



East Dakota Water Development District
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MINUTES
February 16, 2017

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on February 16, 2017, at the EDWDD office in Brookings. Chairman Jarrett called the meeting to order at 9:03 a.m. The following persons attended:

Directors Present

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

Directors Absent

- none -

Others Present

Scott Anderson, Minnehaha County
Dave Bartel, James River WDD
Jamie Dolen, Punished Woman's Lake Association
Roger Hageman, Lake County Commission
Janice Shaeffer, Lamfers & Maas, LLP

Staff Present

Kevin Christenson
Jay Gilbertson
Jeremy Hinke
Deb Springman

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Administrative Items

Approval of Agenda

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

Minutes - The Board reviewed the Minutes of the January 19th, 2017, meeting.

Motion by Connelly, seconded by Brown to approve the January 19th, 2017, Minutes as presented. Motion carried unanimously.

Financial Reports - The Board reviewed the January 2017 financial report.

Motion by Moes, seconded by Anderson to accept the January 2017 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 2016 expenditures and expenses, and reviewed changes to the FY 2017 District budget (below). He noted that the changes primarily reflect the actual year-end 2016 expenditures and accountant balances, and carry-over of funds that had been obligated but not expended. He noted the following adjustments:

1. Appropriations - A shift of \$5,000 from Capitol Outlay to Professional Services;
2. Appropriations - \$65,000 increase in 07 External Grant Expenditures, reflecting the addition of the Eastern South Dakota Lakes Project to 2017 activities. A comparable increase is reflected under Means of Finance (200 External Grant Revenue); and
3. Appropriations - \$335,938 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 2016. A comparable increase is reflected under Means of Finance (300 Capitol Reserve Transfer).

FY 2017 BUDGET

<u>APPROPRIATIONS</u>	INITIAL BUDGET	OPERATIONAL BUDGET
01 Board of Directors	\$ 37,586	\$ 37,586
02 Administration	\$ 129,238	\$ 129,238
03 Technical Assistance	\$ 284,125	\$ 284,125
04 Operational Expenses	\$ 107,220	\$ 107,220
05 Professional Services	\$ 37,500	\$ 42,500
06 Capitol Outlay	\$ 41,000	\$ 36,000
07 External Grant Expenditures	\$ 355,000	\$ 420,000
08 Project Assistance	\$ 332,866	\$ 668,804
09 Contingency	<u>\$ 105,000</u>	<u>\$ 105,000</u>
TOTAL FY 2017 APPROPRIATIONS	\$ 1,429,535	\$ 1,830,473
 <u>MEANS OF FINANCE</u>		
100 Tax Revenue	\$ 705,535	\$ 705,535
200 External Grant Revenue	\$ 355,000	\$ 420,000
300 Capitol Reserve Transfer	\$ 365,000	\$ 700,938
400 Miscellaneous Revenue	<u>\$ 4,000</u>	<u>\$ 4,000</u>
TOTAL FY 2017 MEANS OF FINANCE	\$ 1,429,535	\$ 1,830,473

The Manager stated that the District retained \$648,016 in a Capitol Reserve Fund.

Motion by Kassube, seconded by Duffy to approve the carry-over of funds from 2016 and to adopt the proposed adjustments to the 2017 District operational budget. Motion carried unanimously.

Report of Meetings and Conferences - Director Connelly attended a meeting of the Friends of the Big Sioux River and an Osher Lifelong Learning Institute (OLLI) presentation on watershed best management practices on January 31st. Both meeting were held in Sioux Falls.

Director Moes attended the meeting of the Upper Big Sioux Watershed Advisory Board in Watertown on February 15th.

The Manager briefly summarized the following meetings he attended since the December 2016 Board meeting:

1. December 20 - Watertown. Discussion of Punished Woman's lake issues with SD Game, Fish & Parks staff.
2. December 20 - Flandreau. Moody County Conservation District Board of Supervisors.
3. December 22 - Sioux Falls. Big Sioux River Watershed Project Steering Committee.
4. January 4, 2017 - Huron. James River Water Development District Board of Directors.
5. January 5 - various DDN sites. SD Board of Water and Natural Resources.
6. January 10-12 - Pierre. South Dakota Association of Rural Water Systems (SDARWS) Annual Technical Conference.
7. February 1 - Sioux Falls. Concentrated animal feeding operation regulations discussion.
8. February 14 - Brookings. Big Sioux Water Festival Steering Committee.

