



East Dakota Water Development District
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MINUTES
February 21, 2019

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on February 21, 2019, at the EDWDD office in Brookings. Vice-Chairman Anderson called the meeting to order at 9:02 a.m. The following persons attended:

Directors Present

Mark Anderson
Jeff Barth
Gary Duffy
Spencer Hawley
Kay Kassube
Dana Loseke
John Moes

Directors Absent

Mary Ellen Connelly
Martin Jarrett

Others Present

Jerry Doyle, Flandreau
Rose Grant, CPA, Grant & Williams, Inc.
John McMaine, South Dakota State University
Katie Voeltz, CPA, Grant & Williams, Inc.

Staff Present

Jay Gilbertson
Jeremy Hinke
Deb Springman

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Administrative Items

Approval of Agenda - The Manager requested to have a presentation by Dr. John McMaine, South Dakota State University, on a proposed watershed outreach internship program.

Motion by Loseke, seconded by Moes to approve the agenda as so amended. Motion carried unanimously.

Minutes - The Board reviewed the Minutes of the January 9th, 2019, meeting.

Motion by Duffy, seconded by Loseke to approve the January 9th, 2019, Minutes as presented. Motion carried unanimously.

Financial Reports - The Board reviewed the January 2019 financial reports.

Motion by Loseke, seconded by Moes to accept the January 2019 financial reports. Motion carried unanimously. Vice-Chairman Anderson then asked that the report be placed in the District files.

Report of Meetings and Conferences - Director Anderson, along with the Manager and Chairman Jarrett, met with the auditors to review preliminary findings for the 2017 fiscal audit in Sioux Falls on February 5th.

Directors Anderson and Loseke attended the Legislative Panel held as part of the South Dakota Association of Rural Water Systems (SDARWS) Annual Technical Conference on January 10th in Pierre.

Director Loseke attended a variety of meetings and events, including a January 14th Joint Appropriations Committee hearing on the FY 2020 SD DENR budget (Pierre), Minnehaha County Conservation District Board of Supervisors (January 14th, Sioux Falls), tour of the Dylbrooke Hog Barn, Canistota (January 25th), and gave presentations on the condition of the Big Sioux River to the Downtown Rotary Club (February 4th, Sioux Falls) and seventh graders at the Hartford Middle School February 12th & 13th).

Director Moes attended the monthly meetings of the Upper Big Sioux River Watershed Advisory Board and the Lake Pelican Water Project District on January 16th and February 20th, all meetings being held in Watertown.

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

1. January 10th - Pierre. SDARWS Annual Technical Conference.
2. January 14th - Vermillion. Incorporating Farmer Cooperation into Water Governance to Restore Water Quality lecture.
3. January 25th - Sioux Falls. Meetings with Friends of the Big Sioux River on water quality sampling project & WSP on ground water assessment project.
4. February 5th - Sioux Falls. Preliminary report on 2017 District fiscal audit.
5. February 11th - Hayti. Hamlin County Conservation District Board of Supervisors.
6. February 14th - teleconference. US EPA Region 8 Harmful Algal Blooms webinar.
7. February 14th - Pipestone, MN. Lincoln-Pipestone Rural Water 2018/2019 Operations meeting.
8. February 7th - Brookings. 2019 Big Sioux Water Festival Steering Committee.

In addition, the Manager acted in his capacity as District lobbyist to the 2019 South Dakota Legislature in Pierre during this period.

Selection of Area 9 Director - The Manager reviewed the process undertaken to appoint a person to fill the vacancy and represent Director Area 9. At the October 2018 meeting, the Board recognized that a vacancy would exist on January 1, 2019, due to the expiration of Director Janelle Weatherly's term of office. SDCL 46A-3B-9 allows for the remaining Board members to appoint a replacement from qualified candidates proposed by nominating petitions signed by at least 25 eligible voters from the area. Public notices of the vacancy were sent to the official newspaper for the area, Brookings Register and Moody County Enterprise, in December, with a filing deadline of January 4th, 2019. Two valid petitions were received by the deadline, from Jerry Doyle of Flandreau and Spencer Hawley of Brookings. As had been discussed at the December, rather than make candidates travel to Pierre for the January Board meeting, the vacancy appointment was deferred to the February 2019 meeting.

The Board interviewed each of the candidates, providing time for each to make a statement of their interest in the position and to answer questions from the directors. At the conclusion of this process, the

Manager distributed paper ballots. The ballots were collected and the results tallied by Katie Voeltz, CPA, with Grant & Williams, Inc. The result was a tie, 3-3. After a brief discussion, it was decided to flip a coin to break the tie. Director Duffy conducted the coin toss. Mr. Doyle was given the opportunity to call the toss. He chose heads, but it came up tails, so Mr. Hawley prevailed.

Motion by Duffy, seconded by Kassube to appoint Spencer Hawley to serve as the Director Area 3 representative through the end of December 2022. Motion carried unanimously.

