



East Dakota Water Development District
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MINUTES
February 15, 2018

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on February 15, 2018, at the EDWDD office in Brookings. Chairman Jarrett called the meeting to order at 9:00 a.m. The following persons attended:

Directors Present

Mark Anderson
Lois Brown
Gary Duffy
Martin Jarrett
Kay Kassube
Dana Loseke
John Moes
Janelle Weatherly

Directors Absent

Mary Ellen Connelly

Others Present

Scott Anderson, Minnehaha County
Ted Haeder, First District Council of Local Governments
Roger Hageman, Lake County Commission
Michael Hauglid, City of Colman
Tim Spade, Flandreau Santee Sioux Tribe DNR
Gloria Van Duyn, City of Colman

Staff Present

Kevin Christenson
Jay Gilbertson
Jeremy Hinke
Deb Springman

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Administrative Items

Approval of Agenda

Motion by Weatherly, seconded by Loseke to approve the agenda as presented. Motion carried unanimously.

Minutes - The Board reviewed the Minutes of the January 10th, 2018, meeting.

Motion by Duffy, seconded by Anderson to approve the January 10th, 2018, Minutes as presented. Motion carried unanimously.

Financial Reports - The Board reviewed the January 2018 financial reports.

Motion by Moes, seconded by Weatherly to accept the January 2018 financial reports. Motion carried unanimously. Chairman Jarrett then asked that the report be placed in the District files.

The Manager presented a year-end summary of fiscal year 2017 expenditures and expenses, and reviewed changes to the FY 2018 District budget (below). He noted that the changes primarily reflect the actual year-end 2017 expenditures and account balances, due to carry-over of funds that had been obligated but not expended. He noted the following adjustments:

1. Appropriations - Minor increases to health insurance premiums, increased public outreach and supplies and materials;
2. Appropriations - A net reduction of \$15,000 in 07 External Grant Expenditures reflecting the adjustments due to changes in the Eastern South Dakota Lakes and Skunk Creek NWQI Projects 2018 activities. A comparable adjustment is reflected under Means of Finance (200 External Grant Revenue); and
3. Appropriations - \$383,196 increase in category 08 Project Assistance, the bulk of which are funds previously committed to projects that had not been expended by the close of FY 2017.

FY 2018 BUDGET

<u>APPROPRIATIONS</u>	INITIAL BUDGET	OPERATIONAL BUDGET
01 Board of Directors	\$ 37,586	\$ 41,677
02 Administration	\$ 129,238	\$ 137,238
03 Technical Assistance	\$ 301,173	\$ 301,173
04 Operational Expenses	\$ 108,000	\$ 110,000
05 Professional Services	\$ 37,000	\$ 44,000
06 Capitol Outlay	\$ 11,000	\$ 11,000
07 External Grant Expenditures	\$ 355,000	\$ 340,000
08 Project Assistance	\$ 176,604	\$ 559,800
09 Contingency	<u>\$ 105,000</u>	<u>\$ 105,000</u>
TOTAL FY 2018 APPROPRIATIONS	\$ 1,260,600	\$ 1,649,887
 <u>MEANS OF FINANCE</u>		
100 Tax Revenue	\$ 726,600	\$ 726,600
200 External Grant Revenue	\$ 355,000	\$ 340,000
300 Capitol Reserve Transfer	\$ 175,000	\$ 340,714
400 Miscellaneous Revenue	<u>\$ 4,000</u>	<u>\$ 4,000</u>
TOTAL FY 2018 MEANS OF FINANCE	\$ 1,260,600	\$ 1,649,887

Motion by Moes, seconded by Weatherly to approve the carry-over of funds from 2017 and to adopt the proposed adjustments to the 2018 District operational budget. Motion carried unanimously.

Report of Meetings and Conferences - Directors Anderson and Kassube, along with the Manager and Chairman Jarrett, met with the auditors to review preliminary findings for the 2016 fiscal audit in Sioux Falls on February 9th.

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Director Brown attended the Annual Meeting of the South Dakota Soil Health Coalition Annual Meeting on January 17th in Watertown.

