



East Dakota Water Development District
132B Airport Drive
Brookings, SD 57006
605-688-6741 605-688-6744 Fax

MINUTES
September 19, 2014

The Board of Directors of the East Dakota Water Development District (EDWDD) held a regular meeting on September 19, 2014, at the District 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
Mary Ellen Connelly
Gary Duffy
Martin Jarrett
Kay Kassube
Roger Scheibe

Directors Absent

John Moes
Jerry Soholt

Others Present

Dave Bartel, James River Water Development District
Bonnie Dybedahl, SD Farm Bureau
Roger Hageman, Lake County Commission
Jesse Johnson, South Dakota Corn
Dana Loseke, SD Sierra Club
John Maursetter, Lake County Environmental Office
Nathan Stevens, US Geological Survey
Ryan Thompson, US Geological Survey
Janelle Weatherly, Flandreau

Staff Present

Jay Gilbertson
Jeremy Hinke
Deb Springman
Val Willis

Administrative Items

Approval of Agenda

Motion by Duffy, seconded by Connelly to approve the agenda as presented. Motion carried unanimously.

Minutes - The Board reviewed the Minutes of the August 22nd, 2014, meeting.

Motion by Scheibe, seconded by Brown to approve the Minutes as presented. Motion carried unanimously.

Financial Reports - The Board reviewed the August 2014 financial reports.

Motion by Connelly, seconded by Kassube to accept the August 2014 financial reports. Motion carried unanimously. Chairman Jarrett then asked that the report be placed in the District files.

Report of Meetings and Conferences - Directors Brown and Connelly, along with Chairman Jarrett, attended the Mayor's Big Sioux River Water Summit in Sioux Falls on September 4th.

Directors Brown and Scheibe attended the September 17th meeting of the Central Big Sioux River Watershed Project (CBSRWP) Steering Committee in Sioux Falls.

Director Connelly attended the September 8th meeting of the Minnehaha County Conservation District in Sioux Falls.

The Manager briefly commented on the following meetings he had attended:

1. **August 26** - Brookings. Oakwood Lakes Regional Conservation Partnership Program (RCPP) Project planning session.
2. **September 4** - Sioux Falls. 2014 Mayor's Big Sioux River Water Summit .
3. **September 11** - Aberdeen. James River water Development District Board of Directors.
4. **September 12** - Brookings. Drainage issues discussion with Brookings County, City of Brookings, area townships.
5. **September 16** - Watertown. Upper Minneosta River RCPP Project planning session.
6. **September 17** - Sioux Falls. CBSRWP Steering Committee meeting.
7. **September 17** - Ortonville, MN. Upper Minnesota River Watershed Watershed Restoration and Protection Strategy (WRAPS) planning session.
8. **September 18** - Brookings. Regional Watershed Advisory Task Force (RWATF) Water Management Entities and Districts, Water Management Assets, and Funding of Best Practices Research Subcommittee meeting.

Upcoming Meetings

1. **September 24 - 8:30 a.m.** - State Capitol Building, Pierre. RWATF Small Dams Sub-Committee.
2. **September 24 - 10:00 a.m.** - State Capitol Building, Pierre. RWATF meeting.
3. **September 25 & 26**, Watertown. South Dakota Board of Water and Natural Resources. Field tour (9/25) of area water resource projects and activities organized by District staff.
4. **September 30 - October 2** - Lawrence, KS. 59th Annual Midwest Ground Water Conference.
5. **October 2 - 9:00 a.m.** - Redwood Falls, MN. Area II Minnesota River Basin Projects Board of Directors meeting.
6. **October 16 - 9:00 a.m.** - EDWDD Office, Brookings. October EDWDD Board of Directors meeting.
7. **October 22 & 23** - Watertown. SD Planners Association Annual Conference.
8. **October 29** - South Dakota State University, Brookings. Eastern South Dakota Water Conference.

Payment Requests - The Manager presented two payment requests:

South Dakota State University I - 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 Adsorbents." Dr. Guanghui Hua, Assistant Professor in the SDSU Civil and Environmental Engineering Department (CEE), is the lead investigator on the project. SDSU has submitted billings for this project covering project expenses (\$3,219.08) for the period from 8/1/14 thru 8/31/14. Prior payments totaling \$818.51 have been made in support of this effort.

