

South Dakota Science and Technology Authority

**Annual Board Meeting
June 30, 2015**



630 East Summit Street
Lead, SD 57754

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Call to Order – Chairperson Casey Peterson

1A. Call Roll

Mr. Tom Adam
Dr. Ani Aprahamian
Mr. Paul Christen
Mr. Dana Dykhouse
Ms. Pat Lebrun
Mr. Casey Peterson
Mr. Ron Wheeler
Dr. Heather Wilson

1B. Introduce Guests

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Approve Agenda – Chairperson Casey Peterson

Attached is the SDSTA Board agenda for the June 30, 2015 meeting.

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
Annual Meeting of the Board of Directors
Tuesday, June 30 2015 at 8:30 AM (MT)

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

Title	Report	Recommendations
1. Call to Order A. Call Roll B. Introduce Guests	-- 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 March 20 and May 11, 2015 minutes</i>
4. Audit Committee A. Audit Committee Report B. Annual Appointment of Audit Committee	-- Ms. Pat Lebrun -- Chair Casey Peterson	<i>Motion to accept audit committee report</i>
5. Financial Report A. Financial Statements B. FY2016 Budget	-- Mr. Mike Headley -- Ms. Nancy Geary	<i>Motion to accept financial report</i> <i>Motion to approve FY2016 budget</i>
6. Report from Executive Director A. SDSTA Report B. REACH Committee Update C. Sanford Lab Homestake Visitor Center	-- Mr. Mike Headley -- Ms. Pat Lebrun	<i>Motion to accept executive director's report</i> <i>Informational</i> <i>Josh Willhite will provide a tour of the Visitor Center after the meeting adjourns at 10am</i>
7. Captive Insurance Update	-- Mr. Tim Engel	<i>Informational</i>
8. Third Amendment to Property Donation Agreement	-- Mr. Tim Engel	<i>Motion to approve the amendment as presented</i>
9. Annual Review of Policies and Procedures A. Review of Updated Policies B. Review of Conflict of Interest Policy	-- Mr. Mike Headley	<i>Motion to approve updated policies.</i> <i>(Also, each board member is to sign conflict of interest policy statement)</i>
10. 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>
11. Report from Executive Session	-- Chair Casey Peterson	<i>Motion to accept executive session report</i>
12. Report from Nominating Committee	-- Mr. Dana Dykhouse	<i>Reference nominating committee minutes in board packet</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
Annual Meeting of the Board of Directors
Tuesday, June 30 2015 at 8:30 AM (MT)

Title	Report	Recommendations
13. Elect Officers	-- Chair Casey Peterson	<i>Motion to accept the report from the nominating committee and to elect the slate of officers as discussed</i> <i>(Follow procedure adopted August 2008)</i>
14. Confirm date and time of next meeting	-- Chair Casey Peterson	<i>Thursday, September 17, 2015 at 9:00am (MT)</i>
15. Board Comments		
16. Adjourn	-- Chair Casey Peterson	<i>Motion to adjourn</i>

SDSTA Board Member Terms of Service, Committees and Schedule

Board Members and Terms of Service			
	Board Members	Appointed	Term Expires
1.	Thomas Adam	Re-appointed August 10, 2009	August 8, 2015
2.	Ani Aprahamian	December 10, 2009	December 9, 2015
3.	Paul Christen	January 31, 2011	August 8, 2016
4.	Dana Dykhouse, Vice-chair	Re-appointed August 1, 2014	August 14, 2020
5.	Patricia Lebrun, Secretary-Treasurer	Re-appointed August 16, 2010	August 8, 2016
6.	Casey Peterson, Chair	Re-appointed August 10, 2009	August 8, 2015
7.	Ron Wheeler, Vice-chair	Re-appointed April 10, 2014	April 9, 2020
8.	Heather Wilson, ex-officio member	SDSM&T President appointed July 1, 2014	
Committees and Members (2014)		2015 Board Schedule	
	Audit Committee Members:	March 20, 2015	9:00 am (MT)
	➤ Paul Christen, Pat Lebrun-Chair	June 30, 2015	8:30 am (MT)
	Nominating Committee Members:	September 17, 2015	9:00 am (MT)
	➤ Ani Aprahamian, Dana Dykhouse	December 17, 2015	9:00 am (MT)

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Approve Minutes – Chairperson Casey Peterson

Attached are the SDSTA Board Minutes from the quarterly meeting held on March 20 and the telephonic meeting held on May 11, 2015.

Recommended Action:

Motion to approve the Minutes of the March 20 and May 11, 2015 meetings as presented.

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South Dakota Science and Technology Authority Board of Directors
Meeting Minutes
Friday, March 20, 2015
Lead, South Dakota

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 9:06 AM Mountain Time (MT) on Friday, March 20, 2015 in the 2nd 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 FOR SOME OR ALL OF THE MEETING

Mr. Paul Christen (by telephone)
Secretary/Treasurer Patricia Lebrun (by telephone)
Dr. Heather Wilson (by telephone)
Chairperson Casey Peterson
Vice Chairperson Ron Wheeler

MEMBERS OF THE BOARD NOT IN ATTENDANCE

Mr. Thomas Adam
Dr. Ani Aprahamian
Vice Chairperson Dana Dykhouse

SDSTA STAFF

Mr. Tim Engel, Legal Counsel
Ms. Nancy Geary, Chief Financial Officer
Mr. Mike Headley, Executive Director
Ms. Sharon Hemmingson, Business Services and Contracts Manager
Ms. Mandy Knight, User Support Office Manager
Ms. Leatta Mathis, Contracts Specialist
Mr. Noel A. Schroeder, Environment, Health and Safety (EHS) Director
Ms. Constance Walter, Communications Director
Mr. Joshua Willhite, Engineering Director

MEDIA PRESENT DURING ALL OR PART OF THE MEETING

Mr. Adam Hurlburt, Black Hills Pioneer

ITEM 1. – CALL TO ORDER

Chairperson Peterson called the meeting to order at 9:06 AM (MT). Roll call was held. All members were present in person or by telephone except Mr. Adam, Dr. Aprahamian, and Vice Chairperson Dykhouse. Dr. Wilson joined later by phone.

Chairperson Peterson asked audience members to introduce themselves.

ITEM 2. – APPROVE AGENDA. Chairperson Peterson requested that “Item 7 Gilt Edge Agreement Update” be removed and the agenda be approved as modified.

Motion by Mr. Christen and second by Mr. Wheeler to approve the agenda as modified. By roll call vote, the motion passed unanimously.

ITEM 3. – APPROVE MINUTES

Chairperson Peterson asked if there were questions before requesting a motion to approve the Minutes of the December 18, 2014 meeting. There were none.

Motion by Mr. Wheeler and second by Mr. Christen to approve the Minutes of the December 18, 2014 meeting as presented. By roll call vote, the motion passed unanimously.

ITEM 4. – APPROVE AUDIT REPORT

Audit Committee Chairperson Ms. Lebrun requested a motion to approve the Audit Report for the Fiscal Year (FY) Ended June 30, 2014 completed by South Dakota Legislative Audit and discussed by the board at the December 18, 2014 meeting.

Motion by Mr. Wheeler and second by Mr. Christen to accept the Audit Report for the Fiscal Year Ended June 30, 2014, as received. By roll call vote, the motion passed unanimously.

ITEM 5. – FINANCIAL REPORT

Chief Financial Officer Ms. Nancy Geary said the SDSTA is gearing up to begin the FY2016 Lawrence Berkeley National Laboratory (LBNL) budget process. She said this year's submission will be for a five year, approximately \$70 million cost-reimbursable subcontract, with estimated escalation rates for each of the remaining four years based on Department of Energy (DOE) guidelines. She stated that although extra effort will be expended up front, overall this is a very positive change as it assures SDSTA is in the federal budget for this timeframe.

Executive Director Mr. Mike Headley said the SDSTA funding is on track. Both DOE and Sanford funds are slightly over budget, but should be back on target by the end of the year. Overages are due to the quarterly Lewis-Burke Associates payment, Center for Theoretical Underground Physics and Related Areas (CETUP) donation, and increased travel expenditures.

Ms. Geary noted the Staff Services budget is over due to the increased number of hours SDSTA staff has been spending on the Fermilab project; charges are being closely monitored and additional funds will be requested, if needed. She also advised Arup did not present an invoice last month because of changes to their billing procedure.

In response to a question from Chairperson Peterson, Ms. Geary responded that Inventory Supplies decreased because the Tsurumi pumps were declared surplus and removed from inventory.

Ms. Geary said SDSTA is awaiting a proposal from Hydro Resources for a longer-term operating lease rather than the current capital lease with option to purchase at the end of the lease. Mr. Headley explained the initial pump worked very well for several years, but the two subsequent replacement pumps used a different type of metal that did not operate as well. He said the SDSTA is looking at a replacement pump with a lower horsepower and trying to determine the correct configuration so the monthly cost is less than the present \$35,000 per month. In any event, it is in our best interest to lease rather than purchase the pumps.

Motion by Mr. Wheeler and second by Mr. Christen to accept the financial report as presented. By roll call vote, the motion passed unanimously.

ITEM 6. – REPORT FROM EXECUTIVE DIRECTOR

Mr. Headley extended his thanks to Legal Counsel Mr. Tim Engel and all others who played a role in a very successful legislative session this year. He noted SDSTA is another step closer in the process to establish a captive insurance company, and is pleased with the \$3.95 million approved for the Ross Shaft rehabilitation. Mr. Headley recognized Governor Dennis Daugaard, Bureau of Finance and Management (BFM) Commissioner Jason Dilges, leadership of the House and Senate, and local legislators for their efforts in securing this appropriation.

Mr. Headley reported the Sanford Laboratory's year-to-date safety performance is off to a great start and recognized EHS Director Mr. Noel A. Schroeder for his efforts in making this happen. There have been no recordable injuries for staff and researchers; there was one contractor recordable for an injury at the Sanford Lab Homestake Visitor Center (SLHVC) construction site.

Mr. Headley gave a brief overview of progress made by existing and future experiments. The MAJORANA DEMONSTRATOR (MJD) project has invested an incredible amount of effort assembling their detectors; data collection is expected no later than this summer. The Large Underground Xenon (LUX) experiment had collected about 90 days' data by the end of February since initiation of its 300-day run last October. LUX is presently working through some issues with its xenon circulation pumps as it continues to move forward. The Compact Accelerator System for Performing Astrophysical Research (CASPAR) project is poised to deploy this year. The contractor recently mobilized and both CASPAR and the Black Hills State University Underground Campus (BHUC) projects should be completed in August, with science installations scheduled for late 2015.

Sanford Laboratory averaged 40.3 trips underground per day on weekdays with science access. An additional 25 trips per day are expected due to CASPAR and BHUC construction. SDSTA staff are working on a plan to double the current 72 person head count in anticipation of the Long Baseline Neutrino Facility (LBNF) construction; installation of additional equipment in the refuge chamber and installation of a double decker cage in the Yates are being considered.

Mr. Headley announced the LUX-ZEPLIN (LZ) Dark Matter Experiment Critical Decision One (CD-1) review in Berkeley last week went very well. The LZ leadership team is mostly comprised of senior people from the LUX collaboration, including Dr. Murdock Gilchriese. DOE approval is expected in the near future; that approval is expected to include funds for early construction.

Mr. Headley said the pace of the LBNF is accelerating. The Long-Baseline Neutrino Experiment (LBNE) Collaboration officially dissolved in January. The experiment portion of the project formed a new collaboration named the Deep Underground Neutrino Experiment (DUNE), with leadership and spokespersons from Europe. The facility portion of the project will continue to be called LBNF. A CD-1 "Refresh" review on conceptual design will be held at Fermilab in July, and the CD-2/3a to establish the cost and schedule baseline for South Dakota-based work and cryogen system is expected this November. The Neutrino Cavity Advisory Board (NCAB) held a meeting at Sanford Laboratory earlier this week to review the geotechnical design for LBNF.

Mr. Headley reported that the Ross Shaft Refurbishment is nearly 50 percent complete, having advanced another 337 feet to 2483 total feet since the last meeting, despite the break in work resulting from the failure of the deep well pump. Mr. Headley recognized SDSTA staff for their efficiency and hard work in removing old material and debris, and putting in new bolting and lacing. Fermilab management onsite in mid-February were incredibly impressed with this effort.

Mr. Headley reported the initial 90 feet of the Yates Tunnel has been rehabilitated; the remaining 120 feet remains stable. While the cost exceeded initial estimates, installation of the 3-piece culvert assembly designed by True North Steel which is backfilled with light-weight concrete product requires significantly less time and is far superior to rock bolting and mesh installation. He said the SDSTA is working with the South Dakota School of Mines and Technology and True North to conduct additional research to determine how this process may be used in other areas.

Mr. Headley briefly discussed projected science laboratories for Generation 3 Dark Matter and Double Beta Decay experiments at the 4850L and the worldwide effort of science here today.

Mr. Headley advised that the Governor's Education and Outreach (E&O) Challenge goals had been exceeded for Year 1. Since June 2014, E&O has served 1,888 students, 364 educators and 3,040 community members. He said selections for this summer's Davis Bahcall scholars and six intern positions will be announced soon.

Mr. Headley announced that staffing changes to E&O were underway, transitioning leadership from current BHSU E&O Director Dr. Ben Sayler to Dr. June Apaza by July. Mr. Headley advised the

changes were made primarily to provide financial sustainability of the program into the future and provide a demonstrable effect on Science, Technology, Engineering and Mathematics (STEM) education throughout the state, citing Dr. Apaza's strong experience in developing curriculum. Dr. Sayler was commended for his efforts in establishing SDSTA's E&O program; his focus will now be concentrated on securing funding to expand and enhance the program. Mr. Headley said science curriculum kits would be developed and marketed to school districts across the state by July 1. Chairman Peterson suggested a less parochial approach, suggesting that reaching out beyond South Dakota borders would increase participation and funding. Mr. Wheeler noted that current staff has done an excellent job of reaching out with limited staff and has built a strong foundation upon which to build.

Dr. Heather Wilson joined the meeting by telephone at 10:08 AM.

Engineering Director Josh Willhite was introduced by Mr. Headley and provided updates on construction of the SLHVC and status of the CASPAR and BHUC. Mr. Willhite noted work on the Visitor Center is progressing on schedule, with a soft opening slated for June 1 and grand opening scheduled for June 30, 2015. He said exhibits are coming along; delivery of the final content package to the fabricator last week was a major milestone.

Mr. Willhite reported that Dean Kurtz Construction mobilized to begin work on CASPAR/BHUC last week. Construction is planned to be completed August 4.

Chairperson Peterson asked for a motion to accept the Executive Director's report.

Motion by Mr. Wheeler and second by Ms. Lebrun to accept the Executive Director's report. By roll call vote, the motion passed unanimously.

ITEM 7. – GILT EDGE AGREEMENT UPDATE

This item was removed from the Agenda.

ITEM 8. – 2015 LEGISLATIVE UPDATE

Mr. Engel stated several bills were monitored on behalf of the SDSTA. HB 1048 revises certain provisions regarding state hosting and employee reimbursement policies. The Board of Finance (BOF) will address additional reimbursement on a case-by-case basis, which may affect the board.

HB 1064 amends the State's conflict laws. All Authorities were specifically exempted; SDSTA has its own, more stringent policies.

HB 1091 requires the minutes of meetings of any state board or commission include a record of how each member voted for roll call votes; SDSTA already records "nay" roll call votes.

HB 1125 clarifies that the 24-hour notice of meeting requirement be continuous; again, SDSTA is already in compliance.

HB 1186 authorizing the \$3.95 million appropriation for rehabilitation of the Ross Shaft passed March 12; it contains an emergency clause stating funds are from the FY2015 budget. Mr. Engel thanked the Governor and his staff, Commissioner Dilges and the Bureau of Finance and Management (BFM) staff, the leadership of both houses, and the local delegation for their roles in securing this funding. He cited Rep. Fred Romkema, who serves on the Appropriations Committee, as an especially strong advocate.

Mr. Wheeler commended Mr. Engel on his excellent job working with the Legislature and the Governor's office, in addition to his exemplary work as our attorney. Chairperson Peterson reiterated Mr. Wheeler's comments.

ITEM 9. – CAPTIVE INSURANCE UPDATE

Mr. Engel noted that captive insurance has long been one of SDSTA's priorities and this year three bills were introduced, passed both houses, and signed into law. The first bill funds and creates an administrative mechanism for a property and casualty captive company to insure state-owned buildings.

He said the second bill more directly relates to the SDSTA as it provides the administrative mechanism to create a second liability captive of which SDSTA will become a member, and provides an appropriation to fund the initial capital for other members of the captive.

HB 1186 is the third bill; it allows the SDSTA to repurpose \$2.5 million of the \$10 million Indemnity Fund to provide the initial capital for the captive. The captive will issue a series of low deductible liability insurance policies, including Directors and Officers, Employment Practices and the General Liability required by the Property Donation Agreement (PDA). Homestake has agreed in principle to this proposal; the next step will be to negotiate changes to the PDA to accommodate the capitalization of the captive out of the Indemnification Fund.

This program will be a partnership among the SDSTA, both captives and the Office of Risk Management. The Office of Risk Management will administer the Captives. He said while the cost would not change for SDSTA in the short-term, it should be substantially lower in the long term. Eventually we hope to be able to use this captive to offer insurance to the individual members of our science collaborations.

Mr. Engel expressed the SDSTA's thanks to Lt. Governor Matt Michels for his initiative in getting the overall program in place. He explained that all Authorities in the Captive would have intergovernmental agreements or joint powers agreements, and anticipates a joint powers agreement establishing the structure and rules for how the Authorities will govern the Captives will be ready for approval within 90 – 120 days. A five person Board of Directors is envisioned, consisting of two members from the SDSTA, two from the other Authority members, and one from Office of Risk Management (ORM)/BFM.

Chairman Peterson asked whether SDSTA would recover the cost or provide coverage to collaborators gratis. Mr. Headley advised the cost would be recovered as part of the SDSTA overhead. When asked whether any of that money would go back to the Captive, Mr. Wheeler replied yes, it is hoped the Captive will retain that money in reserve and ultimately have a greater capacity to provide more coverage and/or higher limits.

ITEM 10. – SELECT NOMINATING COMMITTEE

Chairman Peterson advised the board that Dr. Ani Aprahamian and Vice Chairperson Dana Dykhouse had agreed to serve as the Nominating Committee. They will bring a slate of candidates to the June meeting for election of officers.

ITEM 11. – REVIEW OF SDSTA POLICIES

Mr. Headley noted that the new, updated and retired policies are part of the ongoing clean-up work of SDSTA policies and procedures; Mr. Engel has reviewed all. He expressed appreciation for the board's support of the personnel benefit policy change to provide affordable insurance premiums for families, which has been extremely well received.

