

**South Dakota Science and Technology Authority**

**Board Meeting  
December 10, 2015**



**South Dakota Science and Technology Authority**

630 East Summit Street  
Lead, SD 57754

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**Call to Order – Chairperson Casey Peterson**

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1A. Call Roll

Dr. Ani Aprahamian

Mr. Paul Christen

Mr. Dana Dykhouse

Ms. Pat Lebrun

Mr. Casey Peterson

Mr. Ron Wheeler

Dr. Robert Wilson

Dr. Heather Wilson

1B. Introduce Guests

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**South Dakota Science and Technology Authority  
Board Meeting – December 10, 2015**

**Agenda Item: 02**

**Approve Agenda – Chairperson Casey Peterson**

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Attached is the SDSTA Board agenda for the December 10, 2015 meeting.

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**Recommended Action:**

*Motion to approve agenda as presented.*

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**AGENDA**  
**South Dakota Science and Technology Authority**  
**630 East Summit Street, Lead, South Dakota**  
**Meeting of the Board of Directors**  
**Thursday, December 10, 2015 at 9:00 AM (MT)**

SDSTA Mission: *To enable compelling underground research in a safe work environment and foster transformational science education.*

<b>Title</b>	<b>Report</b>	<b>Recommendations</b>
1. Call to Order A. Call Roll	-- Chair Casey Peterson	<i>Informational</i>
2. Approve Agenda	-- Chair Casey Peterson	<i>Motion to approve agenda</i>
3. Approve Minutes	-- Chair Casey Peterson	<i>Motion to approve September 17 and October 9, 2015 minutes</i>
4. Audit Committee Report	-- Ms. Pat Lebrun	<i>Motion to accept audit committee report</i>
5. Financial Report A. Financial Statements	-- Mr. Mike Headley -- Ms. Nancy Geary	<i>Motion to accept financial report</i>
6. Report from Executive Director A. Declarations of Surplus 1. Autotrol Pilot RBC 2. Dust Collector B. SDSTA Report C. E&O Curriculum Development Update D. Science Update	-- Mr. Mike Headley     -- Dr. June Apaza  -- Dr. Jaret Heise	<i>Informational</i>     <i>Informational</i>  <i>Motion to accept executive director's report</i>
7. Executive Session	-- Chair Casey Peterson	<i>Motion to enter executive session to discuss personnel matters and to consult with legal counsel concerning contractual matters</i>
8. Report from Executive Session	-- Chair Casey Peterson	<i>Motion to accept executive session report</i>
9. Review of SDSTA Policies	-- Mr. Mike Headley	<i>Motion to approve updated and retired policies</i>
10. Lobbyist Registration	-- Mr. Tim Engel	<i>Motion to designate Mike Headley, Walter Weinig, Ron Wheeler, and Tim Engel as lobbyists for the SDSTA</i>
11. Confirm date and time of next meeting	-- Chair Casey Peterson	<i>Thursday, March 17, 2016 at 9:00am (MT)</i>
12. Board Comments		
13. Adjourn	-- Chair Casey Peterson	<i>Motion to adjourn</i>

Please do not place or accept cell phone calls during this meeting. A copy of this agenda has been posted in a manner visible to the public at the entrance to the South Dakota Science and Technology Authority office located at 630 East Summit Street, Lead, South Dakota at least 24 hours prior to this meeting. Telephone: (605) 722-8650.

**AGENDA**  
**South Dakota Science and Technology Authority**  
**630 East Summit Street, Lead, South Dakota**  
**Meeting of the Board of Directors**  
**Thursday, December 10, 2015 at 9:00 AM (MT)**

**SDSTA Board Member Terms of Service, Committees and Schedule**

<b>Board Members and Terms of Service</b>			
	<b>Board Members</b>	<b>Appointed</b>	<b>Term Expires</b>
1.	Dr. Ani Aprahamian	December 10, 2009	December 9, 2015
2.	Mr. Paul Christen	January 31, 2011	August 8, 2016
3.	Mr. Dana Dykhouse, Vice-chair	Re-appointed August 1, 2014	August 14, 2020
4.	Ms. Patricia Lebrun, Secretary-Treasurer	Re-appointed August 16, 2010	August 8, 2016
5.	Mr. Casey Peterson, Chair	Re-appointed August 25, 2015	August 8, 2021
6.	Mr. Ron Wheeler, Vice-chair	Re-appointed April 10, 2014	April 9, 2020
7.	Dr. Robert Wilson	August 24, 2015	August 8, 2021
8.	Dr. Heather Wilson, ex-officio member	SDSM&T President appointed July 1, 2014	
<b>Committees and Members (2015)</b>		<b>2016 Board Schedule</b>	
	Audit Committee Members:	March 17, 2016	9:00 am (MT)
	> Paul Christen, Pat Lebrun-Chair	June 16, 2016	8:30 am (MT)
	Nominating Committee Members:	September 22, 2016	9:00 am (MT)
	> Ani Aprahamian, Dana Dykhouse	December 15, 2016	9:00 am (MT)

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**Approve Minutes – Chairperson Casey Peterson**

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Attached are the SDSTA Board Minutes for the following meetings:

- September 17, 2015
- October 9, 2015 (telephonic)

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**Recommended Action:**

*Motion to approve the Minutes of the September 17 and October 9, 2015 meetings as presented.*

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**South Dakota Science and Technology Authority Board of Directors**  
**Meeting Minutes**  
**Thursday, September 17, 2015**  
**Lead, South Dakota**

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 9:05 AM Mountain Time (MT) on Thursday, September 17, 2015 in the 2<sup>nd</sup> Floor Vault Conference Room at the South Dakota Science and Technology Authority, 630 East Summit Street, Lead, South Dakota.

**MEMBERS OF THE BOARD IN ATTENDANCE**

Mr. Paul Christen  
Secretary/Treasurer Patricia Lebrun  
Chairperson Casey Peterson  
Vice Chairperson Ron Wheeler  
Dr. Robert Wilson  
Dr. Heather Wilson

**MEMBERS OF THE BOARD NOT IN ATTENDANCE**

Dr. Ani Aprahamian  
Vice Chairperson Dana Dykhouse

**SDSTA STAFF**

Ms. Billi Bierle, Sanford Lab Homestake Visitor Center Director  
Mr. Tim Engel, Legal Counsel  
Ms. Nancy Geary, Chief Financial Officer  
Mr. Mike Headley, Executive Director  
Dr. Jaret Heise, Science Liaison Director  
Ms. Sharon Hemmingson, Business Services & Contracts Manager  
Mr. Matt Kapust, Multi-Media Specialist  
Ms. Mandy Knight, Administrative Services Manager  
Ms. Leatta Mathis, Contracts Specialist  
Mr. KC Russell, Cultural Diversity Coordinator  
Mr. John Scheetz, Environmental Manager  
Mr. Noel Schroeder, Environment, Health and Safety (EHS) Director  
Ms. Constance Walter, Communications Director

**ALSO PRESENT DURING ALL OR PART OF THE MEETING**

Dr. June Apaza, Education and Outreach Director (BHSU)  
Mr. Jim Hart, Chairperson, South Dakota Community Foundation (SDCF) Board of Directors  
Mr. Charles Hart, SDCF Board of Directors  
Ms. Stephanie Judson, SDCF President  
Ms. Beth Massa, SDCF West River Development & Program Officer  
Dr. Peggy Norris, Education and Outreach Deputy Director (BHSU)  
Dr. Ben Sayler, Co-Director, Sanford Science Education Center (BHSU)  
Mr. David Pease, Traylor Brothers  
Mr. John Heidbreder, McCarthy Building Company  
Mr. Thomas Kidd, KNBN-TV  
Ms. Monica Davis, KNBN-TV  
Ms. McKencie Nelson, KEVN-TV  
Mr. Adam Hurlburt, Black Hills Pioneer

## **ITEM 1. – CALL TO ORDER**

Chairperson Peterson called the meeting to order at 9:05 AM (MT). Roll call was held. All members were present except Dr. Aprahamian and Vice Chairperson Dykhouse.

Chairperson Peterson thanked Dr. Robert Wilson for accepting the Governor's appointment and welcomed him to the board. Audience members were asked to introduce themselves.

## **ITEM 2. – APPROVE AGENDA**

Vice Chairperson Ron Wheeler requested that a 15-minute break be added between agenda Item 4 and Item 5. Chairperson Peterson asked for a motion to approve the agenda as amended.

*Motion by Mr. Wheeler and second by Mr. Christen to approve the agenda as amended. Motion passed unanimously.*

## **ITEM 3. – APPROVE MINUTES**

Chairperson Peterson asked for comments, changes or corrections to the Minutes of the June 30, 2015 meeting. Hearing none, a motion to approve was requested.

*Motion by Mr. Christen and second by Mr. Wheeler to approve the Minutes of the June 30, 2015 meeting as presented. Motion passed unanimously.*

## **ITEM 4. – SOUTH DAKOTA COMMUNITY FOUNDATION**

Mr. Wheeler recognized the importance of the LUX-ZEPLIN (LZ) experiment to the future of the Sanford Lab, and noted the South Dakota Science and Technology Authority (SDSTA) board committed years ago to help fund xenon procurement for the project. The Governor committed \$6 million in Future Funds over a three-year period, with \$2 million slated for the purchase of xenon and another \$2 million authorized for use as an incentive for South Dakota non-profit investors to make loans or investments for xenon purchases. The board's first proposal requesting funding assistance went to the South Dakota Community Foundation (SDCF). Mr. Wheeler announced that, after several meetings with that group, documents are being drawn up for a loan from SDCF in the amount of \$2,000,000.00. He introduced Mr. James Hart, Chairperson of the SDCF Board of Directors, and Ms. Stephanie Judson, President of SDCF.

Ms. Judson expressed her appreciation for the opportunity to address the board and gave some background about the SDCF. Ms. Judson stated her board felt the Sanford Lab's proposal fit keenly with its mission of continuing to provide resources to support economic development in South Dakota and formally reiterated the SDCF's decision to make a \$2 million program-related investment loan to sustain and expand the work being done at the Sanford Lab. She explained this investment differs from the SDCF's grant making mission not only because of its size and structure, but because the dollars invested today will actually be repaid.

Chairperson Peterson expressed appreciation and noted securing the loan was a huge milestone toward funding experiments independent of state or federal funding.

Dr. Bob Wilson reiterated this type of partnership builds confidence within the international science community as well as in the United States.

SDSTA Executive Director Mike Headley stated both the LZ collaboration and the Department of Energy (DOE) have been incredibly impressed with the SDCF's investment and with the State's commitment. He noted sharing this news has helped the project's credibility with the agencies and thanked Ms. Judson and the SDCF board for their assistance.