The Manager briefly summarized the following meetings he attended since the January 2018 Board meeting:

1. January 11 - Pierre. South Dakota Association of Rural Water Systems (SDARWS) Annual Technical Conference.
2. January 16 - Brandon. City Water Committee.
3. January 25 - Sioux Falls. Friends of the Big Sioux River.
4. January 31 - Pierre. SDARWS Source Water Protection Workshop.
5. January 31 & February 1 - Pierre. SDARWS Managers Group Meeting.
6. February 6 - Brandon. City Water Committee.
7. February 8 - Flandreau. Moody County Conservation District Board of Supervisors.
8. February 9 - Sioux Falls. Review of DRAFT 2016 District Fiscal Audit.

In addition, the Manager acted in his capacity as District lobbyist to the 2018 South Dakota Legislature in Pierre during this period.

Upcoming Meetings -

1. **January 9th thru March 26th** - State Capitol Building, Pierre. 93rd Session of the South Dakota Legislature.
2. **February 21 & 22** - Oacoma. SD Water & Wastewater Association Annual Water Seminar.
3. **February 21st and March 6th - 6:00 p.m.** - City Council Chambers, Brandon. Water Committee.
4. **March 13th - 6:00 p.m. (MST)** - Rapid City. West Dakota WDD Board of Directors meeting.
5. **March 15th - 9:00 a.m.** - EDWDD Office, Brookings. EDWDD Board of Directors meeting.

The Manager noted that the 2018 SD Legislature would be in session until March 26th, and he will continue acting as District Lobbyist as necessary.

Payment Request(s) - The Manager presented the Board with three reimbursement requests from the sponsors of several District-supported projects. He noted that each was request was in order, and consistent with provisions set by the Board at the time of award. He requested authorization to pay the following:

<u>Grant Recipient/Activity</u>	<u>Requested Amount</u>
SDSU/Alternative ag media for nitrate bioreactors (Hua)	\$ 871.50
SDSU/Bioreactor impacts on <i>E. coli</i> and antibiotics resistance (McDaniel)	\$ 2,850.40
SDSU/Storm water runoff treatment (Hua)	<u>\$ 849.61</u>
Total	\$ 4,571.51

Motion by Brown, seconded by Kassube to authorize payments totaling \$4,571.51 as requested. Motion carried unanimously.

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Project Assistance Requests

United States Geological Survey - The Manager presented a request for District cost-share assistance from the United States Geological Survey South Dakota Water Science Center (USGS) for support of a real-time nitrate monitoring device on the Big Sioux River. He noted that since May 2014, the District has partnered with the City of Sioux Falls and USGS to operate a real-time monitoring station for nitrates in the Big Sioux River. The device is currently located at the USGS gaging stations near Dell Rapids, and is operational from late April and early October. Results are available on-line during the monitoring period.

The joint funding agreement for federal fiscal year 2018 calls for District a contribution of \$3,250, to be matched by \$1,625 from the USGS. A similar agreement has been executed between the City of Sioux Falls and the USGS.

Motion by Duffy, seconded by Moes to allocate up to \$3,250 in District cost-share support in support of the 2018 operational costs for real-time nitrate monitoring on the Big Sioux River as proposed, and to authorize the Manager to execute a joint funding agreement with the USGS for such purpose. Motion carried unanimously.

Chairman Jarrett announced that he would abstain from any participation and/or discussion on the City of Colman assistance request. Vice-Chairman Anderson assumed control of the meeting.

City of Colman - Representatives of the City of Colman presented a request for District cost-share assistance in support of a major overhaul of the community's drinking water distribution system. Over the past decade, the City of Colman has undertaken a series of projects to upgrade the community's water infrastructure. Working with the SD Department of Environment and Natural Resources (SD DENR), they secured several Drinking Water and Clean Water State Revolving Fund (SRF) loans to cover project costs, totaling \$6,603,238. While DENR was able to subsidize this effort with \$3,620,172 in principal forgiveness, the community is left with a substantial amount of loan repayment. As the efforts are coming to a close, a projected shortfall in funding has been identified. The community has reached its constitutional borrowing limit.

Motion by Loseke, seconded by Duffy to provide District cost-share assistance to the City of Colman to cover fifty percent (50%) of the projected shortfall, up to a maximum of \$23,000. Additionally, the funds must be applied to costs incurred for planning and engineering costs, as opposed to actual construction costs. Motion carried unanimously, with Chairman Jarrett abstaining.

Chairman Jarrett resumed control of the meeting.

