to discuss the Director's Performance Review. At 9:15 am the Board returned to open session and welcomed the audience back into the room.

2) Introductions:

Board Chair Larry Givens, Vice Chair Douglas MacDougal and Board Members Charles Vars and Lisa Phipps were present. Board member Steve Macnab attended by teleconference.

DOGAMI Staff in attendance:

Vicki McConnell, State Geologist

Gary Lynch, Assistant Director

Don Lewis, Assistant Director

Rachel Lyles, Project Operations Manager

Carol DuVernois, Executive Assistant

Others:

Larry Knudsen, AAG

Art Ayre, DAS BAM

Larry Tuttle, Center for Environmental Equity

Jay Raskin, Ecola Architects

Bill Lascher, freelance writer

Patty Snow, DLCD

Jeff Weber, DLCD

1 **3) Approval of Minutes of September 13, 2011 Corvallis Meeting:** (Board) *Action Item*
2 **Motion:** Vars moved and MacDougal seconded motion to approve minutes with
3 **one correction. Motion carried.**

4 **4) Board Business:** (Board)

5 **a. Completion of Director Performance Evaluation:** *Information Item*

6 Chair Givens gave a brief update of the performance evaluation. There
7 was no action required.

8 **b. Board to receive copies of DOGAMI 2011-2013 Legislatively Adopted**
9 **Budget:** *Update Item*

10 Board members were given hard copies of the budget. McConnell
11 outlined the budget process, and discussed post-LAB reduction options
12 submitted to Legislative Fiscal Office and DAS Budget and Management. The
13 options are in three increments of 3.5% each and would reflect a total of
14 \$269,565 of General Fund cuts to the current budget. These options will be

15 reviewed and acted upon during the 2012 Legislative Session in February 2012.
16 These cuts would eliminate parts of the agency's ending balance.

17 **c. Staff requests adoption of OR Administrative Rule 632-001-0020**

18 **Contracts for Geoscientific Surveys and Analysis: *Action Item***

19 The rulemaking process is complete and the period for comment closed
20 in mid-November with no requests for changes or for a public meeting.

21 McConnell recommended that the Board adopt OAR 632-001-0020.

22 **Motion: MacDougal moved to adopt OAR 632-001-0020. Vars seconded.**

23 **Motion carried.**

24 With the new Administrative Rule, the Delegation Log was revised to
25 delegate authority to the State Geologist to enter into agreements under ORS
26 516.035(6).

27 **Motion: Vars moved and Phipps seconded that the Board approve the
28 revised Delegation Log giving the State Geologist the authority to enter into
29 agreements under ORS 516.035(6). Motion carried.**

30 **5) State of the Agency: (Vicki S. McConnell, State Geologist)**

31 **a. Update of Agency activity by State Geologist: *Update Item***

32 McConnell briefed the Board on recent agency activity, including grants
33 and proposals, completed projects, meetings and conferences, staffing changes,
34 and agency synergy.

35 McConnell then discussed the agency response to comments submitted
36 at the September Governing Board meeting by Edward Wolf and Jay Raskin.
37 Chair Givens noted that the Japan earthquake was a wakeup call to Oregon
38 Emergency Management, especially as far as resilient infrastructure and business
39 continuity plans. McConnell noted that there are both response and recovery
40 issues. Givens noted that the costs of establishing rules and regulations that
41 protect citizens sometimes meet resistance.

42 MacDougal believes the outreach on preparedness and mitigation should
43 also extend to other state agencies and the legislature, and there are clear areas
44 where there is a need for attention and funding. Givens would like to encourage
45 more cooperation between agencies rather than the culture of protecting an
46 agency's turf. McConnell noted that DOGAMI spends a lot of time reaching out
47 to other agencies. We provide technical expertise to many agencies such as
48 OEM, ODOT and DLCD. OWRD will give the Board a briefing on water strategy at
49 our first meeting of 2012. We would also like to invite OEM leadership to a
50 meeting in the near future.

51 **b. Review of Agency Annual Performance Measure Report: *Update***
52 ***Item***

53 McConnell noted that we are on target for nearly all our Key Performance
54 Measures. We will likely request splitting KPM 1, with is earthquake and
55 tsunami mapping into 2 KPMs allowing us to track them separately. Our KPMs
56 do not measure everything the agency does, such as flood map modernization
57 and lidar data acquisition.

58 **c. Update of Oregon 10 Year Strategic Plan: *Information Item***

59 This plan is still in progress and will be presented to the Governor on
60 December 15th. The plan will likely be linked to our budget development.

61 **d. Agency activity during 2012 Legislative Assembly: *Information Item***

62 We will be requesting limited duration positions and a higher ceiling on
63 our Other Fund expenditure limitation.

64 **6) Break**

65 **Report on outreach with OMSI.**

66 Board Vice-Chair Douglas MacDougal met with representatives from
67 OMSI to see if the agency could put some lidar displays in the OMSI hall. We
68 would like to set up a meeting with them in January.