Consideration of Revisions to the 2019 District Budget - The Manager presented a year-end summary of fiscal year 2018 expenditures and expenses, and reviewed changes to the FY 2019 District budget (below). He noted that the changes primarily reflect the actual year-end 2018 expenditures and account balances, due to carry-over of funds that had been obligated but not expended. He noted the following adjustments:

1. Appropriations - Increases to general insurance and water quality analysis; and
2. Appropriations - \$425,133 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 2018.
3. Means of Finance - \$381,633 increase as the result of carry over of unobligated 2018 grant assistance funds, along with committed, but unexpended, grants.
4. Miscellaneous Revenue - \$72,500 increase due to 2018 grant receivables and higher projected interest rates.

FY 2019 BUDGET

<u>APPROPRIATIONS</u>	INITIAL BUDGET	OPERATIONAL BUDGET
01 Board of Directors	\$ 41,677	\$ 41,677
02 Administration	\$ 141,499	\$ 141,499
03 Technical Assistance	\$ 316,231	\$ 316,231
04 Operational Expenses	\$ 109,500	\$ 138,500
05 Professional Services	\$ 44,000	\$ 44,000
06 Capitol Outlay	\$	\$ 36,000
07 External Grant Expenditures	\$ 325,000	\$ 325,000
08 Project Assistance	\$ 165,192	\$ 590,325
09 Contingency	<u>\$ 110,000</u>	<u>\$ 110,000</u>
TOTAL FY 2019 APPROPRIATIONS	\$ 1,289,100	\$ 1,743,233

MEANS OF FINANCE

100 Tax Revenue	\$ 759,100	\$ 759,100
200 External Grant Revenue	\$ 325,000	\$ 325,000
300 Capitol Reserve Transfer	\$ 200,000	\$ 581,633
400 Miscellaneous Revenue	<u>\$ 5,000</u>	<u>\$ 77,500</u>
TOTAL FY 2019 MEANS OF FINANCE	\$ 1,289,100	\$ 1,743,233

Motion by Moes, seconded by Duffy to approve the carry-over of funds from 2018 and to adopt the proposed adjustments to the 2019 District operational budget. Motion carried unanimously.

Upcoming Meetings -

1. **January 8th thru March 29th** - State Capitol Building, Pierre. 94th Session of the South Dakota Legislature.
2. **February 23rd - 9:00 a.m.** - Brookings County Outdoor Adventure Center, Brookings. Facilitated Big Sioux River drainage meeting.
3. **March 6th & 7th** - Pierre. SD Water Management Board.
4. **March 12th & 13th** - Pierre. 31st Annual Environmental & Ground Water Quality Conference.
5. **March 19th - 8:00 a.m.** - Moorhead, MN. 2019 Red River Basin Drainage Conference.
6. **March 20th - 9:00 a.m.** - Water Treatment Plant, 2100 North Minnesota, Sioux Falls. Big Sioux River Watershed Project Steering Committee.
7. **March 21st - 9:00 a.m.** - EDWDD Office, Brookings. March EDWDD Board of Directors meeting.
8. **March 21st - 7:00 p.m.** - Froiland Science Center Auditorium, Augustana University, Sioux Falls. Lecture by Dr. Catherine Zeman, University of Northern Iowa, on the health risks of high nitrates in drinking water sources.

Payment Request(s) - The Manager presented the Board with two reimbursement requests from the sponsors of District-supported projects. He noted that each 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>
SDSM&T/Water quality data trend analysis (Kunza)	\$ 399.56
City of Lake Norden/Drinking water source identification	\$ 4,300.00
Total	\$ 4,699.56

Motion by Kassube, seconded by Duffy to authorize payments totaling \$4,699.56 as requested. Motion carried unanimously.

Travel Authorization - The Manager requested Board authorization to attend the 2019 Red River Basin Drainage Conference to be held in Moorhead, MN, on March 19th.

Motion by Duffy, seconded by Barth to authorize the Managers attendance at the 2019 Red River Basin Drainage Conference to be held in Moorhead, MN, as requested. Motion carried unanimously.

2017 Fiscal Audit Report

Rose Grant, CPA, and Katie Voeltz, CPA, of Grant & Williams, Incorporated, of Sioux Falls, reviewed the Final Audit Report of the District finances during 2017. Copies of the report were distributed to Board members.

Ms. Voeltz stated that the District's financial position was very strong. Minor deficiencies (findings) noted in prior Audit reports had been substantially addressed, and that the Manager would be working

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with the District's accounting firm to further streamline the District's record keeping. There were no substantial accounting errors or significant problems with the District's fiscal accounts and records, beyond the perennial issue of internal control over financial reporting, a common problem with entities with small staff.

Ms. Grant noted that word had been received that the audit report had been reviewed and accepted by the South Dakota Department of Legislative Audit (DLA). The Manager stated that when the formal notice of the DLA approval was received, a public notice was placed in the official newspapers of the District indicating that the audit had been completed and is available for examination, as required by South Dakota Codified Law 46A-3D-4.

Motion by Barth, seconded by Moes to accept and approve the 2017 fiscal audit report. Motion carried unanimously.

