



East Dakota Water Development District
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MINUTES
February 17, 2015

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on February 17, 2015, at the EDWDD office in Brookings. Chairman Jarrett called the meeting to order at 9:05 a.m. The following persons attended:

Directors Present

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

Others Present

Scott Anderson, Minnehaha County
Andrew Bremseth, City of Volga
Nathan Edwards, South Dakota State University
Jesse Johnson, SD Corn
Gregg Jorgenson, Banner Associates
Dana Loseke, Friends of the Big Sioux River
Elizabeth Wakeman, Flandreau Santee Sioux Tribe

Directors Absent

Mary Ellen Connelly
Jerry Soholt

Staff Present

Kevin Christenson
Jay Gilbertson
Jeremy Hinke
Deb Springman

Administrative Items

Approval of Agenda - Director Duffy asked to have a discussion of a proposed residential development on Lake Goldsmith added to the agenda.

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

Minutes - The Board reviewed the Minutes of the January 20th, 2015, meeting.

Motion by Duffy, seconded by Weatherly to approve the January 20th, 2015, Minutes as presented. Motion carried unanimously.

Financial Reports - The Board reviewed the January 2015 financial report.

Motion by Kassube, seconded by Moes to accept the January 2015 financial report. 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 2014 expenditures and expenses, and reviewed changes to the FY 2015 District budget (below). He noted that the changes primarily reflect the actual year-end 2014 expenditures and accountant balances, and carry-over of funds that had been obligated but not expended. He noted the following adjustments:

1. Appropriations - \$336,311 increase in category 08 Project Assistance, which are funds previously committed to projects that had not been expended by the close of FY 2014. A comparable increase is reflected under Means of Finance (300 Capitol Reserve Transfer); and
2. Appropriations - \$20,000 increase in category 09 Contingency Funds. A comparable increase is reflected under Means of Finance (300 Capitol Reserve Transfer).

FY 2015 BUDGET

<u>APPROPRIATIONS</u>	INITIAL BUDGET	OPERATIONAL BUDGET
01 Board of Directors	\$ 37,586	\$ 37,586
02 Administration	\$ 145,149	\$ 145,149
03 Technical Assistance	\$ 247,757	\$ 247,757
04 Operational Expenses	\$ 103,750	\$ 103,750
05 Professional Services	\$ 32,500	\$ 32,500
06 Capitol Outlay	\$ 31,000	\$ 31,000
07 External Grant Expenditures	\$ 210,000	\$ 210,000
08 Project Assistance	\$ 196,258	\$ 532,569
09 Contingency	<u>\$ 110,000</u>	<u>\$ 130,000</u>
TOTAL FY 2014 APPROPRIATIONS	\$ 1,114,000	\$ 1,470,311
 <u>MEANS OF FINANCE</u>		
100 Tax Revenue	\$ 664,000	\$ 664,000
200 External Grant Revenue	\$ 210,000	\$ 210,000
300 Capitol Reserve Transfer	\$ 235,000	\$ 591,311
400 Miscellaneous Revenue	<u>\$ 5,000</u>	<u>\$ 5,000</u>
TOTAL FY 2014 MEANS OF FINANCE	\$ 1,114,000	\$ 1,470,311

The Manager stated that the District retained \$638,642 in a Capitol Reserve Fund.

Motion by Kassube, seconded by Brown to approve the carry-over of funds from 2014 and to adopt the proposed adjustments to the 2015 District operational budget. Motion carried unanimously.

Report of Meetings and Conferences - Director Brown attended a meeting of the Friends of the Big Sioux River in Sioux Falls on January 20th.

Director Moes attended meetings of the Lake Pelican Water Project District and the Upper Big Sioux Watershed Advisory Board in Watertown on January 21st and 29th respectively.

Director Weatherly attended an informational meeting on a proposed swine research facility in rural Moody County in Flandreau on February 11th.

