



**East Dakota Water Development District
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Brookings, SD 57006**

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**MINUTES
September 20, 2018**

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on September 20, 2018, at the District office in Brookings. Vice-Chairman Anderson called the meeting to order at 9:03 a.m. The following persons attended:

Directors Present

Mark Anderson
Mary Ellen Connelly
Gary Duffy
Kay Kassube
Dana Loseke
John Moes
Janelle Weatherly

Directors Absent

Lois Brown
Martin Jarrett

Others Present

Roger Hagemann, Lake County Commission

Staff Present

Kevin Christenson
Jay Gilbertson
Jeremy Hinke
Deb Springman

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Administrative Items

Approval of Agenda

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

Minutes - The Board reviewed the Minutes of the August 16th, 2018, meeting. Director Moes noted that on the third page, his name was list as Moe, rather than Moes.

Motion by Moes, seconded by Weatherly to approve the Minutes as amended. Motion carried unanimously.

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

Motion by Loseke, seconded by Duffy to accept the August 2018 financial reports. Motion carried unanimously. Vice-Chairman Anderson then asked that the report be placed in the District files.

Report of Meetings and Conferences - Directors Connelly and Loseke attended the September 5th meeting of the Friends of the Big Sioux River in Sioux Falls.

Directors Connelly, Loseke and Weatherly attended a lecture by Art Cullen at Augustana University on September 13th.

Director Moes attended meetings of the Upper Big Sioux River Watershed Advisory Board and the Lake Pelican Water Project District on August 16th and September 19th, respectively, in Watertown.

Directors Weatherly attended the September 19th meeting of the Big Sioux River Watershed Project Steering Committee in Sioux Falls.

The Manager briefly commented on the following meetings he had attended:

1. **August 21st** - Watertown. Codington County Commission action on riparian buffer area designations.
2. **August 21st** - DeSmet - Kingsbury County Commission discussion of Vermillion basin Water Development District expansion.
3. **August 28th** - Pierre. SD Supreme Court hearing on Minnehaha County drainage dispute.
4. **September 4th** - Milbank. Grant County Commission action on riparian buffer area designations.
5. **September 5th & 6th** - Moorhead, MN. Red River Basin Commission Ex Officio Board of Directors.
6. **September 8th** - Lake Poinsett. Lake Poinsett Association Board of Directors.
7. **September 11th** - Brookings. SDSU stormwater water treatment demonstration site visit.
8. **September 13th** - Aberdeen. James River water Development District Board of Directors.
9. **September 13th** - Augustana University, Sioux Falls. Art Cullen lecture.
10. **September 18th** - Madison - Lake County Commission discussion of Vermillion basin Water Development District expansion.
11. **September 18th** - Howard. Miner County Commission discussion of Vermillion basin Water Development District expansion.
12. **September 19th** - Sioux Falls. Big Sioux River Watershed Project Steering Committee.

Upcoming Meetings

1. **September 27th - 9:00 a.m.** - Kingsbury County Courthouse, DeSmet. Dairy concentrated animal feeding operation (CAFO) hearing.
2. **September 27th - 8:30 a.m.** - Matthews Training Center, Pierre. SD Board of Water and Natural Resources.
3. **October 3rd & 4th** - Matthews Training Center, Pierre. SD Water Management Board.
4. **October 11th - 10:00 a.m.** - Madison, MN. Lac qui Parle River Watershed Restoration and Protection Strategies (WRAPS) Team meeting.
5. **October 17th** - South Dakota State University, Brookings. 2018 Eastern South Dakota Water Conference.
6. **October 18th - 9:30 a.m.** - Community Room, 1001 East 4th Avenue, Milbank. October EDWDD Board of Directors meeting.

Payment Requests - The Manager presented one payment request from a District-sponsored activity required Board action. He noted that the request was in order and consistent with provisions set by the Board at the time of award. He requested Board authorization to make the following payment:

<u>Grant Recipient/Activity</u>	<u>Requested Amount</u>
US Geological Survey WRD FFY 2017 SD Gages	\$ 8,450.00
Total	\$ 8,450.00

Motion by Moes, seconded by Kassube to authorize payment of \$8,450.00 as requested. Motion carried unanimously.