South Dakota State University II - In October 2011, the District agreed to provide \$60,438 in cost-share assistance to SDSU for a research project entitled, "Agricultural Subsurface Drainage Impacts on Hydrology in Eastern South Dakota." Dr. Chris Hay has provided several updates on the project. SDSU has submitted a billing covering project expenses (\$1,286.14) for the period from 8/1/14 thru 8/31/14. Prior payments totaling \$57,044.33 have been made in support of this effort.

The Manager requested authorization to pay these two requests by SDSU for a total of \$4,505.22.

Motion by Connelly, seconded by Duffy to authorize payments totaling \$4,505.22 to SDSU as requested. Motion carried unanimously.

Hearing on the 2015 EDWDD Operations Budget

Chairman Jarrett opened the public hearing on the 2015 EDWDD Operations Budget at 10:00 a.m. The Manager stated that the District had published a copy of the proposed budget (summarized below) and notices of the hearing in the 10 official District newspapers as required by South Dakota Codified Law 46A-3E-10. No written or verbal comments on the proposed budget were received prior to the meeting/hearing.

FY 2015 EDWDD BUDGET

APPROPRIATIONS

01	Board of Directors	\$37,586
02	Administration	\$145,149
03	Technical Assistance	\$247,757
04	Operational Expenses	\$103,750
05	Professional Services	\$32,500
06	Capitol Outlay	\$31,000
07	Grant Expenditures	\$210,000
08	Project Assistance	\$196,258
09	Contingency Funds	<u>\$110,000</u>
Total FY 2015 Appropriations		\$1,114,000

MEANS OF FINANCE

100	Tax Revenue	\$664,000
200	Grant Revenue	\$210,000
300	Capitol Reserves	\$235,000
400	Miscellaneous Revenue	<u>\$5,000</u>
Total FY 2015 Means of Finance		\$1,114,000

Chairman Jarrett invited public comment on the budget as advertised and presented. No public comments were made. Chairman Jarrett declared the public hearing closed, and called for Board comment and/or action on the proposed budget.

The Manager requested Board authorization for the Chairman and Vice-Chairman to sign District Resolution 14-1, Resolution providing that a tax be assessed and levied on all taxable property in the East Dakota Water Development District (copy attached). The resolution covers District property tax collections for fiscal year 2014, payable in 2015, as identified in the property tax income portion of the budget under consideration.

The resolution is part of the package of material sent to all county auditors and treasurers in the District on or before October 1.

Motion by Brown, seconded by Kassube to adopt the 2015 EDWDD Operations Budget as presented, and to authorize the Chairman and Vice-Chairman to sign Resolution 14-1. Motion carried unanimously.

United States Geological Survey Gaging Station Agreements

Ryan Thompson and Nathan Stevens of the United States Geological Survey (USGS) South Dakota Water Science Center gave a presentation of the role and function of the USGS stream gaging network in South Dakota.

The Manager reviewed the proposed joint funding agreement (JFA) between the District and the United States Geological Survey (USGS) South Dakota Water Science Center for support of stream gaging stations for Federal Fiscal Year (FFY) 2015 (October 2014 - September 2015). During FFY 2014, the District provided cost-share assistance for one gage, on the Big Sioux River near Bruce, at a cost of \$7,755. The proposed JFA would be for a continuation of support for this gage at a cost of \$7,975. No new gage sites have been proposed.

The Manager then reviewed the proposed JFA between the District and the USGS Minnesota Water Science Center for support of two stream gaging stations for FFY 2015. He noted that at the conclusion of FFY 2010, the local cost-share support for gages on the Whetstone River in Grant County (USGS 05291000) and the Yellow Bank River gage in Lac qui Parle County (USGS 05293000) was dropped by the Minnesota Department of Natural Resources (MN DNR). Both gages have long histories and are critical to the ongoing District-sponsored efforts in the upper Minnesota River watershed. Several local water resource agencies, including the District, banded together to cover the withdrawn MN DNR support, and keep the gages operational. The District cost-share for the FY 2015 is \$2,867.

The Manager requested Board approval for the two JFAs to support stream gaging activities in FFY 2015.

