



East Dakota Water Development District
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MINUTES
February 24, 2022

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on February 24th, 2022, at the EDWDD office in Brookings. Chairman Anderson called the meeting to order at 9:00 a.m. The following persons attended:

Directors Present

Mark Anderson
Jeff Barth
Steve Dick
Ryan Donovan
Gary Duffy
Spencer Hawley
Bob Kappel
John Moes

Others Present

- none -

Directors Absent

Joedy Poppe

Staff Present

Barry Berg
Jay Gilbertson

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Administrative Items

Approval of Agenda - The Manager noted that the scheduled presentation on State aquatic invasive species mitigation efforts would be given at the March 2022 Board meeting.

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

Minutes - The Board reviewed the Minutes of the January 12th, 2022, meeting.

Motion by Hawley, seconded by Donovan to approve the January 12th, 2022, Minutes as presented. Motion carried unanimously.

Financial Reports - The Board reviewed the January 2022 financial reports.

Motion by Barth, seconded by Dick to accept the January 2022 financial reports. Motion carried unanimously. Chairman Anderson then asked that the reports be placed in the District files.

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Report of Meetings and Conferences - Director Donovan reported on meetings of the Northern Prairies Land Trust (February 9th) and the Friends of the Big Sioux River (February 21st). Both meetings were held in Sioux Falls.

Director Moes reported on meetings of the Upper Big Sioux River Watershed Advisory Board held in Watertown on January 19th and February 16th.

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

1. January 11th - 13th - South Dakota Association of Rural Water Systems (SDARWS) Annual Technical Conference, Pierre. JPG moderated Legislative panel on 13th.
2. January 17th - South Dakota Lakes & Streams Association Board of Directors, Brookings.
3. January 26th - SDARWS Source Water Protection Workshop, Pierre.
4. January 26th & 27th - SDARWS Manager's Group meeting, Pierre.
5. February 1st DANR Riparian Buffer Working Group, via Teams (video-conferencing).
6. February 12th - Discussion with proponents and sponsor of SB 181, via video-conference.
7. February 17th - Whetstone River Restoration Project WQ discussion, via video-conference.

In addition, the Manager acted in his capacity as District lobbyist to the 2022 South Dakota Legislature in Pierre during this period.

Upcoming Meetings -

1. **March 3rd - 9:30 a.m.** - Pierre. South Dakota Water Management Board.
2. **March 8th - 3:00 p.m. (MST)** - Rapid City. West Dakota Water Development District Board of Directors.
3. **March 10th - 9:00 a.m.** - Huron. James River Water Development District Board of Directors.
4. **March 10th** - Pierre. Last regular day of the 2022 Legislative Session.
5. **March 14th - 3:00 p.m.** - Sioux Falls. Minnehaha Conservation District Board of Supervisors.
6. **March 16th & 17th** - Deadwood. SD Water & Wasterwater Association/SD Chapter of the American Water Works Association Spring Water Seminar.
7. **March 16th - 7:00 p.m.** - Centerville. Vermillion Basin Water Development District Board of Directors.
8. **March 17th - 9:00 a.m.** - EDWDD Office, Brookings. March EDWDD Board of Directors.
9. **March 22nd - 9:00 a.m.** - Dell Rapids. Big Sioux River Project Steering Committee.

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>
Lake Poinsett Sanitary District/Facility Plan*	\$ 12,400.00
USGS FFY 2021 Real-Time Nitrate Monitor*	\$ 4,100.00
Total	\$ 16,500.00

* - These payments will complete the current District obligations to these efforts.

Motion by Kappel, seconded by Moes to authorize payments totaling \$16,500.00 as requested. Motion carried unanimously.

