

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

Tuesday, June 15, 2010
Portland, Oregon

1) Call to Order:

Chair Larry Givens called the meeting to order at 8:40 am.

2) Introductions:

Board Chair Larry Givens and Board Members Doug MacDougal and Charles Vars were present. Vice Chair Steve Macnab was on teleconference, and Board Member Lisa Phipps joined by teleconference at 9:15 am.

DOGAMI Staff in attendance:

State Geologist Vicki McConnell

Assistant Director Gary Lynch

Assistant Director Don Lewis

Chief Scientist Ian Madin

Administrative Assistant Carol DuVernois

Assistant Attorney General Larry Knudsen joined at 11:00 am.

In the audience:

Grant Newport, Weyerhaeuser

Bob Fujimoto, USFS

3) Approval of Minutes of March 26, 2010 Portland Meeting: (Board) *Action Item*

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

4) Board Business:

**a. Review of Governing Board Performance Measure 11-
Governance: *Action Item***

Board members did a self-assessment on their Best Practices prior to the meeting. They discussed the comments and questions on the self-assessments and noted that there has not been a performance review of the agency Director since 2008, nor did the Board do a self-assessment in 2009, thus missing the target window. After further discussion, the Board re-assessed, and the results were compiled to include with the Agency Key Performance Measure data, which is included in the Agency Request Budget.

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

a. Agency activities update: *Update Item*

McConnell briefed the Board on recent activities, grants, completed projects, meetings and conferences, staff changes, and agency synergy.

21 **b. Results of FEMA project audit and Secretary of State**
22 **Lottery Funds audit: *Information item***

23 McConnell presented the results and recommendations from the two recent
24 audits. The findings from the FEMA audit were minor, and FEMA recognized
25 best practices that DOGAMI is currently performing. The Secretary of State
26 audit is ongoing, which will include all the natural resource agencies that
27 receive the lottery funds.

28 **c. 2009-2011 Budget cuts and affect to Agency: *Information***
29 ***Item***

30 McConnell briefed the Board on the Governor's 7.95% cut to our General
31 Fund allocation for the remainder of this biennium. Staff will have wages
32 frozen for another year, and the agency will not fill staff vacancies.

33 **6) Break**

34
35 **7) 2011 – 2013 Legislation and Budget:** (Vicki McConnell, State Geologist)
36 **a. Legislative Concept Update – Broadening Agency authority**
37 **to accept funds for projects: *Update Item***

38 The Legislative Concept was approved by the Board at the last meeting.
39 There were no additional public comments. It was submitted to DAS Budget
40 and Management for review, and then given to Legislative Counsel, where it
41 is now.

42 **b. Review of DRAFT Performance Measures data: *Action Item***

43 Lewis summarized the draft Key Performance Measure report which will
44 be submitted with the Agency Request Budget. The Board reviewed their
45 KPM #11 data and resolved to develop a Director's Performance Review
46 schedule in the near future to satisfy their Best Practices Criteria numbers 1
47 and 2. Board members agreed that moving forward with satisfying the
48 requirements were sufficient.

49 **Motion: Vars moved to approve Self-Assessment of KPM #11 as**
50 **showing 100% positive results for all members of the Board, with the**
51 **stipulation that the Board completes the Director's Performance Review**
52 **in the near future. MacDougal seconded. Motion carried.**

53
54 **Motion: Vars moved to approve the Agency Key Performance**
55 **Measures and allow the agency to include them in the Agency Request**
56 **Budget. MacDougal seconded. Motion carried.**

57
58 **c. Review of 2011-2013 DRAFT Agency Request Budget:**
59 ***Action Item***

60 Lewis briefed the Board on the Draft ARB, touching on the Revenue
61 Forecast, Expenditures, and staffing issues such as fund splitting to pay
62 wages. McConnell reviewed the agency's Program Prioritization worksheet
63 and our Draft Budget Reduction Option Scenarios. She noted that every
64 biennium, each agency must submit a 10% Budget Reduction Option, and if
65 the agency must take a budget cut that is the scenario you need to use. This
66 biennium we were asked for scenarios from 5% up to 25% in 5% increments.

67 She informed the Board that we can figure out how to take another 10% cut
68 by fund shifting positions, suspending travel and training, and eliminating
69 some professional service contracts. We could possibly survive this cut, but
70 at a significantly reduced service capacity. McConnell does not plan to
71 submit reduction scenarios that are greater than 10%, because we will have
72 reached the limit at which the agency could function. McConnell noted that
73 we have had considerable support from the legislature up until now, but it is
74 the entire state that is in deep trouble. What we really need are stakeholder
75 advocates to come forward and tell the legislature the value of our services.
76 Board members suggested changing some of the language to convey the
77 urgency of the situation, and offered to testify in front of the Ways & Means
78 Committee.

79 **Motion: Vars moved to approve the Agency Request Budget with no**
80 **greater than a 10% Reduction Option including changing the language**
81 **as discussed. Macnab seconded. Motion carried.**
82

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

85 **a. Status of rulemaking for aggregate, oil and gas, geothermal**
86 **laws. *Update Item* and review Phase I Draft OAR Chapter**
87 **632, Division 20 – Geothermal Rules for Board approval.**
88 ***Action Item***

89 Lynch updated the Board on the Geothermal Rules status and said they are
90 ready to be submitted to the Secretary of State's Office and Legislative Counsel
91 upon approval by the Board.
92

93 **Motion: Phipps moved to adopt the Phase I Draft OAR Chapter 632,**
94 **Division 20, Geothermal Rules as proposed. Macnab seconded. Motion**
95 **carried.**
96

97 The technical review of Divisions 10 and 15 of the Oil & Gas Rules has been
98 completed and will go to the AAG and Rules Advisory Committee.
99

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

103 Lynch and Knudsen updated the Board on a couple of surface mining
104 enforcement actions. One has been completed, one is in progress.

105 **c. ORMAT letter of intent to reclaim well 88-21 TCH – this is an**
106 ***Update Item* from previous Board meeting in March 2010**

107 Lynch noted that the requested letter had been submitted as required.
108

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

111 There was no public comment.

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

The next meeting will tentatively be held on Monday November 9th in Salem in conjunction with the ODOT Commission. Details to be determined.

11) Adjourn

Meeting was adjourned at 12:10pm.

Action Items:

1. Staff will keep Board members updated on wave energy projects.
2. Givens will meet with McConnell to discuss her performance evaluation.

APPROVED:

Larry Givens, Chair

Steve Macnab, Vice Chair

Charles Vars

Lisa Phipps

Douglas MacDougal