

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

Thursday, October 9, 2008
Prineville, Oregon

1) Call to Order:

Chair Donald Haagensen called the meeting to order at 8:30 am.

2) Introductions:

Board Chair Donald Haagensen, Vice Chair Steve Macnab, Board Members Larry Givens, Barbara Seymour and Charles Vars were present.

DOGAMI Staff in attendance:

State Geologist Vicki McConnell

Assistant Director Don Lewis

Carol DuVernois

James Roddey

Ellen Stevenson

Assistant Director Gary Lynch and Assistant Atty General Larry Knudsen joined by phone for Agenda Item 5.

Don Seymour was in the audience.

1 **3) Approval of Governing Board Minutes of May 23 & July 22, 2008**

2 **Meetings:** (Board)

3 **Motion: Vars moved to approve the minutes as written, seconded by**
4 **Macnab. Motion carried with no discussion.**

5
6 **4) State of the Agency** (Vicki S. McConnell, State Geologist)

7 **a. Agency activities update: *Update Item***

8 McConnell updated the Board on the Action list from the previous minutes. Vars
9 will fulfill Mr. Elliott's term which expires 12/31/09. McConnell and Haagensen
10 met to discuss the Director's evaluation. She thanked the Board for their careful
11 evaluation. McConnell then discussed the Governor's Ethics Review Team
12 members. The Board sent the Review Team a letter with comments. Thank you
13 letters to Charles Kirby and Jan Durflinger were sent.

14
15 McConnell briefed the Board on the landslide in the Portland west hills area from
16 the day before. Bill Burns was on the scene as soon as was possible. The
17 cause of the landslide is still unknown.

18
19 The agency was awarded \$150,000 from ODOT for a research grant. The
20 contract is not yet signed, but we fully expect it to happen soon. The contract

21 funds a project to develop a GIS layer that will identify the naturally occurring
22 hazardous minerals in Oregon, and will be led by Clark Niewendorp.

23
24 McConnell briefly outlined other new project awards, such as 3 landslide
25 contracts; one with Astoria, one with Washington County, and one with Silverton.
26 McConnell gave kudos to the landslide team, led by Bill Burns.

27
28 **b. FEMA Flood Mapping and MultiHazards Grant: *Information Item***

29 Don Lewis briefed the Board on this new project. The major part of the contract
30 is redelineating existing flood insurance rate maps using the old rate maps that
31 have been digitized by a consultant. We will use that information and the lidar
32 data and move the lines to more accurate elevations. We will also use the data
33 to create hazard layers and are developing web tools to deliver the information.

34
35 Vars and Haagensen both expressed that this project will have huge
36 consequences and profound effects on the public. Lewis agreed, but said the
37 information will be much more accurate, so that some people's rates may indeed
38 go up, but others will have their rates go down. The actual rate you pay will be
39 based on these data. McConnell believes we will be doing this around the state
40 with FEMA as a long term project. FEMA and DLCD will be doing the outreach
41 to educate the public of the changes so no one is taken by surprise. We are the
42 technical partner, but by association we will undoubtedly be pulled into the
43 outreach aspect of the project and James Roddey will be the lead.

44
45 Macnab noted that the next step would be to do the reengineering of the flood
46 routing based on the new drain models. Lewis said that Jon Allan will be
47 involved in the effort to do hydrology and hydraulics in those areas along the
48 coastal zone only, as part of this project.

49
50 Vars pointed out that the agency is quickly becoming an important provider of
51 data that has large political effects, and we need to reveal the agency's
52 importance to the economy of the State.

53
54 **c. Oregon Lidar Consortium: *Update Item***

55 Don Lewis discussed the various lidar projects in the works, including the South
56 Coast, Camp Creek, North Coast and Willamette Valley. He outlined the stages
57 of the projects: data acquisition, data processing and delivery, and quantitative
58 and qualitative inspection by our staff. He briefed the Board on our many
59 partnerships and the progress of the projects and the direction that future
60 projects may take.

61
62 McConnell noted that the Board would be a great resource for identifying which
63 groups we should be reaching out to for future partnerships.

64
65 Board member Givens expressed his wish for a lidar presentation in Umatilla
66 County. Ellen Stevenson said that there are a lot of requests for ground work to

67 go with the lidar in Baker City. Lewis noted that irrigation and water issues will
68 lead to Federal agencies needing lidar data on the eastern side of the state
69 which should translate into money for our project areas.

