

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

Friday, March 22, 2013
Portland, Oregon

1) Call to Order:

Chair Larry Givens called the meeting to order at 8:35 am.

2) Introductions:

Board Chair Larry Givens, Vice Chair Douglas MacDougal and Board Members Lisa Phipps and Dennis Luke were present.

DOGAMI Staff in attendance:

Vicki McConnell, State Geologist

Gary Lynch, Assistant Director, MLRR

Andree Pollock, Assistant Director, GS&S

Ian Madin, Chief Scientist

Bob Houston, Energy Resources Geologist

Carol DuVernois, Executive Assistant

Others:

Larry Tuttle, Center for Environmental Equity

3) Approval of Minutes of December 7, 2012 Portland Meeting and February 15, 2013

Teleconference Minutes: (Board) *Action Item*

Motion: Phipps moved and MacDougal seconded motion to approve both sets of minutes as written. **Motion carried.**

Director McConnell gave kudos to Gary Lynch and Bob Houston for all the hard work they have done to get the Division 10, 15 and 20 rule revisions finished.

Chair Givens wanted to acknowledge the comments by Malheur County Judge Dan Joyce on the good work that agency staff has done on moving the Calico permitting process forward.

We will be meeting on September 26, 2013 in Salem for a Board meeting followed by a joint meeting with the Land Conservation and Development Commission.

4) Board Business:

a. **Introduction of New Board Member, Dennis Luke, Bend OR:** *Information Item*

Chair Givens introduced Mr. Dennis Luke, who has replaced outgoing Board member Steve Macnab. Mr. Luke gave the Board a brief background.

5) State of the Agency: (Vicki S. McConnell, State Geologist & Ian Madin, Chief Scientist)

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

23 McConnell briefed the Board on recent agency activity, including new projects,
24 completed projects, meetings and conferences attended by staff, staffing changes
25 and agency synergy. She noted that FY13 funding for our NOAA tsunami hazard
26 mitigation project ends June 30, 2013 and there are fewer FEMA flood projects. This
27 will likely affect our staffing.

28 We are in the process of setting up a Technical Advisory Committee (TAC) for the
29 review of the SB 379 line. This line was developed by DOGAMI as the best idea of
30 what would be the tsunami inundation for the most likely Cascadia Subduction zone
31 earthquake. We now have better models, so the question before the TAC will be
32 which line will best represent the authoritative regulatory line for the state. Lisa
33 Phipps will represent the Board on the Committee and Vice Chair Douglas
34 MacDougal will serve as an alternate.

35 McConnell showed the Board our new Willamette River Historical Channels
36 poster, created by Dan Coe, which was included in *The Atlas of Design*, and is now
37 on sale in the Nature of the Northwest.

38 McConnell distributed a spreadsheet developed by AD Pollock, listing all ongoing
39 projects for the Board.

40
41 **a. Financial Report for Agency activity through February 2013: Information**
42 **Item**

43 McConnell detailed our financial activity, including ending balances and our 8th
44 quarter of the biennium status. She noted that the federal sequestration is not
45 affecting any of our current contracts, but it may affect some future contracts such
46 as STATEMAP and some lidar funding.

47
48 **b. Agency staff will brief the Board on the recently completed Oregon**
49 **Resilience Plan: Reducing Risk and Improving Recovery for the Next**
50 **Cascadia Earthquake and Tsunami: Update Item**

51 Chief Scientist Ian Madin represents DOGAMI on Oregon Seismic Safety Policy
52 Advisory Commission (OSSPAC) and briefed the Board on the Oregon Resilience Plan
53 which was adopted by the Commission. McConnell noted that Madin, Bill Burns,
54 and Yumei Wang have put a lot of time and effort in helping the Commission get the
55 Plan completed. Madin outlined the process the Commission went through to write
56 the plan that would address how to make the state more resilient.

57 Several advisory groups studied various sectors of our society and infrastructure,
58 such as business continuity, coastal issues, energy, transportation, communications,
59 and water/waste water. The groups came up with a comprehensive evaluation of
60 the current state of our infrastructure and of how well their various sectors would
61 perform during a magnitude 9 earthquake. They then defined performance goals,
62 gaps, and recommendations. In nearly every instance, the gap between current
63 performance evaluations and desired performance is substantial. The report's
64 overarching themes are the need to have an accurate assessment and the need to
65 invest in upgrading infrastructure.

The report has been released to the public and presented to the legislature. Each of the sector groups has been invited back to give a more in-depth report of their findings.

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

a. Status of rulemaking for aggregate, oil and gas, geothermal laws. The agency and AAG will update Board on geothermal and oil and gas programs rules status: *Update Item*

On February 15th, the Board adopted rules for Oil and Gas and Geothermal, Divisions 10, 15, and 20. Staff revised the draft rules according to the Board's recommendations and filed them with the Secretary of State's Office as Permanent Rules which are now in effect. The last step is to file the rules with Legislative Counsel within 10 business days.

