

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

Monday, June 16, 2014  
Portland, Oregon

1) **Call to Order:** (Larry Givens, Board Chair)  
Chair Givens called the meeting to order at 8:30 am. The Board then went into Executive Session to consult with Legal Counsel.

2) **Executive Session:**  
a. Legal Counsel:  
ORS 192.660(2)(h) Board consultation with counsel.  
Chair Larry Givens called the meeting back into open session at 9:54 am.

3) **Introductions:** (Larry Givens, Board Chair and staff)  
Board Chair Larry Givens, Vice Chair Douglas MacDougal and Board Members Lisa Phipps, and Dennis Luke were present. Charles Vars is no longer attending meetings, though he has not yet been replaced by the Governor's Office.

DOGAMI Staff in attendance:  
Vicki McConnell, State Geologist  
Gary Lynch, Assistant Director, MLRR  
Seay Johnson, Chief Fiscal Officer  
Ali Ryan, Earth Science Information Officer  
Rachel Smith, Project Operations Manager  
Carol DuVernois, Executive Assistant

Others:  
Larry Knudsen, Assistant Attorney General, DOJ  
John Terpening, Legislative Fiscal Office  
Travis Miller, Chief Financial Office  
Dick Pedersen, DEQ

- 1 **4) Approval of Minutes of March 10, 2014 Portland Meeting:** (Board) *Action Item*  
2 **Motion:** Luke moved to approve minutes as distributed. Phipps seconded. Motion  
3 **carried.**  
4 **5) Public Comment for Agenda Action Item 6b:** (Three minutes limit per person unless  
5 otherwise specified at the meeting by the Chair)  
6 There was no public comment.  
7 **6) Board Business:** (Board)  
8 a. **Update on Board vacancies:** *Information Item*

9 We now have two positions on the Board that need to be filled. The next  
10 opportunity for Senate confirmation will be at the September Legislative Days.  
11 McConnell will discuss options with the Governor's Natural Resource Policy Advisor.

12 b. **2013 – 2014 Governance Key Performance Measure 11 discussion**  
13 **and adoption:** *Information and Action Item*

14 There was a question about protocol for the Director Recruitment. Since it is so  
15 infrequent, there is not a set protocol, but we will work on one.

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17 **Motion: Luke moved and MacDougal seconded to adopt the Best Practices and Key**  
18 **Performance Measure for inclusion in the Annual Key Performance Measure**  
19 **report. Motion carried.**

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21 **7) State of the Agency:** (Vicki S. McConnell, State Geologist)

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

23 McConnell briefed the Board on the agency's recent activities including new and  
24 completed projects, staffing changes, meetings and conferences attended by staff.  
25 She also discussed the hospital in Gold Beach which is in need of replacement. The  
26 site for the new hospital would be outside the SB379 tsunami inundation line, but  
27 inside the proposed line that would represent the inundation line created by a large  
28 event. Staff have met with local government and hospital representatives to discuss  
29 ramifications and possible solutions.

30  
31 b. **Update on progress of draft 2015 - 2017 Agency Request Budget:**  
32 *Information Item*

33 McConnell and Johnson outlined the budget numbers up to this point, including the  
34 Policy Option Packages and where we are in the process. We will schedule a  
35 teleconference for mid-July for the Board to approve the Agency Request Budget,  
36 which is due on August 1.

37 **8) Break**

38 **9) Regulatory Issues:** (Gary Lynch, Mineral Lands Regulation and Reclamation  
39 Program)

40 a. **Discussion of rule writing to amend Requirements for an Operating**  
41 **Permit and Reclamation OAR 632-030-0025(1)(bb)(A)&(B),**  
42 **Procedures for placement of imported fill and the protection of fill**  
43 **quality:** *Information Item*

44 AAG Knudsen gave the Board details about the possible rule amendment. The  
45 agency may ask the Board for approval to move into rulemaking at the September  
46 meeting, and possibly temporary rulemaking as well.

47  
48 b. **Summary of operational and enforcement activities for surface**  
49 **mining and oil and gas and geothermal regulatory programs:** *Update*  
50 *Item*

51 MLRR staff continues to work on controversial site applications at the Saginaw  
52 Quarry near Cottage Grove; Parvin Butte in Lane County; and the Harrington site in  
53 Sodaville, which was issued a Notice of Violation in February 2014 for blasting.

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55 Permit numbers are holding just below the 900 mark; production is up 5% from this  
56 time last biennium and 8% from last year; and, we are right on target for reaching  
57 100% on KPM8 for the biennium.

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59 MLRR Award selection committee met in May. Seven awards will be presented on  
60 Friday, June 27 at Eagle Crest Resort at the OCAPA annual meeting.

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62 SageCon is taking an “all lands, all threats” approach – expectation date for a state  
63 plan is fall 2014, with a goal of uniformity across state and federal lands to “avoid,  
64 minimize, mitigate.”

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66 Geothermal or Oil & Gas Enforcement:

67 There are no enforcement actions related to the Oil and Gas or Geothermal  
68 Programs at this time.

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70 Geothermal Update:

71 The current number of geothermal permits is 29; there are 6 Geothermal Prospect  
72 permits. To date, 25 Geothermal Well applications and 3 Geothermal Prospect Well  
73 applications remain under review.

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75 Over the previous three years, Surprise Valley Electric (SVE) has drilled three  
76 production wells near the town of Paisley in central Oregon. DOGAMI has issued a  
77 permit modification to convert one of their geothermal production wells into a  
78 reinjection well. This action allows produced geothermal waters to be circulated  
79 back to the production zone, replenishing the source to balance the geothermal  
80 hydrologic. SVE is in the infrastructure planning and construction phase of the  
81 project.

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83 Oil & Gas Program Update:

84 The total number of active Oil and Gas permits remains 105, with one Oil and Gas  
85 Seismic program permit. Currently, 4 Oil and Gas well (Mist Gas Field) applications,  
86 and one Seismic Program application remain under review.

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88 **c. Update on Division 37 Chemical Process Mine permitting activities:**

89 *Update Item*

90 Calico Resources Inc. appears to have gotten some funding, so we expect there to be  
91 some action to speed up permit application process and the work load will increase  
92 significantly. Baseline data is starting to roll in. We will be scheduling a Project  
93 Coordinating Committee meeting and a Technical Review Team meeting, most likely  
94 in August in eastern Oregon.

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**10) Meet with DEQ Director Dick Pedersen:** (Board & Director Pedersen)

a. **Informal conversation with Director Pedersen about coordination and cooperation between DEQ and DOGAMI:** *Information Item*

Mr. Pedersen outlined the state of DEQ and his efforts to restructure the agency to focus on outcomes rather than regulations. He also discussed cooperative programs such as the Storm Water Permit program, and resilience planning. He would like DEQ to be able to plan forward rather than merely respond to problems. His efforts include cross-border cooperation, regional response and recovery, and use of lidar to support informed decision-making.

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

The next meeting will be a teleconference on Tuesday, July 15<sup>th</sup> at 8:00 am

The following meeting will be held on Friday September 5<sup>th</sup> at 8:30 am in Portland.

**12) Public Comment:** (Three minutes limit per person unless otherwise specified at the meeting by the Chair)

There was no public comment.

**13) Adjourn**

The meeting was adjourned at 12:23 pm

**Action Items:**

1. McConnell will work with the Governor's office to identify two new Board candidates.

APPROVED:

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Larry Givens, Chair

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Douglas MacDougal, Vice Chair

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Lisa Phipps

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Dennis Luke