Consideration of Revisions to the 2022 District Budget - The Manager presented a year-end summary of fiscal year 2021 expenditures and expenses, and reviewed proposed changes to the FY 2022 District budget (below). He noted that the changes primarily reflect the actual year-end 2021 expenditures and account balances, along with carry-over of funds that had been obligated but not expended. It also reflects the loss of the Rotating Basins Project Part 2 (RBP2), both as income and expenditures. He noted the following particular adjustments:

1. Appropriations - Grant Expenditures: \$125,000 reduction without RBP2;
2. Appropriations - Project Assistance: \$212,274 increase due to carry over of unobligated project assistance funds, along with funds previously committed to projects that had not been expended by the close of FY 2021;
3. Means of Finance - Grant Revenue: \$125,000 reduction without RBP2;
4. Means of Finance - Capital Reserves: \$140,006 increase as the result of carry over of unobligated 2021 grant assistance funds, along with committed, but unexpended, grants; and
5. Means of Finance - Miscellaneous Revenue: \$47,268 increase due to 2021 grant receivables.

FY 2022 BUDGET

<u>APPROPRIATIONS</u>	INITIAL BUDGET	OPERATIONAL BUDGET
01 Board of Directors	\$ 41,677	\$ 41,677
02 Administration	\$ 177,270	\$ 177,270
03 Technical Assistance	\$ 366,521	\$ 366,521
04 Operational Expenses	\$ 156,100	\$ 156,100
05 Professional Services	\$ 49,000	\$ 49,000
06 Capitol Outlay	\$ 68,500	\$ 68,500
07 External Grant Expenditures	\$ 475,000	\$ 350,000
08 Project Assistance	\$ 320,000	\$ 532,274
09 Contingency	\$ <u>175,000</u>	\$ <u>150,000</u>
TOTAL FY 2022 APPROPRIATIONS	\$ 1,829,068	\$ 1,891,342
 <u>MEANS OF FINANCE</u>		
100 Tax Revenue	\$ 852,000	\$ 852,000
200 External Grant Revenue	\$ 475,000	\$ 350,000
300 Capitol Reserve Transfer	\$ 422,068	\$ 562,074
400 Miscellaneous Revenue	\$ <u>80,000</u>	\$ <u>127,268</u>
TOTAL FY 2022 MEANS OF FINANCE	\$ 1,829,068	\$ 1,891,342

Motion by Hawley, seconded by Dick to approve the carry-over of funds from 2021 and to adopt the proposed adjustments to the 2022 District operational budget. Motion carried unanimously.

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District Funding Priorities Discussion - The Manager suggested that at some point it might be appropriate for the Board to start a discussion on how District funds are allocated. While the District's tax levy is quite modest, the District Board, through careful stewardship, has accumulated a budgetary reserve over the past several decades. The unobligated reserve at the start of 2022 was roughly \$1,000,000, which is slightly over half of our annual operating budget. He noted that such a reserve is not unreasonable, but a conversation about future directions and activities might be in order.

The resulting conversation touched on a variety of many issues, including questions about general policies and the overall philosophy behind efforts and actions supported by the District. It was noted that recent director turnover, resulting in the departure of several long-serving directors, in the recent years, such a dialogue was not surprising.

Motion by Kappel, seconded by Barth to have Chair create a subcommittee to work with the Manager to develop a formal protocol and procedures to guide the board in approving funding for water projects in accordance with district priorities. The subcommittee would submit protocols and procedures to full board for consideration at a later date. Motion failed, with Director Kappel supporting, and Directors Barth, Dick, Donovan, Duffy, Hawley and Moes, along with Chairman Anderson opposed. It was the consensus that additional general discussion would be in order.

The Manager noted that the Board went through a similar situation about a decade ago. At that time, a moderator with a familiarity with the District, was brought in to facilitate a discussion of the role and function of the District. Chairman Anderson asked that the Manager distribute a copy of the results of this efforts, which could be the basis for further discussion at a later time.

