



**East Dakota Water Development District  
132B Airport Drive  
Brookings, SD 57006**

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**MINUTES  
January 19, 2012**

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on January 19, 2012, at the EDWDD office in Brookings. Chairman Eggers called the meeting to order at 9:07 a.m. The following persons attended:

**Directors Present**

Lois Brown  
Mary Ellen Connelly  
Curt Eggers  
Vincent Flemming  
Roger Scheibe  
Jerry Soholt  
John Weidler

**Directors Absent**

Martin Jarrett  
Kay Kassube

**Others Present**

Shirley Flemming, Florence  
Boyd Schulz, U. S. Fish & Wildlife Service

**Staff Present**

Kevin Christenson  
Jay Gilbertson  
Jeremy Hinke  
Deb Springman  
Kristi Thielen

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**Administrative Items**

Approval of Agenda - The Manager asked to have a project assistance request from the United States Fish and Wildlife Service to the agenda.

**Motion** by Scheibe, seconded by Weidler to approve the agenda as amended. Motion carried unanimously.

Resignation of Chairman Eggers - Chairman Eggers announced that he would be resigning his position as director from EDWDD Director Area 5 effective at the end of the meeting due to family health issues.

The Manager requested authorization to initiate the process of filling the pending vacancy. He proposed setting a deadline of March 7<sup>th</sup>, 2012, for nominating petitions to be filed at the District office, with Board action to fill the vacancy at the March 15<sup>th</sup>, 2012. He noted that the appointed director would serve a nine-month term, which will expire on December 31, 2012.

**Motion** by Scheibe, seconded by Weidler to reluctantly accept the resignation of Director Eggers, effective at the end of the January 19<sup>th</sup>, 2012, meeting; to acknowledge the resulting vacancy in Director Area 5; to authorize publication of the Notice of Vacancy; to require that all applicants for the vacancy submit their petitions to the EDWDD office no later than 5:00 p.m. on March 7<sup>th</sup>, 2012;

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and to set the March 15<sup>th</sup>, 2012, Board meeting as the time to appoint a new Director for Area 5 from those that submit valid petitions. Motion carried unanimously.

Minutes - The Board reviewed the Minutes of the December 15, 2011 meeting.

**Motion** by Soholt, seconded by Flemming to approve the Minutes as presented. Motion carried unanimously.

Financial Reports - The Board reviewed the December 2011 Financial Report.

**Motion** by Scheibe, seconded by Brown to accept the Financial Report. Motion carried unanimously. Chairman Eggers then asked that the report be placed in the District files.

Election of Officers for 2012 - Chairman Eggers turned the meeting over to the Manager for the election of Board officers for 2012.

The Manager called for nominations for Chairman for 2012.

**Motion** by Brown, second by Flemming to nominate Director Jarrett for Board Chairman. **Motion** by Brown, seconded by Soholt that nominations for Chairman cease and the Board cast a unanimous ballot. Motion carried unanimously.

The Manager called for nominations for Vice-Chairman for 2012.

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**Motion** by Scheibe, seconded by Brown to nominate Director Soholt for Vice-Chairman. **Motion** by Connelly, seconded by Flemming that nominations cease and that the Board cast a unanimous ballot. Motion carried unanimously.

The Manager called for nominations for Secretary for 2012.

**Motion** by Brown, seconded by Connelly to nominate Director Scheibe for Secretary. **Motion** by Connelly, seconded by Flemming that nominations cease and that the Board cast a unanimous ballot. Motion carried unanimously.

Director Soholt noted that with the absence of Director Jarrett, and the pending resignation of Director Eggers, that the terms of the newly elected Board officers commence at the end of the meeting. It was the consensus of the Board that the 2012 Board officers begin their terms of office at the end of the January 19, 2012, meeting as proposed.

Report of Meetings and Conferences - Director Weidler attended a special meeting of the James River Water Development District Board of Directors in Huron on December 22<sup>nd</sup>.

Directors Flemming and Weidler attended the South Dakota Association of Rural Water Systems (SDARWS) Annual Technical Conference and Meeting in Pierre on January 10-12.

Directors Flemming and Weidler attended the Water Development District Legislative Breakfast on January 11<sup>th</sup> in Pierre.

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Director Flemming attended the James River Water Development District Board of Directors on January 11<sup>th</sup> in Pierre.

Director Flemming attended a meeting of the Lake Pelican Water Project District on January 18 in Watertown.