Hearing on the 2019 EDWDD Operations Budget

Vice-Chairman Anderson opened the public hearing on the 2019 EDWDD Operations Budget at 10:15 a.m. The Manager stated that the District had published a copy of the proposed budget (summarized below) and notices of the hearing in the 10 official District newspapers as required by South Dakota Codified Law 46A-3E-10. No written or verbal comments on the proposed budget were received prior to the meeting/hearing.

2019 EDWDD BUDGET

MEANS OF FINANCE

100	Tax Revenue	\$	759,100
200	Grant Revenue	\$	325,000
300	Capitol Reserves	\$	200,000
400	Miscellaneous Revenue	\$	<u>5,000</u>
TOTAL FY 2019 MEANS OF FINANCE		\$	1,289,100

APPROPRIATIONS

<u>APPROPRIATIONS</u>		<u>GENERAL FUND</u>	
01	Board of Directors	\$	41,678
02	Administration	\$	141,499
03	Technical Assistance	\$	316,231
04	Operational Expenses	\$	109,500
05	Professional Services	\$	44,000
06	Capitol Outlay	\$	36,000
07	Grant Expenditures	\$	325,000
08	Project Assistance	\$	165,192
09	Contingency	\$	<u>110,000</u>
TOTAL FY 2019 APPROPRIATIONS		\$	1,289,100

Vice-Chairman Anderson invited public comment on the budget as advertised and presented. No public comments were made. Vice-Chairman Anderson declared the public hearing closed, and called for Board comment and/or action on the proposed budget.

The Manager requested Board authorization for the Vice-Chairman and Treasurer to sign District Resolution 18-1, Resolution providing that a tax be assessed and levied on all taxable property in the

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East Dakota Water Development District (copy attached). The resolution covers District property tax collections for fiscal year 2018, payable in 2019, as identified in the property tax income portion of the budget under consideration. The resolution is part of the package of material sent to all county auditors and treasurers in the District, as well as the South Dakota Department of Revenue, on or before October 1.

Motion by Moes, seconded by Weatherly to adopt the 2019 EDWDD Operations Budget as presented, and to authorize the Vice-Chairman and Treasurer to sign Resolution 18-1. Motion carried unanimously.

Project Assistance Requests

United States Geological Survey Gaging Station Agreement - The Manager reviewed a proposed joint funding agreement (JFA) between the District and the United States Geological Survey (USGS) South Dakota Water Science Centers for support of stream gaging activity for Federal Fiscal Year (FFY) 2019 (October 2018 - September 2019).

During FFY 2018, the District provided cost-share assistance through the SD Water Science Center for one gage, on the Big Sioux River near Bruce, at a cost of \$8,450. The proposed FFY 2019 JFA would be for a continuation of support for this gage at a cost of \$8,740. No new gage sites have been proposed. The Manager requested Board approval of the FFY 2019 JFA for the Bruce gaging station.

Motion by Duffy, seconded by Connelly to approve the FFY 2019 JFA with the South Dakota Water Science Center for \$8,740, and to authorize the Manager to execute the JFA. Motion carried unanimously.

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On-Line Presentation of District Water Quality Data - The Manager presented the Board with a request to hire a web site developer, Jordan Block of Developing Today LLC, to create an on-line platform to present water quality data collected by the District. He noted that for some time, staff have been searching for a way to present water quality data to the public. The District is in possession of a range of information about the quality of water in area rivers, lakes and streams, and while staff have readily and willingly made it available on request, finding a way to make it more accessible is a priority.

Mr. Block proposes to construct a web application that would allow visitors to the District website to access that information in a timely and user friendly manner. The application would consist of an interactive map that would allow users to select monitoring sites and then be presented with water quality data in graph and table form. The application would be viewable on all major browsers and mobile devices. Once approved, the time line for a soft launch would be 5-6 weeks, at a projected cost of \$6,400, which includes one year of review and maintenance.

The Manager requested Board authorization to expend up to \$7,500 on this effort. He noted that while the projected cost was for less money, with the relatively tight time line, he would prefer to have the flexibility to adjust for unforeseen circumstances.

Motion by Duffy, seconded by Weatherly to authorize expenditure of up to \$7,500 in District project assistance funds for the development of an on-line water quality data portal by

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Developing Today LLC as requested. The Manager noted that any unexpended funds could be reverted at the conclusion of the effort. Motion carried unanimously.

