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

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

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

4) Board Business:  
   a. Update on new Board member recruitment: (Chair Givens)  
      Information Item

      Chair Givens and Director McConnell are working with the Governor’s Executive Appointment Office to recommend a replacement for Board Member Steve Macnab.  
The Board and staff presented Steve with a certificate of appreciation and a token of gratitude for 8 years of service.  
McConnell introduced the new Assistant Director for the Geologic Survey and Services program, Mr. Andree Pollock, to the Board. Pollock gave his background and what he hopes to accomplish at the agency.

5) State of the Agency: (Vicki S. McConnell, State Geologist)  
   a. Update of Agency activity by State Geologist: Update Item
McConnell briefed the Board on projects and grants, recent meetings and conferences and staffing changes.

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

c. Update on Agency Request Budget and Oregon 10 Year Strategy Budget: Information Item/Update Item
DOGAMI submitted the Agency Request Budget to DAS August 28th after approval by the Governing Board. Round 2 Program Funding Team Bid Forms for the 10 Year Strategy Budget were submitted to DAS in late July. The Program Funding Teams were scheduled to meet during August and September to prioritize programs and begin to recommend GF and LF appropriations for the programs. The prioritization and appropriation recommendations will be submitted to the Governor in October for his review.

d. Update on Legislative Concept 63200/001, Update Statutes
Governing Coal and Metal Mining: Update Item
The agency sought approval from the Governing Board to submit to DAS one legislative concept for the 2013 Legislative Session. We submitted the draft LC to DAS in July and we were informed that the LC had been approved to submit to Legal Counsel for bill drafting. While the Governor has allowed the LC to be submitted for bill drafting he has not decided if it will be included in his pre-session filed bills. Presently Legal Counsel is working on final bill language and they have been in contact with Agency staff.

6) Break

7) Regulatory Issues: (Gary Lynch, Mineral Lands Regulation and Reclamation Program)
a. Division 10 - Oil & Gas rules – request Board permission to enter into Oregon Administrative Rule making process: Action Item
For the record, the Board provided an opportunity for public comment prior to any discussion about the draft rules. There was no public comment.
Bob Houston then briefed the Board on the Draft Rules process. The agency has completed the collaborative Rules Advisory Committee meetings and has drafted a statement of need and fiscal impact statement for the Division 10 - Oil & Gas rules. The draft rules were submitted to the Board for review on September 10, 2012. The department addressed comments from the Board relating to the draft rule language prior to the Governing Board meeting. Macnab commented that there seem to be specifications included in the language that could be considered separately from the rules. AAG Knudsen noted that these specifications would still need to go through formal revisions as they would be considered formal guidance documents. There was
discussion between “may” vs. “must” in line 240, and it was disclosed that “may” gives the agency more leeway in its enforcement options.

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

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

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

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

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

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

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

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

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

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

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

9) Set Time and Date for next meeting: (Board):
The next meeting will be December 7, 2012 in Portland.

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

There was no public comment.

11) **Adjourn**

The meeting was adjourned at 12:30 pm

**Action Items:**

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

2. Send ODOT Lifeline Coordinator website link to Board.

3. Submit suggestions to Governor’s Office for a replacement for Board member Steve Macnab.

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

**APPROVED:**

______________________________ ________________________________
Larry Givens, Chair    Douglas MacDougal, Vice Chair

______________________________ ________________________________
Charles Vars    Lisa Phipps

______________________________
Steve Macnab