The Manager briefly commented on the following meetings he attended:

1. December 16 - Mitchell. SD Department of Transportation Aberdeen/Mitchell Regional Meeting, rural drainage law presentation.
2. December 20 - Brookings. Brookings County Commission, action to rescind county drainage ordinance.
3. December 22 - Huron. James River Water Development District Board of Directors Meeting, report by SD Department of legislative Audit.
4. December 23 - Brookings. District Legislative Committee Meeting, review pending 2012 legislative session activities.
5. December 28 - Sioux Falls. Minnehaha County Auditor, review changes to director area descriptions following legislative redistricting.
6. January 4, 2012 - Mankato, MN. Near-Channel Sediment Source Management Forum.
7. January 5 - Brookings DDN Site/teleconference. SD Board of Water and Natural Resources.
8. January 10-12 - Pierre. SD Association of Rural Water Systems Annual Technical Conference.
9. January 11 - State Capitol Building, Pierre. Water Development District Legislative Breakfast.
10. January 11 - Pierre. James River Water Development District Board of Directors.
11. January 11 - Pierre. Central Plains Water Development District Board of Directors.
11. January 12 - State Capitol. Rural Drainage in South Dakota presentation to legislators.

In addition, he noted that he acted in his capacity as District lobbyist to the 2012 South Dakota Legislature in Pierre on January 11-12.

Upcoming Meetings -

1. **January 25** - Cabela's, Mitchell. SDARWS Quality On Tap editorial board meeting.
2. **January 31 - 10:00 a.m.** - Pierre. South Dakota Conservation Commission.
3. **February 1 & 2** - AmericInn Lodge, Fort Pierre. South Dakota Association of Rural Water Systems Managers Group meeting.
4. **February 2 - 9:00 a.m.** - Marshall, MN. Minnesota River Basins Project AREA II.
5. **February 16 - 9:00 a.m.** - EDWDD Office, Brookings. February EDWDD Board of Directors Meeting.

2011 Board of Directors Meeting Schedule - The Manager presented the following draft meeting schedule for 2011:

<b>Date</b>	<b>Location</b>	<b>Start</b>	<b>Meeting Site</b>
January 19	Brookings	9:00 a.m.	EDWDD Office
February 16	Brookings	9:00 a.m.	EDWDD Office
March 15	Brookings	9:00 a.m.	EDWDD Office
April 19	Flandreau/Egan	9:30 a.m.	(to be determined)
May 17	Brookings	9:00 a.m.	EDWDD Office

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<b>Date</b>	<b>Location</b>	<b>Start</b>	<b>Meeting Site</b>
June 21	Brookings	9:00 a.m.	EDWDD Office
July 19	Brookings	9:00 a.m.	EDWDD Office
August 16	Brookings	9:00 a.m.	EDWDD Office
September 20	Milbank	10:00 a.m.	(to be determined)
October 18	Brookings	9:00 a.m.	EDWDD Office
November 15	Sioux Falls	10:00 a.m.	Water Reclamation Plant
December 20	Brookings	1:00 p.m.	EDWDD Office

The Board requested that the Manager explore possibilities for a field tour of programs and activities that the District has supported and/or conducted in the northeastern part of the District in conjunction with the September meeting.

**Motion** by Weidler, seconded by Soholt to adopt the proposed meeting schedule for 2012. Motion carried unanimously.

Appointment of District Legal Counsel - In 2011, Alan Glover, of the Glover and Helsper Law Firm, served as the District’s legal counsel. Mr. Glover has indicated a willingness to continue in this capacity for a retainer of \$400 for 2012.

**Motion** by Scheibe, seconded by Soholt to appoint Alan Glover as EDWDD legal counsel for 2012 and to authorize payment of a \$400 retainer. Motion carried unanimously.

Designation of Official Newspapers - The Manager indicated that state law requires that the District annually designate official newspapers in which formal and necessary public notices are to be published. The manager proposed to retain the same newspapers as have been used in the past by the District.

**Motion** by Flemming, seconded by Brown to designate the following newspapers as the official newspapers for District notices in 2012 - Brookings Register, Clear Lake Courier, Grant County Review, De Smet News, Miner County Pioneer, Watertown Public Opinion, Moody County Enterprise, Hamlin County Herald Enterprise, Madison Daily Leader and Sioux Falls Argus Leader. Motion carried unanimously.