*Motion by Mr. Wheeler and second by Ms. Lebrun to approve the \$2 million South Dakota Community Foundation investment loan and authorize Chairperson Peterson to negotiate the final terms of the loan and sign the loan documents. Motion passed unanimously.*

*Chairperson Peterson called for a 15-minute break at 9:21 AM. The meeting reconvened at 9:38 AM.*

#### **ITEM 5. – AUDIT COMMITTEE REPORT**

Chairperson introduced Audit Committee Chairperson Ms. Patricia Lebrun to discuss the Audit Committee Report.

Ms. Lebrun provided a synopsis of the September 15 Audit Committee conference call to request the FY2015 state audit. Audit Committee member Mr. Paul Christen, SDSTA Chief Financial Officer Ms. Nancy Geary, South Dakota Legislative Audit Auditor-in-Charge Mr. Al Schaefer, and Ms. Lebrun participated in the call. The audit will begin in October, and a preliminary report should be available to present at the December board meeting. She advised the cost for this year's audit will increase because two auditors will be involved.

Ms. Lebrun noted Mr. Schaefer asked if the Audit Committee knew of any issues the board would like to discuss; she and Mr. Christen had none. She conveyed Mr. Schaefer invited all board members to contact him by email should an area of concern involving the Sanford Lab's finances arise.

#### **ITEM 6. – FINANCIAL REPORT**

Ms. Geary reported that expenses were under budget for August on the DOE contract, as were the SDSTA's expenses for the month. She noted two new items were added to the Other Assets portion of the Balance Sheet, being the Captive Indemnification relating to the transfer of the \$2.5 million to the Captive Insurance fund and the Pension Deferred Outflows necessitated by the Governmental Accounting Standards Board announcement that detailing entities must report basic pension information on the face of their balance sheets. The South Dakota Retirement System (SDRS) provided information concerning SDSTA's comparative share and its actual deposits to that fund. Chairperson Peterson asked that Captive Indemnification be retitled Investment in Captive.

Mr. Headley announced that \$469,000.00 had been received from DOE, after deducting Lawrence Berkeley National Laboratory overhead, to help pay for rebuild of the Yates Shaft hoist motors. Four hoist drive motors will be rebuilt by the end of the month, ensuring their serviceability well into the future.

Ms. Geary announced \$350,000 interest was received on State-held funds, which was slightly higher than last year. She noted the Interest Letter in the board packet estimated interest at 0.9 percent for next year while this year's accrual was for 0.75 percent. Chairperson Peterson suggested that next year's accrual be maintained at the more conservative 0.75 percent.

Ms. Geary continued that the annual Fixed Asset Listing consists of depreciable assets, an inventory of supplies, and DOE Subcontractor Acquired Property reports. She indicated the inventory of supplies contains items donated by Homestake that may be useable, but are not being used at this point. These items, she noted, consume a great deal of storage space and may have to be scrapped to make storage space available for science. Vice Chairperson Wheeler agreed it is time to remove questionable items from inventory.

*Motion by Mr. Wheeler and second by Dr. Wilson to accept the financial report and the Fixed Asset Listing. Motion passed unanimously.*

SDSTA Legal Counsel Mr. Tim Engel reported the Captive Insurance Company has issued policies and is providing coverage effective September 1. The \$2.5 million was transferred from the Indemnification

Fund once the agreement with Homestake/Barrick was signed, and the few minor issues remaining are nearing completion.

Chairperson Peterson thanked Mr. Engel, Mr. Wheeler, and Mr. Headley for their efforts in putting this together. Mr. Headley noted that Craig Ambach and the Bureau of Administration team were instrumental in making this happen.

#### **ITEM 7. – REPORT FROM THE EXECUTIVE DIRECTOR**

Mr. Headley said the safety record continues to be very, very strong and noted the Sanford Lab is only two weeks away from achieving an entire year with no recordable injuries. This milestone achievement signifies the remarkable progress made since the September 2013 safety stand-down and confirms the work planning efforts to characterize the environment, identify and understand hazards, and put protections in place before starting the job have yielded immeasurable contributions toward ensuring the safety of our workers.

Mr. Headley noted the dedication of the Ray Davis Tribute featured presentations by Ray's son, Dr. John Davis, the MAJORANA DEMONSTRATOR (MJD) collaboration's principal investigator Dr. John Wilkerson, the University of Utah Dean Dr. David Kieda, and South Dakota Artist Laureate Dale Lamphere who designed and built the Tribute.

Mr. Headley advised the Ross Campus construction was completed and the Compact Accelerator System for Performing Astrophysical Research (CASPAR) researchers are moving in to the 4850L. The CASPAR collaboration includes the University of Notre Dame, Colorado School of Mines, and South Dakota School of Mines and Technology (SDSM&T), which will operate CASPAR. The Black Hills State University Underground Campus (BHUC) is composed of two sections, one for Class 1,000 and another for Class 10,000 clean rooms for low-background counting.

He continued that both MJD and the Large Underground Xenon (LUX) experiments are collecting production physics data.

Mr. Headley conveyed that LZ is advancing designs for the experiment and the facility. He reiterated that, between the portion of Future Fund grant approved by the Governor and the SD Community Foundation, SDSTA has \$4 million of the \$10 million needed to purchase xenon. He reported that a portion of those funds will be used in October to make the first xenon purchase, which will require a brief telephonic board meeting to approve the \$2 to \$3 million purchase. Mr. Headley noted xenon is currently at approximately one-third of its highest price, so accelerating purchase is very beneficial to the Sanford Lab and to LZ. Ms. Lebrun asked where the xenon would be held; Mr. Wheeler reported it would initially be shipped to the SLAC National Accelerator Laboratory, which will be involved in any purification that needs to be done and in handling it. Dr. Bob Wilson questioned whether the xenon was insured. Mr. Headley advised \$8 million in coverage had been purchased, with coverage both at SLAC and while in transit.

Mr. Headley reported the Long Baseline Neutrino Facility/Deep Underground Neutrino Experiment (LBNF/DUNE) is advancing to CD-3A Review, which would provide approval to start construction. He explained it is very unusual for DOE to authorize a CD-3 review based on 100% preliminary design rather than final design and noted this would be one of largest the DOE Office of Science has ever approved from a dollar perspective.

Mr. Headley announced Mr. Walter Weinig was selected as the new Laboratory Director and will be starting October 5. Mr. Weinig has worked with the Sanford Lab on past projects and is well respected by the staff.

Mr. Headley continued his report with slides of the 4850L Ross Campus, the CASPAR experiment, status of the BHUC, and the LBNF 4850L facilities and surface designs and construction schedule.

Mr. Headley noted that the Gilt Edge Mine Superfund site and the Open Cut in Lead are being considered as depositories for the rock. Mr. Headley said the potential for noise, dust, and road damage caused by trucking rock to Gilt Edge site were the main concerns raised by attendees at the last Environmental Assessment (EA) public meeting and stated accommodations are in place to mitigate these concerns.

Mr. Headley said the August 11-13 Logistics Workshop held at Sanford Lab went very well and that the report generated from the workshop will be very useful in identifying and mitigating effects to existing experiments. CD-3A approval is expected in 2016 and construction is anticipated to start in early 2017.

Mr. Headley reported the Ross Shaft refurbishment is on target and the Yates work continues to progress.

*Motion by Mr. Wheeler and second by Mr. Christen to accept the Executive Director's report. Motion passed unanimously.*

Mr. Headley reported that the Easement Agreement between Homestake and SDSTA to place excavated rock in the Open Cut is almost ready for signature. Mr. Engel explained the draft agreement would allow the SDSTA to place up to 5 million tons of rock in the Open Cut with the SDSTA undertaking all liability arising out of SDSTA's activities. He noted the technical exhibits for items such as road placement and conveyances are not yet completed and suggested the motion to approve the easement include authorizing the chairperson and executive director, in consultation with legal counsel, to finalize and agree to the terms of the exhibits.

*Motion by Ms. Lebrun and second by Mr. Christen to approve the easement agreement between Homestake and SDSTA, and to authorize the chairperson and executive director, in consultation with legal counsel, to finalize and agree to the terms of the Exhibits thereto.*

Prior to calling the vote, Mr. Wheeler interjected a substitute motion to also include formal approval to place excavated rock in the Open Cut should that be the disposal site selected by LBNF and DUNE. Ms. Lebrun and Mr. Christen indicated they had no objection to the substitute motion.

*Accordingly, the motion before the Board was to approve the easement agreement between Homestake and SDSTA, and to authorize the chairperson and executive director, in consultation with legal counsel, to finalize and agree to the terms of the Exhibits thereto, and to approve placing excavated rock in the Open Cut should that site be selected by LBNF/DUNE. The amended motion passed unanimously.*

Mr. Headley presented an update on the Strategic Plan Report, citing Sage Project Consultant's co-owner Sharon Chontos as being excellent to work with and doing a great job of positioning the Sanford Lab five to ten years into the future. He provided an overview of the strategic planning process, from preparation to analysis to the goals for Infrastructure, Science Support, EHS, Education and Outreach (E&O), Communications, Organizational Capacity, and business model needed to maintain forward momentum. Dr. Heather Wilson questioned why E&O goals were focused on K-12 and wondered how the tremendous value of this South Dakota facility in promoting research for undergraduates and graduate students to exceptional new world-class research would fit in. Mr. Headley and Mr. Wheeler noted the focus had been mostly on Science, Technology, Engineering, and Math (STEM) and science in the past, but should certainly be extended to higher education. Mr. Headley stated an action item to include undergraduate and graduate E&O activities would be incorporated into the Education & Outreach goals.

Dr. Bob Wilson asked whether the communication section included explicit goals like reaching out to other science labs or identifying a way to become formally coupled into Symmetry magazine so the Sanford Lab was on the masthead beside other labs. Mr. Headley advised an action to include proactively seeking name recognition would be added to the Communications goals.

In response to Dr. Bob Wilson's question on how the public version of the plan would be distributed, SDSTA Communications Director Constance Walter said distribution would be made mainly through the website where it could be downloaded. Hard copies would be provided to each board member, with a very limited number of hard copies available for other purposes. Ms. Lebrun asked if email copies would be sent to all legislators; Mr. Headley responded yes. Mr. Headley said an action to devise a distribution plan which includes identifying who will receive hard and email copies of the public strategic plan be added to the Communications goals.

*Motion by Mr. Christen and second by Dr. Bob Wilson to approve the public strategic plan as presented with modifications a discussed. Motion passed unanimously.*

Mr. Headley reported two items had recently been declared surplus property. The items are an ATV which would require repair exceeding its value, and two refuge chambers purchased in the early days of re-entry that are too expensive to refurbish for use underground.