New and Updated Policies recommended for approval:

- Manual Contents Page (*updated*)
- Section 3 Finance (*retitled title page*)
- Policy 3:1 Accounting and Audit Policy (*updated and incorporated policies 3:1:1, 3:1:2, 3:1:3, 3:1:4, 3:3, 3:18, 3:19 and 3:25*)

- Policy 3:2 Receiving State Contract Money and Reporting Bank Statement to the State Policy (*updated*)
- Policy 3:8 Salary and Hourly Payroll Policy (*retitled and incorporated policies 3:8:1, 3:10, 3:11 and 3:11:1*)
- Policy 3:20 Non-Reimbursement of Alcohol Policy (*retitled and updated*)
- Policy 3:22 Event Expenditure Policy (*retitled and incorporated policy 3:23*)
- Policy 3:24 Telephone Expenditure Policy (*retitled and incorporated policy 3:24:1*)
- Policy 3:26 Management and Control of Certain Funds Policy (*updated*)
- Policy 3:27 Conflict of Interest Policy (*updated “SDSTA” only*)
- Policy 3:29 Public Information Policy (*updated “SDSTA” only*)
- Policy 3:32 Federal Awards: Cost Principles for State & Local Governments Policy (*retitled and updated*)
- Policy 3:33 Personal Protective Equipment Reimbursement Policy (*updated “SDSTA” only*)
- Policy 4:1 Personnel Benefits Policy (*updated*)

Policies recommended for retirement:

- Policy 3:1:1 Interest Earned
- Policy 3:1:2 Capitalization Policy for Capital Assets
- Policy 3:1:3 Use of Net Assets
- Policy 3:1:4 Definition of Operating Revenues and Expenses
- Policy 3:3 Petty Cash
- Policy 3:4 Invoice and Receipt Policy
- Policy 3:5 Check Writing and ACH Transfer
- Policy 3:5:1 Check and Cash Deposits
- Policy 3:6 Vendor ACH
- Policy 3:7 Monthly Account Reconciliation
- Policy 3.8.1 Overtime Pay
- Policy 3:9 Quarterly and Yearly Employer Tax Report (new Procedure 3:8B; retire policy)
- Policy 3:10 Effort Report
- Policy 3:11 Time Sheet – Hourly Employees
- Policy 3:11:1 Inconvenience – Call-Out Pay
- Policy 3:18 Credit Card Use
- Policy 3:19 Reimbursement and Incidental-Related Expenses
- Policy 3:23 Event and Record Keeping
- Policy 3:24:1 Cell Phone
- Policy 3:25 Fixed Asset Inventory

Chairperson Peterson asked if there were any questions or comments. There were none.

Motion by Mr. Wheeler and second by Mr. Christen to approve the above new, updated and retired policies as presented. By roll call vote, the motion passed unanimously.

ITEM 12. – EXECUTIVE SESSION

Motion by Mr. Wheeler and second by Ms. Lebrun to enter into executive session to consult with legal counsel concerning legal and contractual matters. By roll call vote, the motion passed unanimously.

The board recessed at 10:52 AM for Executive Session and reconvened at 11:43 AM.

ITEM 13. – REPORT FROM EXECUTIVE SESSION

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

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

ITEM 14. – DISCUSS DATE AND TIME OF NEXT MEETING

Chairperson Peterson confirmed the next board meeting would be held on Tuesday, June 30, 2015, at 8:30 AM, followed by the Sanford Lab Homestake Visitor Center Grand Opening at 11:00 AM.

ITEM 15. – BOARD COMMENTS

Ms. Lebrun commented this had been an interesting meeting. She said she prefers attending in person rather than via technology, however, and looks forward to seeing everyone at the next meeting.

Mr. Christen noted he was very encouraged with the progress being made with Fermilab and the new experiments. He was especially pleased by our success in the Legislature this year.

Dr. Wilson reminded everyone of the jointly-sponsored Underground Science Conference to be hosted at SDSM&T May 18-19 with the goal of involving more South Dakota and regional faculty and staff in actual research. She invited board members and staff to attend the reception at the President's residence May 17. Organizers hope to hold conferences every two years and extend participation to regional states. Chairman Peterson thanked Dr. Wilson for her leadership in making this conference a reality.

Mr. Wheeler noted Sanford Laboratory's future is more positive than it's ever been. He complimented Mr. Engel on his work at the Legislature and Mr. Headley on his excellent work at the lab and at the Legislative Session. Mr. Wheeler said he looks forward to the opening of the Visitor Center.

Mr. Headley thanked User Support Office Manager Ms. Mandy Knight and Contract Specialist Ms. Lea Mathis for their support of the board meeting. He noted there are many chances to drop the ball with everything that is going on, but the team is doing a great job of supporting one another and keeping everything moving forward. He said he shares the board's optimism and thanked members for their support.

Mr. Engel expressed his appreciation of the board's kind words. He noted the project has a tremendous amount of support from the Governor and his staff, from Commissioner Dilges and his staff, and on both sides of aisle. Everyone wants to see Sanford Laboratory succeed.

Chairman Peterson extended his thanks to the SDSTA team and all those who made the 2015 Legislative Session a success. He observed the money situation looks very positive and is much more comfortable than it was a year ago. He said it is exciting to have the resources for the job. Chairman Peterson is very pleased with how everyone pulls together to keep the ball moving forward, whether it's Pierre, DOE, Rapid City, or Lead. He added that it's a lot of fun to be a part of such a comprehensive effort.

ITEM 16. – ADJOURN

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

Motion by Mr. Wheeler and second by Ms. Lebrun to adjourn. By roll call vote, the motion passed unanimously.

Meeting adjourned at 11:52 AM.

South Dakota Science and Technology Authority Board of Directors
Meeting Minutes
Monday, May 11, 2015
Lead, South Dakota

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 10:01 AM Mountain Time (MT) on Monday, May 11, 2015 via teleconference. Listening posts for the public were established at the office of the South Dakota Science and Technology Authority, 630 East 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

Mr. Paul Christen
Mr. Dana Dykhouse
Ms. Pat Lebrun
Vice Chairperson Ron Wheeler

MEMBERS OF THE BOARD NOT IN ATTENDANCE

Mr. Thomas Adam
Dr. Ani Aprahamian
Chairperson Casey Peterson
Dr. Heather Wilson

SDSTA STAFF

Mr. Tim Engel, Legal Counsel (by telephone)
Ms. Nancy Geary, Chief Financial Officer
Mr. Mike Headley, Executive Director
Ms. Mandy Knight, User Support Office Manager
Ms. Leatta Mathis, Contracts Specialist

ITEM 1. – CALL TO ORDER

Vice Chairperson Ron Wheeler called the meeting to order at 10:01 AM (MT). Roll call was held. A quorum of members was present by telephone and included Mr. Christen, Mr. Dykhouse, Ms. Lebrun, and Vice Chairperson Wheeler. There was no response from the Pierre listening post.

ITEM 2. – APPROVE AGENDA

Vice Chairperson Wheeler asked for a motion to approve the agenda.

Motion by Mr. Christen and second by Ms. Lebrun to approve the agenda. By roll call vote, the motion passed unanimously.

ITEM 3. – CAPTIVE INSURANCE DISCUSSION AND APPROVAL OF JOINT POWERS AGREEMENT AND SDSTA MEMBERS TO CAPTIVE BOARD

SDSTA Legal Counsel Mr. Tim Engel updated members on the Joint Power Agreement (JPA) and the status of the Captive Insurance project.

Mr. Engel conveyed the captive insurance project is progressing very well and several issues have been addressed. As of last Friday, the extension of the coverage period for the existing SDSTA commercial general liability policy challenge appears nearly resolved. Coverage will be extended until the Captive policy is issued, with no cancellation charge and, hopefully, no increase in premium. The project

remains on target for applications to be submitted to the South Dakota Division of Insurance in late July, with approval anticipated by Labor Day. The Captive policies would be issued shortly thereafter.

Mr. Engel explained the JPA, sometimes referred to as an intergovernmental agreement, states that the South Dakota Bureau of Administration (BOA), South Dakota Science and Technology Authority (SDSTA), South Dakota Building Authority (SDBA), South Dakota Health and Educational Facilities Authority (HEFA), Educational Enhancement Funding Corporation (EEFC), South Dakota Housing Development Authority (SDHDA), and South Dakota Ellsworth Development Authority (SDEDA) agree to form a Captive Insurance Company and that certain formation and administrative services will be provided by the BOA. The BOA is the parent entity of the Office of Risk Management (ORM), which serves as the Authorities' partner in this project. The Bureau of Finance and Management will provide accounting services and the Department of Legislative Audit will serve as the auditor. Mr. Engel stressed that the JPA is the agreement to form the limited liability company (LLC) that will be governed by a board of managers; the documentation establishing the LLC is still in process.

The Captive will establish two cells. Cell One will provide coverages for the SDSTA and anticipates funding from repurposing \$2.5 million of the existing \$10 million indemnification fund. Cell Two will provide coverages for the other five Authorities, with a \$2 million Legislative appropriation to the BOA as its funding source.

Mr. Engel reported on recent communications with Homestake/Barrick about the proposed amendment to the Property Donation Agreement (PDA), which would allow the Captive to provide some of the coverage required by the PDA and repurpose the \$2.5 million from the indemnification fund.

Vice Chairperson Wheeler thanked Mr. Engel for the status report on the Captive Insurance Project and overview of the JPA. Hearing no further questions, he requested a motion to authorize signing the Joint Powers Agreement between the Authorities and to select two representatives to serve on the Captive Board.

Motion by Mr. Dykhouse and second by Mr. Christen to authorize SDSTA Chairperson Casey Peterson or Executive Director Mike Headley to sign the Joint Powers Agreement and to name SDSTA Vice Chairperson Ron Wheeler and Mike Headley to the Captive Board. By roll call vote, the motion passed unanimously.

ITEM 4. – EXECUTIVE SESSION

Motion by Ms. Lebrun and second by Mr. Christen to enter into executive session to discuss personnel matters and to consult with legal counsel concerning contractual matters. By roll call vote, the motion passed unanimously.

The board recessed at 10:14 AM for Executive Session and reconvened at 10:33 AM.

ITEM 5. – REPORT FROM EXECUTIVE SESSION

Vice Chairperson Wheeler reported that the board discussed personnel matters and consulted with legal counsel concerning contractual matters. He relayed that the updated Long Baseline Neutrino Facility (LBNF) management structure was discussed as it relates to SDSTA personnel. No action was taken.

Motion by Mr. Christen and second by Mr. Dykhouse to approve the executive session report. By roll call vote, the motion passed unanimously.

ITEM 6. – CONSIDERATION OF UPDATED LONG BASELINE NEUTRINO FACILITY (LBNF) MANAGEMENT STRUCTURE

Vice Chairperson Wheeler explained the updated LBNF management structure is a shared employment arrangement wherein Mr. Headley will continue as the SDSTA Executive Director while contracting

with Fermilab to serve as the Far Site Manager for the LBNF. The board's concerns with this dual role center on potential conflict of interest issues and avoiding any perception that the Sanford Underground Research Facility (SURF) would not be available to projects other than LBNF. Concerns will be mitigated by preparation of a Conflict of Interest document outlining how contractual actions between SDSTA and Fermilab will be conducted and by hiring a Laboratory Director to oversee day-to-day operation. The Laboratory Director position will report to the Executive Director and to the SDSTA Board of Directors.

Motion by Ms. Lebrun and second by Mr. Dykhouse to approve the updated LBNF management structure as presented wherein Executive Director Mike Headley remains an SDSTA employee while contracting with Fermilab to serve as Far Site Manager for the LBNF, and the SDSTA hires a Laboratory Director to oversee Sanford Laboratory's day-to-day operations. By roll call vote, the motion passed unanimously.

ITEM 7. – BOARD COMMENTS

Mr. Christen said he would see everyone on June 30 and looked forward to attending the Grand Opening of the new Sanford Lab Homestake Visitor Center. Vice Chairperson Wheeler reiterated that it would be a very big day.

ITEM 8. – ADJOURN

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

Motion by Mr. Dykhouse and second by Mr. Christen to adjourn. Motion by roll call passed unanimously.

Meeting adjourned at 10:39 AM.

Audit Committee Chairperson Ms. Pat Lebrun

Audit Committee

A. Audit Committee Report - Ms. Pat Lebrun

SDSTA Audit Committee Meeting

May 18, 2015 8:00 AM (MT)

Participants:

Ms. Pat Lebrun, SDSTA Board of Director and Audit Committee Chair

Mr. Paul Christen, SDSTA Board of Director

Ms. Nancy Geary, SDSTA Chief Financial Officer

A close out audit teleconference was held today with discussions on the following:

1. The Audit Committee Charter was reviewed by all prior to the meeting. Ms. Lebrun and Mr. Christen both agreed that there were no updates to the Charter.

B. Annual Appointment of Audit Committee – Chairperson Peterson

Recommended Action:

Motion to accept Audit Committee report.

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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.

Financial Report – Mr. Mike Headley

Financial Report

- 5A. Financial Statements - Attached is the SDSTA Financial Summary as of May 31, 2015. (This is a duplicate of the summary found under Agenda Item #6 SDSTA May Monthly Report in the e-Board Packet.)
- 5B. FY2016 Budget – Attached.

Recommended Action:

Motion to accept the Financial Report as presented. Motion to approve FY2016 budget as presented.

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DIVISION: ALL

BALANCE SHEET

ASSETS

AS OF
05/31/15

CURRENT ASSETS		
First Interstate Checking	\$	716,436.72
First Interstate Other		57,888.45

Total in Local Checking		774,325.17
SD Treas: Indemnification		10,000,000.00
SD Treas: Mine Closure		1,362,763.38
SD Treas: Operating		648,578.00
SD Treas: Sanford		3,136,756.48
SD Treas: Sanford Gift #2		4,660,912.00
SD Treas: SB196 Transfer		3,950,000.00

Total with SD Treasurer		23,759,009.86
Billed A/R		2,760,154.97
Unbilled A/R		(5.79)
Other A/R		382,918.71
Inventory - Supplies		2,551,692.22
Inventory - Warehouse		369,788.53
Other Current Assets		185,218.46

Total Current Assets		30,783,102.13
FIXED ASSETS		
Land, Underground & Other		12,353,375.03
Bldgs & Infrastructure		8,881,327.62
Improvements		49,274,276.00
Computer Equipment		362,464.95
Equipment & Fixtures		9,468,941.64
Accum Depr & Amort		(8,842,572.65)

Total Fixed Assets		71,497,812.59
OTHER ASSETS		
Work in Process		9,511,731.54
Equipment - Capital Lease		535,984.64

Total Other Assets		10,047,716.18
TOTAL ASSETS		=====
	\$	112,328,630.90
		=====

DIVISION: ALL

BALANCE SHEET

LIABILITIES & EQUITY

	AS OF
	05/31/15

CURRENT LIABILITIES	
Accounts Payable	\$ 2,783,788.99
Other Payables	11,662.15

Total Accounts Payable	2,795,451.14
Accrued Payroll Liab	721,647.95

Total Current Liabilities	3,517,099.09
OTHER LIABILITIES	
LT Accrued EB/Lease	535,984.64

Total Other Liabilities	535,984.64
STOCKHOLDER'S EQUITY	
Restricted: Indemnificati	10,000,000.00
Restricted: Sanford I.Lab	7,086,756.48
Restricted: Mine Closure	1,362,763.38
Restricted: Sanford Gift2	4,660,912.00

Total Restricted Funds	23,110,431.86
Investment in Gen FA	71,497,812.59
Unrestricted Funds	13,667,302.72

Total Equity	108,275,547.17
	=====
TOTAL LIABILITIES & EQUITY	\$ 112,328,630.90
	=====

ALL

STATEMENT OF INCOME

FOR THE PERIOD ENDING 05/31/15

	YR-TO-DATE

REVENUE	
DOE Subcontracts	\$ 16,142,363.59
NSF Subcontracts	25,156.88
State Revenue	6,445,047.99
Contributions & Donations	595,000.00
Checking Interest	75.60
Interest Income	175,768.73

TOTAL REVENUE	23,383,412.79
DIRECT COSTS	
Direct Labor	6,640,436.05
ERT Labor	34,316.94
Board of Directors	11,451.39
Capital Outlay >\$5K	31,289.00
Contractual Svcs	4,218,379.97
Emergency Resp	2,346.49
Inventory	336,779.91
Supplies	634,682.49
Travel - Domestic	73,386.66
Travel - Foreign	24,216.81
Utilities	1,839,723.54
Other Direct Costs	184,336.89
Unallow/Unbill Costs	369,722.04

TOTAL DIRECT COSTS	14,401,068.18
INDIRECT COSTS	
Fringe Benefits	3,092,182.59
Overhead	3,472,786.36

TOTAL INCIRECT COSTS	6,564,968.95

GROSS PROFIT FROM OPERATIONS	2,417,375.66

OTHER INCOME	
Water Treatment	171,628.18
Miscellaneous Income	83,152.70
Other Operating Income	965.00

TOTAL OTHER INCOME	255,745.88
OTHER EXPENSES	
Loss(Gain) on Sale of FA	2,382.14
Reclass Incr Net Assets	(1,297,440.86)

TOTAL OTHER EXPENSES	(1,295,058.72)

NET INCOME/LOSS <>	\$ 3,968,180.26
	=====

DIVISION: ALL

COMPARATIVE BALANCE SHEET

ASSETS

	AS OF 05/31/15	AS OF 05/31/14	\$ CHANGE	% CHANGE
CURRENT ASSETS				
First Interstate Checking	\$ 716,436.72	\$ 524,811.53	\$ 191,625.19	36.51%
First Interstate Other	57,888.45	58,081.62	(193.17)	-0.33%
	-----	-----	-----	-----
Total in Local Checking	774,325.17	582,893.15	191,432.02	32.84%
SD Treas: Indemnification	10,000,000.00	10,000,000.00	-	0.00%
SD Treas: Mine Closure	1,362,763.38	1,349,275.35	13,488.03	100.00%
SD Treas: Operating	648,578.00	-	648,578.00	100.00%
SD Treas: Sanford	3,136,756.48	2,843,598.40	293,158.08	10.31%
SD Treas: Sanford Gift #2	4,660,912.00	15,267,880.00	(10,606,968.00)	-69.47%
SD Treas: SB196 Transfer	3,950,000.00	-	3,950,000.00	100.00%
	-----	-----	-----	-----
Total with SD Treasurer	23,759,009.86	29,460,753.75	(5,701,743.89)	-19.35%
Billed A/R	2,760,154.97	2,030,441.73	729,713.24	35.94%
Unbilled A/R	(5.79)	2,154.17	(2,159.96)	-100.27%
Other A/R	382,918.71	306,187.47	76,731.24	25.06%
Inventory - Supplies	2,551,692.22	2,702,464.79	(150,772.57)	-5.58%
Inventory - Warehouse	369,788.53	375,819.08	(6,030.55)	-1.60%
Other Current Assets	185,218.46	342,582.30	(157,363.84)	-45.93%
	-----	-----	-----	-----
Total Current Assets	30,783,102.13	35,803,296.44	(5,020,194.31)	-14.02%
FIXED ASSETS				
Land, Underground & Other	12,353,375.03	12,353,375.03	-	0.00%
Bldgs & Infrastructure	8,881,327.62	8,881,327.62	-	0.00%
Improvements	49,274,276.00	43,535,690.13	5,738,585.87	13.18%
Computer Equipment	362,464.95	362,464.95	-	0.00%
Equipment & Fixtures	9,468,941.64	8,699,310.03	769,631.61	8.85%
Accum Depr & Amort	(8,842,572.65)	(7,173,619.84)	(1,668,952.81)	23.27%
	-----	-----	-----	-----
Total Fixed Assets	71,497,812.59	66,658,547.92	4,839,264.67	7.26%
OTHER ASSETS				
Work in Process	9,511,731.54	5,393,544.40	4,118,187.14	76.35%
Equipment - Capital Lease	535,984.64	649,975.22	(113,990.58)	-17.54%
	-----	-----	-----	-----
Total Other Assets	10,047,716.18	6,043,519.62	4,004,196.56	66.26%
	=====	=====	=====	=====
TOTAL ASSETS	\$ 112,328,630.90	\$ 108,505,363.98	\$ 3,823,266.92	3.52%
	=====	=====	=====	=====