District Organizational Memberships

**Motion** by Connelly, seconded by Brown to authorize payment of \$420 to the South Dakota Association of Rural Water Systems, \$165 to the American Water Resources Association and \$50 to the South Dakota Lakes and Streams Association for District memberships in 2012. Motion carried unanimously.

2011 Fiscal Audit Letter of Engagement - The Manager presented the Board with a proposal from East, Vander Woude, Grant and Company of Sioux Falls to conduct the District’s 2011 fiscal audit for a cost of approximately \$7,500.

**Motion** by Brown, seconded by Weidler to authorize the District Treasurer to execute a Letter of Engagement with East, Vander Woude, Grant and Company of Sioux Falls to conduct the fiscal audit of the District’s 2011 financial records. Motion carried unanimously.

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## Update of District Policy & Procedures Manual

The Manager indicated that the recently completed examination of the workings of the James River Water Development District by the South Dakota Department of Legislative Audit (DLA) identified issues with how travel expense reimbursements are to be treated. Travel expense reimbursement payments for meals, mileage and other business-related expenses incurred by both District Directors and staff are to be treated as taxable benefits, unless the travel involves an overnight stay. The United States Internal Revenue Service (IRS) adopted new rules with regard to these types of payments a few years ago. DLA staff indicated that the IRS is not pursuing entities that have been out of compliance with this requirement, so long as they make the necessary changes once they are aware of the problem.

The Manager, in consultation with the District's auditors (East, Vander Woude, Grant and Company), developed changes, shown below in *italics*, to the District Policy and Procedures Manual section on Travel Expense Reimbursement. He requested that the changes, if adopted, be made retroactive to January 1, 2012. For the text below, proposed new language is shown in **bold and underlined**. Old language is **~~bold and struck out~~**.

### *TRAVEL EXPENSE REIMBURSEMENT*

*Travel is a necessary part of many activities of the District. District employees may be required to travel away from the main office in Brookings, or their home in the case of directors, at various times and for extended periods. When traveling on behalf of the District, necessary and reasonable travel-related expenses will be ~~provided on a reimbursement basis~~ **reimbursed to the employee or director upon receipt of required documentation as described below.***

*Travel to meetings that are out-of-state ~~are is~~ subject to Board approval. In-state travel ~~allowances are by employees is~~ subject to approval from the District manager. It is the responsibility of the employee to request travel as far in advance as possible.*

*The most direct route shall be traveled ~~and costs thereof shall be reimbursed to the director or employee.~~ Any additional travel for personal convenience while en route, which interrupts the direct travel route, shall be at the expense of the individual. If extra time is involved, in addition to normal travel time, vacation leave must be utilized.*

*Travel reimbursement guidelines are established by the Board **in order to provide reimbursement under an accountable plan as defined by the United States Internal Revenue Service (IRS).** All travel reimbursement requests should include time and place of travel and the business purpose of the trip. An accountable plan requires the traveler to meet all of the following requirements.*

#### **They must:**

- 1. Have paid or incurred allowable expenses while performing services as your employees,**
- 2. Adequately account to the District for these expenses within a reasonable period of time,**  
**and**
- 3. Return any excess reimbursement or allowance within a reasonable period of time.**

*Mileage - When a private vehicle is used for transportation on District business, mileage will be reimbursement at a rate of \$0.50 per mile. For directors, the point of origin for all travel shall be the directors residence. For District staff, the point of origin for all travel shall be the District office. Trip mileage shall be reported on expense vouchers. Prior approval is required for deviation from this policy.*

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Meals - Under IRS travel rules, meals are an allowable travel expense only if the trip takes substantially longer than an ordinary days's work and one needs to get sleep or rest to meet the demands of the work while away from home. The travel rules allow the use of per diems to reimburse meals and incidentals in lieu of turning in actual receipts.

Directors and employees shall be provided a meal allowance **whenever** District travel takes them away from their **home or office point of origin**. The meal allowance(s) shown below shall be paid in full (receipts are not required) whenever District travel occurs over the following time intervals:

	<i>When Leaving</i>	<i>When Returning</i>
<u>Meal</u>	<u>Before</u>	<u>After</u>
Breakfast	5:31 a.m.	7:59 a.m.
Lunch	11:31 a.m.	12:59 p.m.
Dinner	5:31 p.m.	7:59 p.m.