In addition, the Manager acted in his capacity as District lobbyist to the 2017 South Dakota Legislature in Pierre during this period.

Selection of Area 7 Director - The Manager reviewed the process undertaken to appoint a person to fill the vacancy and represent Director Area 7. At the November 2016 meeting, the Board recognized that a vacancy would exist on January 1, 2017, due to a lack of petitions filed during the 2016 general election cycle. SDCL 46A-3B-9 allows for the remaining Board members to appoint a replacement (until the next general election) 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, Sioux Falls Argus Leader, in December, with a filing deadline of February 3rd, 2017, as well as an indication that the vacancy would be addressed at this meeting. The Manager reported that a single set of valid petitions was submitted by Dana Loseke of Sioux Falls.

Motion by Duffy, seconded by Kassube to appoint Dana Loseke to serve as the Director Area 7 representative through the end of December 2018. Motion carried unanimously. Director Loseke signed the Oath of Office.

Upcoming Meetings -

1. **February 17 - 10:00 a.m.** - Brookings. Brookings Municipal Utilities source water protection discussion with SD DENR.
2. **February 21 - 1:00 p.m.** - Flandreau. Moody County Conservation District Board of Supervisors.
3. **February 28** - Baltic. Ag PhD Tilling Clinic.
4. **March 1 & 2** - Pierre. SD Water Management Board.
5. **March 8 & 9** - Pierre. 29th Annual Environmental & Ground Water Quality Conference.

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6. **March 16 - 9:00 a.m.** - EDWDD Office, Brookings. EDWDD March Board of Directors Meeting.
 7. **March 30 & 31** - Pierre. SD Board of Water and Natural Resources.
 8. **April 6 & 7** - Rapid City. 2017 Western South Dakota Hydrology Conference.
- The Manager noted that the 2017 SD Legislature would be in session until March 27th, and he will continue acting as District Lobbyist as necessary.

Payment Request(s) - The Manager presented the Board with 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>
SDSM&T/Seasonal pathogenicity profile of BSR & SC (Kunza)	\$ 15,746.27
SDSM&T/Seasonal pathogenicity profile of BSR & SC (Kunza)	\$ 792.04
City of Colton/Drinking Water, Waste Water & Storm Water facility plans	\$ 12,900.0
SDSU/Controlling harmful algal blooms - Part 2 (Min)	\$ 1,252.69
SDSU/Controlling harmful algal blooms - Part 2 (Min)	\$ 2,159.23
Total	\$ 32,850.23

Motion by Connelly, seconded by Weatherly to authorize payments totaling \$32,850.23 as requested. Motion carried unanimously.

2015 Fiscal Audit Report

Janice Shaeffer, CPA, with Lamfers & Maas, LLC, reviewed the Final Audit Report of the District finances during 2015. Copies of the report were distributed to Board members.

Ms. Shaeffer stated that the District’s financial position was very strong. Minor deficiencies (findings) noted in the 2014 Audit report had been substantially addressed, and that the Manager would be working 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. Shaeffer noted that word had been received the previous day that the audit report had been reviewed and accepted by the South Dakota Department of Legislative Audit (DLA). The Manager stated that once a formal notice of the DLA approval was received, a public notice will be 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 Loseke, seconded by Kassube to accept and approve the 2015 fiscal audit report. Motion carried unanimously.

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 at the May 2014 meeting, the Board agreed to partner with the City of Sioux Falls and USGS to install and operate a real-time monitoring station for nitrates in the Big Sioux River near the Sioux Falls airport. The project involved the installation of a nitrate monitoring probe near the drinking water intake on the river north of the airport, with the probe to be operational from early June through the fall. Results are available on-line during the monitoring period. Subsequent District and City support has been made available to keep the device operational during the 2015 and 2016 field seasons.

Erratic results during 2016, attributed to fouling of the sensor, has resulted in a proposal to move the device north to the stream gaging station near Dell Rapids. The current proposal for federal fiscal year 2017 covers operational (\$3,000) and relocation (\$750) costs. The City of Sioux Falls will once again be an equal partner, committing a comparable level of support for 2017.

Motion by Duffy, seconded by Moes to allocate up to \$3,750 in District cost-share support in support of the 2017 operational and relocation costs for the real-time nitrate monitoring effort as described, and to authorize the Chairman to execute a joint funding agreement with the USGS for such purpose. Motion carried unanimously.

