1) **Call to Order:**
Chair Larry Givens called the meeting to order at 8:40 am.

2) **Introductions:**
Board Chair Larry Givens and Board Members Doug MacDougal and Charles Vars were present. Vice Chair Steve Macnab was on teleconference, and Board Member Lisa Phipps joined by teleconference at 9:15 am.

DOGAMI Staff in attendance:
State Geologist Vicki McConnell
Assistant Director Gary Lynch
Assistant Director Don Lewis
Chief Scientist Ian Madin
Administrative Assistant Carol DuVernois
Assistant Attorney General Larry Knudsen joined at 11:00 am.

In the audience:
Grant Newport, Weyerhaeuser
Bob Fujimoto, USFS

3) **Approval of Minutes of March 26, 2010 Portland Meeting:** (Board) Action Item
   
   Motion: Vars moved and MacDougal seconded motion to approve minutes as written. Motion carried.

4) **Board Business:**
   a. **Review of Governing Board Performance Measure 11-Governance:** Action Item
   
   Board members did a self-assessment on their Best Practices prior to the meeting. They discussed the comments and questions on the self-assessments and noted that there has not been a performance review of the agency Director since 2008, nor did the Board do a self-assessment in 2009, thus missing the target window. After further discussion, the Board re-assessed, and the results were compiled to include with the Agency Key Performance Measure data, which is included in the Agency Request Budget.

5) **State of the Agency:** (Vicki S. McConnell, State Geologist)
   a. **Agency activities update:** Update Item
   
   McConnell briefed the Board on recent activities, grants, completed projects, meetings and conferences, staff changes, and agency synergy.
b. Results of FEMA project audit and Secretary of State Lottery Funds audit: Information item

McConnell presented the results and recommendations from the two recent audits. The findings from the FEMA audit were minor, and FEMA recognized best practices that DOGAMI is currently performing. The Secretary of State audit is ongoing, which will include all the natural resource agencies that receive the lottery funds.

c. 2009-2011 Budget cuts and affect to Agency: Information Item

McConnell briefed the Board on the Governor’s 7.95% cut to our General Fund allocation for the remainder of this biennium. Staff will have wages frozen for another year, and the agency will not fill staff vacancies.

6) Break

7) 2011 – 2013 Legislation and Budget: (Vicki McConnell, State Geologist)
   a. Legislative Concept Update – Broadening Agency authority to accept funds for projects: Update Item

The Legislative Concept was approved by the Board at the last meeting. There were no additional public comments. It was submitted to DAS Budget and Management for review, and then given to Legislative Counsel, where it is now.

b. Review of DRAFT Performance Measures data: Action Item

Lewis summarized the draft Key Performance Measure report which will be submitted with the Agency Request Budget. The Board reviewed their KPM #11 data and resolved to develop a Director’s Performance Review schedule in the near future to satisfy their Best Practices Criteria numbers 1 and 2. Board members agreed that moving forward with satisfying the requirements were sufficient.

Motion: Vars moved to approve Self-Assessment of KPM #11 as showing 100% positive results for all members of the Board, with the stipulation that the Board completes the Director’s Performance Review in the near future. MacDougal seconded. Motion carried.

Motion: Vars moved to approve the Agency Key Performance Measures and allow the agency to include them in the Agency Request Budget. MacDougal seconded. Motion carried.

c. Review of 2011-2013 DRAFT Agency Request Budget: Action Item

Lewis briefed the Board on the Draft ARB, touching on the Revenue Forecast, Expenditures, and staffing issues such as fund splitting to pay wages. McConnell reviewed the agency’s Program Prioritization worksheet and our Draft Budget Reduction Option Scenarios. She noted that every biennium, each agency must submit a 10% Budget Reduction Option, and if the agency must take a budget cut that is the scenario you need to use. This biennium we were asked for scenarios from 5% up to 25% in 5% increments.
She informed the Board that we can figure out how to take another 10% cut by fund shifting positions, suspending travel and training, and eliminating some professional service contracts. We could possibly survive this cut, but at a significantly reduced service capacity. McConnell does not plan to submit reduction scenarios that are greater than 10%, because we will have reached the limit at which the agency could function. McConnell noted that we have had considerable support from the legislature up until now, but it is the entire state that is in deep trouble. What we really need are stakeholder advocates to come forward and tell the legislature the value of our services. Board members suggested changing some of the language to convey the urgency of the situation, and offered to testify in front of the Ways & Means Committee.

**Motion:** Vars moved to approve the Agency Request Budget with no greater than a 10% Reduction Option including changing the language as discussed. Macnab seconded. Motion carried.

8) **Regulatory Issues:** (Gary Lynch, Mineral Lands Regulation and Reclamation Program)

   a. **Status of rulemaking for aggregate, oil and gas, geothermal laws.** *Update Item* and review Phase I Draft OAR Chapter 632, Division 20 – Geothermal Rules for Board approval. *Action Item*

   Lynch updated the Board on the Geothermal Rules status and said they are ready to be submitted to the Secretary of State’s Office and Legislative Counsel upon approval by the Board.

   **Motion:** Phipps moved to adopt the Phase I Draft OAR Chapter 632, Division 20, Geothermal Rules as proposed. Macnab seconded. Motion carried.

   The technical review of Divisions 10 and 15 of the Oil & Gas Rules has been completed and will go to the AAG and Rules Advisory Committee.

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

   Lynch and Knudsen updated the Board on a couple of surface mining enforcement actions. One has been completed, one is in progress.

   c. **ORMAT letter of intent to reclaim well 88-21 TCH – this is an Update Item** from previous Board meeting in March 2010

   Lynch noted that the requested letter had been submitted as required.

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

There was no public comment.

10) **Set Time and Date for next meeting:** (Board)
The next meeting will tentatively be held on Monday November 9th in Salem in conjunction with the ODOT Commission. Details to be determined.

11) **Adjourn**  
Meeting was adjourned at 12:10pm.

**Action Items:**

1. Staff will keep Board members updated on wave energy projects.  
2. Givens will meet with McConnell to discuss her performance evaluation.

APPROVED:

Larry Givens, Chair

Steve Macnab, Vice Chair

Charles Vars

Lisa Phipps

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Douglas MacDougal