

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

Friday, June 19, 2009
Portland, Oregon

1) Call to Order:

Chair Donald Haagensen called the meeting to order at 8:30 am.

2) Introductions:

Board Chair Donald Haagensen, Vice Chair Steve Macnab, and Board Member Larry Givens were present.

DOGAMI Staff in attendance:

State Geologist Vicki McConnell

Assistant Director Don Lewis

Assistant Director Gary Lynch

Alva Schneff

Seay Johnson

James Roddey

Jas Adams from the Department of Justice was in attendance.

Prospective Board member Lisa Phipps, and Larry Tuttle from the Center for Environmental Equity were in the audience.

1 **3) Approval of Minutes of March 6, 2009 Salem Meeting and May 4, 2009**
2 **Teleconference Meeting:** (Board) *Action Item*
3

4 **Motion: Macnab moved to approve the minutes as written. Givens**
5 **seconded. Motion carried.**
6

7 **4) Board Business:**

8 **a. Welcome to Ms. Lisa Phipps, Governor Kulongoski's Board Appointee:**
9 *Update Item*

10 Phipps noted that McConnell was the only Director to accompany any
11 prospective Board member to the Senate Rules Committee confirmation
12 hearing.

13 **b. Other Board member term limits:** *Information Item*

14 Chair Haagensen and Charles Vars' terms end in December, so the Board
15 asked that any suggestions be sent to McConnell. Chair Haagensen agreed
16 to speak with Vars to see if he would like to serve another four-year term.

17 **5) Agency Financial, Budget, and Legislation Report** (Vicki McConnell, State
18 Geologist)

19 **a. Agency financials through the end of the 2009 Biennium:** *Update Item*

20 Lewis presented the Board documents that detailed the ending balances
21 of the biennium. He noted that Program 1 is doing well, has many new

22 contracts, and existing contracts are on schedule. He said that Program 2 is
23 also doing well, even taking into account the falling mining production figures.
24 Lewis outlined the strategies for funding some positions with Federal
25 agreements instead of General Funds. He also said that we will be able to
26 maintain the Performance Measure targets by managing to find Federal and
27 Other funded projects that match up with our Performance Measures.

28 **b. 2009-2011 budget status and implications for Agency organization:**

29 *Information Item*

30 McConnell expects the Legislatively Adopted Budget to have the same
31 numbers as Governor's Recommended Budget. She noted the 12%
32 reduction in General Fund and the 41% increase in our Federal Fund and
33 Other Fund limitation due to lidar projects.

34 She then outlined some changes, including dropping Key Performance
35 Measure 4, which tried to quantify outreach, and adding a KPM to quantify
36 communities that are hazard resilient.

37 She noted that the Grants Pass field office has been eliminated. The
38 office specialist who worked there has been laid off and the geologist has
39 been transferred to the Portland office. The Baker City field office has been
40 downsized and the office specialist position at the Baker City field office have
41 also been eliminated. Baker County has offered a small space in their County
42 Courthouse for the two geologists so they can continue their services to the
43 public. The Nature of the Northwest Information Center on the first floor of
44 the Portland State Office Building will be relocated to the 9th floor suite.

45 McConnell said we are in the midst of a major change to the agency, and
46 suggested that the agency obtain receipts authority. This would allow the
47 agency to accept money from private industry, the state or some other entity
48 to perform a task that the agency doesn't have the budget to perform, and
49 would allow the agency in certain cases to bring in an outside contractor to
50 perform a task under state supervision. She also believes that we should
51 clean up the rules by eliminating outdated mandates and adding relevant
52 ones. She would like to discuss the possibility of cost recovery for our
53 publications as well.

54 **c. SB 190 & SB 191 Status:** *Update Item*

55 Lynch reviewed the status of the agency's bills. SB 191, the Columbia
56 County surface mining bill, has been signed by the Governor. SB 190, the
57 geothermal bill, is still in committee but it is expected to pass within the week.

58 **d. Other legislation of impact:** *Information Item*

59 McConnell briefed the Board on various bills of interest to the agency,
60 noting that the agency budget bill has not yet been passed.