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

1. January 21 - Rapid City. West Dakota Water Development District Board Meeting.
2. January 22 - Iroquois. Informational hearing on the Dakota Access Oil Pipeline.
3. January 30 - Brookings. South Dakota World Affairs Council Symposium.
4. February 4 & 5 - Chamberlain. South Dakota Association of Rural Water Systems Manager's Group Meeting.
5. February 7 - Rapid City. SDSU College of Agriculture & Biological Sciences Winter Advisory Board Meeting.

In addition, the Manager acted in his capacity as District lobbyist to the 2015 South Dakota Legislature in Pierre during this period.

Upcoming Meetings -

1. **February 17, 18 & 19** - Holiday Inn, Spearfish. South Dakota Water & Wastewater Association Annual Meeting.
2. **February 19** - Rapid City. West Dakota Water Development District Board Meeting.
3. **February 23** - 7:00 p.m. - Ortonville, MN. Upper Minnesota River Watershed District public hearing on proposed Whetstone River Re-Diversion.
4. **March 4 & 5** - Pierre. South Dakota Water Management Board.
5. **March 11 & 12** - Pierre. 27th Annual Environmental & Ground Water Quality Conference.
6. **March 13** - Pierre. 35th Legislative day - Last day for a bill or joint resolution to pass both houses.
7. **March 17 & 18** - University of Sioux Falls, Sioux Falls. Sioux Empire Water Festival.
8. **March 19 - 9:00 a.m.** - EDWDD Office, Brookings. March EDWDD Board of Directors meeting.

Payment Request(s) - South Dakota State University - In October 2013, the District agreed to provide \$6,000 in cost-share assistance to South Dakota State University (SDSU) for a research project entitled, "Nutrient Removal from Agricultural Subsurface Drainage Using Denitrification Bioreactors and Phosphate Adsorbants." SDSU has submitted billings for this project cover project expenses (\$219.95) for the period from January 1 through January 31, 2015. Prior payments totaling \$5,780.05 have been made in support of this effort. This payment would conclude the District's obligation to this project.

Motion by Duffy, seconded by Brown to authorize payment \$219.95 to SDSU as requested for "Nutrient Removal from Agricultural Subsurface Drainage Using Denitrification Bioreactors and Phosphate Adsorbants" project expenses. Motion carried unanimously.

Appointment of District Legal Counsel - The Manager noted that at its December 2012 meeting, the Board appointed Gregg Greenfield, with the Boyce, Greenfield, Pashby & Welk, L.L.P., of Sioux Falls, as District legal counsel. Earlier this year, Mr. Greenfield left this firm, and is now a partner in Greenfield Rotert Law, P.C. On Mr. Greenfield's advice, the Manager recommended that the Board re-visit the designation of District legal counsel. Interest was expressed by both Mr. Greenfield as well as Boyce, Greenfield, Pashby & Welk, L.L.P. in providing this service. The Board directed the Manager to solicit proposal from each firm. The Manager presented and discussed the response to his queries.

Motion by Anderson, seconded by Kassube to appoint Gregg Greenfield, of Greenfield Rotert Law, P. C., as District legal counsel. Motion carried unanimously.

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2014 Fiscal Audit Agreement - The Manager presented a proposal from Paul East, CPA, of East, Vander Woude & Company, P.C., Sioux Falls, to complete the fiscal audit of the District's 2014 financial records. The projected cost for the audit is a range of \$7,900 to \$9,300.

Motion by Moes, seconded by Duffy to enter into an agreement with East, Vander Woude & Company, P.C., Sioux Falls, to complete the fiscal audit of the District's 2014 financial records and to authorize the Manager/Treasurer to sign the agreement. Motion carried unanimously.

Project Assistance Requests

City of Volga - Andrew Bremseth, City of Volga, and Gregg Jorgenson, Banner Associates, presented a request on behalf of the City of Volga for District cost-share assistance to complete a facility plan of their drinking water supply, treatment and distribution system. The City has entered into an agreement with Banner Engineering to complete the work, at a projected total cost of \$21,200. A pending Small Communities Planning Grant from the South Dakota Department of Environment and Natural Resources (DENR) would provide \$8,000, leaving local costs of \$13,200. The specific request is for one-half of this amount (\$6,600).