Punished Woman's Lake Association - Jamie Dolan, President of the Punished Woman's Lake Association (PWLA), presented the Board with a request for cost-share assistance. Punished Woman's lake is located in northeastern Codington County, adjacent to the Town of South Shore. The lake was the target of several watershed protection/restoration efforts in the past, including a dredging program that created several deep (relatively) spots in the otherwise shallow prairie lake.

Like many eastern South Dakota lakes, plant life has taken advantage of abundant nutrients and growth has reached nuisance levels. In this instance, the problem is not microscopic algae but rather larger plants such as duckweed, sago pondweed and northern milfoil. The water is otherwise 'clear,' but the abundant weeds make use of the lake problematic. PWLA has worked with SD Game, Fish and Parks (GF&P) to come up with a plan of action for targeted weed control using a commercial herbicide, Tribune. Total project chemical costs are \$12,600, and PWLA is requesting \$9,450, or seventy-five percent (75%) of the costs. PWLA would provide the balance.

The Board had numerous questions about the process by which the weed problem was being addressed, current water quality of the lake, efforts to reduce nutrient loading to the lake and the level of recreational use. Questions were answered by Mr. Dolen and the Manager as possible, but some issues were unresolved.

Motion by Moes to provide District cost-share assistance to the PWLA in the amount of fifty-percent of the projected costs, to a maximum of \$6,300. Motion failed for lack of a second.

Motion by Connelly, seconded by Brown to table the request. Motion carried with Directors Anderson, Brown, Connelly, Jarrett, Kassube, Loseke, Moes and Weatherly supporting, and Duffy opposed.

The Manager requested that all directors interested in doing so contact him within the next few weeks with their particular issues and concerns with the request, in preparation for a possible resumption of the discussion at future meetings.

2017 Legislative Session Review

The Manager reviewed the February 15th status of numerous bills he is tracking as the District lobbyist during the ongoing 92nd Session of the South Dakota Legislature.

House Bill (HB) 1006, An Act to revise certain requirements for a public notice of a public meeting. Signed by the Governor.

HB 1134, An Act to provide certain protection to state and local government employees regarding the disclosure of information in good faith. Deferred to the 41st legislative day by House State Affairs Committee.

HB 1163, An Act to revise certain provisions regarding the board of county commissioners. Deferred to the 41st legislative day by House Local Government Committee.

HB 1164, An Act to revise certain provisions regarding violations of county and municipal ordinances. Tabled by House Local Government Committee.

HB 1181, An Act to prohibit hydraulic fracturing. Deferred to the 41st legislative day by House Local Government Committee.

Senate Bill (SB) 9, An Act to revise the river basin natural resource district boundaries, to establish subdistricts for each district, and to establish a procedure to adjust district boundaries. Deferred to the 41st legislative day by Senate Agriculture and Natural Resources Committee.

SB 10, An Act to provide for an election in the Red River and Minnesota River Basin Natural Resource District in 2018, to remove certain areas from the East Dakota Water Development District that are contained in that river basin natural resource district, and to provide for elections in the other river basin natural resource districts at a later date. Deferred to the 41st legislative day by Senate Agriculture and Natural Resources Committee.

SB 46, An Act to revise certain provisions regarding the state geologist. Passed both chambers without dissent, awaiting action by the Governor.

SB 64, An Act to define the term of a vacancy appointment for water development district directors. Passed Senate without dissent, awaiting action by the House Local Government Committee.

SB 66, An Act to specifically classify certain agricultural land as riparian buffer strips, to establish the criteria for the riparian buffer strip classification, and to provide for the taxation thereof. Passed Senate with minimal dissent, awaiting action by the House Taxation Committee.

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SB 70, An Act to make appropriations from the water and environment fund and its revolving fund subfunds for various water and environmental purposes, to increase the transfer from the water and environment fund to the environment and natural resources fee fund, and to declare an emergency. Passed the Senate without dissent, awaiting action by the full House.

SB 78, An Act to revise provisions regarding election petitions for conservation district supervisors. Passed Senate with minimal dissent, awaiting action by the House Local Government Committee.

SB 119, An Act to accommodate legislation to improve culverts in the state. Tabled at the request of the sponsor by Senate Agriculture and Natural Resources Committee.

SB 133, An Act to accommodate legislation regarding the Missouri River. To be considered by the Senate Agriculture and Natural Resources Committee on February 16th (today).

Adjournment

There being no further District business or other matters, Chairman Jarrett declared the meeting adjourned at 11:52 a.m.

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John G. Moes, Secretary