70
71 McConnell briefly outlined agency staffing changes. We are hiring 2
72 cartographers, a lidar fiscal analyst, and a GIS ISS specialist for the FEMA
73 project. Jed Roberts has been appointed to the GIS ISS position, because we
74 need someone now, and he has been working as a temp for the last 6 months.

75
76 She also briefed the Board on the tasks we face involving the new administration
77 in Washington. Besides the fact that there will be new staff, we will need to help
78 educate the new administration on the importance of geoscience in policy making
79 decisions.

80

81 **d. 2009-2015 Strategic Plan – next steps: *Update Item***

82 We have had one public listening session attended by several people, one from
83 the Governor's Natural Resources office, Board member Larry Givens, a couple
84 of geologists and consultants. McConnell noted that during the annual staff
85 meeting we had an involved discussion of the plan and got great feedback and a
86 consensus that these were goals and objectives that we could achieve in the
87 next six years, so the plan was adopted by the staff. We would like to have one
88 more public listening session sometime before the end of the year. We did
89 present the draft plan to the audience at the public lecture the night before and
90 asked for feedback and public comments. We will then have one more
91 workgroup meeting to finalize the draft for 2009. Givens thought the comments
92 were very positive and the draft was well received. The Governor's office
93 representative said that the plan should be on every legislator's desk at the
94 beginning of the session.

95

96 McConnell gave a "shout out" to Deb Schueller for all her hard work on getting
97 the publications together for the field trips and lectures for the workshop, and all
98 the outstanding work on the publications she has been doing.

99

100 **5) Regulatory Issues:** (Gary Lynch, Mineral Lands Regulation and
101 Reclamation Program)

102 **a. Status of rulemaking for ORS Chapter 517 (Mining and Mining Claims)
103 and ORS Chapter 520 (Conservation of Oil and Gas) – *Update Item***

104 Gary Lynch noted that the Mined Land Reclamation rules should be done before
105 the start of the next session. The reason it is going so slowly is that they are
106 doing a line by line review of the proposed rules. The next meeting of the
107 advisory committee will be in November. Larry Knudsen has been involved in all
108 the advisory committee meetings along with members of OCAPA, Defenders of
109 Wildlife, mining company representatives, DLCD, and ODOT, so hopefully all
110 issues are being addressed. McConnell pointed out that the agency must report
111 on the fiscal impact of the rules to local governments.

112

113 Haagensen expressed his frustration at the length of time the process is taking.
114 Lynch said that they are trying to carefully proceed so there will be no surprises
115 later on.

116
117 The Oil and Gas rule writing has not proceeded beyond getting the draft rules
118 ready. Without a dedicated rule writer, it is difficult to move forward with these
119 and continue business as usual. They are trying to finish the Mined Land
120 Reclamation rules before the Oil and Gas rule write, but the way things are
121 going, there will inevitably be an overlap. The Oil and Gas draft is in Gary's
122 hands at this point.

123
124 Knudsen noted that since the new rules are not finished, we have old rules that
125 are inconsistent with the statutes, opening us up for legal problems. Luckily
126 there is not much happening in the oil and gas industry at this time, so we should
127 be fine. We do need to get the mining rules done however, because we did get
128 things that we wanted in the legislation and we need to get those in the rules.

129
130 Haagensen expressed his discomfort in the fact that we get legislation that
131 authorizes us to adopt rules, but we don't get the rules done. He is afraid that
132 the geothermal legislative concept could be undermined by the fact that the
133 Mined Land Reclamation and oil and gas rules are not yet finished. He does
134 recognize that we are short staffed, but if it is important enough to ask for a
135 legislative concept, we should get the rules done.

136
137 Lynch accepted responsibility for not having the rules done more quickly.
138 Haagensen pressed Lynch to organize the advisory committee meetings and just
139 get the rules finished. McConnell noted that we will discuss this internally to
140 keep it on track since the legislative session is coming up and will take up an
141 enormous amount of Lynch's time.

142
143 **b. Status of DOGAMI Legislative Concepts for 75th Legislative Assembly –**
144 ***Update Item***

145 We have received feedback from Legislative Council on the Columbia County
146 legislative concept. There is a public meeting scheduled for early November to
147 introduce the concept and get public comment.