DIVISION: ALL

COMPARATIVE BALANCE SHEET

LIABILITIES & EQUITY

	AS OF 05/31/15	AS OF 05/31/14	\$ CHANGE	% CHANGE
CURRENT LIABILITIES				
Accounts Payable	\$ 2,783,788.99	\$ 1,502,072.22	\$ 1,281,716.77	85.33%
Other Payables	11,662.15	10,027.86	1,634.29	16.30%
	-----	-----	-----	-----
Total Accounts Payable	2,795,451.14	1,512,100.08	1,283,351.06	84.87%
Accrued Payroll Liab	721,647.95	664,261.94	57,386.01	8.64%
	-----	-----	-----	-----
Total Current Liabilities	3,517,099.09	2,176,362.02	1,340,737.07	61.60%
OTHER LIABILITIES				
LT Accrued EB/Lease	535,984.64	649,975.22	(113,990.58)	-17.54%
	-----	-----	-----	-----
Total Other Liabilities	535,984.64	649,975.22	(113,990.58)	-17.54%
	-----	-----	-----	-----
TOTAL LIABILITIES	4,053,083.73	2,826,337.24	1,226,746.49	43.40%
STOCKHOLDER'S EQUITY				
Restricted: Indemnificati	10,000,000.00	10,000,000.00	-	0.00%
Restricted: Sanford I.Lab	7,086,756.48	2,843,598.40	4,243,158.08	149.22%
Restricted: Mine Closure	1,362,763.38	1,349,275.35	13,488.03	1.00%
Restricted: Sanford Gift2	4,660,912.00	15,267,880.00	(10,606,968.00)	-69.47%
	-----	-----	-----	-----
Total Restricted Funds	23,110,431.86	29,460,753.75	(6,350,321.89)	-21.56%
Investment in Gen FA	71,497,812.59	66,658,547.92	4,839,264.67	7.26%
Unrestricted Funds	13,667,302.72	9,559,725.07	4,107,577.65	42.97%
	-----	-----	-----	-----
TOTAL EQUITY	108,275,547.17	105,679,026.74	2,596,520.43	2.46%
	=====	=====	=====	=====
TOTAL LIABILITIES & EQUITY	\$ 112,328,630.90	\$ 108,505,363.98	\$ 3,823,266.92	3.52%
	=====	=====	=====	=====

DIVISION: ALL

COMPARATIVE STATEMENT OF INCOME

FOR THE PERIOD ENDING 05/31/15

	YEAR TO DATE	PRIOR YEAR TO DATE	\$ CHANGE	% CHANGE
REVENUE				
DOE Subcontracts	\$ 16,142,363.59	\$ 14,448,974.00	\$ 1,693,389.59	11.72%
NSF Subcontracts	25,156.88	209,562.97	(184,406.09)	-88.00%
State Revenue	6,445,047.99	2,003,155.59	4,441,892.40	221.74%
Contributions & Donations	595,000.00	30,000.00	565,000.00	1883.33%
Checking Interest	75.60	62.08	13.52	21.78%
Interest Income	175,768.73	233,523.62	(57,754.89)	-24.73%
TOTAL REVENUE	23,383,412.79	16,925,278.26	6,458,134.53	38.16%
DIRECT COSTS				
Direct Labor	6,640,436.05	6,537,946.55	102,489.50	1.57%
ERT Labor	34,316.94	28,123.50	6,193.44	22.02%
Board of Directors	11,451.39	5,673.39	5,778.00	101.84%
Capital Outlay >\$5K	31,289.00	444,239.09	(412,950.09)	-92.96%
Contractual Svcs	4,218,379.97	2,269,385.99	1,948,993.98	85.88%
Emergency Resp	2,346.49	36,498.25	(34,151.76)	-93.57%
Inventory	336,779.91	299,387.58	37,392.33	12.49%
Supplies	634,682.49	851,650.60	(216,968.11)	-25.48%
Travel - Domestic	73,386.66	49,453.14	23,933.52	48.40%
Travel - Foreign	24,216.81	10,659.91	13,556.90	127.18%
Utilities	1,839,723.54	1,654,801.08	184,922.46	11.17%
Other Direct Costs	184,336.89	264,416.09	(80,079.20)	-30.29%
Unallow/Unbill Costs	369,722.04	305,852.15	63,869.89	20.88%
TOTAL DIRECT COSTS	14,401,068.18	12,758,087.32	1,642,980.86	12.88%
INDIRECT COSTS				
Fringe Benefits	3,092,182.59	2,910,217.54	181,965.05	6.25%
Overhead	3,472,786.36	3,129,235.51	343,550.85	10.98%
TOTAL INDIRECT COSTS	6,564,968.95	6,039,453.05	525,515.90	8.70%
GROSS PROFIT	2,417,375.66	(1,872,262.11)	4,289,637.77	229.12%
OTHER INCOME				
Water Treatment	171,628.18	150,092.08	21,536.10	14.35%
Miscellaneous Income	83,152.70	93,549.63	(10,396.93)	-11.11%
Other Operating Income	965.00	-	965.00	100.00%
TOTAL OTHER INCOME	255,745.88	243,641.71	12,104.17	4.97%
OTHER EXPENSES				
Loss(Gain) on Sale of FA	2,382.14	3,989.67	(1,607.53)	-40.29%
Reclass Incr Net Assets	(1,297,440.86)	(1,336,410.66)	38,969.80	-2.92%
TOTAL OTHER EXPENSES	(1,295,058.72)	(1,332,420.99)	37,362.27	-2.80%
NET INCOME/LOSS <>	\$ 3,968,180.26	\$ (296,199.41)	4,264,379.67	1439.70%

South Dakota Science & Technology Authority
Available Cash
5/31/2015

Cash Total Checking/Savings	\$ 774,325.00
Cash With State Treasurer	<u>\$ 23,759,010.00</u>
Total Cash	\$ 24,533,335.00
Less: Restricted Funds	
Indemnification & Mine Closure	<u>\$ (11,362,763.00)</u>
Total Cash (Not Restricted)	\$ 13,170,572.00
Less: Total Liabilities	<u>\$ (4,053,084.00)</u>
Available Cash	<u><u>\$ 9,117,488.00</u></u>

SDSTA Operating Budget Summary FY14/15
Actual vs Budget
May 2015 & YTD

	\$ Over/Under				\$ Over/Under				
	May 2015	Budget	Budget	% of Budget	Actual YTD	YTD Budget	Budget	% of Budget	% Remaining
									100%
SDSTA (Authority) Direct Charges									
Board of Directors	\$21,183.00	\$19,184.00	-\$1,999.00	110.42%	\$207,752.00	\$211,024.00	\$3,272.00	98.45%	1.55%
Executive Office	\$22,347.00	\$17,397.00	-\$4,950.00	128.45%	\$258,320.00	\$233,863.00	-\$24,457.00	110.46%	-10.46%
Communications	\$19,889.00	\$13,434.00	-\$6,455.00	148.05%	\$144,804.00	\$151,080.00	\$6,276.00	95.85%	4.15%
Science Center E & O	\$8,488.00	\$8,809.00	\$321.00	96.36%	\$22,269.00	\$22,590.00	\$321.00	98.58%	1.42%
Science Liaison	\$689.00	\$2,033.00	\$1,344.00	33.89%	\$10,350.00	\$22,347.00	\$11,997.00	46.31%	53.69%
Sanf.L. Visitor C. (Director)	\$4,959.00	\$0.00	-\$4,959.00	100.0%	\$8,185.00	\$0.00	-\$8,185.00	100.00%	0.00%
Subtotal	\$77,555.00	\$60,857.00	-\$16,698.00	127.44%	\$651,680.00	\$640,904.00	-\$10,776.00	101.68%	-1.68%
Federal/State Funding - Direct Charges									
Fermi P.O. #609755 NEPA	\$6,559.00	\$8,300.00	\$1,741.00	79.02%	\$67,263.00	\$81,079.00	\$13,816.00	82.96%	17.04%
Fermi P.O. #610998HDR	\$0.00	\$0.00	\$0.00	0.0%	\$358.00	\$370.00	\$12.00	96.76%	3.24%
Fermi P.O. #613525 Staff Services	\$0.00	\$0.00	\$0.00	0.0%	\$103,050.00	\$103,054.00	\$4.00	100.00%	0.00%
Fermi P.O. #614807 Ph2 Geotech	\$0.00	\$0.00	\$0.00	0.0%	\$295,503.00	\$480,893.00	\$185,390.00	61.45%	38.55%
Fermi P.O.#618228 Staff Services	\$61,876.00	\$50,185.00	-\$11,691.00	123.3%	\$245,049.00	\$181,961.00	-\$63,088.00	134.67%	-34.67%
Fermi P.O.#618743LBNOIntern.	\$0.00	\$0.00	\$0.00	0.0%	\$43,900.00	\$50,560.00	\$6,660.00	86.83%	13.17%
Fermi P.O.#618741 Excav.Des.	\$233,818.00	\$250,000.00	\$16,182.00	93.53%	\$1,121,948.00	\$1,329,950.00	\$208,002.00	84.36%	15.64%
Fermi P.O.#620223 Building/Infra.	\$352,359.00	\$400,000.00	\$47,641.00	88.09%	\$1,116,816.00	\$1,268,836.00	\$152,020.00	88.02%	11.98%
LBNL LUX C#6973786	\$13,805.00	\$13,390.00	-\$415.00	103.10%	\$132,257.00	\$153,755.00	\$21,498.00	86.02%	13.98%
LBNL Operations C#6994297	\$1,228,989.00	\$900,314.00	-\$328,675.00	136.51%	\$10,010,119.00	\$10,402,503.00	\$392,384.00	96.23%	3.77%
LBNL LUX/Zeplin C#7093667	\$24,106.00	\$14,058.00	-\$10,048.00	171.48%	\$156,168.00	\$168,059.00	\$11,891.00	92.92%	7.08%
MJD (Majorana) # 5-4473	\$1,822.00	\$2,000.00	\$178.00	91.1%	\$19,954.00	\$20,000.00	\$46.00	99.77%	0.23%
CWR P.O. #228814 G2LZ	\$0.00	\$0.00	\$0.00	0.0%	\$956.00	\$1,100.00	\$144.00	86.91%	13.09%
CUBED - USD	\$430.00	\$500.00	\$70.00	86.0%	\$3,107.00	\$5,500.00	\$2,393.00	56.49%	43.51%
Sanf.Sci.Ed.Center - GOED Funded	\$38,798.00	\$25,000.00	-\$13,798.00	155.19%	\$260,905.00	\$275,000.00	\$14,095.00	94.87%	5.13%
U. of Minn. DUGL#A003778902	\$327.00	\$1,000.00	\$673.00	32.7%	\$19,170.00	\$48,500.00	\$29,330.00	39.53%	60.47%
* Xilinx, Inc. P.O.#729923	\$291.00	\$500.00	\$209.00	58.2%	\$759.00	\$1,715.00	\$956.00	44.26%	55.74%
Subtotal	\$1,963,180.00	\$1,665,247.00	-\$297,933.00	117.89%	\$13,597,282.00	\$14,572,835.00	\$975,553.00	93.31%	6.69%
Indirect Expenses									
Indirect Charges Personnel	\$105,012.00	\$83,569.00	-\$21,443.00	125.66%	\$997,016.00	\$1,033,449.00	\$36,433.00	96.47%	3.53%
Indirect Charges Other	\$258,947.00	\$225,946.00	-\$33,001.00	114.61%	\$2,673,209.00	\$2,655,945.00	-\$17,264.00	100.65%	-0.65%
Subtotal	\$363,959.00	\$309,515.00	-\$54,444.00	117.59%	\$3,670,225.00	\$3,689,394.00	\$19,169.00	99.48%	0.52%
Totals	\$2,404,694.00	\$2,035,619.00	-\$369,075.00	118.13%	\$17,919,187.00	\$18,903,133.00	\$983,946.00	94.79%	5.21%

* Private Corporation (Commercial Group)

SDSTA CAPEX Budget Summary FY14/15
Actual vs Budget
May 2015 & YTD

<u>Budget Area</u>	<u>Actual Month</u>	<u>FY2015 Monthly Budget</u>	<u>\$ Over/Under Budget</u>	<u>% of Budget</u>	<u>Actual YTD</u>	<u>FY2015 YTD Budget</u>	<u>\$ Over/Under Budget</u>	<u>% of Budget</u>	<u>% Remaining</u>
									100.00%
Operational CAPEX	\$ 1,845,587.65	\$ 1,418,567.00	\$ (427,020.65)	130.10%	\$ 12,536,293.71	\$ 18,566,715.00	\$ 6,030,421.29	67.52%	32.48%
TOTAL CAPEX	<u>\$ 1,845,587.65</u>	<u>\$ 1,418,567.00</u>	<u>\$ (427,020.65)</u>	<u>130.10%</u>	<u>\$ 12,536,293.71</u>	<u>\$ 18,566,715.00</u>	<u>\$ 6,030,421.29</u>	<u>67.52%</u>	<u>32.48%</u>

SD Science & Technology Authority
Operational CAPEX Budget
Monthly Actual vs Budget

Project #	Project Description	May-15	Budget	\$ Over/UnderBudget	% of Budget
CAP2012-13	Water/Hazard Mitigation Work	\$ -	\$ -	\$ -	0.00%
CAP2012-27	Ross Shaft Furnishings Repl.M&S	\$ 246,153.53	\$ 237,499.00	\$ (8,654.53)	103.64%
CAP2012-28	Work Decks	\$ 3,881.45	\$ 5,000.00	\$ 1,118.55	77.63%
CAP2012-32	SDSTA Personnel	\$ 280,715.81	\$ 240,955.00	\$ (39,760.81)	116.50%
CAP2013-06	Yates Shaft Improvements	\$ -	\$ -	\$ -	0.00%
CAP2014-01	Sanford Visitor Center Design & Construction	\$ 675,099.75	\$ 373,363.00	\$ (301,736.75)	180.82%
CAP2014-02	Xenon Gas	\$ -	\$ -	\$ -	0.00%
CAP2014-04	Surface Lab Roof	\$ -	\$ -	\$ -	0.00%
CAP2014-05	CASPAR Experiment Development	\$ 89,790.85	\$ 90,000.00	\$ 209.15	99.77%
CAP2014-06	BHSU Jonas Science Building Renovation	\$ 155,737.89	\$ 200,000.00	\$ 44,262.11	77.87%
CAP2014-07	Davis Campus HVAC Augment System	\$ -	\$ -	\$ -	0.00%
CAP2014-09	CASPAR Facility Development	\$ 349,362.37	\$ 221,750.00	\$ (127,612.37)	157.55%
CAP2014-11	BHSU Facility Development	\$ 44,846.00	\$ 50,000.00	\$ 5,154.00	89.69%
CAP2015-01	WTP Tank & Install	\$ -	\$ -	\$ -	0.00%
CAP2015-02	Yates Tunnel Hazard Mitigation	\$ -	\$ -	\$ -	0.00%
CAP2015-03	Yates/Ross Hoist Bldg. Masonry	\$ -	\$ -	\$ -	0.00%
CAP2015-04	Ellison Real Estate Option	\$ -	\$ -	\$ -	0.00%
	Monthly Totals	\$ 1,845,587.65	\$ 1,418,567.00	\$ (427,020.65)	130.10%

SD Science & Technology Authority
Operational CAPEX Budget
YTD FY2015 Actual vs Budget

Project #	Project Description	Apr. YTD FY2015	FY2015 Budget	\$ Over/UnderBudget	% of Budget	% Remaining
						100%
CAP2012-13	Water/Hazard Mitigation Work	\$3,199.50	\$ 113,643.00	\$ 110,443.50	2.82%	97.18%
CAP2012-27	Ross Shaft Furnishings Repl.M&S	\$2,393,990.78	\$ 4,643,148.00	\$ 2,249,157.22	51.56%	48.44%
CAP2012-28	Work Decks	\$26,876.73	\$ 45,000.00	\$ 18,123.27	59.73%	40.27%
CAP2012-32	SDSTA Personnel	\$1,997,596.97	\$ 2,231,015.00	\$ 233,418.03	89.54%	10.46%
CAP2013-06	Yates Shaft Improvements	\$30,548.66	\$ 300,000.00	\$ 269,451.34	10.18%	89.82%
CAP2014-01	Sanford Visitor Center Design & Construction	\$3,913,372.22	\$ 4,437,425.00	\$ 524,052.78	88.19%	11.81%
CAP2014-02	Xenon Gas	\$6,750.00	\$ 67,145.00	\$ 60,395.00	10.05%	89.95%
CAP2014-04	Surface Lab Roof	\$44,839.26	\$ 44,785.00	\$ (54.26)	100.12%	-0.12%
CAP2014-05	CASPAR Experiment Development	\$613,623.72	\$ 969,766.00	\$ 356,142.28	63.28%	36.72%
CAP2014-06	BHSU Jonas Science Building Renovation	\$1,223,694.33	\$ 2,500,000.00	\$ 1,276,305.67	48.95%	51.05%
CAP2014-07	Davis Campus HVAC Augment System	\$10,776.50	\$ 280.00	\$ (10,496.50)	3848.75%	-3748.75%
CAP2014-09	CASPAR Facility Development	\$1,459,181.96	\$ 2,178,308.00	\$ 719,126.04	66.99%	33.01%
CAP2014-11	BHSU Facility Development	\$416,540.68	\$ 700,000.00	\$ 283,459.32	59.51%	40.49%
CAP2015-01	WTP Tank & Install	\$110,167.43	\$ 97,000.00	\$ (13,167.43)	113.57%	-13.57%
CAP2015-02	Yates Tunnel Hazard Mitigation	\$160,674.97	\$ 100,000.00	\$ (60,674.97)	160.67%	-60.67%
CAP2015-03	Yates/Ross Hoist Bldg. Masonry	\$94,200.00	\$ 94,200.00	\$ -	100.00%	0.00%
CAP2015-04	Ellison Real Estate Option	\$30,260.00	\$ 45,000.00	\$ 14,740.00	67.24%	32.76%
	Totals	\$12,536,293.71	\$ 18,566,715.00	\$ 6,030,421.29	67.52%	32.48%

BHSU Pledged Contribution
(added \$200,000 to budget - CAP2014-11)
(\$500,000 SDSTA + \$200,000 BHSU)

Financial Report Continuation– Mr. Mike Headley

5B. Fiscal Year 2016 Budget attached.

Recommended Action:

Motion to approved FY 2016 Budget.