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2022 Legislative Session Review

The Manager reviewed the status of numerous bills (listed below) he is tracking as the District lobbyist during the ongoing 97th Session of the South Dakota Legislature:

- Senate Bill (SB) 40**, An Act to establish safety standards regarding biogas gathering lines.
- SB 50**, An Act to make an appropriation for water, wastewater and storm water projects throughout state government, and to declare an emergency.
- SB 52**, An Act to make an appropriation for the replacement of the Richmond Lake spillway, for the general maintenance and repair of other state-owned dams, and to declare an emergency.
- SB 58**, An Act to make an appropriation for the construction of a new state public health laboratory and the renovation of the existing laboratory and to declare an emergency.
- SB 62**, An Act to make an appropriation for eligible water, wastewater, storm water and nonpoint source projects and to declare an emergency.
- SB 64**, 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.
- SB 67**, An Act to make an appropriation to the Department of Game, Fish and Parks to improve and repair infrastructure around Lake Alvin and Newell Lake and to declare an emergency.
- SB 85**, An Act to create the ARPA water and environment fund, create a subfund, to make an appropriation therefor, and to declare an emergency.
- SB 181**, An Act to require the Department of Agriculture and Natural Resources to assemble a task force to study the adoption of a watershed ecosystems management approach.

SB 200, An Act to make an appropriation to the Department of Game, Fish and Parks to purchase and construct boat cleaning stations, and to declare an emergency.

Senate Concurrent Resolution 602, An Act to encourage the executive branch of this state to examine mitigation efforts to curtail the spread of aquatic invasive species.

House Bill (HB) 1013, An Act to make an appropriation for certain costs related to Capitol Lake and to declare an emergency.

HB 1034, An Act to make an appropriation from the coordinated natural resources conservation fund to the State Conservation Commission and to declare an emergency.

HB 1071, An Act to make an appropriation for maintaining the drainage of Lake Andes and to declare an emergency.

HB 1150, An Act to prohibit the use of cyanide for the purpose of mining gold or silver.

HB 1165, An Act to make an appropriation for capital projects adjacent to the Big Sioux River and to declare an emergency.

HB 1172, An Act to assist students in objectively reviewing scientific information.

HB 1203, An Act to require taxing districts to hold a public hearing when increasing property tax revenues relative to the previous year.

HB 1255, An Act to clarify certain public meeting requirements.

HB 1277, An Act to make an appropriation to the State Conservation Commission, transfer moneys thereto, and to declare an emergency.

HB 1290, An Act to prohibit lobbying by state officials and employees.

HB 1316, An Act to revise provisions regarding soil health in resource conservation and forestry and conservation districts.

HB 1320, An Act to appropriate funds to reconstruct Custer West Dam and to declare an emergency.

HB 1323, An Act to increase the amount transferred into the coordinated natural resources conservation fund.

District Updates

Summary of 2021 Water Quality Sampling Efforts (Lakes) - Jeremy Hinke presented a summary of the results of District lake water quality sampling conducted by District staff during 2021. The majority of the work was done as part of the Rotating Basins Project, but included some District-directed work as well.

Upcoming Director Vacancies - The Manager reviewed the process by which the pending vacancies in the odd-numbered director areas will be filled. He noted that all incumbent directors had been provided with the necessary paperwork, and formal public notices will be published in all appropriate District newspapers in early March. At the time of the meeting, no petitions had been filed for any of the five positions.

Additional Staff for the Big Sioux River Project - The Manager noted that he and Barry Berg, Senior Watershed Coordinator for the Big Sioux River Project (BSRP), were in the process of hiring another person to work on that effort. Over the past six years, the District has provided staff for the BSRP. Mr. Berg and Alexa Kruse are currently assigned to this activity. The District is reimbursed for costs incurred as a result of this arrangement, under an agreement with the BSRP sponsor, the Minnehaha Conservation District (MCD). Under the agreement, the District is reimbursed for any material, support and travel expenses incurred by staff for the BSRP, along with ninety percent (90%) of salary and benefits, from Section 319 grants funds awarded to the BSRP.

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An increase in workload, driven by expanding interest in BSRP programs and services, along with other programs like the DANR Riparian Buffer Initiative, has necessitated bringing another person on board. Position announcements were distributed in January, and he and Mr. Berg were assessing the applicants. For this position, the District will provide ten percent (10%) of the salary and benefits, with the balance coming from various grants through the MCD, the City of Sioux Falls and the City of Dell Rapids.

Adjournment

There being no further District business or other matters, Chairman Anderson declared the meeting adjourned at 11:53 a.m.

Spencer Hawley, Secretary

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