Mr. Headley introduced Education and Outreach Director Dr. June Apaza, who reported on curriculum development.

Dr. Apaza said the K-12 educational opportunities have been broken into three main segments that include assembly presentations, curriculum units, and field trips and discussed each.

Mr. Wheeler complimented Dr. Apaza and the E&O staff on the quality of the material developed and noted teachers, especially those in smaller districts, are hungry for this type of help.

Mr. Headley introduced Director of the Sanford Lab Homestake Visitor Center Ms. Billi Bierle.

Ms. Bierle stated the objective of the Visitor Center is to encourage lifelong learning by educating the public on the happenings at the Sanford Underground Research Facility and science generally while telling the story and preserving the history of Homestake and the community of Lead.

Ms. Bierle explained presentations, partnerships, and flyers were the mainstay of advertising efforts at the present time due to budget constraints. She plans to attend the Governor's Tourism Conference and the American Busing Association (ABA) Conference in 2016.

Overall, she is pleased with the current picture of operations, and looks forward to establishing the Visitor Center as a major educational tourism destination.

*Chairperson Peterson announced the order of the agenda would be rearranged and moved Agenda Items 10 and 11 forward.*

## **ITEM 10. – EXECUTIVE SESSION**

*Motion by Mr. Wheeler and second by Ms. Lebrun to enter into executive session to discuss personnel matters and to consult with legal counsel concerning contractual matters. The motion passed unanimously.*

*The board recessed at 12:00 PM for Executive Session and reconvened at 12:50 PM.*

*Ms. Lebrun left the meeting after Executive Session.*

## **ITEM 11. – REPORT FROM EXECUTIVE SESSION**

Chairperson Peterson reported that the board discussed personnel matters and consulted with legal counsel concerning contractual and legal matters. No action was taken.

*Motion by Mr. Wheeler and second by Dr. Bob Wilson to approve the executive session report. Motion passed unanimously with all four remaining members voting.*

## **ITEM 8. – DISCUSS DRAFT PROGRAMMATIC AGREEMENT (LONG BASELINE NEUTRINO FACILITY)**

Mr. Headley explained the draft Programmatic Agreement is part of the Environmental Assessment (EA) process required by the DOE which deals with Section 106 of the National Historic Preservation Act of 1966 (NHPA). The NHPA requires that the effects of federally funded projects on historic properties be considered. The draft agreement establishes the framework by which issues can be resolved, the steps that must be taken to do that, identifies who needs to be consulted, and lists entities excluded from that process. The document was developed in concert with the EA, the DOE has provided copies to all involved parties, and is asking for signatures. Mr. Engel has reviewed the document.

Chairperson Peterson called for a motion to authorize Executive Director Mike Headley to execute the document.

*Motion by Dr. Bob Wilson and second by Mr. Wheeler to authorize the Executive Director to sign the draft programmatic agreement. Motion passed unanimously.*

## **ITEM 9. – PDA - THIRD AGREEMENT BETWEEN HOMESTAKE AND SDSTA, SIGNED**

Mr. Engel reported the Third Amendment to the Property Donation Agreement Between and Among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority, which authorized the SDSTA to insure its first \$5 million of risk through the Captive and also authorized repurposing of \$2.5 million of the Indemnification Fund to fund the Captive, has been signed. Its companion document, the Notice of Amendment to Deed, which incorporated changes from the three PDA amendments into the original 170-page Deed for the public record, has also been recorded with the Lawrence County Register of Deeds.

Chairperson Peterson thanked Mr. Engel for all his hard work on getting these documents in place.

## **ITEM 12. – CONFLICT OF INTEREST MITIGATION PLAN**

Mr. Engel stated written processes were developed to deal with possible conflicts of interest concerning the Executive Director's dual employment with the SDSTA and Fermilab. Mr. Engel and Fermilab General Counsel drafted the proposed plan which describes examples of circumstances that may give rise to an actual or perceived conflict of interest, provides a process for identifying and addressing conflicts, establishes a mitigation process, and provides an annual review process.

*Motion by Mr. Wheeler and second by Dr. Bob Wilson to approve the conflict of interest mitigation plan as presented. Motion passed unanimously.*

## **ITEM 13. – CONFIRM DATE AND TIME OF NEXT MEETING**

Chairperson Peterson asked that the next meeting be rescheduled from December 17 to December 10, 2015 at 9:00 AM (MT). Mr. Headley noted only highlights for the financials would be available because of the earlier meeting date.

Chairperson Peterson requested the March and June 2016 meetings be scheduled and proposed March 17 and June 16. These dates work for a majority of the board to attend in person or by teleconference.

## **ITEM 14. – BOARD COMMENTS**

Dr. Bob Wilson stated it had been a very interesting and an informative first board meeting. He is impressed with Sanford Lab's operations and the preparation required to make these meetings go smoothly.

Mr. Christen agreed it had been a very good board meeting and thanked Mr. Headley for his efforts in ensuring all goes well.

Mr. Wheeler reiterated it had been a productive meeting and offered his compliments to Mr. Headley and the entire SDSTA staff. He also extended his appreciation to Ms. Bierle for her enthusiasm and a job well done.

Mr. Headley thanked the board and the agencies for their support of the SDSTA team, noting this support contributes to the Sanford Lab's success.

Dr. Heather Wilson noted she and Mr. Headley submitted a joint proposal to the National Science Foundation for a research experience for undergraduates from all across the United States to experience research projects going on at Sanford Lab, which would be hosted at SDSM&T. She is excited about the potential of this great partnership. Dr. Wilson reported there are 20 PhD, 3 Masters, and 54 undergraduate students enrolled in the Physics program this fall semester, which is becoming a signature program for the school. She also requested that SDSM&T's new provost and other new faculty members visit with Sanford Lab staff to understand all that will be transpiring with and identify research possibilities associated with the LBNF/DUNE Project.

Mr. Engel thanked those he works with on a daily basis for their responsiveness in keeping things moving forward.

Chairperson Peterson expressed his delight in the great news announced today about the loan for xenon. He is excited to have the Strategic Plan fully under way and encouraged everyone to keep up the great work.

#### **ITEM 15. – ADJOURN**

Chairperson Peterson asked if anyone had any other questions or comments, then called for a motion to adjourn.

*Motion by Mr. Christen and second by Mr. Wheeler to adjourn. Motion passed unanimously.*

**Meeting adjourned at 1:06 PM.**

**South Dakota Science and Technology Authority Board of Directors**  
**Telephonic Meeting Minutes**  
**Friday, October 9, 2015**  
**Lead, South Dakota**

The Board of Directors of the South Dakota Science and Technology Authority convened at 9:00 AM Mountain Time (MT) on Friday, October 9 via teleconference. Listening posts for the public were established at the office of the SDSTA at 630 E. Summit Street, Lead, South Dakota, and at the conference room of the South Dakota Department of Tourism and State Development, 711 East Wells Avenue, Pierre, South Dakota.

**MEMBERS OF THE BOARD IN ATTENDANCE BY TELEPHONE**

Dr. Ani Aprahamian  
Mr. Paul Christen (*joined during Executive Session*)  
Mr. Dana Dykhouse, Vice-Chairperson  
Ms. Patricia Lebrun, Secretary/Treasurer  
Mr. Casey Peterson, Chairperson  
Mr. Ron Wheeler, Vice-Chairperson  
Dr. Robert Wilson

**MEMBERS OF THE BOARD WHO WERE NOT IN ATTENDANCE**

Dr. Heather Wilson

**SDSTA STAFF IN ATTENDANCE**

Ms. Nancy Geary, Chief Financial Officer  
Mr. Mike Headley, Executive Director  
Ms. Mandy Knight, Administrative Services Manager  
Ms. Leatta Mathis, Contract Specialist  
Mr. Tim Engel, Legal Counsel (*by telephone*)  
Mr. Walter Weinig, Laboratory Director  
Ms. Constance Walter, Communications Director (*by telephone*)

**ALSO PRESENT DURING ALL OR PART OF THE MEETING**

Sanford Underground Research Facility Deputy Head of Operations/Lawrence Berkeley National Laboratory Dr. Murdock Gilchriese joined by telephone. No media representatives were present.

**ITEM 1. – CALL TO ORDER**

Chairman Casey Peterson called the meeting to order. All members, except Mr. Paul Christen and Dr. Heather Wilson, were present by roll call.

Chairperson Peterson asked participants to introduce themselves.

**ITEM 2. – APPROVE AGENDA**

Chairman Peterson requested a motion to approve the agenda.

*Motion by Dr. Wilson and second by Mr. Wheeler to accept the agenda as presented. By roll call vote, the motion passed unanimously.*

**ITEM 3. – EXECUTIVE SESSION**

*Motion by Ms. Lebrun and second by Dr. Aprahamian to enter into executive session to discuss contractual matters. By roll call vote, the motion passed unanimously.*

*The board recessed at 9:05 AM for Executive Session and reconvened at 9:26 AM.*

*Mr. Paul Christen joined the meeting by telephone during Executive Session.*

#### **ITEM 4. – REPORT FROM EXECUTIVE SESSION**

Chairperson Peterson reported the board had discussed contractual matters and no action was taken.

*Motion by Mr. Wheeler and second by Ms. Lebrun to approve the executive session report. By roll call vote, the motion passed unanimously.*

#### **ITEM 5. – DISCUSS XENON PURCHASE**

Vice Chairperson Ron Wheeler noted the lower prices make this an excellent time to lock in purchase of the first 500,000 liters of xenon, with deliveries through 2016. It was also noted that the loan agreement between the South Dakota Science and Technology Authority (SDSTA) and the South Dakota Community Foundation (SDCF) has been approved and will be executed today.

*Motion by Mr. Wheeler and second by Mr. Christen to approve the purchase of xenon as presented. By roll call vote, the motion passed unanimously.*

Chairperson Peterson expressed his appreciation to Mr. Wheeler, Mr. Headley and Mr. Engel for their diligence in moving things forward this week to achieve this purchase.

#### **ITEM 4. – BOARD COMMENTS**

Dr. Aprahamian said she believes this purchase was a good move for everyone involved.

Vice Chairperson Dykhouse proclaimed his excitement about the partnership achieved with the SDCF.

Ms. Lebrun stated it is wonderful how South Dakotans work together to achieve things that are so important for all.

Mr. Christen reiterated his thanks to Mr. Wheeler and Mr. Engel for their efforts in what has been a very unique transaction, and expressed his excitement that there is a document to share with other foundations.

Dr. Wilson relayed this action and the commitment of the board and State of South Dakota continue to build confidence in the international neutrino physics community.