61 **6) Break**

62 **7) State of the Agency:** (Vicki S. McConnell, State Geologist)

63 **a. Agency activities update:** *Update Item*

64 Lewis discussed the status of the Sesquicentennial map, one of the
65 derivatives of our digital data, and informed the Board that we will be
66 providing copies to every middle school and high school in the state.

67 McConnell summarized the agency's current projects, including the on-
68 time and on-budget completion of Oregon Geologic Digital Compilation, which
69 will become the official geoscientific layer for the state. She announced two
70 grant opportunities with USGS through the American Recovery and
71 Reinvestment Act. One will be lidar data collection along the Columbia River
72 corridor and one will be for lidar data collection and risk assessment for the
73 Newberry Crater and the western Crater Lake area, and Mount Shasta and
74 Mount St. Helens.

75 The agency has been approached by the Bonneville Power Administration
76 to develop a research program to identify geophysical ways to identify blind
77 geothermal systems. We are also considering a research proposal with
78 Washington, Idaho and Montana to the US Department of Energy for digital
79 compilation funds. The Board granted approval to the agency to go ahead
80 with these grant proposals.

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

83 **a. Request for approval of draft temporary rules for implementation of SB**
84 **191: *Action Item***

85 Lynch gave a brief background of SB 191 and the current status of the
86 draft temporary rules to ease the transition. There will be a hearing in
87 Columbia County on July 1st for the County Commissioners to vote to formally
88 relinquish their surface mining program on October 1st. The temporary rules
89 will address the transfer of bonds from county to state to maintain the
90 reclamation bonds. The adoption of the temporary rules will be during a
91 teleconference meeting on a date and time to be determined. There will be
92 public notice, making the temporary rule language available on the website
93 prior to the meeting.

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

96 Production has declined in the western part of the state, but our permit
97 count is higher. Dutch Gold appears to have fewer employees than they
98 previously had, and some report that the business is shut down. We will
99 continue monitoring the operation.

100 We are involved with the Applegate Partnership, an Oregon Solutions
101 Team approach to mining in the Applegate Valley. Frank Schnitzer is
102 collecting data in the valley to identify where there may be resources and the
103 feasibility of extraction.

104 There are a number of restoration projects ready to go once we have
105 consensus among various entities involved.

106 Bob Houston is working on the Oil & Gas rules, and the goal is to have
107 them finished by the end of the year. It is one of our highest priorities and
108 losing the clerical position out of the geothermal bill has hurt that process.
109 We will need to write both the Oil & Gas and the Geothermal rules at the
110 same time, and may need to bring a temp worker in to complete them in a
111 timely manner.

112 **c. Summary of U.S. Geothermal request for unitization order: *Update Item***

113 U.S. Geothermal seems to be moving ahead with their project. They have
114 verbally requested a unitization agreement with us and we expect a formal
115 request next week. It will be expensive and time consuming, and since we've
116 never done this before, we will be deliberate. We will send copies of the letter
117 to the Board when we receive it.

118 **9) Earthquake and Tsunami Hazards Preparation Presentation:** (James
119 Roddey, Earth Science Information Officer)

120 James Roddey gave a distilled version of his general public presentation for
121 the Board and showed a short video. The Board was informed that this was a
122 training opportunity.

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

125 There was no public comment.

126 **11) Set time and date for next Board meeting:** (Board)

127 The next meeting will be a teleconference to adopt temporary rules for SB
128 191 at a date and time to be determined. The following meeting will be on
129 September 28, 2009 in Cannon Beach.

130 **12) Adjourn**

131 Meeting was adjourned at 12:15

132

133 **Action List: (in no order of priority)**

1. Staff will send copies of the U.S. Geothermal unitization request letter to the Board when we receive it. Complete.
2. If unitization happens, the Board would like a training session on what it is and what it means to the agency.
3. Board will submit short biographies for posting to the website.
4. Chair Haagensen and McConnell will field suggestions for upcoming open Board seats.

APPROVED:

Don Haagensen, Chair

Steve Macnab, Vice Chair

Larry Givens

Charles Vars

Lisa Phipps