Meal allowances:

<u>Meal</u>	<u>In-State Per diem</u>	<u>Out-of-State</u>
Breakfast	<del>\$8.00</del> <b>\$7.00</b>	<del>\$11.00</del>
Lunch	<del>\$12.00</del> <b>\$11.00</b>	<del>\$14.00</del>
Dinner	<del>\$15.00</del> <b>\$23.00</b>	<del>\$20.00</del>
Total per day	<del>\$35.00</del> <b>\$41.00</b>	<del>\$45.00</del>

Higher rates, based on current federal rates, may be available based upon travel location or season of travel. The use of such higher rates requires prior approval by the District manager.

A meal allowance will not be provided for meals provided as part of District-paid meeting or conference registration.

Lodging - All effort should be made to keep lodging costs to a minimum. In most instances, in-state lodging can be obtained at reasonable rates, and should be limited to no more than \$90.00 plus tax. Out-of-state lodging should be limited to no more than \$200.00 plus tax per day. Receipts are required for all lodging reimbursement requests or for charges placed on District credits cards. In certain instances, deviation from the above listed limits may be necessary. Prior approval by the manager is required to exceed the listed limits on lodging costs.

The Manager explained the impacts of the proposed changes. First, expense reimbursements (meals and mileage) paid to District staff and directors for 1-day travel would henceforth have the necessary taxes withheld. This change would bring the District policy into compliance with IRS regulations. Second, the changes would eliminate meal reimbursement distinctions between in-state and out-of-state travel, and adopt the appropriate federal meal reimbursement rates for South Dakota.

**Motion** by Soholt, seconded by Scheibe to adopt the proposed changes as presented, with the changes to be applied retroactively to January 1, 2012. Motion carried unanimously.

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United States Fish and Wildlife Service - Boyd Schulz, United States Fish and Wildlife Service (USFWS), presented the Board with a cost-share assistance request. Mr. Schulz indicated that from time to time, when they are working with private landowners on a wetland restoration project they are required to obtain a water right/permit from the South Dakota Department of Environment and Natural Resources. A water permit is required for a wetland restoration if the original drainage activity occurred more than twenty years prior, and the restored wetland will retain in excess of twenty-five acre-feet of water. Mr. Schulz noted that, not surprisingly, landowners are occasionally reluctant to pay for a permit for water retention that would have occurred naturally had the wetland not been drained in the first place. Fortunately, in most cases the permit fee is modest, and USFWS has found alternate sources to cover this cost.

USFWS is currently working with a large wetland restoration project south of Arlington. The resulting wetland will cover 94 acres retaining 338 acre-feet of water at full capacity. The restored wetland is located entirely on private land. The water permit fee for this action is \$1,050. Mr. Schulz reviewed the proposed project with the Board. He noted that the wetland is part of the watershed of Twin Lakes, located along the Brookings and Kingsbury County border. In addition to the overall environmental benefits derived from restoring a large wetland, this project has the added benefit of protecting public infrastructure by holding back some of the water that would otherwise flow into Twin Lakes. High water levels in Twin Lakes have repeatedly impaired the use of US Highway 81, a major transportation artery in the region.

The Manager proposed setting aside a small pool of funds to create a Restored Wetlands Water Rights Fund (Fund). The Fund would cover the water permit fees for wetland restorations in those cases where other funds might not be readily available. He noted that the permit fee makes up a very small portion of the overall costs involved in such restoration projects. While acknowledging the general public benefits of any wetland restoration project, several Board members expressed concern about expending public funds on the restoration of private lands. It was suggested that District support of such efforts might be more appropriate if there was also a clear and direct public benefit to the wetland restoration project. Citing the example of the current USFWS project, the Manager suggested requiring a demonstrable public infrastructure benefit to a private wetland restoration project in order for it to qualify for support.

**Motion** by Brown, seconded by Flemming to set aside \$3,000 of District Project Assistance Funds to establish the Restored Wetlands Water Rights Fund to cover water rights permit fees for wetlands restorations where the proposed activity will have a demonstrable public infrastructure benefit. The Manager indicated that any payments from the Fund would require Board approval. Motion carried unanimously.

The Manager then requested Board authorization to make a payment of \$1,050 from the Fund to the USFWS for the Mike Kjellsen wetland restoration project. Based on the information provided by USFWS, the proposed project met the requirements for Fund support.

**Motion** by Flemming, seconded by Connelly to award \$1,050 in Fund support to the USFWS for the Mike Kjellsen wetland restoration project as requested. Motion carried unanimously.