Motion by Connelly, seconded by Kassube to approve the FFY 2015 JFA with the South Dakota Water Science Center for \$7,975 and the FFY 2015 JFA with the Minnesota Water Science Center for \$2,867, and to authorize the Manager to execute the JFAs. Motion carried unanimously.

District Updates

Skunk Creek NWQI Assessment Project - The Manager presented a summary of District efforts and results, to date, for the Skunk Creek National water Quality Incentive (NWQI) Assessment Project. It was the same presentation given at the 2014 Mayor's Big Sioux River Summit.

RWATF Basin Natural Resource Council Proposal - The Manager reviewed a proposal under consideration by the RWATF for the management of water resources at the watershed scale. Recognizing that water does not recognize political boundaries, they have discussed the possible creation of entities with boundaries that roughly follow actual watershed boundaries. Late in 2013, the South Dakota Association of Conservation Districts presented a very rough draft of a possible way to implement this, using entities called Basin Natural Resource Councils (BNRCs). The Manager distributed a summary of this proposal, along with comments,

DRAFT

in late December 2013. The RWATF has set up a Sub-Committee (Water Management Entities and Districts, Water Management Assets, and Funding of Best Practices Research Subcommittee) to consider watershed-based entities such as the BNRCs.

The Subcommittee has met twice, most recently on September 18th in Brookings. The Manager was invited to attend the meeting and participate in the discussions. He noted that while interest in watershed-based management is strong, actual details on how this might be implemented remain scarce. Preliminary Subcommittee recommendations include:

1. Divide the entire state into nine (9) river basin natural resource districts (districts), with boundary lines based on watershed boundaries;
2. The districts would be governed by council to be elected by district residents, with representation coming from three sub-districts;
3. The districts would be granted taxing authority capped at one-half mill (\$0.50 per \$1,000 of taxable valuation);
4. As a first step, each district would be required to develop a comprehensive water management plan. The plan would cover multiple areas, including drainage;
5. Once the comprehensive plans were developed, then decisions could be made on professional and financial support needed, to include staff required to execute district objectives; and
6. Transfer of drainage permitting authority from the counties to the districts is a consideration.

In that the proposal would require significant changes, the details of which are still in development, the Subcommittee is recommending that the district concept be implemented incrementally. Possible 2015 legislative action could include enacting legislation establishing the nine districts, along with creation of an advisory task force charged with developing details on just how the various proposed district function are to be implemented.

The Manager noted that the proposed river basin natural resource districts would represent a major shift in how water resources are managed in South Dakota. It would further create an entirely new type of government entity/special purpose district, an action that is likely generate considerable discussion, irregardless of the potential water management merits.

The Subcommittee recommendations will be presented to the full RWATF on September 24th. The Manager will report of the results of this meeting in at the October Board meeting.

Adjournment

There being no further District business, Chairman Jarrett declared the meeting adjourned at 3:00 p.m.

Roger Scheibe, Secretary

DRAFT

DRAFT

RESOLUTION 14-1

RESOLUTION PROVIDING THAT A TAX BE ASSESSED AND LEVIED ON ALL TAXABLE PROPERTY IN THE EAST DAKOTA WATER DEVELOPMENT DISTRICT

WHEREAS, Section 46A-3E-1 of the South Dakota Codified Laws provides, “A water development district board of directors may levy taxes, not to exceed thirty cents per thousand dollars of taxable valuation in the district, for accomplishment of the purposes of chapters 46A-3A to 46A-3E, inclusive, and chapters 46A-1 and 46A-2. If an area is included in more than one water development district, that area's tax levy payable to each of the water development districts shall be determined by multiplying the greater of the overlapping water development districts' levies by each water development district's taxing fraction. Each water development district's taxing fraction is determined by dividing that water development district's proposed tax levy for the overlapped area by the sum of all water development districts' levies for the overlapped area. Any water development district for which boundaries are revised under §§ 46A-3A-2 to 46A-3A-7.1, inclusive, is not considered a new taxing district. If any water development district levied a tax pursuant to chapter 10-13 in a manner used by a new taxing district for taxes payable in 2010, such water development district shall revert to the amount of revenue payable to the district for taxes payable in 2009 including any excess levy approved pursuant to § 10-13-36 before July 1, 2002. The water development district may adjust the maximum amount of revenue payable for property taxes based on the growth and index factor for each year thereafter. Any excess levy approved by the water development district pursuant to § 10-13-36 before July 1, 2002, is null and void”; and