SDSTA Operating Budget Summary FY15/16

July 2015 - June 2016

		Sources of Revenue				
		Federal Funding	SDSTA Funds	Budget \$ FY15/16	Budget \$ FY14/15	Difference
Administration Budgets						
	Board of Directors		\$237,201	\$237,201	\$230,208	\$6,993
	Executive Office		\$197,608	\$197,608	\$284,944	(\$87,336)
	Communications		\$183,108	\$183,108	\$164,847	\$18,261
	Science Liaison		\$4,476	\$4,476	\$24,380	(\$19,904)
***	Science Center E & O		\$56,840	\$56,840	\$32,190	\$24,650
	Sanford Visitor Center		\$76,913	\$76,913	\$0	\$76,913
	Total		\$756,146	\$756,146	\$736,569	\$19,577
***	Science C.E & O (Approx. \$6300 from Chris B. Memorial)					
Total Authority Operating Budgets		\$0	\$756,146	\$ 756,146	\$736,569	\$19,577
	Federal Funding & State GOED Funding Xilinx	28,079,074		\$28,079,074	\$14,469,460	\$13,609,614
	CAPEX Budget 7/2015 - 6/2016 Additional Approval Beyond Carryover		\$ 9,692,769	\$ 13,234,143 Includes carry over	\$18,566,715	\$ (5,332,572)
	Total for Approval	<u>\$28,079,074</u>	<u>\$ 10,448,915</u>	<u>\$ 42,069,363</u>	<u>\$33,772,744</u>	<u>\$8,296,619</u>
	Approximate Carryover CAPEX Projects		<u>\$ 3,541,374</u>			
	Grand Total with Carryover		<u>\$ 13,990,289</u>			
					Total FTE	
					SDSTA Funds	32.6
					Other Funding	94.15
					Total FTE	<u>126.75</u>

SDSTA FY15/16CAPEX Budget

6/19/2015

Proj. Mng	Project #	Project Description	Estimated Carry Over		Total Proj. \$'s
			New Proj.\$'s	Proj.\$'s	
W. McElroy	CAP2012-28	Yates Work Deck	\$ 20,000	\$ 15,000	\$ 35,000
W. McElroy	CAP2012-27	Ross Shaft Furnishings Repl.M&S	\$ 3,079,976	\$ 1,867,504	\$ 4,947,480
W. McElroy	CAP2012-32	SDSTA Personnel Ross Shaft/Hoist	\$ 2,399,004		\$ 2,399,004
M. Headley	CAP2014-05	CASPAR Experiment Development		\$ 266,142	\$ 266,142
M. Headley	CAP2014-09	CASPAR Facility Development	\$ 276,772	\$ 219,126	\$ 495,898
M. Headley	CAP2014-11	BHSU Facility Development		\$ 198,145	\$ 198,145
M. Headley	CAP2014-01	Sanford Visitor Center Design/Constr.	\$ 337,017	\$ 199,152	\$ 536,169
M. Headley	CAP2014-06	BHSU Jonas Science Building Renovation		\$ 776,305	\$ 776,305
M.Headley	CAP2016-01	Sanford Visitor Center Exhibit Davis Ring	\$ 80,000		\$ 80,000
M.Headley	CAP2016-02	LZ Surface Facility Upgrades	\$ 1,500,000		\$ 1,500,000
M. Headley	CAP2014-02	LZ - Xenon Gas	\$ 2,000,000	\$ -	\$ 2,000,000
		TOTAL ALL PROJECTS	\$ 9,672,769	\$ 3,541,374	\$ 13,214,143
*		Total Sanford Underground Infrastructure	\$ 5,775,752	\$ 2,565,917	\$ 8,341,669
**		Total Sanford Gift #2 Permitted Purposes	\$ 417,017	\$ 975,457	\$ 1,392,474
***		LZ Projects	\$ 3,500,000		\$ 3,500,000
		Total FY16 Budget	\$ 9,692,769	\$ 3,541,374	\$ 13,234,143

* Ross Shaft Rehab Funded through December 2015. Balance from DOE funds.
All other (Green) projects through FY16

** Fully Funded by Sanford Gift#2 and City of Lead

*** Not Funded

SDSTA
FY15/16 Budget

Funding Source	P.O/Subc.	FY16 Amount
LBNL DOE	6994297	13,933,733.00
LBNL LUX	6973786	41,856.00
LBNL LUX/Zeplin	7093667	77,691.00
Fermi NEPA	609755	-
Fermi Engineer Supp	613525	564,283.00
Fermi Excavat, Prel.D.	618741	4,467,573.00
Fermi Build/Site	620223	8,564,978.00
Fermi Gilt Edge Study	622034	45,000.00
Univ.N.CarolinaMJD	5-44817	17,960.00
CUBED	C#6500	-
Univ. of Minnesota	A003778902	66,000.00
State of SD	GOED	300,000.00
Totals		<u>28,079,074.00</u>

Executive Director’s Report – Mr. Mike Headley

The Executive Director’s Report includes the following:

- 6A. SDSTA May Monthly Report (attached)
- 6B. REACH Committee Update
- 6C. Tour of Sanford Lab Homestake Visitor Center after meeting adjourns (10am) – Mr. Joshua Willhite

Recommended Action:

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

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South Dakota Science and Technology Authority

Monthly Report

May 2015

Mike Headley, Laboratory Director

Executive Summary

Science

Over 130 scientists attended the first Conference on the Science at the Sanford Underground Research Facility that was hosted May 18-20 at the South Dakota School of Mines and Technology in Rapid City. The conference showcased the wide range of multidisciplinary research that can be accommodated at the Sanford Underground Research Facility (Sanford Lab), including topics in geology, biology and physics. In addition to current and planned projects, there were a number of presentations on proposed research that would take advantage of the unique nature of Sanford Lab's underground environment. Also, 32 attendees visited the facilities at the 4850L.

In May, the Large Underground Xenon (LUX) experiment continued xenon purity activities and by early June was able to achieve an acceptable level of xenon purity and resumed the collection of Weakly Interacting Massive Particle (WIMP)-search data. One hundred and seven live days of live WIMP search data had been collected of the 300 planned.

The MAJORANA DEMONSTRATOR (MJD) experiment completed the monolith shield for the first production detector cryostat (called Module 1). Module 1 was inserted into the detector's shield with seven detector strings containing 29 germanium detectors. Data will be collected with Module 1 as remaining technical issues are resolved over the next two months. The annual Department of Energy (DOE) review for MJD was held May 27-28 in Germantown, MD. The committee and agency members were complementary of the collaboration's efforts and noted the substantial progress since the last review in January 2014. With project funds expended, the main recommendation called for MJD to develop a schedule and budget to maximize the science potential of the DEMONSTRATOR. MJD is planning to operate the experiment through FY2019.

For the LUX-ZEPLIN (LZ) experiment, a Request for Proposals was advertised to secure engineering and design services for infrastructure modifications to both the surface and underground facilities. The LZ project received a Categorical Exclusion under the National Environmental Protection Act (NEPA) from the DOE.

Personnel on the Compact Accelerator System for Performing Astrophysical Research (CASPAR) project provided an updated safety assessment document. The CASPAR team also made progress on addressing previous review recommendations. Planning continues for the Black Hills State University Underground Campus (BHUC). Several BHSU faculty and students have started taking Sanford Lab Guide training.

Ross Shaft Rehabilitation

Nine steel sets were installed in May (151.4 feet in total), which included rehabilitation of the 2600L station and installation of two bearing beams. This is the third time a record nine sets have been installed in one month. The Ross crews have refurbished 2,766 feet of the shaft. As the project approaches the Ross pillar area that begins at approximately the 2900L, the thickness of a concrete liner installed in the shaft has increased. The concrete liner through this zone will impact the steel installation schedule and an additional (25%) of work time has been included in the planned schedule for the pillar.

Yates Shaft

The Top Down Maintenance program addressed 85 separate panels of the shaft within May. Top Down Maintenance progressed to the 2900L in the skip compartment and the 2750L in the cage compartment. A total of 1,054 panels of perimeter lacing has been addressed since the start of Top Down Maintenance in July 2013 which equates to 15.6% of the total perimeter of the shaft between the 800L to the 4850L. Crews transported 236 loads of material underground to support science and facility efforts.

Facility Infrastructure

At the end of March, the underground water level was 5,665 feet. This equals a 19-foot drop for the month.

Engineering

The Long-Baseline Neutrino Facility (LBNF) project team including SDSTA engineering staff are preparing for a DOE CD-1 "Refresh" review (CD-1-R) scheduled for mid-July updating the previous CD-1 review to reflect the



South Dakota Science and Technology Authority

Monthly Report

May 2015

new work LBNF scope to support the Deep Underground Neutrino Experiment (DUNE) on the 4850L. The 30% preliminary facility designs were received. The CD-1-R director's review was recently held on June 2-4 and was successful. The CD-1-R review with DOE is planned for July 14-16 at Fermilab. A CD-3A review for facility work planned to occur at the Sanford Lab is scheduled for early November 2015. This CD-3a if approved will give construction approval for the facilities to be completed at the Sanford Lab to support the installation of waste rock handling systems near the Ross Shaft starting in 2017 and LBNF excavation on the 4850L in 2018.

The SDSTA continues to support the LBNF Environmental Assessment (EA) process for National Environmental Policy Act (NEPA). Public meetings are scheduled for June 17 in Lead, SD and June 18 in Rapid City, SD.

Discussions continue with the South Dakota Department of Environment and Natural Resources (DENR) and the Federal Environmental Protection Agency (EPA) to establish an agreement for use of the former Gilt Edge Superfund Mine site as a repository for LBNF excavated rock. Engineering discussions are in process to understand the impacts this change may have on the Gilt Edge remediation design and the associated costs.

The Sanford Lab Homestake Visitor Center is on track for a mid-June opening along with a June 30 building dedication. Delivery schedules for window installation have pushed the opening back to mid-June.

A section of the tank used for the original Ray Davis neutrino experiment on the 4850L has been recovered for use as an exterior monument at the Sanford Lab Homestake Visitor Center. A local sculptor working with the Visitor Center structural engineer has developed a design for the monument. A proposal will be provided to the SDSTA Board of Directors in late June to consider funding for the monument's construction later this summer.

Environment, Health and Safety

The SDSTA had zero recordable injuries again in May and now 8 months total with no recordable injuries. On June 9-11, the Environment, Health, and Safety Oversight Committee (EHSOC) reviewed the SDSTA's safety program. The committee provided useful comments on how we can improve the facility's safety program including policies and processes for accelerator safety, underground hazard mitigation, on the job training for new staff, managing the configuration of underground safety sensors and controls, and work authorization and control. They noted the very strong advancement in the positive safety culture within the SDSTA team and researcher community at the facility. A quote from the EHSOC outbrief presentation stated: "The openness and progressive attitude of staff with respect to discussing ESH and the cultural (safety) shift needed to move from mine to lab is the reason we come back. The culture shift is impressive to witness."

Communications / Education and Outreach / Cultural

The Communications Department continued to make progress on content (written and video) for the exhibits at the new Sanford Lab Homestake Visitor Center. The Education and Outreach team has defined six curriculum modules for development in 2015 that will be shared with schools around the state and region to enhance K-12 instruction in science, technology, engineering, and math (STEM) topics. Five student interns and nine Davis-Bahcall scholars have started their respective programs at the Sanford Lab (interns on May 11 and Davis-Bahcall scholars on June 8). The Education and Outreach section later in this report provides a listing of the students.

Finance and Contracts

For Sanford funded work, the SDSTA finished May \$16,698 over budget and is \$10,776 over budget for the 2015 state fiscal year. For DOE-funded operations, the SDSTA finished May \$410,740 over budget and is over budget \$455,334 for federal FY2015. This large overrun for May was anticipated because the May calendar included three payrolls instead of the standard two. This occurs two times per year. Differences in the bi-weekly payroll calendar and the monthly accounting calendar cause this anomaly. We expect for the variance to return to zero by the end of September. Also, the DOE has provided an additional \$500,000 to support rebuilding of hoist motors at the Yates Shaft. The SDSTA will receive \$469,000 of the total.

Underground Access Department
William McElroy, Director of Underground Access

Ross Shaft

The Ross Crew refurbished 151.4 feet of shaft length in May (the most in a one-month period) and has installed 2,765.8 feet of new shaft steel overall. Steel installation was comprised of nine sets (157B to 165CD), which included the 2600L station rehabilitation and two bearing beams. This is the third time nine sets have been installed in one month. As the project approaches the Ross pillar area that begins at approximately the 2900L, the thickness of the concrete has increased in isolated areas of the shaft. In some instances, the liner is multiple feet in thickness which requires crews to install longer rock bolts to ensure the liner is pinned to the rock face. This is the expectation for the next 1,500 feet of shaft. G.L. Tiley & Associates in cooperation with Golder & Associates have completed the preliminary merging of the planned steel design within the Ross pillar scan data. The amount of concrete liner through this zone will impact the steel installation schedule. Additional analysis will be completed to determine the project's course of action for advancing through the pillar zone.

Yates Shaft

Top Down Maintenance addressed 85 separate panels/pieces of the shaft within May. Top Down Maintenance progressed to set 433 in the skip compartment and sets 414 and 419 in the cage compartment. This work is in the zone between the 2750L and the 2900L. A total of 1,054 panels of perimeter lacing has been addressed since the start of Top Down Maintenance in July 2013 which equates to 15.6% of the total perimeter from the 800L to the 4850L. Crews transported 236 loads of material underground to support science and construction efforts. A test plan and draft schedule have been developed for testing the TrueNorth Steel canopy system. The testing is planned for July 2015. Boulders of varying sizes will be dropped from different elevations whereby high-speed cameras will measure the effects of deformation. These canopies may prove to be a safer, more efficient way to improve underground travel ways.

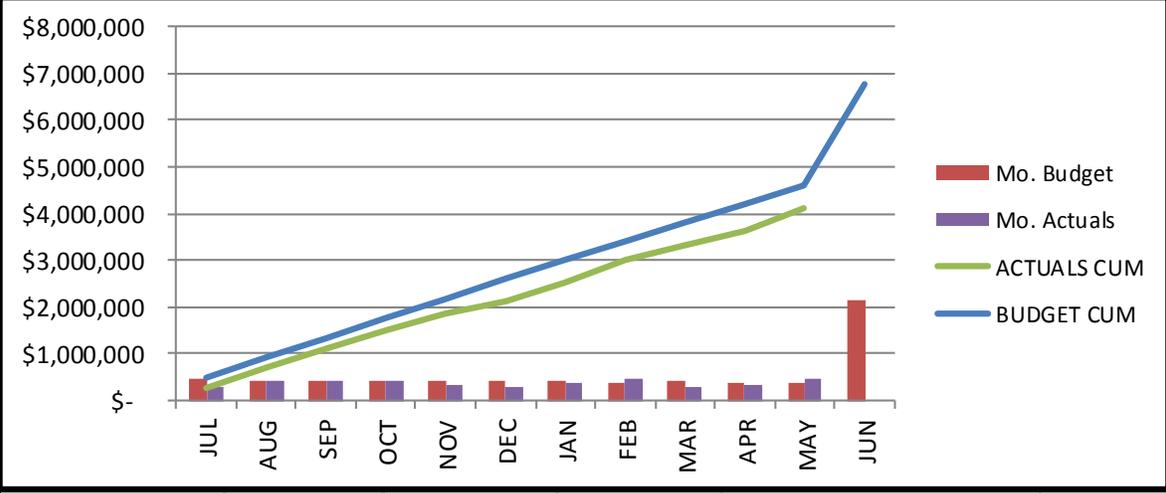


ROSS: 2600L Station



YATES: Debris after removing 2750L Snow Shed

PROJECT DETAILS (MAY FY15)		SDSTA CAPEX BUDGET SUMMARY		
Title	Director	Budget	Expenses	% Spent
Underground Access Dept.	McElroy	\$ 6,751,916	\$ 4,123,862	61%



FINANCIAL STATUS

Maintaining under run in steel fabrication due to delay in schedule. (\$290k)	G
Incurred a \$30k over run in project expenses for the month due to 3 pay periods	Y

PLANNED ACTIVITIES NEXT PERIOD

ROSS	
Finalize data analysis of Ross pillar laser scan data and possible design changes	
Complete steel install through set 172E (2750L station)	
YATES	
Complete Top Down Maintenance effort in skip compartment to set 440	
Finalize north and south skip bonnet design and issue procurement for fabrication	

MAJOR MILESTONES

Ross - Complete redesign for Ross pillar steel	Q4 of 2015	Y
Yates - Reach 3050 with Top Down Maintenance -skip side	Q1 of 2016	G
Ross - Complete project to 2900 (begin Ross Pillar)	Q1 of 2016	G

Facility Infrastructure Department

Tim Baumgartner, Director of Facility Infrastructure

Summary

Facility Infrastructure effort in May was directed to the following areas: facility maintenance, equipment repair, preventative maintenance, electrical, and cyber infrastructure. During May, the facility infrastructure team continued to work extensively with the Engineering and Science Departments to focus on refining the operations and maintenance of specific subsystems including carbon monoxide (CO) monitoring, underground phones, leaky feeder (radio), power quality, building upgrades, pumping, dewatering, hoist maintenance and repairs, shaft and science support, and construction projects.

Davis Campus Maintenance

The team monitored and assisted with new equipment installation and ensured the manufacturer standards were met. Electrical inspections and documentation for Surface Lab equipment are continuing. Also, residue acid from copper cleaning was transported to the surface. Yates Shaft personnel assisted with delivery of supplies to the Davis Campus and participated in evacuation drills. Air handling equipment preventive maintenance actions continues with Johnson Controls. The MAJORANA DEMONSTRATOR (MJD) heat exchanger and chiller water pipe insulation replacements have begun.

Surface Facility Maintenance Building and Grounds

The SDSTA completed all seven (7) day, thirty (30) day, and annual (360) day preventative maintenance activities. Three staff members participated in the monthly Safety Committee meeting. Surface pressure vessel testing underground has been completed. Boart jackleg repairs continue, the Ross ore hoist drum crack evaluation is near completion, repairs to the Yates under wind ore hoist brush rigging were performed, the recycling program continues, as well as storm water inspections and road repairs.

Waste Water Treatment Plant (WWTP)

At the end of May, the water level in the underground pool was at 5,665 feet. The total gain for the month was 19 feet. The team continues to support the MJD experiment with neutralizing chemical by-products of their process. All preventative maintenance duties were performed. Facility-wide cleanup and disposal of abandoned-in-place equipment continues. Backwash tank walkways and handrail installation is near completion. Also, the east quadrant of the rotating biological contactors was taken offline and drained.

Transportation and Mobile Equipment

The team performed vehicle preventative maintenance actions and repairs to fleet and site vehicles. In addition, the team maintained underground locomotives and support equipment as well as completed maintenance on the skid steer loaders and air compressors.

Electrical and Cyber Infrastructure

During May, the SDSTA performed shaft pump preventative maintenance. The team continues to support the Ross Shaft rehabilitation project with the relocation of power cables in the shaft as the new steel is installed. The team continues to work reviewing and modifying the underground communications infrastructure to ensure each level has functional copper-based phones and FEMCO (i.e. twisted pair) phones at each underground facility level; cable replacement continues in the Ross Shaft below the 1250L to the 2450L. Installation of the 12KV switchgear and electrical feed from switch gear to the Compact Accelerator System for Performing Astrophysical Research (CASPAR) transformer is complete and terminations continue.

Dewatering

The dewatering team is currently focusing on high pressure water systems and shaft rehabilitation support. Also, check valve installation and 1250L pump room upgrades continue, Fischer valves in the Ross Shaft water boxes repairs, and various pump room repairs/upgrades. Also, Standard Operating Procedures (SOPs) and Job Hazard Analysis (JHA's) continue to be developed.