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

Mining Enforcement:

There are no significant enforcement actions to report at this time.

Mining Update:

There is increased activity in exploration for metals. EP Minerals has applied for a 640-acre amendment to an existing Operating Permit, with a current total of 4,200 acres of high-quality Diatomaceous earth permitted between 3 sites. We are ramping up for the summer season and continuing participation in the Sage Grouse deliberation. DOGAMI staff are continuing to work with McKenzie River Trust on restoration of Green Island, as well as The Nature Conservancy on restoration of the Middle Fork-Coast Fork Confluence, including reclamation of DOGAMI-permitted sites. We are also working with DEQ on the 5-year renewal/rewrite of the 1200-A Stormwater permit. MLRR awards will be presented June 28, 2013 after selection in May. DOGAMI is in the process of hiring an NRS 2 reclamationist position.

Oil & Gas or Geothermal Enforcement:

There are no Oil & Gas or Geothermal enforcement actions at this time.

Oil & Gas Program Update:

DOGAMI has issued one new gas well application (Mist, Columbia County) and closed one Oil and Gas Seismic permit since the last update to the Board. As of September 7, 2012, the total number of active Oil and Gas permits is: 105 Oil & Gas Well permits and 2 Oil & Gas Seismic permits. Staff is preparing an Oil and Gas Program summary of the exploration, development and production activities within the previous 10 years. Additionally, this update will present a GIS-based Mist well location Map. Converting the Mist Map into a GIS format allows the department to easily extend the format statewide to present all Oil and Gas related information and data in a comprehensive and web accessible interactive map.

Geothermal Update:

US Geothermal is planning an open house and ribbon cutting ceremony for their Neal Hot Springs Geothermal Power Plant in Vale, Oregon. US Geothermal is planning on holding this event in early May. DOGAMI will notify the board when the date has been finalized.

c. Progress report of Notice of Intent to file application by Calico Resources USA for Grassy Mountain Gold Mine, Malheur County: *Update Item*

On Friday, March 8, 2013 DOGAMI signed an order approving Calico's baseline data collection methodologies. The company now has the necessary techniques to begin collection and analysis of the impact of the proposed mining activities on the environment and the communities. The total area impacted will likely be about 150 acres. Gary Lynch noted that the coordination between agencies has been very good during this complex process. There were a lot of meetings leading up to this and all the meetings were productive.

After the collection of the baseline data, there will be an application process which will involve answering questions about processing, back filling and any other issues that may arise.

8) Budget and Legislative Activity, 2013 Oregon Legislative Session:(Vicki S.

McConnell, State Geologist & Gary Lynch, DOGAMI Legislative Coordinator)

a. 2013 – 2015 Budget update – summary of Governor's Balanced Budget and Legislative Assembly Budget: *Update Item*

Director McConnell presented the Agency's budget from the Governor's Balanced Budget (GBB) to the Ways and Means Natural Resource Subcommittee on February 11th and public testimony was accepted on February 12th. The overall information was well received with many excellent follow-up questions from the committee members. We were invited to discuss our Policy Option Packages. The next steps might be invitation-only briefings in March and a final work session scheduled in June. We also provided some data in response to a budget note attached to our present biennium budget in regards to the impact of mined land to high value farm land.

The Ways and Means Co-Chairs released their budget on March 4th. Their budget does not indicate individual agency data. The total funds recommended for Natural Resource agencies is \$344 million. While this amount represents a 10.3% increase from the 2011-2013 LAB, it is ~\$344,000 less than the GBB.

b. HB 2248 – Consolidated Permitting for Metal Mining Operation: *Update Item*

The Board approved the Agency's request to revise and amend ORS 517.905 to 517.951 (Non-aggregate Mineral Surface Mines) statutes. The Governor's included the measure in his pre-session filed bills, HB 2248.

The measure was heard in the House Agriculture and Natural Resource Committee on February 28th. Gary Lynch, DOGAMI, and Larry Knudsen, DOJ, presented testimony for the Agency in support of the bill as did representatives from Oregon Concrete and Aggregate Producers Association, Calico Resources, and the Center for Environmental Equity. There has been some opposition from small suction dredge placer miners, primarily due to a misunderstanding of the scope of the statutes. We are working with the mining community to clarify the intent of the bill.

c. Other legislation that affects the Agency: *Information Item*

There are several legislative measures that, if passed, will have a direct affect to specific Agency programs or the operation of the Agency. Most of these bills are tracked but we do not provide any testimony. Many of these are of statewide scope.

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

The next meeting will be on Friday, July 12th in the Portland office.

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

Action Items:

1. Send Thank you letters to Technical Advisory Committee for the Oil & Gas and Geothermal rules. Done
2. Assemble Technical Advisory Committee for SB379 line. Lisa Phipps will represent the Board, with Douglas MacDougal as alternate. Done.

APPROVED:

Larry Givens, Chair

Douglas MacDougal, Vice Chair

Charles Vars

Lisa Phipps

Dennis Luke