148
149 There has been no feedback yet from Legislative Council on the Geothermal
150 Legislative Concept, but we expect that soon. We hope to schedule a public
151 meeting for this before the legislative session starts. Most of the interested
152 parties have seen the LC and have submitted comments, and we will continue to
153 reach out to them as this progresses.

154
155 Haagensen asked if we had been able to work in the receipts authority.
156 McConnell said we had not even attempted it at this time. However, we will have
157 an opportunity to add it into the Geothermal Legislative Concept after we receive
158 it from Legislative Council.

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

We've had a request from US Geothermal to go ahead with the unitization process. They will want to permit this in 2009. We are figuring out what they need to do and who will pay for it. DOE, DEQ and OWR will also be involved. This is the first unitization process for Oregon, so we are learning as we go. We have developed a draft schematic that will be reviewed by Knudsen, then will brief the Board on the process.

McConnell warned that unitization is a months-long process. You must determine what the geology is, what the source is, where the source is, how much it is, the spacing on it, and we must consult with experts to get this done. It is imperative to update the geothermal rules as we go along, not just the fee rules, but the nuts and bolts of the process, and not wait until the end of the legislative session to start thinking about it.

Lynch noted that due to the addition of new staff member Chip Andrus, we are no longer behind on enforcement issues, but are getting in front of resolving them.

Dutch Gold, the Benton mine has reserved its right to a contested hearing, because they believe the amount of the bond we requested is too high. We had Knudsen contact their attorney, but they have not responded. In the meantime their operation is suspended.

Representative Clem and a number of agricultural interests have been looking at legislation for flood plain mining. We will be meeting with them to discuss this in the near future.

Inspections are approaching totals from past years. Sundance has not yet totally restored the field where the slide debris ended up. The material has been removed, but the field is not yet been leveled to a tillable condition. Sundance has not paid any settlements for this case and it seems that they don't have the assets to pay.

ORC permit for the black sands is going through an internal peer review. They will meet to discuss feedback and send the company a letter with their recommendations. There will be a public meeting scheduled to inform. They have been working with DSL on wetlands delineation. We will need to work out interagency issues with DSL and DEQ.

6) Additional Public Comment:

There was no public comment.

7) Break

205 **8) 2009-2011 Agency Budget Request:** (Vicki S. McConnell, State Geologist)
206 Prior to the Budget Briefing McConnell informed the Board about the Capitol
207 Windows project, themed “The History of the Geology of Oregon”. James
208 Roddey outlined the project. We are working with the Oregon Historical Society,
209 OSU, the Paleolands Institute, John Day Fossil Beds, the University of Oregon,
210 History Museum and others to set up 4 sets of 4 windows. They will go up in mid
211 January and be up for a year. Some of the features are volcanoes, rocks &
212 minerals, fossils, Thomas Condon, the first state geologist, and other geology
213 pioneers, and Oregon’s energy future. Other windows will feature climate
214 change, earthquakes, landslides, tsunamis, and oceans. James will make sure
215 the Board is invited to the grand opening in mid January. After the display is
216 over, they will be available to travel around the state for outreach and education.
217

218 McConnell briefed the Board on Agency Synergy. Both programs continue to
219 meet on a regular basis. Staff from both programs will be involved in the Marine
220 Reserves review process. We are also working on getting ESRI GIS products
221 that Program 1 is using to Program 2 staff, once Program 2 makes the decision
222 to purchase a software license. McConnell also announced that Dawn Marshall
223 won the Annual Performance Award, presented at the annual staff meeting.
224

225 **a. Budget Briefing – where are we in the budget development process?**

226 **Feed back on the budget forecast for 2009-2011 – *Information Item***
227 The Agency Budget Request was submitted before the August 1st deadline.
228 From there it goes through a rigorous review by our budget analyst. At the end of
229 that review, we will receive our Governor’s Recommended Budget. We will then
230 have one opportunity to appeal that recommendation. We are scheduled to
231 appeal on October 16th.
232

233 **9) Board Business:** (Governing Board)

234 **a. Governing Board Performance Measure review for 2008: *Information***
235 ***Item***