Engineering Department

Joshua Willhite, LBNF Far Site Conventional Facilities Manager

Arup, USA provided a 30% design deliverable on April 22 for the reference Long-Baseline Neutrino Facility (LBNF) design. This design has been reviewed and will be presented in both a Fermilab Critical Decision One (CD-1) “Refresh” director’s review and Directors review June 2-4 and a the Department of Energy (CD-1) “Refresh” review July 7-9. Arup also provided a cost and schedule estimate in May. The estimate was reconciled with an independent cost and schedule provided by Hatch Mott MacDonald, a major architect/engineering (A/E) firm contracted specifically to provide third party design review and independent cost and schedules. Reconciled estimates were provided on June 5. This date requires that the director’s review utilize a Sanford Underground Research Facility generated cost estimate, while the DOE CD-1 review will include the new costs from Arup. A preliminary date for a CD-3A DOE review has been proposed during the week of November 2, 2015. This date drives a completion of design in early September. Based on this, the number of deliverables from Arup has been reduced by one, with the next deliverable (75%) planned for early July.

The Engineering team continues to support the LBNF Environmental Assessment (EA) process for National Environmental Policy Act (NEPA). Public meetings have been scheduled for the following dates: June 17 in Lead, SD; June 18 in Rapid City, SD; and June 24 in Batavia, IL.

Discussions continue with the South Dakota Department of Environment and Natural Resources (DENR) and the Federal Environmental Protection Agency (EPA) to establish an agreement for use of the former Gilt Edge Superfund Mine site as a repository for LBNF excavated rock. It was determined that additional engineering study was required to define maximum design and implementation costs associated with the addition of the LBNF excavated rock. A Request for Proposal (RFP) was drafted and provided to CDM Smith in March. CDM Smith responded to this RFP on April 24, and which is going through the procurement process.

Significant coordination with the Deep Underground Neutrino Experiment (DUNE) project to enhance understanding of shaft constraints was initiated in April and continued into May. This coordination will provide one of several inputs into defining the future design of shaft conveyances following the Ross Shaft Rehabilitation.

CASPAR (Compact Accelerator System for Performing Astrophysical Research) and Black Hills State University Underground Campus (BHUC)

Dean Kurtz Construction outfitting began March 11 and has progressed per schedule. All flooring and block walls were completed in May, as well as most of the plumbing and electrical conduits. The BHUC clean room has been assembled and enclosed. Plans for June include installation of the chilled water system and air handlers. This project continues to indicate completion in early August, allowing the experiments to begin their installation.

In support of both the CASPAR and BHUC, a new water supply is required to supply both the cooling system and the fire sprinkler system. The only source currently available at the 4850L is through the Yates Shaft, so this new pipe must originate there. A plan was finalized in February to include a new sump at the 4100L in the Yates Shaft. The project has progressed through May. The completion of the water system will lag behind construction but be operational before experiment commissioning is completed.

Sanford Lab Homestake Visitor Center

Window delivery delays in addition to exterior finish delays related to weather have resulted in delays to the completion of the Visitor Center. During the month of May, all interior drywall was completed to allow an initial installation of exhibits during the week of May 15. This installation included a significant surface area covered with images up to 10 feet tall, all above a line 9 feet above the main floor, as well as installation of a 3D underground model of the Homestake Mine. These elements were installed early to support an early opening, as well as to avoid interference with retail casework. The balance of the exhibits will be installed during the week of June 15. The building will be 100% complete to support a grand opening on June 30, 2015. A section of the tank used for the original Ray Davis experiment underground has been planned for use as an exterior exhibit for the Visitor Center. The tank was cut apart and stored at the 4850L underground to make room for the Davis Campus. A complete ring of the supporting structure was found and brought to the surface in March. The tank was twenty feet in diameter, so the monument will be a significant component of the overall Visitor Center experience. The Visitor Center structural engineer worked with a local sculptor in April to define a conceptual design and a final design for the foundation. This foundation will be put in place in early June. This sculpture will not fit within the SDSTA allocated building budget, so fabrication will not commence until funding is secured.

Environment, Health and Safety (EHS) Department

Noel A. Schroeder, EHS Director

Environmental Summary

Environmental Communication

The South Dakota Department of Environment and Natural Resources (DENR) was contacted regarding the second quarter Whole Effluent Toxicity test as stream flows in Whitewood Creek are high and make it impractical to safely measure. An alternative to the 'in-stream flow measurement' was permitted based on historical flow measurement data for the second quarter.

The DENR was also contacted concerning permit requirements for operation of the Waste Water Treatment Plant (WWTP) without an operator for short periods (a portion of night shift).

Environmental Compliance

Water

Waste Water Discharge Summary through April 30, 2015:

- *Total water discharged through outfall 001 since June 5, 2008: 4,887,023,752 gallons*
- *Total Underground water treated since June 5, 2008: 2,889,895,780 gallons*
- *Total Tailing water treated since June 5, 2008: 2,133,065,486 gallons*
- *Total water discharged to sewer since June 5, 2008: 100,596,331 gallons*

There continues to be no news in regard to the renewal for the National Pollution Discharge Elimination System (NPDES) Permit SD0000043. SDSTA has been legally operating (discharging underground water and Barrick's tailing water) under this expired, existing permit.

The April Discharge Monitoring Report (DMR) was completed in the month of May (for the first quarter). There were no violations. The DMR was electronically filed utilizing the NetDMR reporting tool.

The Davis Campus wash water was sampled for coliform/bacteria in May. Sampling indicated there were no bacteria in the Davis Campus wash water supply.

A storm water compliance inspection was triggered by a twenty-four hour one-inch rainfall.

Air

Data continues to be collected for stationary internal combustion engines.

Solid Waste

Recyclables (paper, cardboard, metals, plastic) continue to be collected, picked up by Pacific Steel, a local vendor, and money received for these items.

Legacy chemicals (oils, methanol, greases, other alcohols, and cleaners) were sampled and removed from the Yates Compressor Building after reported vandalism occurred in this building. The chemicals will be shipped off-site as waste or as recycled old.

The Rotating Biological Contactor (RBC) sludge in the RBC basins was determined to be non-hazardous. This implies that Sanford Lab can leave the sludge in the basins without violating [Resource Conservation and Recovery Act \(RCRA\)](#) rules as basins are decommissioned. Basin decommissioning will help to save electricity and provide spare parts to operating basins.

National Environmental Policy Act (NEPA)

Support was provided to GeoTek, a contractor, relating to a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Phase 1 Environmental Assessment (EA) being performed by the Department of Energy (DOE) for the Long-Baseline Neutrino Facility (LBNF) / Deep Underground Neutrino Experiment (DUNE) project. The assessment areas included the underground and surface facilities that might be used or occupied by DOE.

Environmental Support Tasks

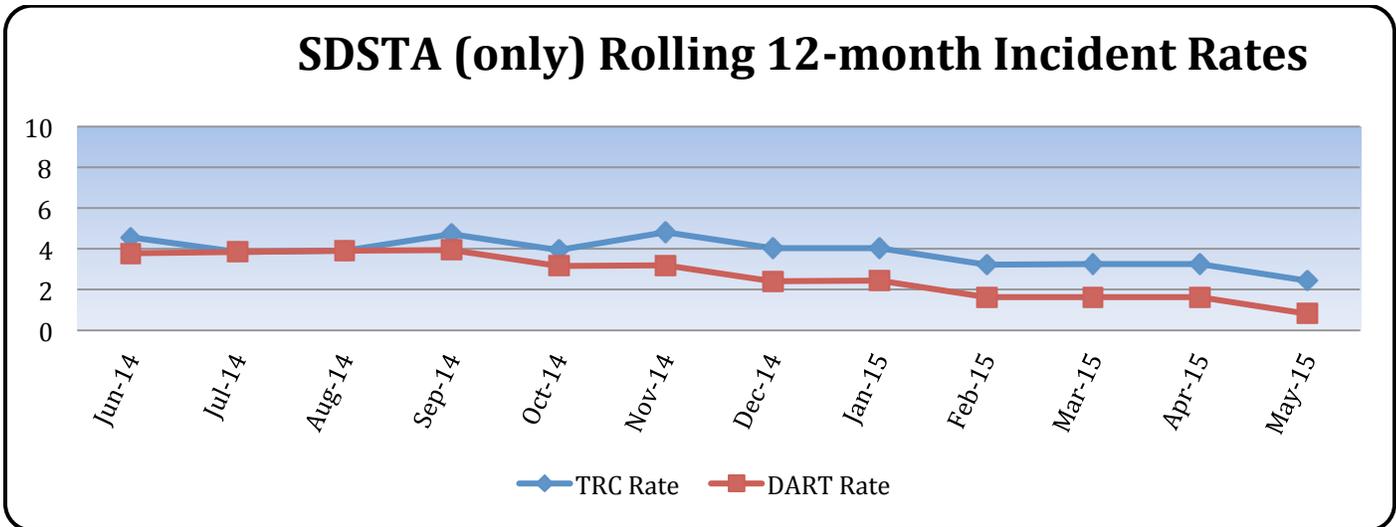
A three-hour hazardous waste training was provided to MAJORANA personnel.

A presentation was prepared and given to the state historical society members at their annual conference. The presentation was on the history of Whitewood Creek focusing on mining impact and reclamation.

The septic system at the WWTP was reviewed and found to be faulty. A memorandum was prepared and submitted to Operations hoping to speed resolution of issues.

Material Safety Data Sheets (MSDS) were inputted into the MSDS database. Many MSDS's are out of date with the new GHS requirements.

Health and Safety Summary



TRC = more than first aid treatment was given. **DART** = more than first aid treatment was given AND restrictions were job limiting or the employee could not work. (Subset of a TRC)

May 2015 DARTS/TRC:

- No events to report

May 2015 First Aid Cases:

- No events to report

May 2015 Category 1 or 2 Events:

- No events to report

May 2015 Category 3 Events:

- No events to report

May 2015 Items of Interest:

1. EHS personnel attended RCRA Hazardous Waste Training; Emergency Response Team/Mine Rescue Training
2. Completed sections of updating underground escape-way level maps; assisted with Annual Level Inspections
3. Conducted monthly Safety Committee meeting and Annual Refresher Training on the topic of Communications
4. Provided safety oversight to Ross Campus underground construction project and Sanford Lab Homestake Visitor Center
5. Provided Lead (Pb) training to Science interns
6. Distributed Arc Flash Safety Share
7. Performed hearing protection attenuation tests on personnel

8. Provided on-site training for Visitor Center guides and bus drivers
9. Performed noise monitoring on Fletcher Bolter operator
10. Provided monthly General Safety Basic training
11. Reviewed LBNF/DUNE truck load-out station on Kirk Road with Engineering
12. Conducted monthly inspections of fire extinguishers and Automated External Defibrillators on property
13. Collected particle counts from three Davis monitors, one monitor downwind of Temporary Clean Room (TCR) and two radon monitors at Ross station and Davis common corridor
14. Provided guide, safety, assistance to the SD School of Mines survey group to 300L
15. Completed air sampling report for 4850L BHUC coating process
16. Performed annual inspections of 4850L fall protection equipment
17. Provided guide training walk with two Large Underground Xenon (LUX) personnel
18. Escorted biologists to core shop and science personnel to Surface Lab
19. Worked on sludge removal system at WWTP to improve effluent turbidity
20. Administered monthly Drug & Alcohol presumptive testing to Sanford Lab personnel

Science Department

Jaret Heise, Science Director

Over 130 scientists attended the first Conference on the Science at the Sanford Underground Research Facility that was hosted May 18-20 at the South Dakota School of Mines and Technology in Rapid City. The conference showcased the wide range of multidisciplinary research that can be accommodated at Sanford Lab, including topics in geology, biology and physics. In addition to current and planned projects, there were a number of presentations on proposed research that would take advantage of the unique nature of Sanford Lab's underground environment. To wrap up the conference, 32 researchers visited Sanford Lab and the underground facilities at the 4850L.

Science Director Jaret Heise submitted a proceedings write-up describing Sanford Lab for the Low Radioactivity Techniques workshop that was held in March 2015. One of the next conferences on the horizon with a Sanford Lab presentation is the IXth International Conference of Interconnections between Particle Physics and Cosmology (PPC2015) being held (again) in Deadwood in conjunction with the Center for Theoretical Underground Physics and Related Areas (CETUP) with sessions on dark matter and neutrino physics.

In early May the carbon monoxide (CO) sensor near the Yates Shaft station failed, which triggered the general facility alarm and a response by the building management system that changed air flow in the clean spaces to isolate the laboratory from intake air. The two main air-handling units respond independently and resulted in slightly elevated particle counts in the MJD Detector Room for about an hour (still less than 100 0.5- μm diameter particles per cubic foot). The event was noticed remotely before the regular day shift; the CO sensor is currently offline. The CO sensor offers a level of redundancy to the heat and smoke sensors in place at that location. However, the CO sensor is the only building management system trigger to isolate the clean laboratory spaces from inlet air.

A short power blip on the morning of Sunday May 17, due to a local thunderstorm caused some experiment equipment to briefly shut down. SDSTA personnel were called in to re-start some equipment (facility air compressor, dehumidifier); off-hours access was also provided for the researchers to restart equipment.

Significant precipitation in May resulted in restricted underground access for several days at the end of the month and in early June. Established criteria were used as the basis to allow emergency access for key experiment representatives to perform critical maintenance and to replenish critical consumables such as liquid nitrogen and compressed nitrogen.

Two contractors started work around the Davis Campus in May. One crew is focused on installing a new heat exchanger for MJD as well as installing an additional pressure relief valve on the Davis Campus chilled water system and extending the facility compressed air line into the Davis Cavern for LUX. The other contractor has made significant progress replacing insulation on the chilled water piping at the Yates Shaft station. Both projects are expected to be completed in June.

Regular Davis Campus evacuation drills/discussions continued through May, with a focus on both fire and smoke scenarios. Similar to last month, SDSTA personnel also provided fall arrest training to various researcher groups.

Large Underground Xenon – LUX

With efforts in May focused on improving xenon (Xe) purity, accumulated WIMP-search data continued to stand at more than 107 live days (same as last two months). One of the main circulation pumps was swapped out at the beginning of the month due to a small tear in the diaphragm, and after the expected small dip in Xe purity the purification rate increased significantly in May and Weakly Interacting Massive Particles (WIMP)-search data did resume in early June.

Standard calibrations continued in May with krypton, cesium and LED data sets collected.

With water system experts onsite in May, water elevation measurements were taken to understand the loss of water due to gradual evaporation into the dry gas purge on top of the water tank. As a result, the water tank was topped off with 660 gallons of purified water, corresponding to a water height of 5.5 cm.

Following high-voltage testing in April, the anode bias was unintentionally left at a lower setting (6.5 kV) as a precaution for PMT safety and was returned to the nominal value (7.0 kV) after about one week.

The brief power outage mentioned above interrupted several LUX systems, including power to the grids, Xe circulation and water circulation. Operations were restored without significant impact.

In May, training was conducted on external radioactive source deployment, water tank light-leak checking, the photomultiplier tube user interface, the data acquisition system and the cathode high-voltage system and two individuals from LUX participated in Laboratory Guide training.

The LUX onsite effort continues to remain level. In May, the average crew consisted of five people for a combined total of 728 hours.

MAJORANA DEMONSTRATOR – MJD

May was a busy month for the MJD collaboration on a number of fronts. The Prototype module continues to provide useful data, especially in support of the electronics and data acquisition systems. In particular, special electronics data (attenuated pulser data) were collected prior to removal from the shield, which is expected to happen in June. The lead (Pb) shield was completed for the Module 1 monolith, and by the end of the month the blank monolith was removed from the main shield to allow Module 1 to take its place in the shield with seven detector strings containing 29 germanium detectors. A few technical issues associated with Module 1 remain, including establishing a good seal using ultra-pure parylene for the upper and lower sections of the cryostat (temporary o-rings made from Kalrez are currently being used, but are not as radiopure as parylene) and the performance of the cable connectors (both signal and high voltage). Data will be collected with Module 1 in the shield for approximately two months while solutions to these issues are found. The inner copper shield plates made from electroformed copper are expected to be ready for installation on the same timeframe.

In parallel with Module 1 commissioning, on the order of 500 parts were acid-etched in preparation for the upcoming Module 2 string-building campaign. By the end of the month, the first strings for Module 2 had been assembled in the glovebox. Based on the experiences with Module 1, strings for Module 2 will not undergo the same level of testing in the string-test cryostats, which will save time and reduce mechanical failures with connectors. Module 2 will use key systems from the Prototype module (including the vacuum system) that will be needed starting in June for initial operation in the glovebox. The final shipment of enriched detectors is now expected in June, and the goal is to have Module 2 in the shield by the end of 2015.

Copper electroforming for the DEMONSTRATOR was successfully completed in April 2015 when growth finished for the inner copper shield. A total of 2474 kg was grown on mandrels, with almost 50% of that material (1196 kg) to be installed as final parts in the experiment. The average U/Th concentration for the MJD electroformed copper is $\leq 0.1 \mu\text{Bq/kg}$. Five baths continue to be operated at the electroforming laboratory near the Ross shaft to provide backup stock for MJD as well as parts for other experiments. At the end of April, ground conditions were inspected by SURF personnel, and no issues were noted that would prevent continued use of the space. Longer cable bolts are recommended to reinforce the cavern before LBNF construction begins.

The annual DOE review for MJD was held May 27-28 in Germantown, MD. The committee and agency members were complementary of the collaboration's efforts and noted the substantial progress since the last review in January 2014. With project funds expended, the main recommendation called for MJD to develop a schedule and budget to maximize the science potential of the DEMONSTRATOR. MJD is planning to operate the experiment through FY19 and proposed to continue ton-scale R&D a few years beyond that through FY2021.

MAJORANA continued with a significant presence through May, with an average of more than nine people combining for a total of 1905 hours for the month.

Low-Background Counting

Center for Ultra-Low Background Experiments in the Dakotas – CUBED: In May, the CUBED low-background counter shield was disassembled so that the detector can be shipped to the manufacturer. After the upgrade, the CUBED detector will likely be the first low-background counter installed in the Black Hills State University Underground Campus (BHUC) near the Ross Shaft later this fall.

Berkeley Low-Background Facility – BLBF: The BLBF detector in the East Counting Room at the Davis Campus continues to assay samples for the upcoming LZ experiment. Authorization To Proceed (ATP) was issued in May for the initial installation, lead transport and shield assembly of the second BLBF detector in the West Counting Room at the Davis Campus. By the end of the month, initial background data suggested that the new detector performance is on par with the original low-background counter. The ATP for full operation is expected to be issued in June following a walk-through inspection by SDSTA personnel.

Other Current Research Activities

Physics: In early June, a Request for Proposals was advertised seeking engineering and design services for infrastructure modifications to both the surface and underground facilities. Proposals are due June 24. The LZ project received a Categorical Exclusion in May to allow federal funds to be expended at Sanford Lab. A meeting is planned at Sanford Lab in June that will highlight activities starting this year, including upcoming infrastructure work at the Surface Laboratory. A draft agenda has been circulated for the safety readiness review planned for October and working is being done to converge on the committee as well as dates.

