

**GOVERNING BOARD MEETING MINUTES
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES**

Tuesday, June 24, 2025

8:30 a.m.

Virtual Public Meeting

1) Call to Order: (Linda Kozlowski, Board Chair)

Chair Kozlowski called the meeting to order at 8:33 a.m.

2) Executive Session – Annual Director Review: (Linda Kozlowski, Board Chair)

Chair Kozlowski announced the start of the Executive Session for the Director’s Annual Review.

3) Return to Public Session: (Linda Kozlowski, Board Chair)

Chair Kozlowski reconvened the regular public session at 9:35 a.m. following the Director’s evaluation.

4) Introductions: (Linda Kozlowski, Board Chair, and Staff)

Chair Linda Kozlowski, Vice-Chair Anne MacDonald, Board Members Diane Teeman, Tiffany Thomas, and Ruth Dittrich were all in attendance via Zoom video/phone.

Department of Geology and Mineral Industries (DOGAMI) Staff in attendance:

Ruarri Day-Stirrat – Director/State Geologist

Lori Calarruda, Recording Secretary/Executive Assistant

Alex Lopez, Public Affairs Coordinator

Sarah Lewis, MLRR Program Manager

Steve Dahlberg, Chief Financial Officer (CFO)

Jason McClaughry, GS&S Program Manager

Christina Appleby, Legislative Coordinator and Geologist

Others in attendance:

Sherry Lauer, DAS Human Resources Business Partner

Diane Lloyd, Department of Justice (DOJ)

5) Annual Director’s Evaluation: (Linda Kozlowski, Board Chair)

Chair Kozlowski stated the Board conducted the Annual Director’s Evaluation/Review.

Director Day-Stirrat is doing an exceptional job inside and outside the Agency, and is a strong support of the Governor’s goals for Oregon. The Board is very pleased.

Chair Kozlowski entertained a motion to adopt the 360 Performance Review as discussed in Executive Session.

Board Action: **Teeman moved to adopt the 360 Performance Review. Thomas seconded. Yes Votes: Kozlowski; MacDonald; Teeman; Thomas; Dittrich. Motion carried.**

6) Review Minutes of March 25, 2025 Board Meeting, and May 23, 2025 Special Board Meeting:

Chair Kozlowski asked if there were any changes to the minutes as presented. No changes.

Board Action: **MacDonald moved to approve the minutes of March 25, 2025 Board Meeting, and May 23, 2025 Special Board Meeting as submitted. Thomas seconded. Yes Votes: Kozlowski; MacDonald; Thomas; Dittrich. Motion carried.**

7) Financial Report:

Steve Dahlberg, Chief Financial Officer, presented the DOGAMI FY2025 Budget Status Report, as of April 30, 2025, for the Geological Survey and Services (GS&S) and Mineral Land Regulation & Reclamation (MLRR) programs. The Board Packet contained the financial actuals, graphs, and projections.

Dahlberg provided a brief summary of the financials, focusing on the bottom line of each fund type. General Fund will be under budget by approximately \$150,000, that will be reverted back to the State. Other Funds will be approximately \$400,000 under the Expenditure Limitation. Federal Funds will be approximately \$2M under the Expenditure Limitation, which is lower than originally projected. MLRR will be approximately \$100,000 under the revised Expenditure Limitation, due to some higher than expected expenses.

Dahlberg reviewed the 2023-25 General Fund Utilized Budget graph, which is a representation of the burn rate of General Fund dollars. The Agency is doing its best with the General Fund dollars that are provided, to take care of normal business and open potential opportunities for the future. He reviewed and explained graph details for the GS&S Grants 2019-28, stating the ending balance changed from last quarter due to him being conservative on the number and size of grants the Agency would be receiving. DOGAMI is consuming the grants it has been provided, but the replenishment of new awards is lower and driving the overall grant balance down. The grant balance is actually pretty healthy. With the Federal scene, the Agency is still a little unsure about how many of the regular grants or what size will be received.

Dahlberg focused on the changes since the last meeting. One item not being purchased this biennium will be done as a lease next biennium, reflecting in the \$43,000 savings. There are fourteen active Other Funds grants. For Federal Funds, a larger vendor bill for the Virginia Institute of Marine Science (VIMS) was added back in after a delay. Even though the dollars are lower than the planned expenditures, the Agency still has a good grant balance and is waiting for a couple of Notice of Federal Opportunities (NOFOs) to be released by NOAA and FEMA, so the grants can be applied for.

MLRR is consistent with their spending. The 6-month reserve is at 92.5%, due to higher than expected costs for Consolidated Permitting, a one-time legal audit, and higher Civil Penalty legal fees. The projections are holding steady. For the ePermitting Project using General Fund, there is a POP to roll over \$1.3M to next biennium, but it is closer to \$1.9M. The project did not kick off as soon as anticipated, due to the DEQ Project delay and special procurement process. Along with the \$1.3M rollover, additional General Fund dollars will need to be requested next biennium, but will be done

56 closer to the actual need for the money. By using the Project Manager and Business Analyst from the
57 DEQ Project, MLRR is expecting the ePermitting Project to be able to be done quicker and more
58 efficiently from the start due to the lessons already learned.

59
60 The Agency is doing well and has a healthy outlook. The DOGAMI 2025-27 Budget Bill has gone
61 through the legislative process; waiting for Legislative Session to end. DOGAMI continues to work
62 with Federal and State agencies on future projects, and communicates closely with the CFO and LFO
63 Analysts. Dahlberg thinks the biennium has been successful and is looking forward to the future.

64
65 Dittrich asked about the grants that had issues previously, and the timelines for the NOFOs. Dahlberg
66 said grants were initially put on hold, then rescinded, but then became available to draw on. He has
67 successfully been able to make draws and receive payments; things are good now. Day-Stirrat added
68 the Agency pushed hard to build a healthy grant balance to have access to resources going into the
69 next biennium. The grants affected are new ones due to lack of guidance by the Federal Government
70 on how to distribute them right now. Several grants, for approximately \$3.5M of funds, have
71 received Notice of Intent to Award but have not been contracted yet. New opportunities are still
72 being put forth and the Agency will go to the Legislature to ask for approval to apply.