236 Givens requested a little more background on #7 and #8 on the Best Practices
237 Criteria sheet. Item # 7 says “The agency’s policy option packages are aligned
238 with their missions and goals”. Item # 8 says “The board reviews all proposed
239 budgets”. These are copied verbatim from the recommended language, and it is
240 not allowed to be changed. Item # 8 means that the Board reviews the overall
241 proposed budget for the agency, because reviewing all project budgets for the
242 agency would be an impossible task for the Board. Macnab suggested that if we
243 have the opportunity to provide input, we ask that they change the language on #
244 8 to say the proposed agency budget instead of all agency budgets. McConnell
245 mentioned that any budget adjustments or audits are brought before the Board
246 for their approval.
247

248 Haagensen noted that the background discussion on this form took place before
249 Givens came on the Board, and briefed him on their earlier decisions. McConnell
250 noted that this Board is very far ahead of the curve with this task compared to

251 other Boards in the state, and she will include this with the Agency Performance
252 Measure report.

253

254 **b. Discussion of Governing Board contact list – Action Item**

255 McConnell told the Board that our mailing list for the Governing Board agenda is
256 out of date, and we would like to send a form to the list to get an update and to
257 also perhaps get the form sent by email instead of by regular mail. We would
258 also like to put a link on our website that would allow interested parties to sign up
259 for our mailing list. If we have a sufficient amount of people interested, we could
260 get a list serve set up through the Oregon State Library that would be managed
261 by the agency.

262

263 Haagensen asked about other lists in the agency, and though there are other
264 lists out there, there is not a functioning master list. In an ideal situation, we
265 would get a master list together, but contact information changes so rapidly, that
266 keeping it updated would be an enormous task.

267

268 **Motion: Steve Macnab moved to approve sending out an update form to**
269 **our current list and to move forward with getting an email list together.**
270 **Larry Givens seconded the motion. Motion carried.**

271

272 **c. Governing Board membership – continuing members, retiring members,**
273 **nominations: Information Item**

274 McConnell noted that Vars position expires 12/09. Macnab was just reappointed
275 to the board for the next four years. Seymour is retiring early from her term and
276 this is her last meeting. McConnell expressed the gratitude of the agency for all
277 her years of service and wished her the best. Seymour noted that she has been
278 around so long, she remembers when Governor Kulongoski was an
279 administrative assistant. Haagensen said she took her role very seriously and
280 went beyond what most people would do, writing letters and staying involved.
281 Seymour expressed her wish that she could have done more than she did. The
282 Board presented her with a plaque, thank you gift and card in appreciation for her
283 service.

284

285 With the retirement of Seymour, there is a seat to fill and McConnell and
286 Haagensen are taking suggestions. She has two potential candidates, Lucy
287 Labonte, former Curry County Commissioner, and Lisa Phipps, the Mayor of
288 Rockaway, McConnell will contact them after the meeting. We will be one Board
289 member short for the last meeting of the year, but will get a candidate for the
290 beginning of the year.

291

292 Macnab wondered if it was possible to change an appointment date since it
293 would mean that the new Board member would only be serving until November
294 of 2009. McConnell will look into it.

295

296 **10) Setting of time and place of next Board meeting: (Board)**

297 The next meeting will be in Portland at the agency office, on December 12th at
298 8:30 am.

299

300 **11) Adjourn**

301 Meeting was adjourned at 12:00 pm.

302

303 **Action List: (in no order of priority)**

1. Set up a lidar presentation for Umatilla County. – Ian Madin will follow up.
2. Organize a listening session for the draft strategic plan. – In progress.
3. Distribute draft Legislative Concepts to the Board. (LC 713) Complete.
4. Add receipts authority into Geothermal Legislative Concept after we receive it from Legislative Council. – In progress.
5. Draft geothermal unitization schematic to Knudsen, then present to Board. – In Progress.
6. Send a letter of congratulations on behalf of the Board to Dawn Marshal for winning the annual performance award. - Complete
7. Issue invitations to the Board for the Grand Opening of the Capitol Windows. – James Roddey will follow up.
8. Update Key Performance Measures list; remove “discussion?” and replace with “X” in Larry Givens’ column. – Complete
9. McConnell will contact Lucie Labonte and Lisa Phipps as possible Board candidates. - Complete
10. McConnell will contact Nancy Goss Duran to determine if it would be possible to change the appointment date for the new Board member, since it would mean the new member would only serve until the end of Seymour’s current term which ends November 30, 2009. – Complete.

APPROVED:

Don Haagensen, Chair

Steve Macnab, Vice Chair

Larry Givens

Charles Vars