### **Legislative Update**

The Manager noted that the 87<sup>th</sup> Session of the South Dakota Legislature began on January 10<sup>th</sup>, and that to date there were not any bills filed that directly impacted the District. However, he reviewed several bills that were expected to be filed shortly:

1. A water development district “clean-up” bill that would revise the description of the East Dakota and James River WDDs to reflect the results of the 2010 withdrawals of eastern Day County and western Day County/Hand County respectively. It will also remove several outdated references to involvement of the SD Board of Water and Natural Resources references, adjust the timing of budget hearings, and remove a requirement that WDD Secretaries be formally notified when tax payments are made. Senator Larry Tidemann (R-Brookings) will be the prime sponsor.
2. A bill revising the conditions under which a WDD is required to have a full fiscal audit. At present, such audits are required annually for all WDDs. The proposed change would make such audits optional for WDDs that have an annual income of less than a fixed amount. The threshold amount is expected to be around \$250,000. The Manager noted that under this change, the District would still be required to have an annual fiscal audit.
3. The annual omnibus water funding bill has yet to be filed.
4. Senator Russell Olson has agreed to sponsor a Senate Concurrent Resolution supporting the District’s request for a legislative summer study of county drainage law.

The Manager stated that as these bills develop, they can be followed by way of the a state web site, <http://legis.state.sd.us/sessions/2012/index.aspx>, and he will be sending out weekly updates on legislation of interest.

### **District Project Updates**

2011 Field Data Collection - Kevin Christenson reviewed his efforts over the past year. For the East Dakota WQM Project, discharge sampling runs were done every 2 weeks with a total of 284 discharge measurements taken this past year. He was also involved, along with DENR staff, in the installation of 12 radar units at sampling sites. This project has been extended for another 2 years. For the Upper Minnesota River Project, a total of 116 discharge measurements were collected during 2011 on a two-week cycle. He also conducted ongoing discharge readings at various sites around Lake Poinsett, Twin Lakes and the outlet of lake Sinai. A remote stage recording device was installed along the Lake Thompson outlet, with assistance from DENR and the HACH Company. The balance of his time was spent on Central Big Sioux River water quality sampling, data entry and helping out with various projects around EDWDD.

Environmental Outreach and Education - Deb Springman gave the Board a summary of her activities over the past year. She attended four major meetings and conferences (Brookings Living History Fair, Sustaining the Blue Planet Conference, the Eastern SD Water Conference, and the Oak Lake Research Retreat). She served on six regional or state-wide committees, the Big Sioux Water Festival Steering Committee, CBSRW Master Plan Technical Steering Committee, SD Information & Education Mini-Grant Committee, Sioux Falls TMDL Steering Committee, SD Environmental Literacy Committee, and the SD Water Festivals Committee. She organized/helped to organize and/or presented at the following venues: Big Sioux Water Festival, Sioux Empire Water Festival, Project Learning Tree Environmental Experiences Workshop, Project WET Workshop, Watertown Live It Up Festival, Creek Freaks Workshop, Dakota Water Watch training, Children's Museum of SD Water Camps, SD Outdoor Expo, and at Brookings Great Afterschool Place. She was also involved in many inner office activities such as managing several small grants, upgrading the office network hardware and software, maintaining the District's web hosting account, maintaining websites for



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the District, the Big Sioux Water Festival, and Dakota Water Watch, maintaining field permits, generating ArcView materials, and various other in-house activities.

Dakota Water Watch - Jeremy Hinke gave a brief presentation of his involvement in several district activities in 2011. For the Dakota Water Watch volunteer monitoring program, he conducted four spring training sessions, developed a training booklet, modified sampling datasheets, gave presentations at the South Dakota Canoe and Kayak annual meeting and the Eastern South Dakota Water Conference, and helped develop a promotion in the South Dakota Rural Water Magazine. Mr. Hinke also described his involvement in the Upper Minnesota River Watershed Assessment. Activities included: field surveys, summer technician training and orientation, technical support for field equipment, and fund management/grant reimbursement. For the East Dakota Water Quality monitoring project, he managed funds and requested grant reimbursements as well as helping with field work as necessary. Other activities not related to a specific project included: a YSI equipment training, a grant writing workshop (sponsored by South Dakota Lakes and Streams), an activity booth at the Conservation Connection (Bramble Park Zoo, Watertown), assisting at an activity booth at the Outdoor Expo (Huron), attending meetings relating to the Lake Sinai/Twin Lakes drainage project, and assistance with the installation of equipment and continued monitoring on the Lake Thompson outlet.

### **Adjournment**

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

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Roger Scheibe, Secretary

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