73
74 Board Action: **Thomas moved to accept the Budget Status Report as presented. MacDonald**
75 **seconded. Yes Votes: Kozlowski; MacDonald; Thomas; Dittrich; Teeman. Motion carried.**

76
77 **8) Legislative Update:**

78 Christina Appleby, Legislative Coordinator and Geologist, provided a Legislative Update.

79
80 Appleby stated there were 6 days left in the Legislative Session. It has been a busy session, not only
81 for DOGAM, but overall. The Governor's priorities on housing supply and homelessness; behavioral
82 health; and education have taken center stage in the discussions. Other bills related to the future
83 funding for the Department of Transportation and Wildfire Fighting have also occupied time and
84 energy for legislators. The focus now is on the Joint Committee on Ways and Means for financial
85 review of bills, and House and Senate floor votes and discussion. The funding allocated to legislators
86 to spend on bills over the next 2-year budget is around \$37B, which is \$750M less than previously
87 forecasted. It has caused the curbing of some projects and them being focused on key major focus
88 points and priorities for the Governor. This also reflects the uncertainty in the big picture around
89 Federal funding, changing policies, tariffs, inflation, unemployment, and more.

90
91 Appleby and Day-Stirrat have been meeting with legislators to create new connections and
92 strengthen existing ones, by sharing fact sheets around key talking points such as geologic carbon
93 sequestration and the MLRR Fee Bill. Day-Stirrat and the Director of the Department of State Lands
94 (DSL) presented jointly on the opportunity around geologic carbon sequestration in each of the
95 proposed budgets for DOGAMI and DSL, to the House and Senate sides in natural resource
96 committees. McClaughry also gave presentations to the Ways and Means Natural Resource
97 Committee seeking approval to apply on various federal grant applications that include geologic
98 mapping and mine waste assessments for critical minerals.

99
100 DOGAMI's Budget Bill has passed both the House and Senate. There were no comments during the
101 House vote, but several Senators gave positive comments on the floor during voting; it just needs to
102 be signed by the Governor. The MLRR Fee Bill has had a longer journey, which allowed for the

process audit to be completed. The delay also allowed for continued negotiations with industry, lobbyists, and other stakeholders. It has passed in the Senate, but is still on the agenda for the House to get voted on. Appleby added for awareness, that there are some legislators still stuck in the past about DOGAMI's previous financial issues.

There were a couple of other bills proposed by legislators that would have given work and funding to DOGAMI for studies and tasks. One was to host the water data portal for the State, and the other was a study of toxic, inhalable materials that could be released during a major earthquake. Both of these bills have basically been put on the shelf for now, but could come back around in later sessions.

DOGAMI Leadership will meet and reflect on this session to understand what went well, and where improvements can be made in its process.

Chair Kozlowski said she is pleased with DOGAMI's outreach to legislators and thinks it is important to build those long term relationships. Kozlowski asked Appleby what her sense is on the Fee Bill and if she thinks it will pass. Appleby replied that she is optimistic it will pass. Kozlowski asked Appleby if she knew the reason why the water data portal bill did not happen. Appleby said she believed it was primarily budget constraint, that the Water Caucus was very interested in it.

Briefing: **No Board Action Required.**

9) **Budget Update:**

Ruarri Day-Stirrat, Director & State Geologist, and Steve Dahlberg, Chief Financial Officer, provided an update on the 2025-27 Agency Budget for DOGAMI.

Day-Stirrat said one decision is still pending for DOGAMI's budget, but essentially it is only slightly reduced from what was in the ARB and GRB. The reduction is around the MLRR Fee Bill, where the fee schedule is reduced, causing the number of positions that can be supported to be reduced.

Geologic carbon sequestration was well received in the Legislature. The Agency has received Expenditure Authority for up to \$10M and Position Authority for four positions.

The MLRR program, pending the Fee Bill passage, will establish a drilling program that is separate from the rest of the work it does with the formation of two positions. There will be four positions related to permitting and mine site inspection added: Two senior positions for permit writing, one will be a permit lead position; and two NRS 2 positions for mine site inspections. The additional dedicated staff for mine site visits will help to meet Key Performance Measure (KPM) 4.

Day-Stirrat said effectively the Agency budget has doubled from 2023-25 to 2025-27, mainly in the Other Funds category for the geologic carbon sequestration. The General Fund has only risen by current service level, which keeps whole within the Geological Survey and Services (GS&S) program. This gives the Agency the match requirements to go after Federal dollars. The Other Funds for geologic carbon sequestration is a huge opportunity to leverage Federal Funds if they are available, however, the likelihood is now significantly reduced. DOGAMI will need to explore different mechanisms to leverage the State support through Other Funds into building the geologic carbon sequestration program.

Dittrich asked about what other avenues are available that the Agency is considering related to geologic carbon sequestration. Day-Stirrat answered there are two companies interested, so it may be a public avenue instead of a federal approach to build out the opportunity.

Chair Kozlowski asked if there is any opportunity in public private partnerships. Day-Stirrat answered yes there are opportunities. The Agency will know more once the budget is signed and can go ask questions.

Chair Kozlowski stated it was a fairly optimistic report given the circumstances.

Briefing: **No Board Action Required.**

10) MLRR Update:

Sarah Lewis, MLRR Program Manager, provided the MLRR program update.

The application load is down slightly with 87 active applications, 30 are with DOGAMI for review, and 57 have been returned to the applicant for revisions or additional information. These numbers have been stable for about 6 months. She shared the table listing 23 decisions made by staff in the last quarter, which does include the denial or withdrawal of applications due to lack of forward progress in over 12 months, some had been years. This is a discretion within the Program's rule and statute. To implement more efficiencies, staff will work with applicants to make forward progress or withdraw those applications with no prejudice to reapply. Keeping them on the books is not a good efficient use of staff time. Lewis added the ePermitting and Grassy Mountain Updates are also in the Board Packet.