Personnel on the Compact Accelerator System for Performing Astrophysical Research (CASPAR) project provided an updated version of their safety assessment document, which was circulated to the review committee. CASPAR members also made progress on addressing previous review recommendations using the Sanford Lab action-tracking database. Planning continues for the BHUC. Several BHSU faculty and students who will be associated with the laboratory have started taking Sanford Lab Guide training.

Members of the Deep Underground Gravity Laboratory (DUGL) project returned to Sanford Lab in May and were able to resolve issues with a surface instrument as well as with networking and the GPS connection on the 1700L and 2000L. The group also installed seismometers at four offsite locations. DUGL is still considering the installation of another underground seismometer and is proposing a mass-dropping exercise to calibrate their instruments later this summer.

Following discussions at the Sanford Underground Research Facility Science Conference, a group developing detectors to measure geoneutrinos is interested in using #6 Winze to perform hydrostatic tests. Further details will be captured in the experiment planning statement.

Geology: Representatives from the DOE SubTER project led by LBNL’s Earth Science Division attended the SURF Science Conference and then took the opportunity to visit Sanford Lab and inspect prospective drill sites for rock stimulation studies on the 4850L.

A University of North Dakota geology group is interested in measuring radioactivities of various rock formations at SURF in order to characterize backgrounds for a possible future geoneutrino experiment.

Biology: In conjunction with attending the SURF Science Conference, members of the NASA Astrobiology research team also collected final data from the electrocultivation experiment located near the Yates Shaft that samples water from Hole #3A. That site has now been decommissioned, but the NASA Astrobiology team still has an experiment near the 17 Ledge on the 4850L.

Also attending the Sanford Underground Research Facility Science Conference was a commercial group, Austral-Swiss, that was interested in underground sampling. The fee structure used for other commercial groups would apply.

Engineering: Xilinx chip testing continues at the 4850L.

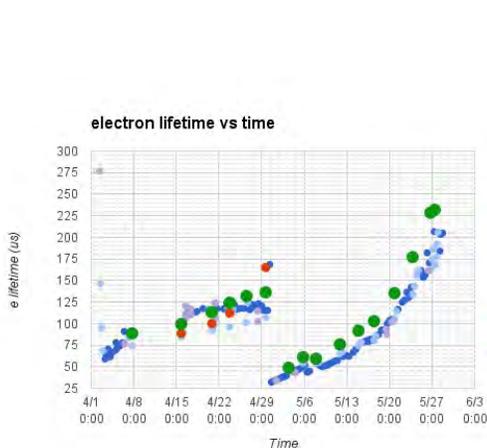


Fig. 1 LUX xenon purity improvement.



Fig. 2 MJR Module 1 being installed in shield.



Fig. 3 New BLBF detector “Morgan” in Davis Campus.

Education and Outreach Department

Ben Sayler, Director of Education and Outreach
KC Russell, Cultural and Diversity Coordinator

Education Offerings / Programs

Cultural Activities

A Cultural Awareness program was organized for Sanford Lab staff by Cultural and Diversity Coordinator KC Russell. Two sessions were held on May 29, with one additional session on June 2. The speaker was Jace DeCory, Assistant Professor of History and American Indian Studies at Black Hill State University (BHSU). All staff were encouraged to attend this informative session.

KC began a set of road trips to deliver the Environmental Assessment for the Long Baseline Neutrino Facility to all tribes in the region. This work is in progress and leads up to the public meetings to be held June 17-18.

K-12 Educators and Students

The Education and Outreach (E&O) team has embarked on an ambitious schedule to develop, by the end of the summer, six new 5-10 day science units that connect to Sanford Lab and its programs to current and future science curriculum taught statewide in elementary, middle and high schools. Six K-12 teachers have been hired part time for the summer to help with this effort, two at each grade band. The teachers are from Rapid City (Lynn Arnold, Ann Hast, Brenda Murphey, Kim Weber), Sturgis (Kristin Wheaton) and Hill City (Chad Ronish). An orientation briefing was held with the teachers the last week of May and work is commencing in earnest the first week of June.

The Education and Outreach (E&O) Department works with teachers in South Dakota and neighboring states to enhance Science, Technology, Engineering, and Mathematics (STEM) education. Mid-April through May is the peak season for schools to visit Sanford Lab as they wind down their school year. There were 319 students whom participated in programs at Sanford Lab in the month of May.

Nine area schools were onsite in May. At the elementary school level, Hermosa brought their 5th grade class of 23 students, Crooke County (Hulett, WY) brought a combined group of grades 3-5, and Conestoga Elementary in Gillette, WY brought their 4th grade classes of 53 students for the third year in a row. Teams of Hermosa students tackled the engineering design challenge to model the hoist, then toured the Yates Hoist Room. They also had a geology lesson at the Open Cut. STEM Education Specialist Tom Campbell, KC and E&O Deputy Director Peggy Norris worked with the group. The Crooke County students also worked with Peggy and Tom. From Peggy, they learned about seismic waves and the tiltmeter instruments at Sanford Lab and how the data can be used to locate earthquakes half a world away. They also toured the Hoist Room with Tom. A show and tell of Sanford Lab rock samples with Tom rounded out their two-hour field trip. Students from Conestoga Elementary also learned about the tiltmeters and toured the Hoist Room with Peggy and Tom. The students also toured the Mining Museum downtown.

At the middle school level, schools visiting Sanford Lab in May were West Middle School (Rapid City) and St. Francis Indian School (Chamberlain). Ninety-Eight 6th graders came from West on May 1 in a visit coordinated by Education Specialist Julie Dahl. The group was so large that both the Yates Education Building and the picnic shelter at Manuel Brothers Park were utilized. At the park, Tom and STEM Education Specialist Bree Reynolds led geology and water filtration activities, respectively. At Sanford Lab, Julie, Peggy and E&O Director Ben Sayler led hands-on activities about dark matter and Hoist Room tours. A smaller group visited from St. Francis Indian School on May 4, hosted by Bree. The group participated in activities and a videoconference with Science Support Specialist Dana Byram at the Davis Campus.

At the high school level, schools visiting Sanford Lab in May were from Wall and Hill City in South Dakota, Newcastle in Wyoming, and Killdeer in North Dakota. Wall High School brought students across disciplines, including their chemistry, biology and earth science classes. Peggy, Bree, Julie and Tom were all involved with leading activities and tours for these classes, which included the Waste Water Treatment Plant (biology), Hoist Room (chemistry) and Open Cut (earth science). Newcastle and Hill City visited together. Both schools have high school science fairs for their students and wanted to bring students to explore possible topics for research projects for next year. Bree, Julie and Peggy put together a program for the students that included a tour of the Waste Water Treatment Plant. Killdeer came for the third year in a row as part of a field trip that also included a tour at

SD School of Mines. They toured the Hoist Room with Peggy and had a videoconference with Science Support Specialist Mark Hanhardt.

In addition, the department continues to be a resource for STEM-related field trips for home school cooperatives. This month, a middle and high school group came out from Rapid City for hands-on activities and a tour of the Hoist Room.

Members of the E&O Department also provided programming at the Homestake Opera House in Lead for school groups who wished to combine both science and history in their field trips. This program is winding down and will transition to the Sanford Lab Homestake Visitor Center in the future. The so-called Lead Educational Field Trip program was a smaller component of the E&O Department outreach this spring, with only three schools taking part in science programming at the Homestake Opera House. These schools were Sturgis Brown High School (math and science club), Canyon Lake Elementary (Rapid City) and Lead-Deadwood Elementary. For the high school group, Peggy coordinated hands-on activities on nucleosynthesis, related to the Compact Accelerator System for Performing Astrophysical Research (CASPAR) program. For Canyon Lake Elementary, due to time constraints, she presented an overview on the electromagnetic spectrum and dark matter. The students had many great questions about dark matter. More time was available to work with Lead-Deadwood Elementary, and Peggy coordinated hands-on activities in seismic waves and tiltmeters, while Bree piloted a game she is developing on dark matter detection.

Other Audiences

The E&O team continues to connect with students through informal and afterschool programs and summer camps around the Black Hills. These programs include efforts to encourage more underrepresented groups, including females, to consider science and engineering careers. Peggy joined Belle Fourche Middle School as they held their last SciGirls club event for the 2014-15 school year. They will continue to utilize SciGirls programming as part of summer enrichment, with programs organized and run by teachers.

Interns

The Dave Bozied and Chris Bauer internship programs are now underway and students are well integrated into their work groups.

Five interns started work on May 11 for a ten-week program. They are:

Name	School	Hometown	Department	Supervisor
Zane Bolden*	SD Mines	Buffalo Gap	Engineering	Bryce Pietzyk
Ida Clarke	BHSU	Pine Ridge	Operations (WWTP)	Ken Noren
Jacob Haivala	Montana State	Spearfish	Science	Jaret Heise
Daniel Johnson*	SDSU	Lead	Operations (EE)	Paul Bauer
Joseph VanDriel	SD Mines		Science	Jaret Heise

* Chris Bauer Engineering Intern

The 2015 Davis-Bahcall Scholars have also been announced and arrived at the Sanford Lab on June 8:

Name	School	Hometown
Joseph Abrahamson*	SDSU	Howard
Jared Bitz	Lincoln	Sioux Falls
Shouri Dirks	Harrisburg	Harrisburg
Karissa Kjenstad	SD Mines	Des Moines, WA
Jackson Peterson	Sturgis Brown	Box Elder
Isaac Rath	Canton	Canton
Mariya Sachek	Roosevelt	Sioux Falls
Greydon Shangreaux*	SD Mines	White River
John Weiland	Aberdeen Central	Aberdeen

* Sponsored by SD Space Grant Consortium

The E&O team has a limited number of activities in the area of public outreach, working closely with the Communications Department. Members of the staff are on the planning committee for Neutrino Day, coordinating hands-on activities for kids (Julie Dahl) and volunteers (Tom Campbell).

The Road Scholars educational travel program began for the season in early May. In spite of some early season weather challenges, a total of 96 seniors in four groups toured the Homestake Opera House, including a past and future talk about Sanford Lab from Peggy Norris. Eventually, it is expected that this program will transition to the new Visitor Center.

Group	Students					Educators			Community		
	K-5	6-8	9-12	Undergrad	Graduate	K-12 Teachers	Univ. Faculty	Informal	Parents	Sanford Lab Staff	General Public
ON-SITE											
West Middle School		98				8			2		
St Francis Indian School		9				1			2		
Wall High School			44			2			1		
Newcastle High School			26			2					
Hill City High School			10			1					
Hermosa School	23					1			5		
Kildeer, ND High School			8			1					
Rapid City Home School Coop	3	5	1						6		
Crooke County School (Hulet, WY)	43					2			4		
Conestoga Elementary (Gillette, WY)	53					2			4		
Spearfish/Lead Kiwanis											20
<i>Subtotal</i>	122	112	85	0	0	20	0	0	24	0	20
OFF-SITE											
Sturgis-Brown High School			36			2					
Canyon Lake Elementary	65					3			6		
Lead-Deadwood Elementary		54				2					
SciGirls, Belle Fourche		3				1					
Road Scholars (4 groups)											96
Bellman Brown Bag, Spearfish*											50
<i>Subtotal</i>	65	57	36	0	0	9	0	0	6	0	146
VIDEOCONFERENCE											
<i>Subtotal</i>	0	0	0	0	0	0	0	0	0	0	0
Grand Total	187	169	121	0	0	29	0	0	30	0	166
Grand Total: 702 students, educators and members of the general public, of which 16 students and educators participated in programs designed to engage groups underrepresented in science, technology, engineering, and math.											

* Sanford Lab Communications Department activity

Table 1. Estimated Audience Served – May 2015

Communications Department
Constance Walter, Communications Director

Sanford Lab Homestake Visitor Center Exhibits

Communications Director Connie Walter worked with SDSTA Project Analyst Pam Hamilton and Visitor Center staff to develop website and brochure content. Connie assisted in updating and rewriting the Visitor Center tour scripts.

Connie and Multimedia Specialist Matt Kapust are working with Visitor Center Director Billi Bierle to develop a program for the building dedication and grand opening.

All videos for the Visitor Center exhibits have been sent to RBH for inclusion in the touch screen displays.

Neutrino Day Planning

Posters for Neutrino Day are designed and will be printed on June 8. The schedule of events has been updated and posted on the web at www.sanfordlab.org/neutrinoday. This year's event includes the premier of "Homestake Mine," an original choral composition by Black Hills State University music major Jesse Dunaway.

Matt is organizing the videoconference portion of Neutrino Day. The public will talk with Sanford Lab scientists and David Vardiman, who will be underground at Governor's Corner, as well as scientists at Fermilab. We are also providing a separate connection between MAJORANA and The Daily Planet Theater at the North Carolina Museum of Natural Sciences.

National Environmental Policy Act (NEPA)/Environmental Assessment (EA)

Public meetings for the EA will take place June 17 (Lead, Copper Mountain Resort) and June 18 (Rapid City, SD Mines). A public meeting will be held in at Fermilab on June 24. Connie, Matt, Mandy, Cultural Coordinator KC Russell and SDSTA Environmental Manager John Scheetz are regularly meeting with the Department of Energy (DOE) and Fermilab to organize the meetings and ensure information is current.

Matt has updated two posters for Sanford Lab that will be used at the meeting. He also created two new posters that cover the topics of rock transportation and historic preservation.

Connie is working with Brian Quirke of DOE and Kurt Riesselman on publicity.

Draft Environmental Assessments were delivered to libraries in Lead, Deadwood, Spearfish, Rapid City, Belle Fourche and Sturgis. The EAs will also be available at Black Hills State University Library and South Dakota School of Mines & Technology Library.

Media/Site Visits

Science Friday (Public Radio International and National Public Radio) was on site for three days. They are producing a video for their website and creating a radio program. The program and video will run in September. Connie, Matt and Adam accompanied the team on three underground visits.

Connie gave a presentation to the Bureau of Finance and Management and Matt provided a surface tour to the group.

Connie gave a presentation at the Bellman Brown Bag at the Matthews Opera House in Spearfish.

Connie provided a Deep Science presentation to the Kiwanis Club of Spearfish and Lead.

Graphics, video and website

Matt and Connie worked on making biographies and webpages for all the Neutrino Day Speakers. All forms have been migrated to JotForm.

Photography highlights in May

- May 1: West Middle School-field-trip
- May 6: ERT group photo
- May 14: BHUC, CASPAR Construction
- May 14: Bolting the west drift
- May 15: Visitor center

- May 15: 6 Winze
- May 20: Visitor Center exhibit installation
- May 28: Jace DeCory cultural talk

To view albums in the Sanford Lab Photo Gallery go to: <http://pics.sanfordlab.org/f216003594>

Miscellaneous

Matt continues to maintain cameras and manage files to create time-lapse videos of BHUC and CASPAR.

Connie participated in the first strategic planning sessions.

The Communications Department continues to develop stories for Deep Thoughts; update the website; perform general web maintenance; and provide photographs to the media, science collaborations and educational institutions, and other laboratory departments.

Upcoming projects

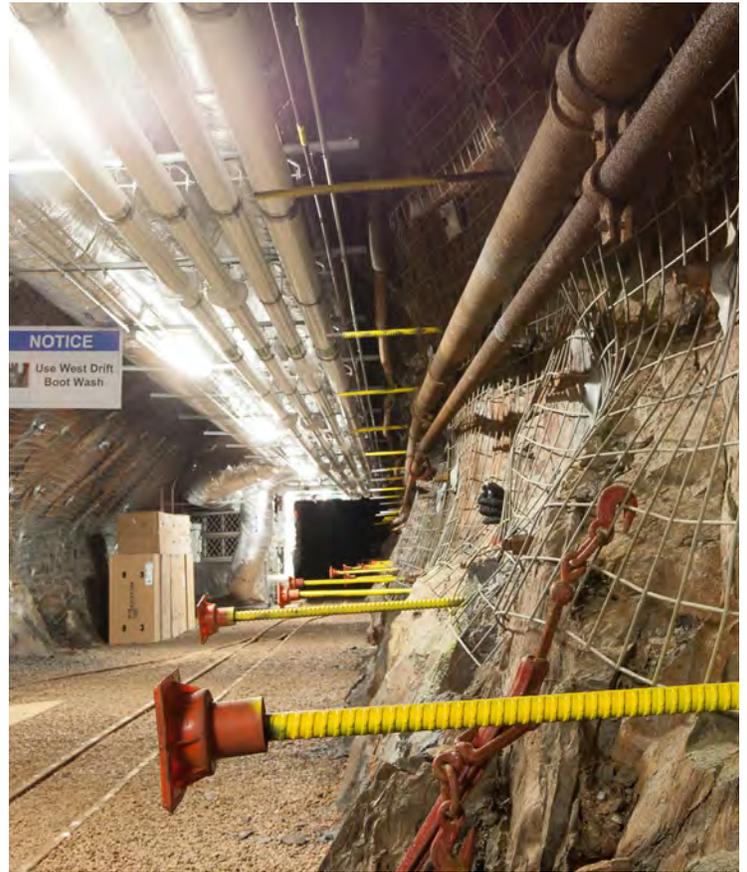
- Planning for Neutrino Day
- Presentation to Soil Scientists Association (June 11)
- Presentation at the Sioux Falls Science Festival with E&O (June 14)
- DOE public meetings on environmental assessment (June 17-18)
- International Legislative Council (June 24)
- Grand opening for Visitor Center (June 30)
- Presentation for Whitewood Public Library's Summer Reading Program (July 1)
- Neutrino Day (July 11); SDPB live broadcast from the underground, Concert (July 10)
- NPR's Radio Lab (July 14-15)

News coverage

In addition to news, magazine and science articles, KDSJ regularly interviews Constance to find out what is happening at Sanford Lab.

- May 26: [A goldmine of scientific research](#) by Amelia Williamson Smith, Symmetry Magazine
- May 20: [SLAC Gears Up for Dark Matter Hunt with LUX-ZEPLIN](#) by SLAC Communications Office, SLAC
- May 08: [Sneak Peak: Sanford Lab/Homestake Visitor Center](#) by C&G Partners
- May 07: [U.S. and European Scientists Sign Cooperation Pact](#) by Dennis Overbye, New York Times
- May 06: [Unlocking Mysteries of Dark Matter & Neutrinos in South Dakota](#) by Tom Hanson, KDLT TV
- May 05: <http://www.kdlt.com/news/local-news/south-dakota-lab-the-search-for-dark-matter/32829470> by Tom Hanson, KDLT TV
- May 03: Viewpoint University (live broadcast), with Rick Knobe at KSOO
- Apr. 24: [Hunting for the WIMPs of the universe](#) by Kate Tobin, National Science Foundation

You can listen to KDSJ's interview with Dr. Michael Cherry here: <https://soundcloud.com/sanford-underground-research-facility/kdsj-radio-interview-with-dr-michael-cherry-physics-professor>



Top left: Block walls are built in the CASPAR experiment cavern.

Top right: Hangers, painted yellow and capped for safety, are installed along the west drift to support utilities running between the Yates and Ross Shafts on the 4850 Level.

Center left: Contractors install a cleanroom for Black Hills State University Underground Campus.

Center right: A larger-than-life photographic frieze can be seen being installed from this view from inside the cage exhibit at the new Visitor Center.

Bottom: The mine model exhibit is installed at the Visitor Center.





Top two: Jace DeCory Assistant Professor of American Indian Studies at Black Hills State University spoke to the SDSTA staff about Building Cultural Bridges.

