

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

Friday September 28, 2012
Ontario, Oregon

1) Call to Order:

Chair Larry Givens called the meeting to order at 8:30 am.

2) Introductions:

Board Chair Larry Givens and Board Members Steve Macnab, Charles Vars and Lisa Phipps were present.

DOGAMI Staff in attendance:

Vicki McConnell, State Geologist

Andree Pollock, Assistant Director, GS&S Program

Ian Madin, Chief Scientist

Clark Niewendorp, Geothermal Resource Evaluator

Bob Houston, Energy Resources Geologist

Carol DuVernois, Executive Assistant

Others:

Judge Dan Joyce, Malheur County Commission

Linda Simmons, member of the public

1 **3) Approval of Minutes of June 29, 2012 meeting and August 20, 2012 teleconference**
2 **meeting: (Board) *Action Item***
3

4 **Motion: Vars moved and Macnab seconded motion to approve minutes as**
5 **written. Motion carried.**
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7 **4) Board Business:**

8 **a. Update on new Board member recruitment: (Chair Givens)**
9 ***Information Item***

10 Chair Givens and Director McConnell are working with the Governor's Executive
11 Appointment Office to recommend a replacement for Board Member Steve Macnab.
12 The Board and staff presented Steve with a certificate of appreciation and a token of
13 gratitude for 8 years of service.

14 McConnell introduced the new Assistant Director for the Geologic Survey and
15 Services program, Mr. Andree Pollock, to the Board. Pollock gave his background and
16 what he hopes to accomplish at the agency.
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18 **5) State of the Agency: (Vicki S. McConnell, State Geologist)**

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

20 McConnell briefed the Board on projects and grants, recent meetings and
21 conferences and staffing changes.

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23 **b. Financial Report for Agency activity through FY 2012: *Information***
24 ***Item***

25 McConnell gave the Board an update on Agency finances and reporting, which is
26 on track and in compliance.

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28 **c. Update on Agency Request Budget and Oregon 10 Year Strategy**
29 **Budget: *Information Item/Update Item***

30 DOGAMI submitted the Agency Request Budget to DAS August 28th after
31 approval by the Governing Board. Round 2 Program Funding Team Bid Forms for the 10
32 Year Strategy Budget were submitted to DAS in late July. The Program Funding Teams
33 were scheduled to meet during August and September to prioritize programs and begin
34 to recommend GF and LF appropriations for the programs. The prioritization and
35 appropriation recommendations will be submitted to the Governor in October for his
36 review.

37 **d. Update on Legislative Concept 63200/001, Update Statutes**
38 **Governing Coal and Metal Mining: *Update Item***

39 The agency sought approval from the Governing Board to submit to DAS one
40 legislative concept for the 2013 Legislative Session. We submitted the draft LC to DAS in
41 July and we were informed that the LC had been approved to submit to Legal Counsel
42 for bill drafting. While the Governor has allowed the LC to be submitted for bill drafting
43 he has not decided if it will be included in his pre-session filed bills. Presently Legal
44 Counsel is working on final bill language and they have been in contact with Agency
45 staff.

46
47 **6) Break**

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

51 **a. Division 10 - Oil & Gas rules – request Board permission to enter**
52 **into Oregon Administrative Rule making process: *Action Item***

53 For the record, the Board provided an opportunity for public comment prior to
54 any discussion about the draft rules. There was no public comment.

55 Bob Houston then briefed the Board on the Draft Rules process. The agency has
56 completed the collaborative Rules Advisory Committee meetings and has drafted a
57 statement of need and fiscal impact statement for the Division 10 - Oil & Gas rules.

58 The draft rules were submitted to the Board for review on September 10, 2012.
59 The department addressed comments from the Board relating to the draft rule language
60 prior to the Governing Board meeting. Macnab commented that there seem to be
61 specifications included in the language that could be considered separately from the
62 rules. AAG Knudsen noted that these specifications would still need to go through
63 formal revisions as they would be considered formal guidance documents. There was

64 discussion between “may” vs. “must” in line 240, and it was disclosed that “may” gives
65 the agency more leeway in its enforcement options.

66 After discussion the agency requested approval from the Board to proceed with
67 the rulemaking process. We will send notice to legislators [per ORS 183.335(15)] and
68 file a Notice of Proposed Rulemaking and Statement of Need and Fiscal Impact with the
69 Secretary of State. Notice will be published in the Oregon Bulletin and a rulemaking
70 hearing will be scheduled. Following the hearing the agency will review any public
71 comments, make appropriate revisions, and prepare a summary of testimony and
72 agency response. The agency will then prepare permanent rules (Secretary of State and
73 Legislative Counsel copies), a CD, a certificate and order for filing, and file permanent
74 rules with the Secretary of State Archives Division and Legislative Counsel.

75 Once filed, the final rules will be brought before the Board for adoption.

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**b. Division 15 - Information & Seismic Test Holes for Oil & Gas rules –
78 request Board permission to enter into Oregon Administrative Rule
79 making process: *Action Item***

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81 Division 15 Draft Rules are at the same point in the rulemaking process as
82 Division 10. There was no further discussion.

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83

**c. Division 20 - Geothermal rules – request Board permission to enter
84 into Oregon Administrative Rule making process: *Action Item***

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86 Division 20 Draft Rules are at the same point in the rulemaking process as
87 Division 10 and 15. There was no further discussion.

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**Motion: Phipps moved to allow the agency to enter the rulemaking process as
89 described for Division 10, 15, and 20. Macnab seconded. Motion carried.**

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

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95 There were no significant enforcement actions. Geothermal drilling has reached
96 an historical high, mostly due to the American Recovery and Reinvestment Act of 2009
97 funding program. There are currently 23 active Geothermal Well permits and 6
98 Geothermal Prospect Well permits.

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**8) US DoE National Geothermal Data System Project: (Clark Niewendorp, DOGAMI
100 Geothermal Resource Evaluator) *Information Item (Board considered this
101 presentation as training).***

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103 Mr. Niewendorp briefed the Board on the American Recovery and Reinvestment
104 Act-funded-project to provide geothermal resource data to the national database
105 hosted by US DoE. Niewendorp included both data collection and data compilation in
106 his presentation.

106

107

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

108 The next meeting will be December 7, 2012 in Portland.

109

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

112 There was no public comment.

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114 **11) Adjourn**

115 The meeting was adjourned at 12:30 pm

116 **Action Items:**

117 1. Begin discussions to consider a joint Board meeting with LCDC for sometime
118 after June 2013.

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120 2. Send ODOT Lifeline Coordinator website link to Board.

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122 3. Submit suggestions to Governor's Office for a replacement for Board member
123 Steve Macnab.

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125 4. Start to develop a timeline for the implementation of the 2015-2020 Strategic
126 Plan.

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129 APPROVED:

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Larry Givens, Chair

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Charles Vars

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Steve Macnab

Douglas MacDougal, Vice Chair

Lisa Phipps