69 **7) Regulatory Issues:** (Gary Lynch, Mineral Lands Regulation and Reclamation
70 Program)

71 **a. Status of rulemaking for aggregate, oil and gas, geothermal laws.**

72 **The agency and AAG will update Board on geothermal and oil and**
73 **gas programs rules status: *Update Item***

74 The Board would like to see the pre-rules advisory committee draft of the
75 rules. The Division 20 Geothermal Rules Advisory Committee will meet on
76 January 11th and the Oil & Gas Rules Advisory Committee will meet on January
77 19th. After the committee is satisfied and revisions are completed, the draft
78 rules will be submitted for Board approval. We may need to schedule a
79 teleconference to get approval.

80 HB 3601 is a regulatory streamlining bill that allows DSL and DOGAMI to
81 enter into an agreement that will assign sole permitting responsibility to
82 DOGAMI in instances where mining activity would otherwise be under the
83 jurisdiction of both agencies. We are trying to get a group together to draft a
84 Memorandum of Agreement.

85 **b. Summary of operational and enforcement activities for surface**
86 **mining and oil and gas and geothermal regulatory programs: *Update***
87 ***Item***

88 Harney Rock received an extension from the Administrative Law Judge to
89 complete a land use comprehensive plan amendment that will be heard by Baker
90 County around December 15. Based on approval by the county, Harney Rock will
91 submit a reclamation plan that would reduce slopes to 1½ to 1 H: 1 vertical. The
92 Harney Rock site is approximately 20 miles north of Baker City, near North Powder.

93 Coburg Road Quarry is nearly wrapped up. The operators requested
94 approval to conduct and monitor several test blasts at the quarry in an effort to
95 determine the validity of the slope-stability study submitted on behalf of the
96 adjacent landowner. DOGAMI contracted out the technical expertise to review and
97 approve this Test Blasting Evaluation Plan.

98 MLRR program staff and geotechnical consultants are evaluating the
99 Sundance Rock request to amend their permit to allow blasting. Sundance Rock is
100 approximately 12 miles southwest of Roseburg and was the site of a mining
101 induced landslide in February 2004.

102 DOGAMI provided a summary on hydraulic fracturing in Oregon and
103 current proposed activities occurring in New Plymouth, Idaho (approx. 15 miles
104 east of Ontario, Oregon) to the Senate Environment and Natural Resources
105 Committee on November 16, 2011. This presentation was well received.
106 DOGAMI is working with DEQ and our shared AAG (Larry Knudsen) to draft a
107 response to Senator Dingfelder's question: *Does DOGAMI or other natural*
108 *resource agencies have an opportunity to submit comments to the Idaho*
109 *Department of State Lands during their hydraulic fracturing permitting process*
110 *regarding potential impact to an aquifer that may extend across the state line*
111 *into Oregon?*

112 MacDougal asked if current Division 10 rules cover hydraulic fracturing.
113 Knudsen said they did not. However, if we do need to address the issue, Oregon
114 already has unique ground water protection laws on the books, and hydraulic
115 fracturing rules should be their own division of rules.

116 **c. Update on Division 37 Chemical Process Mine activities:** *Update Item*

117 The Oregon Energy LLC Aurora project has slowed down due to sage
118 grouse issues, and will not likely be filing a notice of intent any time soon.

119 DOGAMI staff and DOJ are reviewing a draft MOU with Calico Resources
120 at the Grassy Mountain Gold Mine to cover expenses for pre-permitting activities
121 if a Notice of Intent to Apply were to be submitted to the Agency.

122 Lynch and McConnell attended a Division 37 interagency coordination
123 meeting organized by Richard Whitman of the Governor's Natural Resource
124 Policy Office on December 5, 2011.

125 **8) Oregon Tsunami Hazard Mitigation Program:** (Don Lewis and Rachel Lyles, Geologic
126 Survey and Services Program)

127 **a. Status of the Agency's work on tsunami hazard mitigation:**
128 *Information Item*

129 The agency has been identifying and mapping the tsunami inundation
130 hazard along the Oregon coast since 1994. In Oregon, DOGAMI manages the
131 National Tsunami Hazard Mitigation Program (NTHMP) that was initiated in 1995
132 and is administered by NOAA. DOGAMI's work is designed to help cities,
133 counties, and other sites in coastal areas reduce the potential for disastrous
134 tsunami-related consequences by understanding and mitigating this geologic
135 hazard. Towards this, we have now developed a new generation of tsunami
136 inundation maps to help residents and visitors along the entire Oregon coast
137 prepare for the next nearby Cascadia Subduction Zone (CSZ) earthquake and
138 tsunami. Don Lewis briefed the Board on the status of the program.