Riparian Area Buffer Program Promotion - The Manager proposed establishing a program to promote adoption/implementation of the riparian area tax break for buffers established along selected water bodies. During the last few session of the SD Legislature, laws have been passed to provide a reduction of property taxes to rural landowners who adopt and maintain certain land use practices along rivers, lakes and streams of special concern in South Dakota. He noted that while the concept has received wide-spread general support, it will be necessary to identify and support local ‘champions’ of the program.

The Manager proposed to work with area conservation districts (CDs) to identify and conduct outreach with landowners who may already qualify for the tax break, and to target education of landowners along the targeted water bodies. He proposed to set aside up to \$20,000 in District cost-share assistance funds already directed toward riparian buffers. He further noted that the intent of the effort was to jump start outreach efforts, but that it is not intended to be a long-term, perpetual funding source. Each CD would receive a lump sum of support, to be used to offset staff costs and outreach expenses. The presumption is that the benefits of this effort will justify ongoing efforts by the CDs after the District grant funds are expended.

Motion by Kassube, seconded by Loseke to authorize expenditure of up to \$20,000 in District project assistance funds for the promotion of riparian buffer tax breaks by District conservation districts, with each CD receiving up to \$2,000 for such purpose. The Manager noted that a memorandum of understanding would be executed with each CD for this purpose. Motion carried unanimously.

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District Updates

Agropur Surface Water Discharge Permit - The Manager noted that the South Dakota Department of Environment and Natural Resources (SD DENR) had recently announced that they had completed their responses to comments submitted regarding the DRAFT surface water discharge permit the expanding Agropur cheese plant in Lake Norden. Formal responses were scheduled to be mailed out to the parties that submitted comments in the next few days. He noted that limitations were being proposed on the concentration of nitrates in the treated waste water from the facility. None had originally been proposed. Further, a lower concentration of ammonia in the effluent is also being proposed. The Manager stated that he would have greater detail on the response at the October Board meeting.

New Water Bodies for Riparian Area Buffer - The Manager reported on his efforts working with the County Commissioners in Codington, Grant and Hamlin Counties to designate local water bodies of concern that would be eligible for the riparian area buffers tax reduction. All three counties have adopted their own lists. The Manager is working with Brookings County on a similar effort.

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Vermillion Basin WDD Expansion - The Manager reported on informational meeting held with the County Commissioners of Kingsbury, Lake and Miner Counties regarding a potential expansion of the Vermillion Basin Water Development District (VBWDD). The intent is to explore the possibility of creating a single water development district that would cover the Vermillion River basin. With the collapse of the Legislature's most recent effort to create some sort of watershed-based water resource entities, VBWDD has taken the initiative to explore expanding their area to encompass a majority of the Vermillion River watershed. Portions of the three counties are within the Vermillion River basin, and also within the East Dakota Water Development District. The proposed changes would involve shifting of territories between the districts.

The Manager stated that the commissioners all understood the rationale behind the proposed changes, and seemed to concur that watershed-based water resource management was desirable. That said, the details of the potential changes had not been worked out, and each expressed a desire to better understand just what would change with the proposed action. Brad Prehiem, VBWDD, and the Manager would be working over the next month to develop a more detailed proposal, including potential tax levy rates and distribution of director areas.

Adjournment

There being no further District business, Vice-Chairman Anderson declared the meeting adjourned at 12:25 p.m.

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John Moes, Secretary

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RESOLUTION 18-1

**RESOLUTION PROVIDING THAT A TAX BE ASSESSED AND LEVIED ON ALL
TAXABLE PROPERTY IN THE
EAST DAKOTA WATER DEVELOPMENT DISTRICT**

WHEREAS, Section 46A-3E-1 of the South Dakota Codified Laws provides, “A water development district board of directors may levy taxes, not to exceed thirty cents per thousand dollars of taxable valuation in the district, for accomplishment of the purposes of chapters 46A-3A to 46A-3E, inclusive, and chapters 46A-1 and 46A-2. If an area is included in more than one water development district, that area's tax levy payable to each of the water development districts shall be determined by multiplying the greater of the overlapping water development districts' levies by each water development district's taxing fraction. Each water development district's taxing fraction is determined by dividing that water development district's proposed tax levy for the overlapped area by the sum of all water development districts' levies for the overlapped area. Any water development district for which boundaries are revised under §§ 46A-3A-2 to 46A-3A-7.1, inclusive, is not considered a new taxing district. If any water development district levied a tax pursuant to chapter 10-13 in a manner used by a new taxing district for taxes payable in 2010, such water development district shall revert to the amount of revenue payable to the district for taxes payable in 2009 including any excess levy approved pursuant to § 10-13-36 before July 1, 2002. The water development district may adjust the maximum amount of revenue payable for property taxes based on the growth and index factor for each year thereafter. Any excess levy approved by the water development district pursuant to § 10-13-36 before July 1, 2002, is null and void”; and