Chairperson Peterson thanked Dr. Gilchriese for participating in the call and for his efforts on behalf of the Sanford Lab.

Chairperson Peterson reminded members the next board meeting will be held Thursday, December 10 at 9:00 AM (MT). He also asked members to contact Administrative Services Manager Ms. Mandy Knight or himself should they have concerns with the 2016 Board meeting schedule, to include the September 22 and/or December 15, 2016 meetings.

#### **ITEM 5. – ADJOURN**

Chairperson Peterson asked if anyone had any other questions or comments, then called for a motion to adjourn.

*Motion by Mr. Dykhouse and second by Dr. Wilson to adjourn. By roll call vote, the motion passed unanimously.*

The meeting adjourned at 9:32 AM (MT) on October 9, 2015.

**Audit Committee Chairperson Ms. Pat Lebrun**

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Audit Committee Members:

- Ms. Pat Lebrun, Audit Committee Chair
- Mr. Paul Christen

Audit Charter attached.

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**Recommended Action:**

*Placeholder*

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# **SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY AUDIT COMMITTEE CHARTER**

## **STATEMENT OF MISSION**

The mission of the South Dakota Science and Technology Authority (SDSTA) Audit Committee is to be the pro-active steward for oversight of the financial reporting and disclosure process for SDSTA, including the investigation of claimed breaches of ethics, theft, fraud, embezzlement and reports of whistle-blowers. Our responsibility is to the SDSTA Board of Directors to report independently on the results of the oversight so as to assist in maintaining and enhancing the quality of the financial reporting. The Audit Committee is committed to communication between and among directors, the external auditor and Chief Financial Officer (CFO).

### **A. The Audit Committee has the following responsibilities and duties:**

#### **1. Appointment**

- Annually be appointed by the SDSTA Board of Directors at their annual meeting in June.
- At least one member will be deemed a “financial expert,” as defined by applicable law and regulation.

#### **2. Review**

- Annually review and update this Charter.
- Annually determine the independence of Audit Committee members through a certification by the SDSTA Board of Director’s Chairperson.
- Review the SDSTA’s annual financial statements and any reports or other financial information submitted to or from any governmental body, or the public, including any certification, report, opinion or review rendered by the external auditor or the SDSTA CFO.
- Review any report or memo or other communication from Federal and State regulators and reviewers, and attend as many entrance and exit conferences as possible.

#### **3. External Auditors/CFO/Independent Counsel/Other Advisors**

- The Audit Committee shall have the independent authority to engage any legal counsel or other advisors it deems necessary to carry out its duties.
- Periodically consult with the external auditor out of the presence of management about internal controls and the fullness and accuracy of the company’s financial statements.
- Make the selection, retention, and review the performance of, the external auditor, considering independence and effectiveness and approve the fees paid to the external auditor as well as the proposed fee. On an annual basis, the Audit Committee should review and discuss with the external auditor all significant relationships the external auditor has with the company to determine the auditor’s independence and consider the appropriateness of the non-audit services prior to their engagement.
- Periodically meet with the CFO on the results of exams, and be available to CFO for appropriate communications at any time they desire the meeting.

#### **4. Financial Reporting Process**

- In consultation with the external auditor, review the integrity of the SDSTA’s financial reporting processes.

# **SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY**

## **AUDIT COMMITTEE CHARTER**

- Consider the external auditor's judgments about the quality and appropriateness of the SDSTA's accounting principles, as applied in its financial reports and as promulgated by the Governmental Accounting Standards Board.
- Consider and forward to the SDSTA Board of Directors, if appropriate, recommendations for major changes to the SDSTA's auditing and accounting principles and practices as suggested by the external auditor, management or the CFO.
- Establish regular and separate systems of reporting to the Audit Committee by management and the external auditor regarding any significant judgments made in management's preparation of the financial statements and the Audit Committee's view of each as to appropriateness of such judgments.
- Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work, or access to required information.
- Review and resolve any significant disagreement among management and the external auditor in connection with the preparation of the financial statements. Review in detail the passed audit adjustments and the materiality levels used by the external auditor, and the impact of Management's estimates used in the financial statement preparation.
- Review with the external auditor and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee in prior reports or meetings, have been implemented.

### **5. Ethical and Legal Compliance**

- Establish, review and update periodically a Conflict of Interest Policy and ensure that management has established a system to enforce this Policy.
- Review management's monitoring of compliance with the SDSTA's Conflict of Interest Policy, and verify that management has the proper review system in place to ensure that financial statements, reports, and other financial information disseminated to governmental organizations, and the public, satisfy legal requirements.
- Review with SDSTA's retained legal counsel any legal matter that could have a significant impact on the SDSTA's financial statements.
- Periodically review individual committee member education and obtain resources, seminars and materials to keep the level of member's education current.
- Perform any other activities consistent with this Charter, the SDSTA's By-Laws and governing law, as the Audit Committee or the SDSTA Board of Directors deems necessary or appropriate.

### **6. Reporting**

In order to facilitate the proper execution of its duties and responsibilities, the Audit Committee shall conduct its reviews and investigations in a confidential manner. The Audit Committee shall report to the SDSTA Board the results of the Financial Reporting Process, consultations with External Auditors, the CFO or other Advisors, or any other issues they deem important for the SDSTA Board to meet its responsibilities. These reports shall include, but not be limited to, the results of the annual external audit or any internal audit on financial reports or compliance (including difficulties or disagreements encountered, if any, past

# SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY

## AUDIT COMMITTEE CHARTER

adjustments, materiality defined by the auditor, any legal matter having a material impact on the report, management letter comments, etc.), the integrity of the financial reporting system, the appropriateness of the accounting principles applied to the financial reports, the status of internal controls, any suggested change to any of the above systems the Audit Committee thinks should be made, any significant report or communication from any other matter that the Audit Committee deems critical information needed by the SDSTA Board. To the extent permitted by applicable law, the Audit Committee's reports to the Board of Directors shall be delivered in closed session.

The Audit Committee shall strive to provide the Board with the information it needs to manage the reporting and accounting for the SDSTA as well as utilize the reports to manage all of the other risks it faces. These reports will be made when information is received and available. The Annual Schedule below outlines some of the reporting dates anticipated.

### **7. Budget Process**

The Audit Committee will meet with the CFO in March to establish the annual budget for the Audit Committee to cover costs for audit fees, legal fees, consulting fees, continuing education travel and costs and miscellaneous costs.

### **B. Annual Schedule**

The Audit Committee will meet at its discretion but the following is a guideline for business to be conducted during the year:

December-January – Meet with external auditors to discuss preliminary audit findings, letters to management, passed adjustments, materiality, management estimates, and quality and appropriateness of accounting principles.

March-June – Present audit findings, letter of comments and other appropriate information to the SDSTA's Board of Directors at SDSTA annual meeting. Meet to update issues on hiring other outside auditors for review, as deemed necessary, of such areas as EDP, compliance, etc.

September – Request proposal for external audit. Meet with CFO.

October/November/December – Meet with CFO to review any issues regarding the audit. Meet to engage external financial auditor on entrance conference. Review all SDSTA regulators' reports (State and/or Federal). Certify as to committee member's independence.

### **C. Limitations on the Committee's Role:**

While the Audit Committee has the responsibilities and powers as stated above, it is not the Committee's duty to audit the SDSTA's financial statements or to determine that the SDSTA's financial statements are complete and accurate in accordance with generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board. These are the responsibilities of management and the independent auditors.

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**Financial Report – Mr. Mike Headley**

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Financial Report – a hard copy of the Financial Statements for November will be provided at the Board Meeting.

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**Recommended Action:**

*Motion to accept the Financial Report as presented.*

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**Executive Director’s Report – Mr. Mike Headley**

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The Executive Director’s Report includes the following:

- 6A. Declarations of Surplus (Autotrol Pilot RBC and Dust Collector attached; no action required)
- 6B. SDSTA November Monthly Report (verbal; hard copy to follow)
- 6C. E&O Curriculum Development Update (10 min presentation followed by 5 min Q/A)
- 6D. Science Update (10 min presentation followed by 5 min Q/A)

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**Recommended Action:**

*Motion to accept the Executive Director’s Report as presented.*

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## DECLARATION OF SURPLUS PROPERTY

The South Dakota Science and Technology Authority (SDSTA) removed the Autotrol Pilot Rotating Biological Cylinder (RBC) from service because the cost of repairs needed to return it to a usable condition greatly exceed its net book value of Four Thousand Two Hundred Seventy-five Dollars (\$4,275).

Having no further use for this item, I hereby declare the Autotrol Pilot RBC to be Surplus Property. It will be given to Consultant James Whitlock for research purposes.

Dated at Lead, South Dakota this 5<sup>th</sup> day of November, 2015.

A handwritten signature in blue ink, appearing to read "Mike Headley".

Mike Headley  
SDSTA Executive Director



## DECLARATION OF SURPLUS PROPERTY

The used Steelcraft 10-544-6718 Model S Filter “Dust Collector” Unit and support structures have been in storage at the Yates Crusher Room since their donation as part of the 2004 Property Donation Agreement between Homestake/Barrick and the South Dakota Science and Technology Authority (SDSTA). Areas throughout the SDSTA property are being cleaned up to provide storage space for current and future science experiments.

Having no use for the Steelcraft “Dust Collector” and support structures, I hereby declare these items to be Surplus Property. The items are not on the SDSTA asset list. They will be sold to KVA Engineering of Corcoran, MN for the amount of Seven Thousand Dollars (\$7,000).

Dated at Lead, South Dakota this 9<sup>th</sup> day of November, 2015.

A handwritten signature in blue ink, appearing to read "M. Headley".

Mike Headley  
SDSTA Executive Director

**Executive Session – Chairperson Casey Peterson**

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**Recommended Action:**

*Motion to enter into executive session to discuss personnel matters and to consult with legal counsel concerning contractual and legal matters.*

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**Report from Executive Session – Chairperson Casey Peterson**

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**Recommended Action:**

Motion to accept report from Executive Session.