WHEREAS, Section 46A-3E-13 of the South Dakota Codified Laws provides, “Appropriate officials shall extend the levy or special assessments upon the tax list of the county, municipality, or other appropriate tax paying entity for the tax year against each description of taxable property or, in the case of special assessments, against each description of taxable property to be specially assessed within the water development district in the same manner and with the same effect as other taxes and assessments are extended, including the authority, requirements, and procedures contained in chapter 9-43”; and

WHEREAS, Section 46A-3E-14 of the South Dakota Codified Laws provides, “Appropriate tax collecting officials shall collect all water development district taxes and assessments, together with interest and penalty thereon, if any, in the same manner as the general taxes and assessments are collected and shall pay over monthly to the water development district treasurer all taxes so collected during the preceding month, with interest and penalties, and shall immediately notify the secretary of the water development district of such payment. The water development district treasurer shall immediately enter these receipts to the credit of the depository accounts designated by the water development district board of directors pursuant to § 46A-3E-10”; and

WHEREAS, the East Dakota Water Development district boundary includes all of the lands within Brookings, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Lincoln (Sioux Falls only), Miner (eastern one-half), Minnehaha, and Moody; and

WHEREAS, the East Dakota Water Development District Board of Directors, at a meeting in Brookings, South Dakota, on September 19, 2014 adopted a budget of \$1,114,000 for the calendar year 2014 and which is hereby attached and incorporated by reference; and

WHEREAS, an estimated \$661,000 of said budget is to be raised by a new tax on taxable valuation in the East Dakota Water Development District;

NOW, THEREFORE BE IT RESOLVED, that pursuant to Chapter 46A-3A to 46A-3E, inclusive, of the South Dakota Codified Laws, the county auditor in each of the following counties of Brookings, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Lincoln (Sioux Falls only), Miner, Minnehaha, and Moody within East Dakota Water Development District, be instructed to extend the following tax levy in dollars, not to exceed the limits established in Chapter 46A-3E of the South Dakota Codified Laws for collection in 2015 to wit:

COUNTIES	REAL PROPERTY TAX LEVY
Brookings	\$67,651
Codington	\$59,126
Deuel	\$20,043
Grant	\$24,270
Hamlin	\$21,193
Kingsbury	\$25,364
Lake	\$33,246
Lincoln (Sioux Falls only)	\$62,613
Miner	\$8,415
Minnehaha	\$316,308
Moody	\$22,771

Said tax levy is to be extended against all taxable property in the county including municipalities, within:

9. Minnehaha, Moody, Lake, Kingsbury, Brookings, Hamlin, Deuel, Codington, and Grant Counties;
10. Grafton, Belleview, Adams, Henden, Howard, Clearwater, Canova, and Vermillion townships in Miner County; and
11. all municipalities that are wholly or partially within the included area or that are contiguous to the included area; in the same manner and with the same effect as other taxes are extended; and

BE IT FURTHER RESOLVED, pursuant to Section 46A-3E-14 of the South Dakota Codified Laws, the county treasurer in each of the counties within the said East Dakota Water Development District be instructed to collect said real property taxes and pay over such collection of money to the East Dakota

DRAFT

Water Development District each month for deposit in the First National Bank of Brookings, the local depository for the District; and

BE IT FURTHER RESOLVED, pursuant to Section 46A-3E-12 of the South Dakota Codified Laws, the secretary of the East Dakota Water Development District is hereby instructed to send a certified copy of this resolution adopting this annual tax levy to be made against 2014 taxable property valuation, and a certified copy of the budget for 2015 as approved by the Board of Directors, to each county auditor and each county treasurer within the East Dakota Water Development District and to the State Secretary of Revenue.

Dated this 19th day of September, 2014, with the approval of the East Dakota Water Development District Board of Directors.

Martin Jarrett, Chairman
East Dakota Water Development District

Jerry Soholt, Vice-Chairman
East Dakota Water Development District

DRAFT

DRAFT