Center left: E&O Director Ben Saylor orientates students prior to a tour of the Yates Hoistroom. Nearly one hundred West Middle School students visited Sanford Lab on a field trip where they took part in four separate activities. Center right: Students look for "hidden matter" inside paper plates.

Bottom: The Sanford Lab Emergency Response Team members.



Business Services Department
Sharon Hemmingson, Business Services Manager

Contracts and Procurement

LUX-ZEPLIN (LZ): SDSTA published a Request for Bid (RFB) for xenon procurement, and a Request for Proposal (RFP) for A/E Services for the Surface Assembly Laboratory and Davis Campus Modifications.

SURF Operations (LBNL): SDSTA submitted an interim FY2015 budget request to Lawrence Berkeley National Laboratory (LBNL) totaling \$469,000 to address immediate infrastructure needs. SDSTA also submitted a continuation proposal to LBNL for FY16 SURF Operations, Subcontract 6994297, in response to their RFP.

MAJORANA DEMONSTRATOR (MJD): SDSTA received Modification No. 3 to Subaward #5044819, deobligating \$15,000 through September 30, 2015 for a new award total of \$79,641.

Long Baseline Neutrino Facility (LBNF): SDSTA received purchase order (PO) revisions adding \$238,019 to PO #620223 for Building and Infrastructure Preliminary Design and \$102,066 to PO #618228 for Staff Services. SDSTA also received PO #622034 awarding \$86,500 for a Gilt Edge waste rock disposal study, and Amendment No. 1 to Basic Ordering Agreement #610750, raising the award ceiling by \$5,350,000.

Equipment transfers: SDSTA facilitated the transfer of equipment items from South Dakota School of Mines that were purchased under the Deep Underground Science and Engineering Laboratory (DUSEL) Project and thought to have transferred long ago.

Request For Proposals (RFPs) and Contracts Status Report – May 2015			
Contractor / Vendor	Type	Project	Amount
Formations Inc. #2014-38	CO#2	VISITOR CENTER Exhibit Fabrication/Install schedule rev	\$19,647 SAN
Dean Kurtz Construction #2013-45	CO#20	Move sump discharge pipeline in TCR (T&M)	\$5,400 SAN
Formations, Inc. #2014-38	CO#3	Add prep and install of frieze bottom and top cap	\$9,994 SAN
Wolff's Plumbing & Heating, Inc. #2014-39	CO#1	Add airline and relief valve; extend to 8/1/2015	\$3,060 DOE
Ainsworth-Benning Construction, #2013-40	CO#10	Labor and backhoe to dig 6 test pits near Ross	\$505 FNA
Ainsworth-Benning Construction, #2013-40	CO#11	Add \$100,000, name Will McElroy PM	\$100,000 all
Ruff, Inc. #2015-06	Contract	Retrieval of Data from RS6000 Server (NTE)	\$1,000 DOE
SDSTA/BHSU MOU Letter Agreement	MOU	EHS Intern	\$7,000
Ainsworth-Benning Construction, #2013-28	CO#4	Extend contract term to 6/30/2015	n/a SAN
City of Lead Construction Easement	Mod 1	Extending easement for Park restrooms	n/a SAN
TBD	RFB	LUX procurement of Xenon	TDB
TBD	RFP	Surface Assembly Laboratory, Davis Campus	TBD
CDM Smith #2015-04	Contract	Gilt Edge waste rock disposal study	\$69,200 FNA
Insulation Enterprises, Inc. #2015-07	Contract	Replace moldy insulation on Davis pipe	\$50,000 DOE

Purchase Orders (POs): 155 POs were issued in May totaling **\$165,027**.

Warehouse Inventory: Warehouse inventory on May 31, 2015 totaled **\$218,845**.

Information Technology (IT)

IT coordinated phone services, audio-visual system, fiber connection, firewall, network and wireless systems for the Sanford Lab Homestake Visitor Center.

SDSTA IT Consultant Mike Rechtenbaugh tested the underground failover ring between Ross and Yates and the internet failover between BIT to Midcontinent, and both are working as designed. IT replaced the campus router with minimal downtime and upgraded the wireless controller with minimal impact (less than ½ hour downtime on a Saturday morning).

Phone service is scheduled to transition from Vast to Midcontinent on June 23.

IT configured and delivered laptops for student interns, and closed a total of 50 work orders with a 92% on time rate for the month of May.

Modifications were made to the rolling stock database application, as well as development of a dashboard that includes reports for the work order system and an export program for Yates Shaft 3D modeling database effort.

IT continues to review Meru Wireless, Xymon Network, and VPN Remote Access logs daily, and establishes new VPN and DocuShare accounts for individuals and user groups as needed.

User Support Office (USO)

For the month of May, logistical and administrative support were provided for the following:

- May 6: Wall High School Visit (*Norris*)
- May 7, 8 & 15: Annual Refresher Training; topic is Communication (*Hudson/Hopmeier*)
- May 8: Newcastle/Hill City School Visits (*Norris*)
- May 11:
 - ❖ General Safety Basic
 - ❖ SDSTA Board of Directors Telephonic Meeting
- May 13: Hermosa School Visit (*Norris*)
- May 14: Killdeer High School Visit (*Norris*)
- May 15: Spearfish/Lead Kiwanis Meeting; Deep Science (*Walter*)
- May 20: Conference on Science at Sanford Underground Research Facility Attendees Underground Tour (*Conference hosted by SD Mines May 18-20*)
- May 21-22: Strategic Planning Workshop No. 1 of 2 (*Sage Consultants*)
- May 27: Bureau of Finance and Management Surface Tour (*Walter*)
- May 28: Cultural Presentation to staff (*KC Russell/Jace DeCory*)

Preparation and planning continue for upcoming meetings and events to be held at Sanford Lab:

- June 2: Cultural Presentation to staff (*Jace DeCory*)
- June 8: General Safety Basics; DOE staffer Linda Blevins u/g tour (*Headley*)
- June 8-19: Davis Bahcall Scholars (*on site*)
- June 9-11: EHSOC Meeting
- June 15-16: LUX Analysis Workshop; June 17-19 LUX Collaboration Meeting
- June 15-17: LBNF Ventilation and Risk Workshop (*to be held at The Lodge at Deadwood*)
- June 17-18: EA Public Meetings; Lead and Rapid City
- June 22: LUX-ZEPLIN Meeting
- June 24: International Legislative Council (*Walter*)
- June 30:
 - ❖ SDSTA Board of Directors Annual Meeting
 - ❖ Visitor Center Building Dedication, Luncheon and U/G Tour

Monthly reports for LBNL and SDSTA were compiled, edited and distributed. Month-end reception registers were forwarded to the FBI/Homeland Security/SD Fusion Center.

Monthly Researcher hours were tracked and Science training records processed. Monthly invoices were coded for the Finance Department. Telephone lists were updated. Safety messages and other important news continue to be updated on a daily basis on digital displays located at the Davis Campus and the Administration Building reception area. DocuShare collections continue to be organized and archived as needed.

Mandy continues to assist the Communications Department with updating content on the Sanford Laboratory website as well as copyediting. Mandy is also helping the Communications Department with logistics for the upcoming Environmental Assessment Public meetings to be held in Lead and Rapid City June 17-18, respectively.

Work also continues on updating SDSTA policies and procedures. Section 4 policies have been reviewed by SDSTA Legal Counsel Tim Engel and finalized for approval at the June 30 annual board meeting.

Eva Running from the SD Department of Labor's Work Experience Program has returned to help cover the reception area. Eva is managing the front desk while our full time receptionist is on maternity leave. She plans to work at Sanford Lab until the end of July.

Finance and Human Resources Department
Nancy Geary, Chief Financial Officer and Department Manager

Included in the Financial Report are the following:

- DOE SDSTA FY2015 SPA Curve as of May 2015
- Balance Sheet as of May 31, 2015
- Comprehensive Statement of Income – May 2015
- Comparative Balance Sheet – May 2015 vs. May 2014
- Comparative Statement of Income – May 2015 vs. May 2014
- Available Cash as of May 2015
- Operating Budget Summary
- CAPEX Budget Summary
- May 2015 and YTD CAPEX Budget – actual vs. budget
- SDSTA Staffing Plan by Funding Source as of May 2015

Department of Energy (DOE) SDSTA FY2015 Scheduled Performed Actual (SPA) Curve

This graph represents an analysis of the DOE Subcontract No. 6994297 Operations scheduled funding compared to actual. The report shows funding through September 2015 along with information related to Funded-to-Date dollars, Scheduled dollars, Performed dollars, and Actual dollars by month. Actual dollars represent actual invoices for the months sent to Lawrence Berkeley National Laboratory (LBNL) for reimbursement. For May, the invoices totaled \$1,532,633, which is higher than the anticipated reimbursements of \$1,121,893 by \$410,740. May included three payrolls rather than the usual two. Since the inception of this subcontract in February 2012, the actual expenses are at \$44,817,136 which is lower than the budget of \$44,832,499 by \$15,363. As for FY2015, we are over budget by \$455,334.

Balance Sheet Items

Cash in Local Checking – Total on hand at May 31, 2015 was \$774,325; down from last month by \$524,136. Funds on hand were necessary to pay employee medical/life/vision insurance all due June 1, 2015. The high balance also contains funds from LBNL received late in May.

Cash with State Treasurer – Total balance of \$23,759,010. This has decreased from last month by \$1,783,085 as this amount was drawn down during May.

Billed Accounts Receivable (A/R) – Billed A/R represents any open invoices based on contracts from sources such as LBNL, Fermilab, other smaller contracts from other universities, and Barrick/Homestake Mining Company. Total is at \$2,760,155; up from last month by \$440,395. Included in the balance are open invoices to LBNL for \$1,251,866; representing invoices for the Large Underground Xenon (LUX) subcontract, LUX-ZEPLIN (LZ) engineering support, and invoices for the Operations subcontract No. 6994297. Additional open invoices include \$1,395,879 from Fermilab, \$81,545 from various other smaller university subcontracts, as well as open invoices from Barrick equaling \$30,497. Additionally there is an open invoice for \$368 from Xilinx, Inc. Xilinx, Inc. is a commercial organization rather than a university that has established an experiment located near the 4850L Davis Campus. We are charging them for lab space, experiment access fees, and Sanford Underground Research Facility scientific support.

Unbilled A/R – Balance of <\$6.00>. Unbilled A/R represents items that have not been billed on various contracts. The negative balance represents an adjustment amount on one contract. This amount is immaterial. May's balance has decreased by \$35,078 as payroll items are no longer unbilled.

Other A/R – Current balance of \$382,919. This balance represents any Interest Receivable and Miscellaneous Accounts Receivable. The balance increased by \$14,849 which represents the increase in the interest accrual for the month.

Inventory/Supplies – Balance at \$2,551,692 for fixed assets being stored but not in service. The balance has decreased by \$18,000 for activating into service (3) line power transformers.

Inventory Warehouse/Personal Protective Equipment (PPE) – Current balance of \$369,789. This balance represents the warehouse inventory that was purchased by SDSTA prior to federal funding and xenon gas inventory for experiment use. This balance is unchanged for May.

Other Current Assets – This listing on the balance sheet represents the balances of both prepaid insurance – \$78,220 and prepaid other – \$106,998. Total balance of \$185,218 is up from last month by \$16,684. This increase represents the net effect of another quarterly payment to Lewis-Burke Associates for professional advocacy services and monthly insurance expenses along with the change in prepaid items for May. Monthly insurance expenses were stable at \$45,868 including worker's compensation.

Fixed Assets – Total of \$71,497,813 (net of depreciation through May 31, 2015). The Fixed Asset balance changed for activating into service the (3) line power transformers at \$18,000. Including depreciation through May, the net decrease for fixed assets is \$123,837 for the month

Other Assets/Work in Progress – This balance represents the current progress being made using Sanford/ SDSTA Funds and State funding to support the budgeted projects on the CAPEX budget less any items that are being capitalized within the Fixed Asset designation. Current balance has increased by \$1,418,733 to \$9,511,732. The balance represents the current year's project costs (not including personnel) funded by these sources.

Other Assets/Capital Lease – This balance of \$535,985 represents the deep pump system capital lease. The balance has decreased by \$14,415. The lease through AmWest, Inc. was renegotiated to include transference of property to us at the end of the lease term in January 2018. The rental payments are being directly charged to the LBNL federal subcontract. Per the subcontract, the pumping system will become the property of the federal government at the end of the lease period. The equipment will be fully expensed over the period of the lease at which time it will be removed (along with the lease liability) from the SDSTA's balance sheet.

Total Assets – Total of \$112,328,631. This is down from last month by \$607,891; which represents the net activity as listed above.

Accounts Payable – Our Accounts Payable balance of \$2,795,451 (including Accounts Payable and Accounts Payable Accrual) at the end of the month compared to last month has decreased slightly by \$11,391. This decrease is immaterial.

Accrued Payroll Liabilities – Current balance of \$721,648 has decreased by \$280,433 from last month. This represents the net change between earned vacation and vacation taken and other changes in other employee benefit-related liabilities. Last month's accrual included a labor accrual for labor performed in April, but not paid until May. This month's balance is net of this payroll accrual reversal.

Long Term Accrued Employee Benefit/Lease – This balance of \$535,985 denotes the liability associated with the capital lease for the deep pump system from AmWest, Inc. This balance has decreased by \$14,415 for the month's reduction in the lease amount owed.

Total Liabilities – Total Liabilities decreased by \$306,239 (from \$4,359,323 to \$4,053,084), which reflects the net activity listed above.

Total Equity – Decrease to \$108,275,547 from the previous month \$108,577,199.

Total Liabilities & Equity – Decrease to \$112,328,631 from the previous month of \$112,935,522.

Statement of Income Items

On the SDSTA's Statement of Income, the DOE Subcontracts are consolidated into one line item on the report. Included in this amount are various subcontracts from LBNL, Fermi National Accelerator Laboratory (FNAL), as well as a small contract for the MAJORANA project with the University of North Carolina. Total revenue for this fiscal year through May 2015 is \$16,142,364 (increase from April of \$1,875,799).

National Science Foundation (NSF) Subcontracts – Total revenue through May 2015 from NSF funding is \$25,157. The balance represents revenue from a small subaward through Case Western Reserve University as well as an award through the University of Minnesota. There was a small increase of \$409 this month from NSF funding.

State Revenue – Year to date revenue from the State of SD includes \$294,104 received from Governor's Office of Economic Development to assist with the costs of administering the Sanford Science Education Center in partnership with Black Hills State University. SDSTA also has received the full \$2M pledged by the State to assist with the construction costs of the Sanford Lab Homestake Visitor Center and the Sanford Education Center at Black Hills State University. In late March we received \$3.95M from the State Legislature for funding for the Ross Shaft Rehabilitation. Additional funding has been received from Black Hills State University (BHSU) in the

amount of \$195,060 for clean room related expenses for their underground campus. The balance also includes a small amount of funding from the University of South Dakota state research funds for the Center for Ultra-Low Background Experiments in the Dakotas (CUBED). The increase to State Revenue for the month is \$265,394 with a total for the year of \$6,445,048.

Contributions & Donations – SDSTA Consultant Ron Wheeler's fund raising activities includes the receipt of \$500,000 in July from the Great Plains Education Foundation in support of the education efforts at Sanford Underground Research Facility. The Great Plains Education Foundation pledged another \$500,000 over the next four years to be used towards education programs associated with the Sanford Underground Research Facility. Additional donations include \$15,000 received from the City of Lead and \$25,000 from Deadwood Historical Commission to assist with the Sanford Lab Homestake Visitor Center costs. Another \$50,000 was received from Black Hills Power Inc. for development costs related to underground research facilities. Furthermore, Black Hills Power has pledged an additional \$200,000 for the future. Additionally, a donation of \$5,000 was received from the City of Spearfish in support of the education efforts at Sanford Underground Research Facility. No additional contributions were received in May. Year-to-date contributions total \$595,000.

Interest income recorded for the current fiscal year on State Funds is at \$175,769. This represents interest accruing at 0.75% on the cash held by the state on behalf of the SDSTA.

Direct Costs are then listed on the Statement of Income. The categories are listed to reflect the format used when invoicing on federal contracts. The classifications for Unallowable Costs and Indirect Costs are listed as well on this report to follow the federal contracting format. Direct Costs/Unallowable Costs are at \$14,401,068 for the year. Indirect Costs including fringe benefits are at \$6,564,969. Other Income through the month of May is at \$255,746 which represents miscellaneous income, income received from Xilinx (a private company) discussed earlier, and a small amount for water treated for Barrick.

Finally, Net Income for the year is at \$3,968,180.

Comparative Balance Sheet

Significant differences include Total in Local Checking, which is higher by \$191,432 from this time last year. This year's balance includes payments on Accounts Receivable received late in the month after requesting funds from our State accounts. Total Cash with State Treasurer is lower by \$5,701,744 from this time last year as funds were expended over the 12-month period. Yet, \$3,950,000 was received as a Legislative Appropriation and was deposited in our account with the State. Billed A/R is higher than this time last year by \$729,713 primarily due to increases in the total unpaid receivables from Fermilab. Other notable differences exist for changes in Fixed Assets. Fixed Assets increased by \$4,839,265 primarily due to year-end capitalization of improvements in progress for year-end closing. The category of Work in Progress has increased from this time last year by \$4,118,187 represented by the increase in activity in our CAPEX projects year to date. In summary, Total Assets have increased by \$3,823,267. Total Liabilities have increased by \$1,226,746 over last year at this same time, primarily due to increased accounts payable for open invoices to various contractors. Total Equity has increased by \$2,596,520 from last year at this same time primarily due to the increases in Investments in General Fixed Assets for capitalizing fixed assets along with the \$3,950,000 received from the State Legislature. These two increases were larger than the withdrawal of funds from the other restricted funds held with the State.

Comparative Profit/Loss

Total Revenue for year-to-date May 2015 compared to year to date May 2014 has increased by \$6,458,135. DOE subcontract revenue has increased by 11.7%, but the majority of the total increase is due to the additional funding received in March through May from the State Legislature discussed earlier. Additionally, this year's revenue includes contributions of \$595,000 from the Great Plains Education Foundation and various other contributors listed earlier, while only \$30,000 was contributed last year. Interest Income is slightly lower for year-to-date May 2015 due to a lower cash balance with the State compared to last year. Direct Costs and Indirect Costs for year to date May 2015 compared to this time last year show a combined increase (11.5% increase), primarily due to increased contractual services related to operations support in hazard mitigation and shaft work. Additional notable increases include costs for utilities as well as indirect miscellaneous contractual related to masonry and roof repairs. Net Income for the comparative time periods shows an increase of \$4,264,380 mainly due to the additional funding received from the State.

Available Cash

This report reflects our available cash after noting the restricted cash balances in the Indemnification and Mine Closure accounts. The Sanford Gift No. 2 account is no longer designated as “restricted” in the same sense as the Indemnification and Mine Closure accounts due to the signing of the Fourth Amendment to the Homestake Gift Agreement. After our liabilities are noted, \$9,117,488 is available to be used for a limited scope of SDSTA expenses (Board, Administration, Communication, Education & Outreach, and Science Liaison expenses not covered by the current DOE funding), for current contracts concerning the various capital expenditure projects including the Ross Shaft Rehabilitation, and towards the specific educational projects listed in the Fourth Amendment.