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**Review of New and Updated Policies - Mr. Mike Headley / Mr. Tim Engel**

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**ITEM 9. –REVIEW OF SDSTA POLICIES AND PROCEDURES**

The following policies are recommended for approval:

- Manual Contents Page (*updated*)
- Policy 2:3 Drug and Alcohol Testing Policy (*"and" spelled out in title, reworded for clarity*)
- Policy 2:13 Open Door Policy (*reworded for clarity*)
- Policy 2:18 Whistleblower (*reformatted and revised language*)
- Policy 2:19 Americans with Disabilities Act (ADA) (*formatting changes only*)
- Policy 3:8 Salary and Hourly Payroll Policy (*reference to Employment Policy 4:5 added for clarification*)
- Policy 3:26 Management and Control of Certain Funds (*reformatted, revised Indemnification Fund language*)
- Policy 3:27 Financial Conflict of Interest Policy (*"Financial" added to title; reference corrected in first paragraph*)
- Policy 3:30 Surplus Property Disposal Policy (*added "Policy" to title and updated wording*)
- Policy 6:1 Underground Personnel Access Control Policy (*"SDSTA" updated, reformatted and minor changes to wording*)

The following policies are recommended for retirement:

- Policy 2.8 Permit Certification Logs (*Procedural*)

The following procedures are presented for informational purposes only.

- Procedure 2:3A Drug and Alcohol Testing Policy (*"and" spelled out in title, reworded to clarify*)
- Procedure 2:13A Open Door Procedure (*formatting changes only*)

Legal Counsel has reviewed the above listed policies and procedure.

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**Recommended Action:**

Motion to approve updated and retired policies as listed above.

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# South Dakota Science & Technology Authority

## Policies and Procedures Manual

### Table of Contents

#### Section 1: GOVERNANCE

- 1:1 Authorization
- 1:2 Policies and Procedures

#### Section 2: ADMINISTRATION

- 2:1 Anti-Harassment
- 2:2 Equal Opportunity and Affirmative Action Employer
  - 2:2A Equal Opportunity and Affirmative Action Procedure  
*(New March 20, 2015)*
- 2:3 Drug & Alcohol Testing
  - 2.3A Drug & Alcohol Testing Procedure  
*(Updated ~~May 15, 2014~~ November 10, 2015)*
- 2:4 Security & Site Access
- 2:5 Use of SDSTA-Owned Electronic Equipment, Systems and Protection of Personal Privacy Policy
  - 2.5A Use of SDSTA-Owned Electronic Equipment, Systems and Protection of Personal Privacy Procedure  
*(New November 18, 2014)*
- 2:6 Tobacco-Free Property
  - 2.6A Tobacco-Free Property Procedure  
*(New November 18, 2014)*
- ~~2:8 Permit Certification Logs~~
- 2:10 Annual Review of Policies
- 2:11 Vehicle Use
  - 2.11A Vehicle Use Procedure  
*(Updated December 18, 2014)*
- 2:13 Open Door
  - 2.13A Open Door Procedure  
*(New November 10, 2015)*
- 2:14 Workplace Violence
  - 2.14A Workplace Violence Procedure  
*(New November 18, 2014)*
- 2:15 Absenteeism and Tardiness
  - 2.15A Absenteeism and Tardiness Procedures  
*(New September 2, 2014)*
- 2:16 Confidentiality
- 2:17 Infectious Disease/Pandemic
- 2:18 Whistleblower
- 2:19 Americans with Disabilities Act (ADA)
- 2:20 Electronic and Radio Communication Devices
- 2:21 Continuity of Operations Plan
- 2:22 Succession Plan

#### Section 2 RETIRED POLICIES

- 2:7 *Policy Retired-December 18, 2014 (No Solicitation/Distribution)*
- ~~2:8 *Policy Retired-December 10, 2015 (Permit Certification Logs)*~~
- 2:9 *Policy Retired-June 25, 2013 (Board Meeting Minutes to State Auditor)*
- 2:12 *Policy Retired-December 18, 2014 (Employee Privacy)*



# South Dakota Science & Technology Authority

## Policies and Procedures Manual

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#### Section 3: FINANCE

- 3:1 Accounting and Audit Policy
  - 3:1A Accounting and Audit Procedure  
(New March 20, 2015)
- 3:2 Receiving State Contract Money and Reporting Bank Statements to the State Policy
- 3:8 Salary and Hourly Payroll Policy
  - 3:8A Salary and Hourly Payroll Procedure  
(Updated June 10, 2015)
  - 3:8B Employer Tax Reporting Procedure  
(New March 20, 2015)
- 3:12 Travel Approval and Reimbursement - Employees
  - 3.12A Travel Approval and Reimbursement Procedures – Employees  
(New September 9, 2014)
- 3:15 Travel Approval and Reimbursement – Consultants, Contractors and Vendors
- 3:20 Alcohol Policy
- 3:21 Travel Approval and Reimbursement – Board Members
  - 3.21A Travel Approval and Reimbursement Procedures – Board Members  
(New September 9, 2014)
- 3:22 Event Expenditure Policy
- 3:24 Telephone Reimbursement Policy
- 3:26 Management and Control of Certain Funds Policy
- 3:27 Conflict of Interest Policy
- 3:28 Delegation of Authority – Procurement
- 3:29 Public Information Policy
- 3:30 Surplus Property Disposal
- 3:31 Record Retention
- 3:32 Federal Awards Costs Allocation Policy
- 3:33 Personal Protective Equipment Reimbursement Policy
  - 3:33A Personal Protective Equipment Reimbursement Procedure  
(Updated March 20, 2015)

#### Section 3 RETIRED POLICIES

- 3:1:1 Policy Retired-March 20, 2015 (Interest Earned)
- 3:1:2 Policy Retired-March 20, 2015 (Capitalization Policy for Capital Assets)
- 3:1:3 Policy Retired-March 20, 2015 (Use of Net Assets)
- 3:1:4 Policy Retired-March 20, 2015 (Definition of Operating Revenues and Expenses)
- 3:3 Policy Retired-March 20, 2015 (Petty Cash)
- 3:4 Policy Retired-March 20, 2015 (Invoice and Receipt Policy)
- 3:5 Policy Retired-March 20, 2015 (Check Writing and ACH Transfer)



# South Dakota Science & Technology Authority

## Policies and Procedures Manual

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- 3:5:1 *Policy Retired-March 20, 2015 (Check and Cash Deposits)*
- 3:6 *Policy Retired-March 20, 2015 (Vendor ACH)*
- 3:7 *Policy Retired-March 20, 2015 (Monthly Account Reconciliation Statement)*
- 3:8:1 *Policy Retired-March 20, 2015 (Overtime Pay)*
- 3:9 *Policy Retired-March 20, 2015 (Quarterly and Yearly Employer Tax Report)*
- 3:10 *Policy Retired-March 20, 2015 (Effort Report – Salaried Employees)*
- 3:11 *Policy Retired-March 20, 2015 (Time Sheet – Hourly Employees)*
- 3:11:1 *Policy Retired-March 20, 2015 (Inconvenience – Call-Out Pay)*
- 3:12:1 *Policy Retired-September 18, 2014 (Travel by Executive Director)*
- 3:12:2 *Policy Retired-September 18, 2014 (Transportation)*
- 3:12:3 *Policy Retired-September 18, 2014 (Lodging)*
- 3:12:4 *Policy Retired-September 18, 2014 (Meals)*
- 3:12:4:1 *Policy Retired-September 18, 2014 (Itemized Ticket for Meal Reimbursement)*
- 3:12:5 *Policy Retired-September 18, 2014 (Reimbursement for Combined Authority and Personal Trip)*
- 3:12:6 *Policy Retired-September 18, 2014 (Travel Reimbursement for Weekend Stays)*
- 3:12:7 *Policy Retired-September 18, 2014 (Travel by State Employees on Authority Business)*
- 3:12:8 *Policy Retired-September 18, 2014 (International Travel)*
- 3:13 *Policy Retired-September 18, 2014 (Commitment for Travel – Authority Employees)*
- 3:14 *Policy Retired-June 25, 2013 (Commitment for Travel – Office of the State Engineer Staff Assigned to Authority)*
- 3:16 *Policy Retired-September 18, 2014 (Commitment for Travel – Other)*
- 3:17 *Policy Retired-September 18, 2014 (Commitment for Travel Expense Form)*
- 3:18 *Policy Retired-March 20, 2015 (Credit Card Use)*
- 3:19 *Policy Retired-March 20, 2015 (Reimbursement for Incidental Related Expenses)*
- 3:23 *Policy Retired-March 20, 2015 (Event and Meal Record Keeping)*
- 3:24:1 *Policy Retired-March 20, 2015 (Cell phone)*
- 3:25 *Policy Retired-March 20, 2015 (Fixed Asset Inventory)*

#### Section 4: PERSONNEL

- 4:1 Personnel Benefits Policy
- 4:2 Outside Employment and Political Activity Policy
- 4:3 Holidays Policy
- 4:4 Leave Policy
  - 4:4:4 Years of Service and Longevity Pay Policy
  - 4:4:5 Military Active Duty Leave Policy



# South Dakota Science & Technology Authority

## Policies and Procedures Manual

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- 4:5 Employment Policy
  - 4:5A Employment Procedures (*New June 4, 2015*)
- 4:6 Resignation Policy
- 4:8 Workers' Compensation Policy
- 4:12 Progressive Discipline and Termination Policy
- 4:13 Inclement Weather Operations
  - 4:13A Inclement Weather Operations Procedure (*Updated May 15, 2015*)
- 4:14 Temporary Job Transfer Policy
- 4:15 Worksite Injury Reduction and Management Policy

#### Section 4 RETIRED POLICIES

- 4:2:1 *Policy Retired-June 30, 2015 (Business Hours)*
- 4:4:1 *Policy Retired-June 30, 2015 (Accumulated Vacation and Sick Leave)*
- 4:4:2 *Policy Retired-June 30, 2015 (Vacation Leave While Traveling on Business)*
- 4:4:3 *Policy Retired-June 30, 2015 (Years of Service)*
- 4:5:1 *Policy Retired-June 30, 2015 ("At Will" Status of Employees)*
- 4:7 *Policy Retired-June 30, 2015 (Training)*
- 4:9 *Policy Retired-June 30, 2015 (Personal References)*
- 4:10 *Policy Retired-June 30, 2015 (Hiring Process)*
- 4:11 *Policy Retired-June 30, 2015 (Moving Allowance)*

#### Section 5: BUSINESS

- 5:1 Procurement
  - 5:1A Procurement Methods and Thresholds Procedure (*New May 30, 2014*)
- 5:2 Code of Business Ethics and Conduct
  - 5:2A Code of Business Ethics and Conduct Procedure (*New December 12, 2013*)
- 5:3 Sole Source (Noncompetitive) Procurements
- 5:4 Emergency Procurement
- 5:5 Utilization of Small Business Concerns
- 5:6 Separation of Duties

#### Section 6: FACILITIES

- 6.1 Underground Personnel Access Control Policy

#### Section 7: APPENDIX

- 7:1 Agreement in Principle
  - Amendment to Agreement in Principle
  - Property Donation Agreement *sans* Exhibits (Homestake)
  - Amended By-Laws-September 19, 2013
  - Homestake Gift Agreement (Sanford)

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Drug and Alcohol Testing Policy**

**NUMBER: 2:3**

---

The South Dakota Science and Technology Authority (SDSTA) recognizes the importance of protecting the health and safety of all employees and will take reasonable action to create and maintain a workplace free of the risks associated with alcohol and controlled substance abuse.

