

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

Friday, March 26, 2010
Portland, Oregon

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 Doug MacDougal, Charles Vars, and Lisa Phipps were present.

DOGAMI Staff in attendance:

State Geologist Vicki McConnell

Assistant Director Gary Lynch

Assistant Director Don Lewis

Acting Business Manager Tove Larsen

Earth Sciences Information Officer James Roddey

Administrative Assistant Carol DuVernois

Natural Resource Specialist Robert Houston was on teleconference for items 8a and 8b.

In the audience:

Art Ayre, DAS Budget and Management

Tom Wawro, Bureau of Land Management

Bob Short, OCAPA

Al Waibel, Columbia Geoscience

1 **3) Approval of Minutes of January 15, 2010 Portland Meeting:** (Board)

2 *Action Item*

3 **Motion: Vars moved and Macnab seconded motion to approve minutes**
4 **as written. Motion carried.**

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6 **4) Board Business:**

7 **a. Welcome new Board member – Douglas MacDougal, Portland:**

8 *Update Item*

9 Board and Staff welcomed new member Douglas MacDougal.

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

11 **a. Agency activities update plus a briefing on recent large**
12 **earthquakes and tsunamis:** *Update Item*

13 McConnell briefed the Board on major activities of the agency, including
14 the flood map modernization project with FEMA, the ARRA grants, and grant
15 proposals submitted to USGS. She informed the Board that we sent a letter,
16 signed by almost all of the Natural Resource Agencies in the state, to the

17 Director of the USGS outlining the State of Oregon’s concern that their minimum
18 qualification for lidar resolution would not produce a usable product.

19 McConnell spoke about various meetings and conferences, our new
20 Cascadia magazine, interagency projects, agency reorganization, and the start of
21 the budget process. The earthquake briefing was held later in the meeting.

22 **b. Draft Agency Business Plan process: *Update Item***

23 McConnell informed the Board that Louise Solliday, the Director of the
24 Department of State Lands, has agreed to participate in developing the Draft.

25 **c. Draft Legislative concept – Broadening Agency authority to
26 accept funds for projects: *Action Item***

27 Legislative Concepts need to be submitted to DAS by April 9. At this time, we
28 are only able to accept money from federal and state agencies, units of local
29 government, tribes, and universities. This was not an issue when the agency
30 was 100% General Fund, when the agency began. However, over 70 years
31 have gone by and it’s a whole new world. We are now down to about 22%
32 General Fund, with the balance coming from Other Funds and Federal Funds.
33 We feel there are opportunities to partner with the private sector and non-profits
34 that would help our projects. The receipts authority would not include Program 2
35 doing regulatory work, since that is covered by fees. It could cover some sort of
36 restoration project or flood plain mapping, which is above and beyond their
37 regulatory work.

38 We received 2 comments on the draft, both addressing the perception that
39 we would be competing with the private sector. So we need to be very clear that
40 we do not do site specific work. While we may do landslide hazard assessment
41 for a city, we do not do it for a certain address. We must ensure that we have a
42 very clear definition of what “site specific” means and doesn’t mean, and that can
43 be done during rule writing. Lynch noted that the idea is to make the legislative
44 concept itself be relatively general, with the expectation that prescriptive rules will
45 follow.

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47 **Motion: Vars made a motion to approve moving ahead with the legislative
48 concept, taking the concept language written by Larry Knudsen and
49 incorporating some or all of the language from emailed comments.
50 Macnab seconded. Motion carried.**

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52 **d. Draft Policy Option Packages- Lidar Program, Flood Mapping,
53 Climate Change Adaptation Initiative: *Action Item***

54 Lewis briefed the Board on the 3 POPs, which are the continuation of the
55 Lidar Data Acquisition program, the Flooding Hazards Assessment program, and
56 the POP which would deal with the Legislative Concept discussed above.

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58 **Motion: Macnab moved to approve the draft Policy Option Packages as
59 presented. Vars seconded. Motion carried.**

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61 **6) Break**

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

64 **a. Status of rulemaking for aggregate, oil and gas, geothermal laws.**
65 **The agency and AAG will update Board on geothermal and oil and**
66 **gas programs rules status:** *Update Item*

67 Lynch informed the Board that the Geothermal rule writing is going well.
68 The rules advisory committee will be meeting to help with the detailed and labor
69 intensive rule writing process.

70 Bob Houston is extremely busy with day to day work load as well as with
71 the rule writing. We anticipate the technical review of the Oil & Gas rules will be
72 complete by the end of April.