Motion by Brown, seconded by Weatherly to provide District cost-share assistance to the City of Volga covering fifty percent (50%) of the local costs of the proposed study, up to a maximum of \$6,600. Motion carried unanimously.

State Climate Office/Flandreau Santee Sioux Tribe - Nathan Edwards, State Climate Office, and Elizabeth Wakeman, Flandreau Santee Sioux Tribe, presented requests for support of the South Dakota Automated Weather Data Network (SDAWDN). Mr. Edwards requested \$3,000 for operational funding for calendar year 2015 for the SDAWDN station near South Shore. The Manager noted that the District provided similar support for this station in 2013 and 2014. Ms. Wakeman requested a one-time award of \$1,500 to be applied toward the purchase of a soil moisture probe for the SDAWDN station near Flandreau. The operational support for this station is being provided by the District and the Flandreau Santee Sioux Tribe (FSST). The FSST has pledged a like amount toward the purchase of this equipment.

Motion by Weatherly, seconded by Duffy to provide a total of \$4,500 in District project assistance funds in support of the SDAWDN, with \$3,000 directed toward the 2015 operational costs of the South Shore SDAWDN station, and \$1,500 toward the acquisition of a soil moisture probe for the Flandreau SDAWDN station. Motion carried unanimously.

2015 Legislative Session Review

The Manager reviewed the status of, and actions he has taken on, numerous bills he is tracking as the District lobbyist during the ongoing 90th Session of the South Dakota Legislature.

House Bill (HB) 1014 An Act to repeal certain obsolete and unnecessary statutes relating to the Department of Environment and Natural Resources. The bill has passed both chambers and awaits action by the Governor.

HB 1188, An Act to make an appropriation to the Department of Environment and Natural Resources to develop a hydrologic model of the lower Big Sioux River Basin in southeast South Dakota and to

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declare an emergency. Passed the House and awaiting action by the Senate Appropriations Committee.

HB 1217, An Act to revise certain provisions regarding the portion of Marshall County located in the James River Water Development District. Passed the House, with amended language. Awaiting action by the Senate Agriculture and Natural Resources Committee.

Senate Bill (SB) 2 An Act to provide for the establishment of river basin natural resource districts and to repeal certain provisions regarding county drainage management. Passed the Senate Agriculture and Natural Resources Committee with significant amendments. Awaiting action by the full Senate.

SB 173, An Act to make appropriations from the water and environment fund, the water pollution control revolving fund subfund, and the drinking water revolving fund subfund for various water and environmental purposes, to revise the state water plan, to increase the authority of the South Dakota Board of Water and Natural Resources to make consolidated water facilities construction program awards, and to declare an emergency. Passed Senate Appropriations, scheduled for action by the full Senate later in the day (February 17).

2015 Water Quality Sampling Program

The Manager reviewed preliminary plans for water quality sampling in the coming 2015 field season. In 2014, the District began a fairly comprehensive sampling program to assess water quality conditions in the Big Sioux River and Skunk Creek, along with the Whetstone and Yellow Bank Rivers. These watersheds are currently the targets of various watershed restoration projects and the effort will help determine the effectiveness of the best management practices (BMPs) that are being implemented. Sampling included twice-weekly sampling at selected locations along Skunk Creek in support of a United States Department of Agriculture National Water Quality Incentive (NWQI) pollution reduction program in the watershed. The Manager is proposing to continue these efforts in 2015.

Possible new activities include sampling along Bachelor Creek in Lake and Moody Counties to assess the impact of a major drainage ditch restoration and a collaborative effort with the South Dakota School of Mines and Technology faculty to study bacteria toxicity and genetics in Skunk Creek. He is also looking at stepping up the frequency and distribution of nitrate sampling in rivers and streams where agricultural drainage is prevalent. He stated that he would bring forward a final plan for the year at the March meeting.

Executive Session

Motion by Brown, seconded by Kassube to go into executive session at 11:35 a.m. to discuss personnel and legal issues with the Manager/Treasurer. Motion carried unanimously. Chairman Jarrett declared the executive session closed at 11:49 a.m.

Adjournment

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

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John G. Moes, Secretary