Employees are prohibited from using alcohol or controlled substances while on duty. Controlled substances include those listed in Schedules I - V of the Controlled Substances Act, 21 U.S.C. § 812 and related federal regulations, 21C.F.R. §§ 1308.11-1308.15, as amended from time-to-time.

It is the responsibility of each employee to notify their supervisor when taking any prescription or over the counter medication that may impair the employee's ability to perform job duties safely and effectively. The employee's supervisor may reassign job duties or temporarily relieve the employee from duty if the supervisor determines that use of the medicine may impair the employee's ability to perform job duties safely and effectively.

The SDSTA will require drug and alcohol testing under certain circumstances that include, but are not limited to: pre-employment testing, random testing, post-accident testing, and reasonable suspicion testing. The SDSTA shall establish formal procedures for the performance of each of these types of testing.

The SDSTA will make reasonable efforts to protect the confidentiality of private employee medical information provided; however, the SDSTA will release and disclose test results and other pertinent medical information as provided in this policy or as otherwise required by law.

Nothing in this policy shall be construed as creating a contract of employment or any right to notice and a hearing prior to termination or other disciplinary action. All employees of the SDSTA are employed on an at-will basis.

**ACKNOWLEDGMENT OF ALCOHOL AND CONTROLLED SUBSTANCES POLICY:**

I understand and agree to comply with the SDSTA'S policy regarding alcohol and controlled substance use and/or abuse. I further understand that failure to comply with this policy will result in immediate dismissal from employment.

I also understand that the SDSTA will pay for pre-employment, random, post-accident, and reasonable suspicion drug and alcohol testing.

Employee Name (printed): \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Supervisor's Name (printed): \_\_\_\_\_

Supervisor's Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## South Dakota Science & Technology Authority Policies and Procedures Manual

**SUBJECT: Drug and Alcohol Testing Procedure**

**NUMBER: 2:3A**

---

The South Dakota Science and Technology Authority (SDSTA) recognizes the importance of protecting the health and safety of all employees and will take reasonable action to create and maintain a workplace free of the risks associated with alcohol and controlled substance abuse.

**A. APPLICABILITY:**

The Drug and Alcohol Testing Procedure applies to all present and future SDSTA employees.

**B. DEFINITIONS:**

Terms used in this procedure mean:

1. "Controlled Substance" - controlled substances listed in Schedules I - V of the Controlled Substances Act, 21 U.S.C. § 812 and related federal regulations, 21 C.F.R. §§ 1308.11-1308.15, as amended from time-to-time.
2. "Alcohol" - any beverage containing not less than 0.5% ethyl alcohol by weight.
3. "MRO" - medical review officer.
4. "DER" - the designated employer representative under the random testing protocol entered between the SDSTA and a certified professional testing laboratory.

**C. PROHIBITED USE:**

1. Controlled Substance - No employee shall, nor shall any supervisor having knowledge of, permit an employee to:
  - a. Report for duty or remain on duty when using any controlled substance except if the use is pursuant to instructions of a physician who has provided written documentation that the substance does not adversely affect the employee's ability to perform their job duties safely and effectively.
  - b. Report for duty, remain on duty or perform a safety-sensitive function after having tested positive for controlled substances.
  - c. Fail to report any prescription or non-prescription medication use that may affect the employee's ability to perform their job duties safely and effectively. It is the employee's responsibility to read labels and make supervisors aware that their medications may affect their job performance. (Supervisor has the right to re-assign duties of any employee for the duration of the medication treatment). Any employee who fails to report usage of prescription or non-prescription medication

that may affect the employee's ability to perform job duties safely and effectively will be subject to disciplinary action, up to and including termination.

2. Alcohol - No employee shall, nor shall any supervisor having knowledge of, permit an employee to:
  - a. Report for duty or remain on duty while having an alcohol concentration of 0.02 or greater.
  - b. Consume alcohol while on duty or on SDSTA property.
  - c. Possess alcohol while on duty or operating an SDSTA motor vehicle.
  - d. Consume alcohol within eight (8) hours after an accident (if required to be tested) or until testing is completed, which ever occurs first.

**D. PRESCRIPTION MEDICATION AND OVER THE COUNTER MEDICATION:**

1. It is the responsibility of each employee to notify his or her supervisor when taking any prescription or over the counter medication that may impair the employee's ability to perform job duties safely and effectively.
2. The employee must have a valid and current doctor's prescription and must be under the prescribing doctor's care if taking any type of prescription medicine that may impair the employee's ability to perform job duties safely and effectively. The employee's supervisor may reassign job duties or temporarily relieve the employee from duty if the supervisor determines that use of the medicine may impair the employee's ability to perform job duties safely and effectively.
3. If an employee tests positive for a prescription medication that may cause impairment and cannot produce a prescription, the employee shall be immediately terminated.
4. If an employee tests positive and a prescription exists, the MRO will report the result as negative, but will also report any safety concerns, which will require further evaluation.

**E. REQUIRED TESTING CIRCUMSTANCES:**

1. Pre-Employment - The SDSTA will require a negative controlled substance test result for pending job offers. The applicant will not be allowed to report for duty until a negative controlled substance test is confirmed. If the prospective employee fails to pass the controlled substance test, the offer of employment will be withdrawn. The applicant may re-apply six (6) months from the date of the original application.
2. Random Testing - The choice of employees to be tested will be made by a computer on a random basis. A portion of the entire SDSTA employee pool deemed appropriate by the Laboratory Director will be randomly selected each month for alcohol and controlled substances testing. Once notified of selection, an initial immunoassay or presumptive test shall be administered to the employee by a designated SDSTA representative. In the event the initial immunoassay or presumptive test is positive, the employee shall be immediately transported to a licensed testing laboratory for the administration

of confirmation testing. If the initial immunoassay or presumptive test is negative, the SDSTA reserves the right to require the employee to submit to confirmation testing at a licensed laboratory. Under no circumstances will the employee be allowed to drive himself or herself to the testing facility.

NOTE: Each employee has an equal chance of being selected for monthly testing as the selection is made from the entire SDSTA employee pool, including employees previously selected.

3. Post-Accident and Incident Testing - All SDSTA employees causing or contributing to accidents and incidents that seriously damage SDSTA vehicles, equipment or property, and/or result in any injury which requires off-site medical attention to themselves or others are subject to testing for the presence of alcohol and controlled substances. The initial investigation identifying subjects to be tested and subsequent testing must take place within two (2) hours following the accident or incident, if not sooner, in any instance involving a work-related accident or injury in which an employee who was operating a motorized vehicle, mechanical equipment, or in a reasonably determined way, is suspected of being responsible for causing the accident or incident.
  - a. SDSTA employees must report all accidents or incidents to their supervisor or the safety officer immediately following the event. Upon receipt of a notice of an accident or incident, the SDSTA shall administer an initial screening immunoassay or other presumptive test to the employee involved. A breath alcohol test must be administered within two (2) hours and no later than eight (8) hours after the accident or incident. A controlled substance test must be administered within thirty-two (32) hours.
  - b. In the event the initial immunoassay or presumptive test is positive, the employee shall be immediately transported to a licensed testing laboratory for the administration of confirmation testing. If the initial immunoassay or presumptive test is negative, the SDSTA reserves the right to require the employee to submit to confirmation testing at a licensed laboratory.
  - c. Due to these time frames, the employee is not to consume any alcohol for eight (8) hours after an accident or until testing is completed, nor is the employee allowed to ingest any controlled substances for thirty-two (32) hours, with the exception of those administered by a health care professional.
  - d. In the event this timeframe cannot be met, the reasons for failing to meet this criterion must be documented by the appropriate supervisor. Under no circumstances will an employee be allowed to drive himself or herself to the testing facility.
  - e. Post accident breath or blood testing conducted by Federal, State, or local officials having independent authority to do so may be used in lieu of the SDSTA-conducted testing if the results can be obtained by the SDSTA.

4. Reasonable Suspicion Testing - All employees are required to submit for alcohol and controlled substance testing whenever there is reasonable suspicion that the Drug and Alcohol Policy has been violated.
  - a. When there is reasonable suspicion that an employee has violated the SDSTA's Drug and Alcohol Policy, the employee will be required to submit to an initial screening immunoassay, an approved Evidential Breath Testing device or other presumptive test.
  - b. In the event the initial immunoassay, breath testing or presumptive test is positive, the employee shall be immediately transported to a licensed testing laboratory for the administration of confirmation testing. If the initial immunoassay or presumptive test is negative, the SDSTA reserves the right to require the employee to submit to confirmation testing at a licensed laboratory.
  - c. If the confirming test is positive, the MRO will contact the employee to advise the results of the test and the employee shall be immediately terminated. If the confirming test is negative, the employee may be immediately returned to work or required to report at his/her next scheduled shift.
  - d. Controlled substances testing will be considered positive if the substance is present in an amount greater than the minimum threshold for each respective substance listed below:
    - Tetrahydrocannabinol (THC)
    - Opiates
    - Amphetamines
    - Cocaine
    - Phencyclidine (PCP)
  - a. Alcohol testing of 0.02 or greater will be considered positive.
  - b. The initial test must give results of less than 0.02 or a re-test (confirmation) must be done following a 15-minute wait.
5. Test Tampering - Adulteration is tampering with a urine specimen in an attempt to mask any drug that may be otherwise detected. The SDSTA will have all specimens tested for adulteration. If an employee's specimen is found to have been adulterated, it will automatically be considered a positive test. Adulteration and substitution are considered pre-meditated actions to deceive the employer and will result in immediate termination.
6. Dilute Specimens - Employees are required to provide a normal urine specimen for testing. If the drug screen test result is reported as dilute, the employee must be tested again immediately. The employee will be required to re-test at his/her expense.
7. Refusal to Submit - The employee is determined to have refused to submit to testing if:
  - a. He/she refuses to take the test.