Chair Kozlowski asked Lewis to provide a brief update on ePermitting and where the Program is on it. Lewis said there are multiple meetings a week, and DEQ staff have been charging significant time to the project and moving it forward. The contract should be signed with the vendor in the next couple of weeks. She is confident the project is on track to be completed in the 2025-27 biennium, barring any unforeseen complications.

Vice-Chair MacDonald asked if staff have received any feedback on the application withdrawals. Lewis said not really, but it has brought up more interest in the pre-application meeting and starting the process over. MacDonald asked if they reapply do they pay another set of fees. Lewis said yes, and added the Program does not require folks to pay any renewal fee once they put the application in, the base fee at the beginning takes them through the entire application process regardless of how many years it takes the Program.

Briefing: **No Board Action Required.**

11) GS&S Update:

Jason McClaughry, GS&S Program Manager, provided the GS&S program update.

McClaughry said his update was going to be a brief summary and the Board Packet contained detailed information focused on publications, grants, outreach, and field activities. The Agency has released 7 publications so far in 2025, with 15 more in queue for a total of 22 expected for the year. In 2020 the Agency released 24 publications.

197
198 McClaughry provided an update on a couple of grants the Agency has been waiting to hear back on.
199 The USGS Data Preservation grant award was received for \$217,000 to continue to compile and
200 archive DOGAMI's historic assay data and add it to the Mineral Information Layer for Oregon (MILO),
201 work has started on that. The Program is working towards funding within the USGS Earth MRI
202 Program, which he has given several presentations to the Legislature on. The Mine Waste proposal
203 has been approved for funding and is waiting on a contract for an approximately \$350,000 award. It
204 will continue to inventory mine waste deposits in Baker County and Southwest Oregon. The Program
205 is waiting for additional information on how things will proceed for several projects with the USGS
206 STATEMAP and Earth MRI Geologic Mapping Programs.

207
208 McClaughry provided detailed information on the update to Oregon Geologic Data Compilation
209 (OGDC). This recent publication update is the 8th version to one of the Agency's flagship web maps.
210 The first version was released in 2004, and this update brings together all the best available geologic
211 map information for the State in an online web map that has a sophisticated GIS database behind it.
212 It is the best available data, but due to various map scales, it is not a seamless geologic map. This
213 data is building into the Federal Geologic Map concept, and this framework will help the Agency
214 construct a brand new seamless geologic map for Oregon, that will be a DOGAMI publication. He
215 congratulated Mike Darin, Eastern Oregon Regional Geologist, for completion on his first publication
216 with DOGAMI.

217
218 Thomas asked if there was a write-up of the analysis that was done that filtered what made it
219 through to the larger composite map, related to the preserved more important geologic units used
220 for consistency. McClaughry said yes, there is a report that explains the methodology for compilation
221 and how units were merged to get to this point.

222
223 McClaughry gave a brief update on the statewide Lidar Acquisition, which is KPM 1 to get 100%
224 coverage for the State. The USGS 3DEP Program and NRCS have been collecting data in the western
225 and southeast parts of Oregon. DOGAMI is currently at 92% coverage of the State. Several more
226 collections are being done that the Agency is waiting delivery on, but it will never be 100% due to
227 non-publicly available Lidar collections over certain Tribal Reservation lands.

228
229 Vice-Chair MacDonald asked if there is a way to filter the Lidar data to give a general bare Earth
230 model that would be acceptable for public release. McClaughry explained that with the original
231 contracts with the Warm Springs Reservation and the agreements the Agency is under, there is a 10
232 meter USGS DEM to fill that in. It is not as sophisticated as modern Lidar, but it is the best publicly
233 available data for that area.

234
235 Day-Stirrat said due to Lidar approaching 100% coverage, the Agency needs to address KPM 1 during
236 the next budget cycle. The Lidar Consortium Model is not functioning in the way it was envisioned
237 to. There is no decision needed today, but discussions need to take place during the upcoming Board
238 Meetings about re-envisioning the Lidar Program. Vice-Chair MacDonald asked if Forestry is
239 interested in the use of Lidar for first return data and not just bare Earth data. Day-Stirrat said yes, it
240 was done with a significant grant last year with the Private Forest Accord. MacDonald mentioned
241 work being done by PSU as a potential interest for Lidar. Day-Stirrat said that a potential KPM could
242 be around the derivative product from Lidar, not just bare Earth.

McClaghry shared a slide showing the GS&S Strategic Equipment Purchases made over the last two biennia to enhance the Program's capabilities. These items include:

- Two handheld devices used to analyze the geochemistry of rocks.
- An Axioscan Slide Scanner to use for current projects and preservation of historic archives, by allowing staff to take thin sections of rocks and analyze 10 to 25 slides at a time, then make digital copies instantly that can be referred to later. Two other microscope components will be setup in the room for additional types of analyses. A lab is being setup in the Portland office that provides a lot of future opportunities.
- Terrestrial Lidar scanner used to get detailed side scan of areas to understand how certain parts of the coast are changing.
- Backpack Core drill that allows staff to take detailed core out in the field down 10 to 40 feet depending on the rock type, to better understand the mineralization history of the areas.
- ReMi-DAQ 2d Seismic device that generates waves into the shallow subsurface to help understand the different layering of rock types down 100 to 150 feet. It was recently used at one of the major fault zones near Milton-Freewater.
- Safety equipment and gear, with a vehicle roll cage being installed recently.

Chair Kozlowski said it was an excellent report and McClaghry has really upped the game for DOGAMI.

Briefing: **No Board Action Required.**

12) **MLRR Process Audit Report:**

Sarah Lewis, MLRR Program Manager, reviewed the MLRR Process Audit Report and implementing the audit findings.