WHEREAS, Section 46A-3E-13 of the South Dakota Codified Laws provides, “Appropriate officials shall extend the levy or special assessments upon the tax list of the county, municipality, or other appropriate tax paying entity for the tax year against each description of taxable property or, in the case of special assessments, against each description of taxable property to be specially assessed within the water development district in the same manner and with the same effect as other taxes and assessments are extended, including the authority, requirements, and procedures contained in chapter 9-43”; and

WHEREAS, Section 46A-3E-14 of the South Dakota Codified Laws provides, “Appropriate tax collecting officials shall collect all water development district taxes and assessments, together with interest and penalty thereon, if any, in the same manner as the general taxes and assessments are collected and shall pay over monthly to the water development district treasurer all taxes so collected during the preceding month, with interest and penalties, and shall immediately notify the secretary of the water development district of such payment. The water development district treasurer shall immediately enter these receipts to the credit of the depository accounts designated by the water development district board of directors pursuant to § 46A-3E-10”; and

WHEREAS, the East Dakota Water Development district boundary includes all of the lands within Brookings, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Lincoln (Sioux Falls only), Miner (eastern one-half), Minnehaha, and Moody; and

WHEREAS, the East Dakota Water Development District Board of Directors, at a meeting in Brookings, South Dakota, on September 20, 2018 adopted a budget of \$1,289,100 for the calendar year 2019 and which is hereby attached and incorporated by reference; and

WHEREAS, an estimated \$756,100 of said budget is to be raised by a tax on taxable valuation in the East Dakota Water Development District;

NOW, THEREFORE BE IT RESOLVED, that pursuant to Chapter 46A-3A to 46A-3E, inclusive, of the South Dakota Codified Laws, the county auditor in each of the following counties of Brookings, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Lincoln (Sioux Falls only), Miner, Minnehaha, and Moody within East Dakota Water Development District, be instructed to extend the following tax levy in dollars, not to exceed the limits established in Chapter 46A-3E of the South Dakota Codified Laws for collection in 2019 to wit:

COUNTIES	REAL PROPERTY TAX LEVY
Brookings	<i>\$73,779</i>
Codington	<i>\$62,192</i>
Deuel	<i>\$22,431</i>
Grant	<i>\$26,859</i>
Hamlin	<i>\$26,921</i>
Kingsbury	<i>\$33,182</i>
Lake	<i>\$37,497</i>
Lincoln (Sioux Falls only)	<i>\$82,283</i>
Miner	<i>\$10,150</i>
Minnehaha	<i>\$355,489</i>
Moody	<i>\$25,317</i>

Said tax levy is to be extended against all taxable property in the county including municipalities, within:

1. Minnehaha, Moody, Lake, Kingsbury, Brookings, Hamlin, Deuel, Codington, and Grant Counties;
2. Grafton, Belleview, Adams, Henden, Howard, Clearwater, Canova, and Vermillion townships in Miner County; and

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3. all municipalities that are wholly or partially within the included area or that are contiguous to the included area; in the same manner and with the same effect as other taxes are extended; and

BE IT FURTHER RESOLVED, pursuant to Section 46A-3E-14 of the South Dakota Codified Laws, the county treasurer in each of the counties within the said East Dakota Water Development District be instructed to collect said real property taxes and pay over such collection of money to the East Dakota Water Development District each month for deposit in the First National Bank of Brookings, the local depository for the District; and

BE IT FURTHER RESOLVED, pursuant to Section 46A-3E-12 of the South Dakota Codified Laws, the secretary of the East Dakota Water Development District is hereby instructed to send a certified copy of this resolution adopting this annual tax levy to be made against 2017 taxable property valuation, and a certified copy of the budget for 2019 as approved by the Board of Directors, to each county auditor and each county treasurer within the East Dakota Water Development District and to the State Secretary of Revenue.

Dated this 20th day of September, 2018, with the approval of the East Dakota Water Development District Board of Directors.

Mark Anderson, Vice-Chairman
East Dakota Water Development District

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Jay P. Gilbertson, Treasurer
East Dakota Water Development District