2018 Legislative Session Review

The Manager reviewed the February 15th status of numerous bills he is tracking as the District lobbyist during the ongoing 93rd Session of the South Dakota Legislature.

Senate Bill (SB) 24, An Act to extend the effective date of certain provisions regarding the recreational use of nonmeandering water.

SB 25, An Act to revise certain fees for entities permitted under the national pollutant discharge elimination system.

SB 27, An Act to make an appropriation from the coordinated natural resources conservation fund to the State Conservation Commission and to declare an emergency.

SB 33, An Act to repeal certain mediation programs regarding damages from oil and gas development and disputes over drainage of water.

SB 96, An Act to designate chislic as the official nosh of the State of South Dakota.

SB 163, An Act to require certain reports in the event of an oil spill.

SB 170, An Act to direct the implementation of the requirements of certain provisions regarding nonmeandered waters.

SB 188, An Act to require certain groundwater observation wells in the event of an oil spill.

SB 199, An Act to revise certain provisions regarding nonmeandered waters.

SB 211, An Act to create a Legislative Water Management Committee.

House Bill (HB) 1081, An Act to extend the effective date of certain provisions regarding the recreational use of nonmeandered water.

HB 1098, An Act to make an appropriation from the water and environment fund and its revolving fund subfunds for various water and environmental purposes and to declare an emergency.

HB 1119, An Act to revise certain provisions regarding riparian buffer strips.

HB 1130, An Act to establish who may submit plans and specifications for certain waste water systems.

HB 1137, An Act to revise certain provisions regarding the registration of lobbyists.

HB 1140, An Act to revise certain provisions regarding access to public water.

HB 1144, An Act to authorize a public body to conduct certain deliberations in an executive or closed meeting.

HB 1172, An Act to revise certain provisions regarding meetings of certain public bodies.

HB 1178, An Act to provide a penalty for the failure to complete timely audits by certain entities.

HB 1184, An Act to provide certain provisions regarding waste disposal lines along or under highways.

HB 1214, An Act to revise certain provisions regarding the State Conservation Commission and conservation districts.

Skunk Creek National Water Quality Incentive Monitoring Project Amendment

The Manager presented the Board with a proposed Second Amendment to the Skunk Creek National Water Quality Incentive Monitoring Project. Since 2014, the District, with financial support from the South Dakota Department of Environment and Natural Resources (SD DENR), has been collecting water samples for analysis at selected sites along Skunk Creek in west-central Minnehaha County. The intent is to assess the water quality impacts of the installation of riparian buffers along the stream. At the onset, the plan had been to run the effort for five (5) years, although the initial agreement did not contain full funding for that period. The original agreement (signed April 2014) was amended in June 2016 to provide additional funds to cover ongoing project expenses. Sampling has started on or before the 1st of May and run through mid-November in each of the past four years (2014-2017).

Although a fifth year of full sampling was planned, results to date have documented and identified clear and obvious water quality benefits to the adopted BMPs. The results have been so consistent that SD DENR concluded the final planned year of sampling was unnecessary. However, a reduced sampling program will continue during 2018 in support of ongoing bacteria fate and transport studies being conducted by Dr. Rachel McDaniel at South Dakota State University. Sampling will be reduced from twice-per-week to once-a-week, and samples will only be tested for bacteria, nitrates and total suspended solids. The proposed Second Amendment extends the current agreement until September 30, 2018, and adjusts the overall grant award from SD DENR for both costs from 2017 and projected 2018 efforts.

The Manager noted that in response to Board concerns over possible liability issues, the Second Amendment contains explicit language with regard to water quality data that collected under agreements with SD DENR. The language is based on suggestions developed by District legal counsel Gregg Greenfield, and presented to the Board at the December 2017 meeting. Specifically, the Second Amendment includes a section that states:

Sponsor (East Dakota) shall not be responsible for and disclaims any duty, liability and responsibility relating to the publication, dissemination, communication or warning to the general public or any person of any exceedance of any applicable use or the exceedance of any applicable standard, law or regulation.

Motion by Kassube, seconded by Weatherly to authorize Chairman Jarrett to sign the Second Amendment to the Skunk Creek National Water Quality Incentive Monitoring Project Agreement with SD DENR. Motion carried unanimously.

Adjournment

There being no further District business or other matters, Chairman Jarrett declared the meeting adjourned at 11:50 a.m.

John G. Moes, Secretary