MLRR Permit Application Process Audit

- Oregon Concrete and Aggregate Producers Association (OCAPA) requested a process audit of surface mine permitting in the MLRR program on December 19, 2024.
- Moss Adams completed the audit April 11, 2025.
- Audit documents many years of underfunding and capacity issues.
- DOGAMI accepted the audit findings.
- Audit supports requested positions and advises a multi-year approach.
- SB 836-A (as amended) is a negotiated fee increase for 2025-2027, with 4 positions to support surface mining and 2 positions to establish a dedicated drilling program.

MLRR Program Right-Sizing: POP 103 & SB 836 – Program Improvements, the goal was to:

- Decrease permitting timelines
- Increase site inspections
- Improve response time for complaints and general public inquiries
- More outreach to applicants permittees and permitting partners

SB 836 and POP 103 – as Proposed

Improve Surface Mining Outcomes (7 FTE)

- Field Specialists – Site Inspections (4 FTE)

- Reclamationists/Permit Writers – Application Processing (3 FTE)
Program Operational Efficiency and Timely Customer Service (3 FTE)
- Supervisory Position – Operations & Office Oversight, ePermitting (1 FTE)
- Operations and Policy Analyst – Outreach, Education and Policy Development (1 FTE)
- Office Specialist – Customer Service & Public Inquiry Response (1 FTE)
Dedicated Drilling Program (2 FTE)
- Energy Resource Geologist – Lead for Oil & Gas, Geothermal and Exploration Permits (1 FTE)
- Drilling Permit Coordinator – Administration for Drilling Permits (1 FTE)

SB 836 and POP 103 – as Amended

- Improve Surface Mining Outcomes (4 FTE)
- Field Specialists – Site Inspections (2 FTE)
- Reclamationists/Permit Writers – Application Processing (2 FTE)
Dedicated Drilling Program (2 FTE)
- Energy Resource Geologist – Lead for Oil & Gas, Geothermal and Exploration Permits (1 FTE)
- Drilling Permit Coordinator – Administration for Drilling Permits (1 FTE)

Lewis briefly reviewed a slide of the Org Chart showing the structure and changes. She stated the aspirational goals the Program had around POP 103 are going to be more difficult to achieve with the absence of the supporting framework for the staff doing the technical work, but the structure is still workable.

Dittrich asked if there is any insight to why specific positions were kept and others were eliminated. Lewis answered yes, then reviewed a slide showing the hiring order of the proposed positions listed in the GRB, that were ranked by Moss Adams based on what they learned through the audit and where the Program could prioritize its hiring if it did not receive everything requested. She explained the auditors recommended creating a Lead Reclamationist position that had not been included in the proposal, and said the right hand column for SB 836-A is marked with what OCAPA was willing to support. She stated the audit was done on the permit processing, not field inspections. It is based on fees and what positions the Program can make work. As part of the negotiations, the operating balance will be maintained at \$1M instead of a 6-month operating balance, which Lewis thinks the Program can make work for the 2 years, but will reassess it for the 2027-29 biennium.

Dittrich asked how much less is the decrease in fees as to what was proposed. Lewis answered that industry did not want the renewal fees to increase in the base fee portion paid by every permittee every year, which is the majority of MLRR's revenue. Instead, the burden is shifting more heavily toward production fees, which are based on the tons produced annually or in the last 12 months by each permit, but not all permits are producing. Industry also requested exploration fees be kept very low instead of them matching drilling fees. The Operating Permit fee, specifically the production fees are now subsidizing the exploration program. This is an explicit trade off the Program was asked to support.

Vice-Chair MacDonald said that also keeps the barrier to ground disturbance low. Lewis said in some sense. It does go through the process, which does include comment by other agencies who have regulatory oversight for wildlife, wetlands, water, etc. Day-Stirrat stated through the audit and industry, there is recognition that the application fee does not cover the cost of the application fee, it is all deferred costs into renewal fee and tonnage fee. The shift to production places the burden on a

few large operators that has not been universally accepted. By placing more emphasis in the future on tonnage as a variable, the Program is now exposed in a way it has not been in the past and is not fully aware of what its risks are at the moment. The first year of the biennium should be okay, as permittees are reporting previous production, but the Program may be more exposed in second year of the biennium. The GRB budget was designed to get the Program to 2029 for another fee bill, but there is recognition that SB 836-A only gets the Program to next Session, before needing a revision.

Dittrich asked how much the ton of production varies over time during macroeconomic ups and downs. Lewis said it has been pretty stable for the last 10 years, and the last time it had a significant drop was in 2007 or 2008. She stated it stayed relatively strong throughout COVID due to focus on construction projects, and expects this to continue given the focus on housing development, other construction, and infrastructure projects,

Dittrich asked how likely is it going to be inflation indexed, and the need for regularly revisiting it. Lewis answered it is definitely possible and it is a recommendation of the audit. Day-Stirrat added that providing the vote the Program receives, there is an opportunity through the next budget cycle to come up with an alternative scenario, put some factor on it, and give it a longer timeline.

Vice-Chair MacDonald said the indexing and giving a longer timeline also carries the risk that the Program will not be able, at the end of that timeline, to increase fees versus automatic indexing which gives the flexibility of a fee increase at a current level of service continually, then asked Day-Stirrat what his thoughts are on the relative, both political and programmatic, balance of those two. Day-Stirrat said the audit findings show this as a multi-year project to build out the program and stabilize it, and will be done in steps. The Program will need to start developing the next step now.

Chair Kozlowski asked if the Program would have specific data at the end of two years to take back to the Legislature. Lewis answered it will have about a year of data. Day-Stirrat added the fees take effect January 1, 2026 and DOGAMI will start building its next budget in January 2026, so there will not be a huge amount of data for the next programmatic change. Vice-Chair MacDonald asked if the audit will be used as backup. Day-Stirrat answered yes, it will be used for many years. Lewis added with the great numbers provided by CFO Dahlberg, the Program can begin hiring in advance of the fee increase, which should start in September 2025.

Day-Stirrat said at the September Board Meeting, the end of budget financials for the Program will show a just under 6-month operating balance, the new fee structure will reduce that down to less than 4 months. The 6-month operating balance has been sacrosanct, but to meet an agreement it was an area reduced. It will definitely need to be revisited in the future to ensure the operating balance is appropriate.