139 **b. Discussion of improvements to the Tsunami Inundation Zone maps**
140 **(OAR 632-005) and potential next steps:** *Information Item*

141 Rachel Lyles discussed improvements to the Tsunami Inundation Zone
142 maps. Department is now in production mode to produce the set of new
143 Cascadia Subduction Zone Inundation Maps for the entire coast. This work is
144 anticipated to run through mid-2014. The new maps are based on the best
145 available science and were modeled using best available bathymetric and lidar

146 data. Evacuation routes, signs, and assembly areas are being updated and are
147 part of our community outreach efforts.

148 Chair Givens suggested that the Board and agency consider re-evaluating
149 and perhaps re-adjusting our 2009-2015 Strategic Plan.

150 Phipps sees opportunities to provide leadership frameworks within
151 communities and would like to see this included on the timeline. She also would
152 like to know how we plan to keep the communities updated and suggests tying
153 this into a possible revision of the strategic plan.

154 McConnell noted that the Tsunami Hazard Mitigation Program is a
155 national program and is federally funded. The competition for those funds is
156 strong. The reauthorization of the project will come before Congress next year
157 and appropriations most likely will decrease. So we must look at that reality
158 when we discuss how we will administer this project.

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

160 The next meeting will be a day-long meeting in Portland on Tuesday
161 March 20, 2012.

162 **10) Additional Public Comment: (three minutes limit per person unless otherwise
163 specified at the meeting by the Chair)**

164 Jay Raskin urged the Board to review and revise the Strategic Plan, so
165 that there is a way to track how well DOGAMI and other agencies are helping
166 fulfill the natural hazard mitigation mandate. He realizes it calls into question
167 the Strategic Plan priorities and resource allocations, but believes it is justified
168 because the Cascadia Subduction Zone earthquake is the most serious natural
169 hazard that Oregon faces. He suggests inviting Chris Goldfinger to discuss his
170 research.

171 He also knows that the Cascadia event gets broken down into tsunamis
172 and earthquakes. Because of funding, we are focused on tsunami risk, but the
173 economic impact of one of these earthquakes on the state would be 30 – 40% of
174 the gross state product and thousands of casualties, and of that percentage the
175 earthquake component is the larger component and more Oregonians will be
176 impacted by the earthquake than by the tsunami.

177 Raskin's motive is that he wants to feel he has done enough. He has
178 made it his personal task and is giving this task to DOGAMI as well. If DOGAMI is
179 not the major pusher in terms of state agencies, then he doesn't know who is
180 responsible.

181 Raskin noted a number of local experts to call on including Dr. Goldfinger,
182 Harry Yeh, Evelyn Roloff and Nate Wood of the USGS, and Yumei Wang of
183 DOGAMI. He encourages the Board to get their direct testimony.

184 He noted his discussion with Rob Witter before he left the agency
185 regarding the water depths and velocities in the inundation modeling, which can
186 be used for planning purposes. These data allowed the tsunami vertical
187 evacuation study in Cannon Beach and will be available up and down the coast. It
188 also allows you to do evacuation simulation modeling and take measures on how

189 to reduce the amount of casualties. He believes we should be discussing this
190 with NOAA right away to secure funding.

191 Larry Tuttle spoke to the Board regarding chemical process mining. He
192 cautions the Board that he believes there will be a great deal of pressure to
193 modify the legislation and rules in the upcoming session, because the attorney
194 for Calico Resources was the liaison to Governor Roberts for the adoption of the
195 1991 mining law and rules subsequent to the law.

196 He also believes that there will be lobbying to return a lot of the
197 functions from the state to the federal government. The federal government
198 cannot deny a permit, and cannot condition its approval of a plan of operations
199 on securing other permits. It has a very limited role, which is one of the reasons
200 the 1991 law came about. Oregon didn't feel the federal role was sufficient to
201 protect the environment.

202 Tuttle noted that there are two other players in uranium mining other
203 than the Energy Facility Siting Council. There is USDOE which administers the
204 Uranium Mill Tailings Radiation Control Act. There is also the Environmental
205 Protection Agency which, other than the Clean Water and Clean Air Act, which
206 has a direct role called the Technology Enhanced Naturally Occurring Radioactive
207 Material, which controls the products produced at uranium mines and the
208 products left over from the mining process.

209 Tuttle will put all his concerns in writing to create a file.

210 **11) Adjourn** – Meeting was adjourned at 12:30pm

211 **Action Items:**

- 212 1. Send Board a copy of Nature of the Northwest sales chart. – Done
213
214 2. Send Board a copy of draft Oil & Gas and Geothermal rules. – Done
215
216 3. Send Board a copy of Larry Knudsen's response to Senator Dingfelder's
217 question about possible impacts of Idaho's hydraulic fracturing on Oregon's
218 water.

219

220 APPROVED:

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Larry Givens, Chair

Douglas MacDougal, Vice Chair

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Charles Vars

Lisa Phipps

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Steve Macnab