- b. There is an inability to produce urine after forty-four (44) ounces of fluid are ingested and three (3) hours have passed, or cannot provide enough breath in the absence of a valid medical explanation.
  - c. He/she provides false information.
  - d. He/she fails to report within the required time period for testing.
  - e. He/she tampers with the specimen in an attempt to mask any drugs that may be present.
  - f. This refusal constitutes a positive test and will result in immediate termination.
8. Administrative Requirements:
- a. Records - All records for employees tested must be made available at the SDSTA's physical address within two (2) days of a request by the SDSTA, a regulatory official or as a result of legal action. Not all records must be kept on site; some may be the responsibility of a third party health services provider or testing site.
  - b. Retention Period:
    - 1. The following records must be retained for **5 years**:
      - a) Verified positive results.
      - b) Alcohol results of 0.02 or greater.
      - c) Documentation of refusals.
    - 2. The following results must be retained for **2 years**:
      - a) Records related to all processes and employee training.
    - 3. The following results must be retained for **1 year**:
      - a) Records of negative drug and alcohol results less than 0.02.
  - c. Types of Records - Collection processes:
    - Log books (if used).
    - Random selection documents.
    - Calibration documents (EBT).
    - BAT training documents.
    - Reasonable suspicion documents.
    - Post accident decision documents.
    - Documents verifying medical inability to provide adequate breath or urine.
  - d. Drug and Alcohol Test Results:
    - Employer's copy of alcohol test.
    - Employer's copy of controlled substance chain of custody.
    - Documents from MRO.
    - Documents related to refusal to submit.
    - Documents presented by employee to dispute refusal to submit.
  - e. Education and Training - The following are verification of training records that must be kept:

- Materials on misuse awareness, including the Drug and Alcohol Testing Policy.
  - Employee's signed receipt of education materials.
  - Documents of training to qualify for making reasonable suspicion judgments.
9. Access to Records - The following defines who has access to records and confidentiality of records:
    - a. The employee is entitled to a copy of his/her records.
    - b. Records are available for officials with regulatory authority.
    - c. Subsequent employers or others may have a copy of the records upon specific written request from the employee.
    - d. The SDSTA will protect the confidentiality of any records gathered under the Drug and Alcohol Testing Policy to the extent required by applicable law.
  10. Training - Those designated to determine if reasonable suspicion exists must receive sixty (60) minutes of alcohol and sixty (60) minutes of controlled substance training, which covers the physical, speech, and performance indicators of use and abuse.
  11. Education Materials - Each employee will be provided educational materials (by power point, DVD, oral, or written form), a copy of the Drug and Alcohol Testing Policy, and the name of the supervisor who can answer questions about the Policy and materials. Each employee must sign a certificate of receipt of the materials.
  12. Reporting - All employees must report any therapeutic drug use to his/her supervisor immediately.

**F. MISCELLANEOUS:**

1. Nothing in the Drug and Alcohol Testing Policy or this procedure shall be construed as creating a contract of employment or any right to notice and a hearing prior to termination or other disciplinary action. All employees of the SDSTA are employed on an at-will basis.
2. The SDSTA will make reasonable efforts to protect the confidentiality of private employee medical information provided, however, the SDSTA will release and disclose test results and other pertinent medical information as provided in this procedure and as otherwise required by law.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Permit Certification Logs**

**NUMBER: 2:8**

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All permits will be noted in the appropriate Permit Certification electronic file. All information relevant to a permit will be entered. Renewal date information will be posted on electronic calendars of employees responsible for renewal activities. One employee, to be named annually, will be responsible for checking the file on a monthly basis, updating the information and reminding those responsible for action.

Examples of permits to be logged would be the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Nuclear Regulatory Commission (NRC), South Dakota Department of Environment and Natural Resources (DENR) or any other permits necessary to do business with the Authority.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Open Door Policy**

**NUMBER: 2:13**

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The management of the South Dakota Science and Technology Authority (SDSTA) maintains an open door policy to encourage open communication, feedback, and discussion about any matter of importance to an employee.

Most problems can and should be solved in discussion with the employee's immediate supervisor, which is encouraged as the first effort to solve a problem. If the employee does not receive a satisfactory answer from the immediate supervisor, or feels the matter cannot be discussed with that individual, the employee should take the matter to the next level of management.

Any employee who does not feel comfortable utilizing the process established by this policy may contact the Human Resources Office at any time.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Whistleblower Policy**

**NUMBER: 2:18**

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The South Dakota Science and Technology Authority (SDSTA) expects its directors, employees, and other representatives to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the SDSTA must practice honesty and integrity in fulfilling responsibilities and comply with all applicable federal and state laws and regulations.

**A. REPORTING RESPONSIBILITY**

It is the responsibility of all directors and employees to report Reportable Conduct in accordance with this Whistleblower Policy.

**B. REPORTABLE CONDUCT**

The term, “Reportable Conduct,” as used in this policy, means any serious impropriety that may impact the integrity or effective operations of the SDSTA, including, but not limited to, any one or more of the following:

- A serious violation of SDSTA policy;
- An unresolved Financial Conflict of Interest (see Policy 3:27)
- A violation of applicable state or federal law; or
- The use of SDSTA property, resources, or authority for personal gain or other unauthorized non organization-related purpose.

The term “Reportable Conduct” also means conduct, facts or circumstances which gives rise or may give rise to an actual or potential conflict of interest under the Conflict of Interest Mitigation Plan agreed to by SDSTA and Fermi Research Alliance, LLC, and approved by the SDSTA board of directors on September 17, 2015 (the “Plan”). The Plan is available [here](#).

**C. NO RETALIATION**

No officer or employee who in good faith reports Reportable Conduct will suffer harassment, retaliation or adverse employment consequence. Any officer or employee who retaliates against anyone who has reported Reportable Conduct in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the SDSTA prior to seeking resolution outside the SDSTA.

**D. REPORTING CONDUCT UNDER THIS POLICY**

The SDSTA encourages its officers and employees to share their questions, concerns, suggestions or complaints with someone who can address them properly. Any officer or employee may report Reportable Conduct to the Executive

**SOURCE: December 10, 2015 (This revision date supersedes all previous versions).**  
**2:18 Whistleblower Policy**

Director or the Chairman of the Board of Directors. If the Reportable Conduct implicates one or both of the Executive Director or the Chairman of the Board of Directors, or if the reporting individual is not comfortable speaking with or not satisfied with response of the foregoing individuals, the issue may be reported to any member of the Board of Directors or to the SDSTA's general counsel.

The Executive Director, the SDSTA's general counsel and any member of the Board of Directors to whom a report of Reportable Conduct is made are required to immediately advise the full Board of Directors of such report.

#### E. ACTING IN GOOD FAITH

Anyone filing a complaint of Reportable Conduct must be acting in good faith and have reasonable grounds for believing the information disclosed indicates Reportable Conduct. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

#### F. CONFIDENTIALITY

Reports of Reportable Conduct or suspected Reportable Conduct may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of Reportable Conduct or suspected Reportable Conduct will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

#### G. HANDLING OF REPORTED REPORTABLE CONDUCT

A representative of the Board of Directors will notify the sender and acknowledge receipt of the report of Reportable Conduct or suspected Reportable Conduct within five business days, unless such report was submitted anonymously. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

#### H. OSHA ACT OF 1970

The Occupational Safety and Health Act of 1970 gives employees the right to file complaints about workplace safety and health hazards. Further, the Act gives complainants the right to request that their names not be revealed to their employers. In addition, employees who believe that their employer has discriminated or retaliated against them for raising or reporting safety or health concerns may file a complaint. Details on filing a complaint with OSHA can be found at <http://www.osha.gov/as/opa/worker/complain.html> or if there is an emergency or the hazard is immediately life-threatening, call your local OSHA Regional Office or 1-800-321-OSHA.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Americans with Disabilities Act Policy**

**NUMBER: 2:19**

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The South Dakota Science & Technology Authority (SDSTA) is committed to providing and promoting equal opportunities in all of its activities and services. This commitment includes adhering to the mandates of the Americans with Disabilities Act of 1990 (ADA), a federal law that makes it unlawful to discriminate against a qualified person with a disability in all aspects of the employment process and in the provision of services and benefits. The SDSTA also adheres to all South Dakota laws and regulations that apply to individuals with disabilities.

The ADA enables society to benefit from the skills and talents of individuals with disabilities. It provides protections similar to those provided by Title VII of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, sex, national origin, and religion and Section 504 of the Rehabilitation Act of 1973, which is the foundation for the ADA.

**A. WHAT IS A “DISABILITY” UNDER THE ADA?**

The ADA utilizes a three-pronged definition of disability. An individual with a disability is any person who:

1. has a physical or mental impairment that substantially limits one or more major life activities;
2. has a record of such an impairment; or
3. is regarded as having such an impairment.

An individual must satisfy at least one of the three prongs of the above definition in order to be considered an individual with a disability under the ADA.

**B. REQUESTING ACCOMMODATIONS**

Qualified employees or prospective employees with disabilities may request accommodations in order to perform essential functions of their job or gain access to the hiring process. Such requests should be made to the Human Resources Office or to the employee’s supervisor. The SDSTA will reasonably accommodate the known physical or mental limitation of an otherwise qualified applicant or employee with a disability unless the accommodation would impose an undue hardship on its business operation.

**C. COMMITMENT**

The SDSTA is committed to providing reasonable accommodations to qualified persons with disabilities to ensure the full and fair participation of all employees and the public in all SDSTA services and activities. All policies, procedures, and employees will support and embrace the SDSTA’s efforts and State programs that are designed to promote and achieve the principles of the ADA and those South Dakota laws and regulations that apply to individuals with disabilities.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Salary and Hourly Payroll Policy**

**NUMBER: 3:8**

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Salaries and hourly wage rates for South Dakota Science and Technology Authority (SDSTA) employees shall be fixed by the Executive Director and may be reviewed by the Board of Directors.

For payroll purposes, the work week begins at 12 A.M. Saturday morning and ends at 11:59 P.M. the following Friday night.

- A. Salary exempt employees, as defined in Employment Policy 4:5, shall submit time/effort reports at the end of each pay period.
- B. Full-time, part-time and temporary hourly employees, as defined in Employment Policy 4:5, shall complete and sign a time sheet, which also serves as an effort report as needed, at the end of each pay period.
  - 1. Time worked during a regularly scheduled shift that begins on Friday and ends on Saturday will be credited as time worked during the Friday's work week. The scheduled shift will be credited to the calendar day in which the shift begins.
  - 2. Hourly employees who work in excess of forty (40) hours per week are eligible for overtime pay computed at time and one-half of the employee's regular hourly rate.
  - 3. Hourly employees are guaranteed a minimum of three (3) hours straight-time pay for inconvenience – call-out pay. The call-out provision will apply only when the work required was not arranged in advance with the employee.
  - 4. An 8-hour x 5 day or a 10-hour x 4 day work shift schedule for hourly employees will generally include a 30 minute lunch break. In certain cases, such as selected administrative positions, a 1-hour lunch break may be required to maintain staff coverage during business hours. Time for lunch breaks will not be compensated unless the employee is required to work during their break.
  - 5. A 12-hour rotating shift schedule for hourly employees will include compensation for lunch breaks due to the demands of working longer, rotating shifts.
- C. All employees entitled to overtime compensation under applicable federal law shall be paid for hours worked in excess of forty (40) per week as provided in Procedure 3:8A.