Project Assistance Requests

SD DENR Geological Survey Program - The Manager presented a request for District cost-share assistance from Tim Cowman, Administrator of the South Dakota Department of Environment and Natural Resources Geological Survey Program (GS), to replace portions of several observation wells in the Statewide Ground Water Quality Monitoring Network (Network). Specifically, he has requested funds to be used to replace dedicated sampling pumps at four (4) such wells located within the District. The pumps at the four wells in question had either ceased to function, or were failing, and needed to be replaced. Each replacement pump and associated equipment are estimated to cost around \$3,000, so the total request is for \$12,000. District funds would be used to acquire the necessary pumps and hardware, and GS staff would complete all the necessary installation.

The Manager noted that similar requests were being made to each of the water development districts in which failed, or failing, Network wells were located. Additionally, state funds were being secured to address problematic wells not covered by these requests. He further noted that there are a total of 42 Network wells located within the District, and while the remaining 38 wells were currently operational, additional replacement efforts were anticipated down the line.

Motion by Duffy, seconded by Loseke to allocate up to \$12,000 in District cost-share assistance in support of the Statewide Ground Water Quality Monitoring Network, specifically to acquire dedicated sampling pumps for four (4) observation wells. Motion carried unanimously.

2019 Legislative Session Review

The Manager reviewed the February 20th status of numerous bills he is tracking as the District lobbyist during the ongoing 94th Session of the South Dakota Legislature.

House Bill (HB) 1018, An Act to transfer the collection of various fees from the Department of Revenue to the Department of Environment and Natural Resources,

HB 1048, An Act to authorize a public body to conduct certain deliberations in an executive or closed meeting,

- HB 1075**, An Act to revise certain provisions regarding the authority of conservation district governing boards,
- HB 1156**, An Act to designate the accordion as the official state musical instrument,
- HB 1161**, An Act to revise certain provisions regarding the issuance of temporary permits for the use of public water
- HB 1187**, An Act to authorize the Bureau of Administration to conduct a study of the Flaming Fountain on Capitol Lake, to make an appropriation therefor, and to declare an emergency,
- HB 1239**, An Act to revise certain provisions regarding temporary permits for the use of public water,
- HB 1240**, An Act to revise certain provisions regarding water permits,
- HB 1254**, An Act to make appropriations from the water and environment fund and its revolving fund subfunds for various water and environmental purposes and to declare an emergency,
- HB 1255**, An Act to make an appropriation from the coordinated natural resources conservation fund to the State Conservation Commission, and to declare an emergency,
- HB 1258**, An Act to create the clean air act settlement fund, to make an appropriation from the fund, and to declare an emergency,
- Senate Bill (SB) 46**, An Act to repeal provisions regarding river basin natural resource districts,
- SB 58**, An Act to authorize the Bureau of Administration to conduct a study of the Flaming Fountain on Capitol Lake, to make an appropriation therefor, and to declare an emergency,
- SB 59**, An Act to revise certain provisions regarding public records,
- SB 66**, An Act to establish an interim legislative committee to study issues related to electric services in an annexed area
- SB 73**, An Act to revise qualifications for sanitary district trustees,
- SB 77**, An Act to revise provisions regarding candidates running for office,
- SB 91**, An Act to revise certain provisions regarding open meeting requirements,
- SB 100**, An Act to reduce the number of petition signatures required for conservation district supervisor elections.
- SB 102**, An Act to make an appropriation for gas well cleanup in Harding County,
- SB 176**, An Act to make an appropriation for the second century habitat fund and to declare an emergency,
- SB 178**, An Act to make an appropriation to the Department of Game, Fish and Parks to fund certain improvements to Palisades State Park and to declare an emergency, and
- SB 183**, An Act to revise certain provisions regarding buffer strips.

Watershed-Focused Extension Internship Program

Dr. John McMaine, South Dakota State University, briefed the Board on efforts to develop an watershed-focused undergraduate internship program. He noted that there was currently little to no training available at the undergraduate level for individuals that go into watershed research, outreach, or management roles with 1) extension or 2) agencies that interact with stakeholders. Water resource management is complex. Successful water management requires an understanding of agriculture, natural resource management, social sciences and economics, public health, and other water-related disciplines, as well as planning and project management. Today's undergraduate students are often focused on acquiring a depth of knowledge in one or two disciplines. While this training is necessary, there is a great need for professionals that bring systems perspectives to watershed management.

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He is developing, in collaboration with Extension faculty across the 12-state North Central Region, a pilot program to set up a watershed-based, undergraduate internship program, focused on multidisciplinary learning in an applied water resource management context. The intent is to provide students with broader perspectives and experience in water-related research and extension education. Internships would provide real world experience with the complexities and trade-offs associated with water-related decisions in rural and urban landscapes. In addition, an internship program with a multistate exchange will provide interns with experience in other ecoregions, agriculture and municipal systems, universities, and cultural contexts. As students are exposed to opportunities in extension, the internship program develops interest in individuals for water management related careers outside of dedicated research.

Dr. McMaine noted that he was not requesting any financial support from the District, but would appreciate assistance from the Manager and staff as the project moves forward.

Adjournment

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

John G. Moes, Secretary

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