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.

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

Motion: Macnab moved to approve the minutes as written. Givens seconded. Motion carried.

4) **Board Business:**
   a. **Welcome to Ms. Lisa Phipps, Governor Kulongoski’s Board Appointee:** **Update Item**

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

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

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

5) **Agency Financial, Budget, and Legislation Report** (Vicki McConnell, State Geologist)
   a. **Agency financials through the end of the 2009 Biennium:** **Update Item**

   Lewis presented the Board documents that detailed the ending balances of the biennium. He noted that Program 1 is doing well, has many new
contracts, and existing contracts are on schedule. He said that Program 2 is also doing well, even taking into account the falling mining production figures. Lewis outlined the strategies for funding some positions with Federal agreements instead of General Funds. He also said that we will be able to maintain the Performance Measure targets by managing to find Federal and Other funded projects that match up with our Performance Measures.

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

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

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

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

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

c. SB 190 & SB 191 Status: Update Item

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

d. Other legislation of impact: Information Item

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

6) Break

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

a. Agency activities update: Update Item

   Lewis discussed the status of the Sesquicentennial map, one of the derivatives of our digital data, and informed the Board that we will be providing copies to every middle school and high school in the state.
McConnell summarized the agency's current projects, including the on-time and on-budget completion of Oregon Geologic Digital Compilation, which will become the official geoscientific layer for the state. She announced two grant opportunities with USGS through the American Recovery and Reinvestment Act. One will be lidar data collection along the Columbia River corridor and one will be for lidar data collection and risk assessment for the Newberry Crater and the western Crater Lake area, and Mount Shasta and Mount St. Helens.

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

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

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

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

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

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

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

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

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

c. **Summary of U.S. Geothermal request for unitization order**: *Update Item*
U.S. Geothermal seems to be moving ahead with their project. They have verbally requested a unitization agreement with us and we expect a formal request next week. It will be expensive and time consuming, and since we’ve never done this before, we will be deliberate. We will send copies of the letter to the Board when we receive it.

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

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

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 Board meeting:** (Board)

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

12) **Adjourn**

    Meeting was adjourned at 12:15

**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