Payroll records and employee time cards shall be retained per Policy 3:31 Record Retention.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Financial Conflict of Interest Policy**

**NUMBER: 3:27**

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**Article I**

**Purpose**

The purpose of the Financial Conflict of Interest Policy is to protect the South Dakota Science and Technology's (SDSTA's) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Board Member, officer, or employee. A financial interest is not necessarily a conflict of interest. Under Article III, Section B of this policy, a person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest which are applicable to the SDSTA.

**Article II**

**Definitions**

- A. Interested Person: Any officer, employee, Director or member of a committee with powers delegated from the Board of Directors, who has a direct or indirect financial interest, as defined below, is an Interested Person.
- B. Financial Interest: A person has a Financial Interest if the person has, directly or indirectly, through business (including membership in a partnership or limited liability company or ownership of stock in a corporation), investment or a member of the person's immediate family:
  - 1. An ownership or investment interest in any entity with which the SDSTA has a transaction or arrangement;
  - 2. A compensation arrangement with the SDSTA or with any entity or individual with which the SDSTA has a transaction or arrangement; or
  - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the SDSTA is negotiating a transaction or arrangement.
- C. Compensation: Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

**Article III**

**Procedures**

- A. Duty to Disclose: In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors considering the proposed transaction or arrangement.

**SOURCE: December 10, 2015 (This revision date supersedes all previous versions).**  
**3:27 Financial Conflict of Interest Policy**

- B. Determining Whether a Financial Conflict of Interest Exists: After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the person shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board of Directors shall decide if a conflict of interest exists.
- C. Procedures for Addressing the Financial Conflict of Interest:
1. An Interested Person may make a presentation at the Board of Directors meeting, but after the presentation, the person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  2. The Chairperson shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  3. After exercising due diligence, the Board of Directors shall determine whether the SDSTA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the SDSTA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
- D. Violations of the Financial Conflict of Interest Policy
1. If the Board of Directors has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
  2. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Article IV**

### **Contracts Supported by Federal Funds**

- A. Participation in Award or Administration: Anything in this Policy to the contrary notwithstanding, no employee, officer, Board Member, or agent of the SDSTA shall participate in the selection, or in the award or administration of, a contract supported by federal funds if disqualified pursuant to the terms of this Article IV.
- B. Disqualification: A person is disqualified if the person, any member of his immediate family or a business partner, associate, or co-owner of the person has a financial or other interest in the firm selected for the award. A person is not disqualified if his direct or indirect interest in the firm is insubstantial, such as in the case of ownership of an insubstantial amount of stock in a publicly-traded corporation. The Board of

Directors may determine whether other interests are insubstantial on a case-by-case basis.

- C. No Gratuities: Neither the SDSTA nor any employee, officer or Board Member shall accept any gratuity, favor of anything of monetary value from a contractor, potential contractor, or parties to sub-agreements. This Policy does not prohibit the acceptance of gifts of nominal intrinsic value, such as business meals.

## **Article V**

### **Records of Proceedings**

The minutes of the Board of Directors and all committees with Board-delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## **Article VI**

### **Compensation**

- A. Board of Directors: A member of the Board of Directors who receives compensation, directly or indirectly, from the SDSTA for services is precluded from voting on matters pertaining to that member's compensation.
- B. Committees: A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the SDSTA for services is precluded from voting on matters pertaining to that member's compensation.
- C. Information Concerning Compensation: No member of the Board of Directors or voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the SDSTA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **Article VII**

### **Annual Statements**

Each Director, principal officer, and member of a committee with Board-delegated powers shall annually sign a statement which affirms such person:

- A. Has received a copy of the Financial Conflict of Interest Policy;
- B. Has read and understands the policy; and
- C. Has agreed to comply with the policy.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Surplus Property Disposal Policy**

**NUMBER: 3:30**

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This policy establishes the terms and conditions upon which personal property owned by the South Dakota Science and Technology Authority (SDSTA) may be declared surplus and disposed of by the SDSTA.

**TERMS OF POLICY**

**A. Applicability**

1. It is the policy and position of the SDSTA that it is a body corporate and politic and not a unit of state government or a state agency, and that property owned by the SDSTA is not "state-owned property." It is also the policy and position of the SDSTA that SDCL 1-16H-15(16) grants the SDSTA the power to dispose of surplus property upon such terms and conditions as the SDSTA deems appropriate and in furtherance of the purpose for which it was organized. Accordingly, the disposal of surplus property owned by the SDSTA is not governed by SDCL Ch. 5-24A or other state law of general application concerning the disposition of surplus property owned by governmental entities.
2. The disposal of any property purchased with federal or state grant funds is subject to the terms and conditions of the grant under which the property was purchased.
3. This policy shall apply only to personal property, including personal property, which may also be characterized under general standards of property law as a fixture. It shall not apply to real property (other than fixtures).

**B. Declaration of Surplus**

1. Property may be declared surplus if it is no longer needed by the SDSTA or is no longer necessary, useful or suitable for the purposes for which it was acquired or previously used.
2. The Executive Director shall make the initial determination concerning whether property should be declared surplus.
3. If the Executive Director determines that property should be declared surplus, its fair market value (net of the costs of removal and transportation off SDSTA property) shall be estimated and a means of disposal consistent with this policy that is most advantageous to the SDSTA determined. The Executive Director shall document the estimate and recommendation and basis for each.
4. Although SDCL 1-16H-15(16) grants the SDSTA the power to dispose of surplus property upon such terms and conditions as the SDSTA deems appropriate, the SDSTA elects to adopt the procedures set forth in SDCL Ch. 5-24A as Best Practices for the disposal of personal property declared surplus by the SDSTA.

**SOURCE: December 10, 2015 (This revision date supersedes all previous versions).**  
**3:30 Surplus Property Disposal Policy**

5. The Executive Director shall report any such declaration and disposal to the Board of Directors in writing within ninety (90) days.
- C. Means of Disposal – Transfer of Title
1. The Executive Director is authorized to execute a bill of sale for the property disposed of in the name of the SDSTA.
- D. Proceeds from Disposition
1. Proceeds from the disposition of surplus property shall be applied first to the cost of disposition and any excess shall then be deposited into the general fund of the SDSTA.
- E. Conflicts of Interest
1. All directors, officers, employees, and agents shall avoid actual conflicts of interest and the appearance of a conflict of interest in connection with the disposal of surplus property.
  2. Surplus property shall not be gifted or donated to directors, officers, employees or agents of the SDSTA.
  3. Directors, officers, employees, and agents of the SDSTA may purchase surplus property, but only if the property is offered for sale via sealed bids through the Sanford Lab website or at a public auction.

**South Dakota Science & Technology Authority**  
**Policies and Procedures Manual**

**SUBJECT: Underground Personnel Access Control Policy**

**NUMBER: 6:1**

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The purpose of the South Dakota Science and Technology Authority (SDSTA) Underground Personnel Access Control Policy is to supply safe and controlled access to the underground levels of the facility.

- A. SCOPE: This policy applies to all stakeholders including: visitors, researchers, staff, contractors, consultants, vendors, regulators, and agents of the SDSTA.
- B. An Operational Access Control Program has been developed and each component allows for systematic reviews, standardization, well documented findings, expert opinions, mitigation plans that include recommendations and estimated cost analysis and alternatives, and establishes frequencies for reviews to ensure stakeholders safe access continues. The Operational Access Control Program consists of the following:
  - 1. A POLICY which generally applies to all underground levels, formalizing and detailing responsibility, process, and calling for procedures for conduct of risk assessments.
  - 2. A set of PROCEDURES detailing the actual risk-management process, including how to conduct a Level inspection, hazard analysis, how to analyze results for risk/severity assignments, and the generation of mitigation plans.
  - 3. A set of documentation for each Level that will include maps, Level inspection results, lists of findings, risk ratings and mitigation plans. The conclusion of the process will be a set of color-coded Level maps outlining accessible areas (green), limited-access areas (yellow) and off-limits or closed areas (red). This set of documents will be updated as needed, according to new inspections, and will have a finite lifetime. If re-inspection has not occurred by the time of the expiration date, the entire area not inspected will revert to being closed (red).
- C. CONSEQUENCES OF NOT ADHERING TO THE OPERATIONAL ACCESS CONTROL POLICY: Once access is determined and color coded Level maps created, all stakeholders of the SDSTA who request underground access will receive training on the Operational Access Control Policy. Policy violators will be denied access to underground.
  - 1. First offense - underground access suspended and additional training required until management agrees training was adequate to establish a thorough understanding of stakeholder's role within the access control policy.
  - 2. Second offense – underground access denied for one year.

No formal tours will be scheduled for underground areas below the 300 Level until de-watering phase is complete to the 5300 Level and interim lab construction completed, without approval of the Board of Directors.

All stakeholders requiring access to underground areas must schedule cage time on the SDSTA's published cage schedule; schedules are subject to change.

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**Lobbyist Registration – Mr. Tim Engel**

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Discussion

Ms. Mandy Knight will contact the State of South Dakota mid-Jan 2015 and request badges for Mr. Mike Headley, Mr. Walter Weinig, Mr. Ron Wheeler, and Mr. Tim Engel for the 2016 Legislative Session.

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**Recommended Action:**

Motion to designate Mr. Mike Headley, Mr. Walter Weinig, Mr. Ron Wheeler and Mr. Tim Engel as lobbyists for the SDSTA.

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**Confirm date and time of next meeting – Chairperson Casey Peterson**

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The next board meeting will be held on March 17, 2016 beginning at 9:00 A.M. (MT).

<b>2016 Board Schedule</b>	
March 17, 2016	9:00 am (MT)
June 16, 2016	9:00 am (MT)
September 22, 2016	9:00 am (MT)
December 15, 2016	9:00 am (MT)

*Meeting location:*

*SDSTA/Sanford Underground Research Facility  
630 E. Summit Street, Lead SD 57754  
Administration Building/2<sup>nd</sup> Floor Vault  
Please contact Mandy Knight if you have any questions.  
Direct Line: 605.722.4022, Cell: 605.641.0475*

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**Recommended Action:**

*None*

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**South Dakota Science and Technology Authority  
Board Meeting – December 10, 2015**

**Agenda Item: 12**

**Board Comments – Chairperson Casey Peterson**

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**Recommended Action:**

*None*

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