Dittrich asked why the Drilling Program did not have much pushback and how the drilling fees compare with other states. Lewis explained there are less than a dozen permittees in the Program and the drilling fees are based on the staffing required to create that Program, which she did not compare with other states. She said on the Operating Permit and Exploration side, some work has been done with state to state comparison around the structures and authorities, and DOGAMI's fees are comparable to Washington State, who also requested a fee increase this year. Their renewal fees are slightly higher but they do not have a production charge, and their application fees are about the same. However, they only have authority over reclamation, not over operation permitting, as that

sits with the county or local Land Use Authority, so it is a different scope of program. It is very difficult to find a good comparator.

Audit Structure & Implementation Plan – 13 Observations with 22 Recommendations by Priority

- Application Process – Observations 1-4 with 8 Recommendations
- Operations – Observations 5-8 with 7 Recommendations
- Staffing – Observations 9-11 with 4 Recommendations
- Customer Service – Observations 12-13 with 3 Recommendations

Lewis stated these are in the Implementation Plan broken down into categories to help with answering if there are limited resources, what to do first. This is a nice aspect of the work done with Moss Adams.

Audit Commendations to Program

- Dedicated Staff
- Supportive Management
- Continuous Improvement Mindset
- External Communications Improvements
- System Enhancement Initiatives (ePermitting)
- Recent Updates

Lewis said these are in addition to the recommendations, to say the Program is actually doing a lot of things well. There is always room for improvement, especially if you take a continuous improvement mindset.

Implementation Plan

Lewis stated this is located in the Audit document, pages 48-51, and the Board Packet, pages 125-128. Once the auditors had their recommendations and observations set, they talked about what is realistic for the Program. This is also linked to how the positions were ranked in hiring order. This is a great roadmap to figure out how to sequence what the Program works on first.

Regulated Community Priorities

- A 30-day Transfer process to address business transactions.
- Expedited exploration permits in 60 days.
- Operating Permit application processing in 180 days.
- Clarification of DOGAMI's regulatory authority and development of materials for applicants that outline other agency approval requirements likely to be required after interagency circulation.
- Continued work toward standardized application forms and documented operating procedures for key processes.
- Review of funding mechanisms for long-term stability of the program in advance of the 2027-29 ARB development.

Lewis stated these are some of the requested priorities from the regulated community as part of the fee negotiation and need to be considered on whether or not they are realistic expectations, and what the timeline might be to achieve something like this. She stated staff is already working toward an implementation plan for the 30-day transfer process request. As for the two timeline requests for Exploration Permits and Operating Permits, the Program is unable to promise they can be processed

in the specific amount of time due to the amount of time an applicant may keep the paperwork. She does not think that measuring or requiring a Key Performance Measure with a number of days that DOGAMI must meet for a total time is a productive metric. She thinks what can be done is talk about DOGAMI's response time when it receives materials. Since statute does say if DOGAMI does not hear back from an applicant in 60 days the application is withdrawn, setting metrics on both sides could help meet the timelines, but might not actually be great for the process. Developing a Key Performance metric around processing timelines will probably be part of the conversation in the next 18 months.

Thomas asked about the requirements of timelines and if they are based on other agencies similar to DOGAMI. Lewis said they are in statute and rule, but she was not sure how they were determined, but can go back to see what was considered at the time. Thomas asked if the response timelines are communicated alongside the permit application to make the permittee aware of. Lewis answered no, staff generally communicate permits are taking 9 to 12 months to reflect the current Program situation. Thomas said it might be helpful and little more transparent as to the timeline requirements on both sides.

Day-Stirrat said there are two buckets, one is how long it takes a permit writer to physically work through the permits, and two is what is not being worked on due to lack of resources in the Program. The two have been comingled in conversations for many years. A Key Performance Measure needs to be created around tracking how fast things move through the Program, as he can only be responsible for what happens in the office, not as soon as the material leaves. He spoke about future resourcing if given a heads up from industry of upcoming mass acquisitions and transfers.

Vice-Chair MacDonald asked Day-Stirrat how he handles the third bucket of waiting for other agencies to respond to DOGAMI and if there have been discussions about coordination in the Governor's Natural Resources Cabinet. She also asked if industry gave their list of what they will do to advance these priorities. Day-Stirrat answered no, industry wants more outreach and engagement but there is no funding for it, so the Program will have to make decisions on the best use of its resources to advance multiple things, including permits, site inspections, and outreach. Lewis added the time permits spend with other agencies is less of a concern, as there is an interagency circulation window of 30-35 days for regulatory role comments, but if they request more time for circulation DOGAMI honors that request. One issue the auditors heard from permittees is that they think DOGAMI is overstepping its authority by requiring or indicating additional surveys or wetland delineation is needed early in the process and not letting them move forward in the process. The flip side of that is if the Program waits until the end during the permit circulation and those items are required, the permit is put on hold, or if whatever restrictions are required but not in the permit the permittee has to go back through the process with DOGAMI and redo the materials. One of the key requests from the audit is DOGAMI clarify what it can and cannot require, that would hold up the permit moving forward. Lewis would like to request each of the 3rd party approvals provide a quick fact sheet on their letterhead that staff can hand out at the pre-application meetings. This will take resources and time, but thinks it would be very effective and a real benefit.

Lewis said the Program is about midway through with the continued work toward standardized application forms and documented operating procedures for key processes, but does not have a dedicated person to work on them. Some changes have not happened because they were told to hold off on them to ensure they will work with ePermitting. The application forms will change

completely with the online system, so the work is being done in coordination with the IT Modernization.

Lewis said regarding the review of funding mechanisms for keeping the program stable, what the industry might want, might be a different option. This was something included in the stakeholder survey in the fall of 2023. DOGAMI scoped and proposed several different funding models, most of which industry rejected. This will be an interesting conversation going forward.

