

**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
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

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

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

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

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

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

a. Financial Report for Agency activity through February 2013: Information Item

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

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

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

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

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

69
70 **7) Regulatory Issues:** (Gary Lynch, Mineral Lands Regulation and Reclamation Program)

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

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

79
80 **b. Summary of operational and enforcement activities for surface mining and**
81 **oil and gas and geothermal regulatory programs:** *Update Item*

82 Mining Enforcement:

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

84
85 Mining Update:

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

96
97 Oil & Gas or Geothermal Enforcement:

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

99
100 Oil & Gas Program Update:

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

110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152

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.

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

161

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

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

166

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

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

169

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

172 There was no public comment.

173

174 **11) Adjourn**

175

176

- 177 **Action Items:**
- 178 1. Send Thank you letters to Technical Advisory Committee for the Oil & Gas and
179 Geothermal rules. Done
 - 180 2. Assemble Technical Advisory Committee for SB379 line. Lisa Phipps will
181 represent the Board, with Douglas MacDougal as alternate. Done.

APPROVED:

Larry Givens, Chair

Douglas MacDougal, Vice Chair

Charles Vars

Lisa Phipps

Dennis Luke