73 **b. Staff will update Board on follow up activity with Tide Creek**
74 **Rock's permit application and bond amount:** *Update Item*

75 Lynch conducted a site visit a week after the last Board meeting, looking
76 for ways for them to shrink the bond obligation on the site, which he doesn't think
77 will be possible.

78 They are also looking at other acceptable bond mechanisms, such as a
79 letter of credit or a bond pool. Statutory authority for a bond pool is in place, but
80 will need subscribers before the pool can exist, and would have a significant
81 amount of account management required to run it.

82 **c. Summary of operational and enforcement activities for surface**
83 **mining and oil and gas and geothermal regulatory programs:**
84 *Update Item*

85 Lynch briefed the Board on the Martin Creek Quarry stormwater permit
86 enforcement action. The issue was a process violation, not an environmental
87 violation. Vaughn Balzer worked with the operator and DEQ to get the permit
88 application in before the deadline and is now in the public comment phase.

89 **8) Board Determination of Geothermal Wells Status:** (Robert Houston,
90 DOGAMI Geothermal Geologist)

91 **a. The Board will consider requests from ORMAT and Davenport**
92 **Power for suspension of geothermal wells at Newberry Volcano:**
93 *Action Item*

94 Bob Houston telephoned in to brief the Board on the status of several
95 geothermal wells and his recommendations on each well. He explained
96 suspended status which occurs when an operator suspends operations at a well.
97 If an operator fails to request suspended status or fails to comply with the
98 conditions on suspended status, the well is presumed abandoned, prompting
99 enforcement action.

100 Davenport Power requested suspended status for two of its wells and
101 one of its well pads. Ormat requested suspended status for three of its wells.
102 Houston outlined the issues for each case and made his recommendations for
103 each of the requests to the Board.

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105 **Motion: Vars moved approval of staff recommendation to grant Davenport**
106 **Power suspended status on wells 46-16 and 55-29. Phipps seconded.**

107 **Motion carried.**

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Motion: Vars moved approval of staff recommendations to grant Davenport Power suspended status on well pad 26-17. MacDougal seconded. Motion carried.

Motion: Phipps moved approval of staff recommendation to grant Ormat suspended status on to March 4, 2013, in order to decommission and reclaim well 88-21. Vars seconded. Motion carried.

Motion: Phipps moved approval of staff recommendation to grant Ormat suspended status to March 4, 2013, in order to decommission and reclaim well 23-22, subject to Newberry Abandonment and Reclamation Plan. Macnab seconded. Motion carried.

Motion: Phipps moved approval of staff recommendation to grant Ormat suspended status to March 4, 2013, in order to decommission and reclaim well 88-21TCH, subject to Newberry Abandonment and Reclamation Plan. As a condition of approval Bob Houston will obtain a letter from Ormat outlining their intent to include well 88-21TCH in the Newberry Abandonment and Reclamation Plan. Macnab seconded. Motion carried.

b. Transfer of OIT geothermal well permit to OR Water Resource Department: *Information Item*

Houston briefed the Board on the transfer of the well from Oregon Institute of Technology to OWRD due to the low water temperature of the well. OWRD regulates all geothermal wells with water temperature below 250 degrees Fahrenheit. The OIT well water temperature averages 193 degrees.

9) Discussion of Haitian and Chilean Earthquakes

a. Staff briefing of DOGAMI participation in earthquake science, response, and outreach

McConnell briefly discussed the recent earthquakes. Rob Witter has gone to Chile to observe the aftereffects of the quake there, and will brief the Board on the trip at a future meeting. Public Utilities Commission sent a team to Haiti to observe the damage to infrastructure there. Staff will update the Board on that trip when the information becomes available.

In response to an email from Board Vice-Chair Macnab, she informed the Board about our ongoing outreach efforts which include developing a new website, blog and YouTube page.

James Roddey talked about his experiences during the Chilean event and how outreach was handled locally. He detailed future tsunami and earthquake outreach strategies and efforts.

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

There was no public comment.

11) Set Time and Date for next meeting: (Board)

The next meeting will be held on Tuesday, June 15 at 8:30am in Portland.

154 **12) Adjourn**

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156 **Action Items:**

- 157 1. McConnell will keep the Board updated on response from the USGS letter.
158 2. Rob Witter will give the Board a presentation on his Chilean trip at a future
159 Board meeting.
160 3. James Roddey will work with Lisa Phipps to get information for a school
161 talk.
162 4. Staff will follow up to ensure the Board that Ormat send a letter to the
163 agency that states the Newberry Abandonment and Reclamation Plan
164 includes well 88-21TCH.

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166 APPROVED:

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Larry Givens, Chair

Steve Macnab, Vice Chair

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Charles Vars

Lisa Phipps

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Douglas MacDougal