Lewis said there are actually two Budget Notes for MLRR in DOGAMI's Budget Bill. HB 5010-1 is on ePermitting, and the Program is being requested to go back to the Legislature in January of 2027 to give an update. The Program will be solidly 6 months into the work with the vendor on the project, and it will be a time to re-baseline both the budget the timeline for the project.

Budget Note (HB 5010): MLRR Process Audit

"...The Department is directed to report to the Natural Resources Subcommittee of the Joint Committee on Ways and Means during the 2027 session on:

1. the status of audit findings implemented
2. progress made on the permit backlog
3. anticipated completion date [of backlog]
4. the average number of days to process a permit application by application type
5. the projected cost and related fee increase necessary to fully implement the process audit findings."

Lewis said this request is for the beginning of the next session in 2027, so there will be more time to have data the Program can talk through with the Legislature on how it has been able to implement the audit findings based on the fee increase for the first year.

Chair Kozlowski asked Lewis what her expectation of the Board input is at this point and what would be most helpful. Lewis answered it would be helpful for her if the Board would weigh in on what they want to prioritize for the Program. Day-Stirrat added reviewing the recommendations and having a discussion around what the Board feels from its perspective is a higher or lower priority. Recognizing that not all eighteen can be done, putting a reasonable list together that he and Lewis can inform the Legislature of what things that were in the audit have been done, and what the Program did not have resources to do.

A brief discussion took place on how to prioritize. Day-Stirrat suggested they discuss some of the recommendations today and have the Board direct the Program to come back in September with a refined list to discuss on how to proceed and the appropriate timescale for each selected item, and be clear what will not be tackled because resources have been allocated.

Lewis stated the color coded tasks in the Implementation Plan start with critical, ones the audit pointed out needed to be done first, and move down to low priority, which are still important but are either longer term or lower impact. She explained for her assessment, she looked at whether they were doable or not doable with the resources the Program currently has. Some show a partial mark (~), which reflects it is a good idea and maybe a little can be done, but not quite sure because of the need to balance it and not do something else. She reviewed the list containing her notes for each task, in the order listed in the Implementation Plan.

Implementation Plan

Critical Priority Tasks

#8 A – Permit Application Fee: Increase permit application fee to better reflect the cost of staff time and resources in reviewing materials. ~ App Fee increased but still subsidized by renewals

#10 A – Managerial Span of Control: Create a Lead Aggregate Reclamationist position to support the permitting process, and provide additional technical support. ✓ Position included in budget, priority hire

#4 A – Interagency Circulation: Clarify DOGAMI’s regulatory authority to coordinate requirements or other State agencies and communicate anticipated requirements from other agencies in a separate considerations section of pre-application meeting notes or deficiency letters. ~ Need to balance with other tasks

#9 – Staff Workloads: Prioritizing adding Lead Aggregate Reclamationist Worker, three Reclamationists, and one Field Inspector to address Program operational gaps and expedite permitting processes. ~ 3 of 5 positions included in budget, partial solution

#12 – Application Deficiencies: Ensure that one dedicated staff member is responsible for consolidating deficiencies from various reviewers and reviewing alignment in comments before communicating this information as a complete list to applicants. ~ Need to balance with other tasks

#10 B – Managerial Span of Control: Move forward with hiring the Business Supervisor as proposed in the staffing plan to alleviate the current manager’s span of control. ✗ Not included in Budget

Lewis said the audit recommendation is to increase the Application Fee to actually cover the cost of processing an application. The costs could be between \$5,000 and \$50,000 depending on the application. Chair Kozlowski asked if there was something that actually prevents the Program from doing that. Lewis replied yes, it is the Program does not have cost recovery approval for Operating Permit Applications, it is setup to be a fee up to a certain amount. Kozlowski asked how difficult would it be to change. Lewis said it would need to be a Legislative Concept for next biennium to change the fee structure. This could be a discussion around possible funding models.

A lengthy discussion took place on how to do the interagency circulation and creating the other agency requirements fact sheets. Lewis said the other agencies are not paid to do this. The Program focuses on building relationships with its State agency partners, so it will need to partner with each one and possibly get their manager approval for their time to help work on the fact sheet documents. The goal is for other agencies to understand the long-term benefit of doing the work together. Lewis added that many of the comments received during the audit came from disgruntled applicants who may have gone through the process several years ago, and the current practice was not always reflected in the feedback received. Vice-Chair MacDonald asked if there is a mechanism for getting input on the process from other mining type reps. Lewis said this survey was specifically only for surface mining and exploration, but the audit did have listening sessions with a variety of folks across the permittees community, including small miners and consultants who work with permittees. Thomas asked about the feedback mechanics and if there is a way to track who the responses came from to try and do a status check to see if they saw improvement with the recent changes, to help filter action items if they have already been corrected or improved. Lewis answered that depending on the permit type, there may not be any interaction for several years, so there may not be a change in survey responses because the changes the Program has made have not been communicated well.

Thomas asked about the Program offering webinars, recordings or in-person trainings to walk applicants through the process, or interest in having ambassadors attend regular recurring events. Lewis replied staff have a long list of ideas they would like to implement, and the Program has often given seminars at OCAPA's Winter Workshops. Day-Stirrat added the Program has done this to an extent but not on the full permitting process, but it comes back to not having dedicated resources for outreach. Chair Kozlowski said the training and outreach are strongly supported by the Board, and she is looking forward to the recommendations from Lewis and Day-Stirrat at the September meeting.

Lewis said the Program received three of the five positions identified as the first ones to hire. The two positions it did not get are Reclamationists at the NRS 3 level that play a key role in writing and processing permits. The three positions will partially help the Program improve permit processing and field inspections, but not meet the targets they had hoped for with the full staff.

Lewis said the Program already does this for application deficiencies, but thinks there is room for discussion, specifically with some of consultants who work across multiple different applicants, and how the Department better manages an iterative process with input from multiple subject matter experts. One idea is moving the site visit to the beginning when the lead is starting the technical review, to get the applicant and subject matter experts needed for that particular site to discuss the entire project as a whole and identifying upfront some of the deficiencies, instead of waiting until the application is complete right before it goes to circulation.

Lewis stated the Business Supervisor did not get funded. This is not ideal, as she will be supervising 20 people, that includes managing the Albany Office as a unit and the technical workers. Day-Stirrat added this will be discussed during the next budget cycle.

Lewis said it sounds like there is general support for most of the items under the critical list, which is helpful.

High Priority Tasks

#5 – Inspections: To enhance inspection capacity and ensure consistent standards across all sites, increase operation fees to fund additional staffing, standardize inspection procedures, and centralize oversight of inspection staff. ~ 2 of 4 positions included in budget, partial solution

#3 A – Internal Peer Review Standard: Develop a set of review standards that outline consistent expectations for peer reviews. ~ Partial solutions, need to balance with other tasks

#7 – Standard Operating Procedures: Complete development of SOPs to enhance consistency, efficiency, compliance, and quality control, with a focus on developing an SOP for completing a comprehensive review, peer review, and compliance processes. ~ Partial solutions, need to balance with other tasks

#1 A – Timelines and Backlog: Expedite permit processing and clear its application backlog by increasing staff capacity, implementing ePermitting, and integrating AI into the comprehensive review process. X Not supported by positions in budget, partial solution

#2 A – Comprehensive Review Process: Evaluate and document the comprehensive review process to ensure all steps are necessary for the review process while maintaining compliance with statutes and regulations. ~ Partial solutions, need to balance with other tasks

#2 B – Comprehensive Review Process: Explore using AI to assist in the comprehensive review process to streamline the process and restore staff capacity to work on other tasks. X Not included in budget

Lewis stated the Program only received two of the four positions, so progress will be made but not be able to improve the KPM. She is confident MLRR will meet its site inspection target in Fiscal Year (FY) 26. Day-Stirrat added, for perspective, Washington State has slightly more mine sites, but a less expansive regulatory program and they have 5 inspectors for the entire State split by region, so DOGAMI's request for four is entirely reasonable. This will come back as a different request to be on parity for mine site inspections with the adjacent state. Vice-Chair MacDonald asked if this should be a risk based inspection program and gave an example. Lewis agreed, saying she would like to expand past the current plan to start looking at how to prioritize 884 sites, and inspections that are not related to a complaint, compliance issue or application.

Lewis said the internal peer review standard is a very good recommendation around how the Program writes and reviews internal reports for sites inspections, file reviews, and draft permits. They need to go through a review process to make sure subject matter expertise is covered and they are consistent. This is something the lead position could potentially do. The recommendation is could the Program be more efficient by having more guidance for staff around what constitutes a review. Vice-Chair MacDonald asked if Lewis feels she is getting inconsistent reviews from staff member to staff member. Lewis answered yes.

Lewis stated the Program has been working on standard operating procedures (SOPs) since she arrived 7 years ago and is actually pretty far down along the key list. Work will continue on these, as SOPs always evolve and require annual review.

Lewis said she put an "X" for Timelines and Backlog because the Program is unable to do this. She needs to define when it is a permit load versus a backlog. This is probably closely aligned with actually defining with the timeline should be, and if not meeting the timelines, that it is a backlog. The Program did not get all the positions, and had it gotten all five of the reclamation positions and all the site inspectors, this would be more realistic. She explained that without the full site inspectors, the Reclamationists and Permit Writers still need to do field inspections of their own sites rather than delegate it to a group that it is their role. She is concerned about setting an expectation that the Program will all of a sudden be timely and no backlog based on current staffing. Dittrich asked if making it easier for applicants to understand what is needed up front would help it get through the process faster. Lewis said it would help, but another part of the problem is still the number of applications and how much workload is on each staff member. Lewis would like to develop a program and procedures, and relationships with both State agency partners and the regulated community that allow the Program to move forward in a way that gets permittees what they need, while staying within the laws MLRR has to uphold.

Lewis explained that the comprehensive review process is the current look the Program takes at every existing file before something new is done to it. It is a cumbersome process, but is critically important. It was developed around 2016 and the Program is only about a third or quarter way through the sites. Applicants can help by getting a copy of their site file and doing their own review to know when they give something to the Program it is in alignment with that they previously agreed to.

Lewis said the comprehensive review is a critical step in the process, so a recommendation was to consider using AI as a possible solution to assist in the process. Staff would not use it to write reports or summaries, but it could possibly be used for translation of the legacy paper files into something more usable. The Program would need to work with an outside consultant, so a cost would be associated with this.

Medium Priority Tasks

#6 A – Compliance Program: Move forward with hiring an Operations and Policy Analyst as proposed in the staffing plan to expand compliance program resources. **X** Not included in budget

#3 B – Internal Peer Review Standard: Consider implementing a tiered review process to expedite low-risk decisions and enable additional review processes for high-risk or high-impact decisions or actions. **X** Not included budget

#11 – Staff Decision Making: Empower staff to make informed, risk-based decisions by providing reassurance to staff about the legal protections afforded to them under Oregon State law and developing decision guides. ~ Need to balance with other tasks

#6 B – Compliance Program: Build a comprehensive internal framework that outlines specific procedures for the application of civil penalties. ~ Need to balance with other tasks

#8 B – Permit Application Fee: Establish a clear policy for annually updating fees based on the Consumer Price Index (CPI) to help mitigate financial impacts on the Program over time. **X** Not included in budget

Lewis stated moving down the priorities list, more things did not get funded. The recommendation was to hire an Operations and Policy Analyst to help take a closer look at the Program's regulations, statutes, and authorities, streamline things, and help communicate better around compliance issues. Some of this can be done within the Compliance Program, but the Program will not be able to expand what is currently being done in a meaningful way.

Lewis said there was feedback around concern that staff would be held individually responsible for their decisions and fall under either discipline or legal challenge. She said a better job can be done of informing staff on where they are or are not at risk. This is a legacy concern of past Program decisions, they are being worked on, but there is clearly more work to do. Chair Kozlowski asked if it was primarily a perception issue. Lewis said she is unclear, as this is feedback directly from staff. Vice-Chair MacDonald ask Lloyd if this is arbitrary and capricious or takings versus non takings concern. Lloyd said she was not certain what the specific fears were, but thinks it is more of a perception issue, as State employees are generally protected in their individual capacity for decisions they make in the course of their job duties. In the general agency, permitting decisions need to be supported by substantial evidence and consistent with the rules and statutes. If not, it would result in a permit remand, it would not result in action against the employee. She stated maybe training or discussion from DOJ would be helpful to staff. Vice-Chair MacDonald suggested having a training course from DOJ every couple of years, that Leadership supports, and to consider this low hanging fruit off this priority level.

Lewis said for building a comprehensive internal framework, it is interesting the audit listed the Lead Aggregate Reclamationist, which could be a good use of that person's time. Cari Buchner has worked to build the Compliance Program as one of her priorities, which has taken quite some time and

without additional staff. The Compliance Program needs to be developed in coordination with the Board and very well crafted. She does believe it could be worked toward in the next 2 to 4 years.

Lewis said the permit application fee using the consumer price index was discussed will not happen in the next 2 years, but is something that could be considered as a potential funding model. This is something staff would not be involved in, but it would be discussions between Leadership and the Board.

Low Priority Tasks

#1 B – Timelines and Backlog: Establish performance measures that set goals for permit processing time by process type, implement tracking mechanisms, and report out on progress toward these goals on annual basis. **X** Not included in budget

#13 A – Education & Outreach: DOGAMI should prioritize small-scale educational improvements that yield significant benefits, starting with ensuring that application forms on the website are consistent with internal standards, and that examples of application materials provided on the website are relevant. **X** Not included in budget

#13 B – Education & Outreach: In the long term, the Program will likely need to increase the number of staff hours dedicated to educational outreach. **X** Not include in budget

#4 B – Interagency Circulation: Encourage other agencies formally request extensions when needed and transparently communicate these requests to applicants to manage expectations and maintain clarity in the application timeline. ~ Need to balance with other tasks time

#6 C – Compliance Program: Explore options for incorporating more legal expertise into DOGAMI's compliance processes. **X** Not included in budget

Lewis said the low priority items were performance measures to set goals. She thinks they can be done at a Program level and will need to be done at the management level and not staff level. She does not want to confuse performance metrics and measures related to how fast is a permit being processed, with staff performance measures, which are different things set with her on a quarterly basis and may or may not include permit processing.

Lewis said the Program did not receive funding for education and outreach, but feels it is very important. She will have that conversation with staff and come back with ideas that are less intensive timewise or easier for the Program to implement, and the Board can think about what will be the tradeoff for it. Chair Kozlowski said the Board really supports that.

Lewis stated the interagency circulation goes back to the critical issue, but the second half of it is for the Program to encourage other agencies to ask for extensions for the 30 day circulation period. This can be done as part of the critical task if prioritized.

Lewis said incorporating more legal expertise into DOGAMI's process is a cost issue. The Program has a set amount set aside for legal fees they use readily as needed, but does not think it will hire a lawyer as part of the budget.

Lewis thanked the Board for going through the recommendations, with the discussions and ideas she has a sense of what the Board has prioritized, and what is not going to rise to the top. She will come

back with that list. She stated that explicitly acknowledging that there are certain things the Program cannot do is as important as saying what it wants to work toward.

Vice-Chair MacDonald said for clarity, ask what legal expertise does the Program not have and what does it want to incorporate in. She suggested asking OCAPA what they think the priorities are and have them take some ownership of the issue.

Chair Kozlowski said, “My bias is always be very clear about what your priorities are. Make them narrow enough so that you can do an excellent job on those priorities.” She told Lewis it was an excellent analysis of where her priorities were and the amount of thought she put into them was extraordinarily helpful. It gives the Board a better sense of where the Program is, gives some way to measure, and to help increase the efficiencies and effectiveness of MLRR. She thinks the audit is going to help move the Program forward in a positive way.

Dittrich thanked Lewis for talking through this list and answering all the Board’s questions and explaining everything carefully.

Teeman thanked Lewis for her work and the detail she puts into it.

Vice-Chair MacDonald asked Day-Stirrat if there are any places the Board could be helpful that he wanted to bring up in this meeting or wait until September. Day-Stirrat answered that the action for September is to come back with the process audit recommendations, make priority lists of what items are going to be tackled and be clear on the expectations of when they will be done, since each of them have different timelines. This conversation has been helpful and will continue in September.

Vice-Chair MacDonald said she attended a geologic concert, and there is an art exhibit at the Stello Gallery called “The Birth of Cascadia”. DOGAMI’s previous Chief Scientist, Ian Madin has been heavily involved in the Oregon Origins Project. There are other events taking place over the next couple of years and the information can be found at the Oregon Origins website (<https://www.oregonorigins.org/>). Lopez thanked MacDonald for mentioning this project. Chair Kozlowski asked Lopez to include the Board on any notifications along this line.

13) Confirm Time and Date for Next Quarterly Meeting:

Chair Kozlowski stated the next DOGAMI Board is currently scheduled for Monday, September 15, 2025 at 8:30 a.m. – 1:00 p.m. in Portland or via Zoom. She confirmed this date is still acceptable for the Board. It will be an in-person meeting at DOGAMI’s Portland office. There will be a Zoom option as well.

14) Public Comment:

Only written comments received prior to or by 2:15 p.m. on the day of the meeting were to be accepted. Chair Kozlowski asked for any written public comments. One written comment was received.

Written comment from Christopher Rich of Perkins Coie, on behalf of Rare Earth Resources LLC (“RER”): It was not read into the record due to being received after the meeting ended but prior to the deadline. It is related to the Bonnanza Mine. It will be attached with the minutes and made public for review.

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801 15) **Board Adjourn:**

802 Chair Kozlowski adjourned the meeting at 1:01 p.m.

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Linda Kozlowski, Chair