Operating Budget Analysis

This report is separated into three sections: SDSTA-funded activities, Federal & State funded activities, and Indirect expenses that benefit various activities. A few activities are over budget for the month including the Board of Directors, SDSTA Executive Office, and the Communications Department. A new activity has been added to the SDSTA section denoted as Sanford Lab Visitor Center Director. In early May, Billi Bierle was selected to direct the operations of the new visitor center that is still under construction. Her salary (for a short time period), including employee benefits and a computer will be covered by SDSTA funds. The Board has approved this expenditure. Additional contracts over budget include the LBNL contracts, one Fermi contract, and the Sanford Science Education Center supported by GOED is over budget. Indirect expenses are over budget for the month as well. Having three pay periods in May is the primary reason why actual expenses in May are over budget. Total operating expenses are over budget for May 2015 by \$369,075. Yet, year-to-date figures are almost all under budget for a total under run of \$983,946. The Xilinx, Inc. contract was added to the list last month. It is denoted with an asterisk, indicating that it is a private corporation rather than funded by Federal or State funds.

Capital Expenditure Budget Analysis

Our current capital expenditure projects have been condensed and are listed from CAP2012-13 - CAP2015-04 with various breaks in the numbering sequence. Total project dollars are at \$18,566,715, which represents the approved budget from the June 2014 Board meeting together with the additional budget of \$561,000 approved at the September 2014 Board meeting. Additionally, \$200,000 was added to the project dollars for support from Black Hills State University (BHSU) for the Underground Campus project. All projects will be funded by the balance of Sanford Funds as directed by the Fourth Amendment to the Homestake Gift Agreement, \$2,000,000 of Future Funds for both the Sanford Lab Homestake Visitor Center Design & Construction and the BHSU Jonas Science Building Renovation, funding from private fund raising activities, \$200,000 from BHSU, and SDSTA funds including interest. In May 2015 we spent \$1,845,588 on our CAPEX projects out of the budgeted \$1,418,567. Year-to-date we have expended \$12,536,294 on this list of projects.

Human Resources

Currently, the SDSTA has 124 full time employees and 23 temporary staff; primarily Emergency Response Team members and several summer interns. Mike Headley has taken on the role as the Long Baseline Neutrino Facility Far Site Division Head. He will continue as a SDSTA employee in his role as SDSTA Executive Director and serve as the “Acting” Laboratory Director until the Laboratory Director position has been filled. The vacant ERT Lead/Site Safety Specialist position has been backfilled by John Emick, a former SDSTA Infrastructure Technician. This Infrastructure Technician position will be backfilled. SDSTA Infrastructure Technician Patrick Kinghorn has resigned effective June 15, 2015 and his position will also be backfilled.

TOTAL SURF SDSTA Operations - May 2015



	CTD	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
Funded	\$ 35,133	\$ 38,669	\$ 38,669	\$ 39,119	\$ 42,013	\$ 42,013	\$ 46,559	\$ 46,559	\$ 46,559	\$ 46,559	\$ 46,559	\$ 46,559	\$ 46,559
Scheduled	\$ 35,501	\$ 36,676	\$ 37,776	\$ 39,133	\$ 40,302	\$ 41,408	\$ 42,527	\$ 43,711	\$ 44,833	\$ 45,863	\$ 46,942	\$ 47,949	\$ 49,007
Performed	\$ 35,501	\$ 36,676	\$ 37,776	\$ 39,133	\$ 40,302	\$ 41,408	\$ 42,527	\$ 43,711	\$ 44,833				
Actuals	\$ 35,031	\$ 36,559	\$ 37,641	\$ 38,729	\$ 39,858	\$ 41,023	\$ 42,134	\$ 43,285	\$ 44,818				

DOE SDSTA FY 2015 SPA Curve May 2015

DIVISION: ALL

BALANCE SHEET

ASSETS

AS OF
05/31/15

CURRENT ASSETS		
First Interstate Checking	\$	716,436.72
First Interstate Other		57,888.45

Total in Local Checking		774,325.17
SD Treas: Indemnification		10,000,000.00
SD Treas: Mine Closure		1,362,763.38
SD Treas: Operating		648,578.00
SD Treas: Sanford		3,136,756.48
SD Treas: Sanford Gift #2		4,660,912.00
SD Treas: SB196 Transfer		3,950,000.00

Total with SD Treasurer		23,759,009.86
Billed A/R		2,760,154.97
Unbilled A/R		(5.79)
Other A/R		382,918.71
Inventory - Supplies		2,551,692.22
Inventory - Warehouse		369,788.53
Other Current Assets		185,218.46

Total Current Assets		30,783,102.13
FIXED ASSETS		
Land, Underground & Other		12,353,375.03
Bldgs & Infrastructure		8,881,327.62
Improvements		49,274,276.00
Computer Equipment		362,464.95
Equipment & Fixtures		9,468,941.64
Accum Depr & Amort		(8,842,572.65)

Total Fixed Assets		71,497,812.59
OTHER ASSETS		
Work in Process		9,511,731.54
Equipment - Capital Lease		535,984.64

Total Other Assets		10,047,716.18
TOTAL ASSETS		=====
	\$	112,328,630.90
		=====

DIVISION: ALL

BALANCE SHEET

LIABILITIES & EQUITY

		AS OF 05/31/15

CURRENT LIABILITIES		
Accounts Payable	\$	2,783,788.99
Other Payables		11,662.15

Total Accounts Payable		2,795,451.14
Accrued Payroll Liab		721,647.95

Total Current Liabilities		3,517,099.09
OTHER LIABILITIES		
LT Accrued EB/Lease		535,984.64

Total Other Liabilities		535,984.64
STOCKHOLDER'S EQUITY		
Restricted: Indemnificati		10,000,000.00
Restricted: Sanford I.Lab		7,086,756.48
Restricted: Mine Closure		1,362,763.38
Restricted: Sanford Gift2		4,660,912.00

Total Restricted Funds		23,110,431.86
Investment in Gen FA		71,497,812.59
Unrestricted Funds		13,667,302.72

Total Equity		108,275,547.17
		=====
TOTAL LIABILITIES & EQUITY	\$	112,328,630.90
		=====

ALL

STATEMENT OF INCOME

FOR THE PERIOD ENDING 05/31/15

	YR-TO-DATE

REVENUE	
DOE Subcontracts	\$ 16,142,363.59
NSF Subcontracts	25,156.88
State Revenue	6,445,047.99
Contributions & Donations	595,000.00
Checking Interest	75.60
Interest Income	175,768.73

TOTAL REVENUE	23,383,412.79
DIRECT COSTS	
Direct Labor	6,640,436.05
ERT Labor	34,316.94
Board of Directors	11,451.39
Capital Outlay >\$5K	31,289.00
Contractual Svcs	4,218,379.97
Emergency Resp	2,346.49
Inventory	336,779.91
Supplies	634,682.49
Travel - Domestic	73,386.66
Travel - Foreign	24,216.81
Utilities	1,839,723.54
Other Direct Costs	184,336.89
Unallow/Unbill Costs	369,722.04

TOTAL DIRECT COSTS	14,401,068.18
INDIRECT COSTS	
Fringe Benefits	3,092,182.59
Overhead	3,472,786.36

TOTAL INCIRECT COSTS	6,564,968.95

GROSS PROFIT FROM OPERATIONS	2,417,375.66

OTHER INCOME	
Water Treatment	171,628.18
Miscellaneous Income	83,152.70
Other Operating Income	965.00

TOTAL OTHER INCOME	255,745.88
OTHER EXPENSES	
Loss(Gain) on Sale of FA	2,382.14
Reclass Incr Net Assets	(1,297,440.86)

TOTAL OTHER EXPENSES	(1,295,058.72)

NET INCOME/LOSS <>	\$ 3,968,180.26
	=====

DIVISION: ALL

COMPARATIVE BALANCE SHEET

ASSETS

	AS OF 05/31/15	AS OF 05/31/14	\$ CHANGE	% CHANGE
CURRENT ASSETS				
First Interstate Checking	\$ 716,436.72	\$ 524,811.53	\$ 191,625.19	36.51%
First Interstate Other	57,888.45	58,081.62	(193.17)	-0.33%
	-----	-----	-----	-----
Total in Local Checking	774,325.17	582,893.15	191,432.02	32.84%
SD Treas: Indemnification	10,000,000.00	10,000,000.00	-	0.00%
SD Treas: Mine Closure	1,362,763.38	1,349,275.35	13,488.03	100.00%
SD Treas: Operating	648,578.00	-	648,578.00	100.00%
SD Treas: Sanford	3,136,756.48	2,843,598.40	293,158.08	10.31%
SD Treas: Sanford Gift #2	4,660,912.00	15,267,880.00	(10,606,968.00)	-69.47%
SD Treas: SB196 Transfer	3,950,000.00	-	3,950,000.00	100.00%
	-----	-----	-----	-----
Total with SD Treasurer	23,759,009.86	29,460,753.75	(5,701,743.89)	-19.35%
Billed A/R	2,760,154.97	2,030,441.73	729,713.24	35.94%
Unbilled A/R	(5.79)	2,154.17	(2,159.96)	-100.27%
Other A/R	382,918.71	306,187.47	76,731.24	25.06%
Inventory - Supplies	2,551,692.22	2,702,464.79	(150,772.57)	-5.58%
Inventory - Warehouse	369,788.53	375,819.08	(6,030.55)	-1.60%
Other Current Assets	185,218.46	342,582.30	(157,363.84)	-45.93%
	-----	-----	-----	-----
Total Current Assets	30,783,102.13	35,803,296.44	(5,020,194.31)	-14.02%
FIXED ASSETS				
Land, Underground & Other	12,353,375.03	12,353,375.03	-	0.00%
Bldgs & Infrastructure	8,881,327.62	8,881,327.62	-	0.00%
Improvements	49,274,276.00	43,535,690.13	5,738,585.87	13.18%
Computer Equipment	362,464.95	362,464.95	-	0.00%
Equipment & Fixtures	9,468,941.64	8,699,310.03	769,631.61	8.85%
Accum Depr & Amort	(8,842,572.65)	(7,173,619.84)	(1,668,952.81)	23.27%
	-----	-----	-----	-----
Total Fixed Assets	71,497,812.59	66,658,547.92	4,839,264.67	7.26%
OTHER ASSETS				
Work in Process	9,511,731.54	5,393,544.40	4,118,187.14	76.35%
Equipment - Capital Lease	535,984.64	649,975.22	(113,990.58)	-17.54%
	-----	-----	-----	-----
Total Other Assets	10,047,716.18	6,043,519.62	4,004,196.56	66.26%
	=====	=====	=====	=====
TOTAL ASSETS	\$ 112,328,630.90	\$ 108,505,363.98	\$ 3,823,266.92	3.52%
	=====	=====	=====	=====

DIVISION: ALL

COMPARATIVE BALANCE SHEET

LIABILITIES & EQUITY

	AS OF 05/31/15	AS OF 05/31/14	\$ CHANGE	% CHANGE
CURRENT LIABILITIES				
Accounts Payable	\$ 2,783,788.99	\$ 1,502,072.22	\$ 1,281,716.77	85.33%
Other Payables	11,662.15	10,027.86	1,634.29	16.30%
	-----	-----	-----	-----
Total Accounts Payable	2,795,451.14	1,512,100.08	1,283,351.06	84.87%
Accrued Payroll Liab	721,647.95	664,261.94	57,386.01	8.64%
	-----	-----	-----	-----
Total Current Liabilities	3,517,099.09	2,176,362.02	1,340,737.07	61.60%
OTHER LIABILITIES				
LT Accrued EB/Lease	535,984.64	649,975.22	(113,990.58)	-17.54%
	-----	-----	-----	-----
Total Other Liabilities	535,984.64	649,975.22	(113,990.58)	-17.54%
	-----	-----	-----	-----
TOTAL LIABILITIES	4,053,083.73	2,826,337.24	1,226,746.49	43.40%
STOCKHOLDER'S EQUITY				
Restricted: Indemnificati	10,000,000.00	10,000,000.00	-	0.00%
Restricted: Sanford I.Lab	7,086,756.48	2,843,598.40	4,243,158.08	149.22%
Restricted: Mine Closure	1,362,763.38	1,349,275.35	13,488.03	1.00%
Restricted: Sanford Gift2	4,660,912.00	15,267,880.00	(10,606,968.00)	-69.47%
	-----	-----	-----	-----
Total Restricted Funds	23,110,431.86	29,460,753.75	(6,350,321.89)	-21.56%
Investment in Gen FA	71,497,812.59	66,658,547.92	4,839,264.67	7.26%
Unrestricted Funds	13,667,302.72	9,559,725.07	4,107,577.65	42.97%
	-----	-----	-----	-----
TOTAL EQUITY	108,275,547.17	105,679,026.74	2,596,520.43	2.46%
	=====	=====	=====	=====
TOTAL LIABILITIES & EQUITY	\$ 112,328,630.90	\$ 108,505,363.98	\$ 3,823,266.92	3.52%
	=====	=====	=====	=====

DIVISION: ALL

COMPARATIVE STATEMENT OF INCOME

FOR THE PERIOD ENDING 05/31/15

	YEAR TO DATE	PRIOR YEAR TO DATE	\$ CHANGE	% CHANGE
REVENUE				
DOE Subcontracts	\$ 16,142,363.59	\$ 14,448,974.00	\$ 1,693,389.59	11.72%
NSF Subcontracts	25,156.88	209,562.97	(184,406.09)	-88.00%
State Revenue	6,445,047.99	2,003,155.59	4,441,892.40	221.74%
Contributions & Donations	595,000.00	30,000.00	565,000.00	1883.33%
Checking Interest	75.60	62.08	13.52	21.78%
Interest Income	175,768.73	233,523.62	(57,754.89)	-24.73%
TOTAL REVENUE	23,383,412.79	16,925,278.26	6,458,134.53	38.16%
DIRECT COSTS				
Direct Labor	6,640,436.05	6,537,946.55	102,489.50	1.57%
ERT Labor	34,316.94	28,123.50	6,193.44	22.02%
Board of Directors	11,451.39	5,673.39	5,778.00	101.84%
Capital Outlay >\$5K	31,289.00	444,239.09	(412,950.09)	-92.96%
Contractual Svcs	4,218,379.97	2,269,385.99	1,948,993.98	85.88%
Emergency Resp	2,346.49	36,498.25	(34,151.76)	-93.57%
Inventory	336,779.91	299,387.58	37,392.33	12.49%
Supplies	634,682.49	851,650.60	(216,968.11)	-25.48%
Travel - Domestic	73,386.66	49,453.14	23,933.52	48.40%
Travel - Foreign	24,216.81	10,659.91	13,556.90	127.18%
Utilities	1,839,723.54	1,654,801.08	184,922.46	11.17%
Other Direct Costs	184,336.89	264,416.09	(80,079.20)	-30.29%
Unallow/Unbill Costs	369,722.04	305,852.15	63,869.89	20.88%
TOTAL DIRECT COSTS	14,401,068.18	12,758,087.32	1,642,980.86	12.88%
INDIRECT COSTS				
Fringe Benefits	3,092,182.59	2,910,217.54	181,965.05	6.25%
Overhead	3,472,786.36	3,129,235.51	343,550.85	10.98%
TOTAL INDIRECT COSTS	6,564,968.95	6,039,453.05	525,515.90	8.70%
GROSS PROFIT	2,417,375.66	(1,872,262.11)	4,289,637.77	229.12%
OTHER INCOME				
Water Treatment	171,628.18	150,092.08	21,536.10	14.35%
Miscellaneous Income	83,152.70	93,549.63	(10,396.93)	-11.11%
Other Operating Income	965.00	-	965.00	100.00%
TOTAL OTHER INCOME	255,745.88	243,641.71	12,104.17	4.97%
OTHER EXPENSES				
Loss(Gain) on Sale of FA	2,382.14	3,989.67	(1,607.53)	-40.29%
Reclass Incr Net Assets	(1,297,440.86)	(1,336,410.66)	38,969.80	-2.92%
TOTAL OTHER EXPENSES	(1,295,058.72)	(1,332,420.99)	37,362.27	-2.80%
NET INCOME/LOSS <>	\$ 3,968,180.26	\$ (296,199.41)	4,264,379.67	1439.70%

South Dakota Science & Technology Authority
Available Cash
5/31/2015

Cash Total Checking/Savings	\$ 774,325.00
Cash With State Treasurer	<u>\$ 23,759,010.00</u>
Total Cash	\$ 24,533,335.00
Less: Restricted Funds	
Indemnification & Mine Closure	<u>\$ (11,362,763.00)</u>
Total Cash (Not Restricted)	\$ 13,170,572.00
Less: Total Liabilities	<u>\$ (4,053,084.00)</u>
Available Cash	<u><u>\$ 9,117,488.00</u></u>

SDSTA Operating Budget Summary FY14/15
Actual vs Budget
May 2015 & YTD

	\$ Over/Under				\$ Over/Under				
	May 2015	Budget	Budget	% of Budget	Actual YTD	YTD Budget	Budget	% of Budget	% Remaining
									100%
SDSTA (Authority) Direct Charges									
Board of Directors	\$21,183.00	\$19,184.00	-\$1,999.00	110.42%	\$207,752.00	\$211,024.00	\$3,272.00	98.45%	1.55%
Executive Office	\$22,347.00	\$17,397.00	-\$4,950.00	128.45%	\$258,320.00	\$233,863.00	-\$24,457.00	110.46%	-10.46%
Communications	\$19,889.00	\$13,434.00	-\$6,455.00	148.05%	\$144,804.00	\$151,080.00	\$6,276.00	95.85%	4.15%
Science Center E & O	\$8,488.00	\$8,809.00	\$321.00	96.36%	\$22,269.00	\$22,590.00	\$321.00	98.58%	1.42%
Science Liaison	\$689.00	\$2,033.00	\$1,344.00	33.89%	\$10,350.00	\$22,347.00	\$11,997.00	46.31%	53.69%
Sanf.L. Visitor C. (Director)	\$4,959.00	\$0.00	-\$4,959.00	100.0%	\$8,185.00	\$0.00	-\$8,185.00	100.00%	0.00%
Subtotal	\$77,555.00	\$60,857.00	-\$16,698.00	127.44%	\$651,680.00	\$640,904.00	-\$10,776.00	101.68%	-1.68%
Federal/State Funding - Direct Charges									
Fermi P.O. #609755 NEPA	\$6,559.00	\$8,300.00	\$1,741.00	79.02%	\$67,263.00	\$81,079.00	\$13,816.00	82.96%	17.04%
Fermi P.O. #610998HDR	\$0.00	\$0.00	\$0.00	0.0%	\$358.00	\$370.00	\$12.00	96.76%	3.24%
Fermi P.O. #613525 Staff Services	\$0.00	\$0.00	\$0.00	0.0%	\$103,050.00	\$103,054.00	\$4.00	100.00%	0.00%
Fermi P.O. #614807 Ph2 Geotech	\$0.00	\$0.00	\$0.00	0.0%	\$295,503.00	\$480,893.00	\$185,390.00	61.45%	38.55%
Fermi P.O.#618228 Staff Services	\$61,876.00	\$50,185.00	-\$11,691.00	123.3%	\$245,049.00	\$181,961.00	-\$63,088.00	134.67%	-34.67%
Fermi P.O.#618743LBNOIntern.	\$0.00	\$0.00	\$0.00	0.0%	\$43,900.00	\$50,560.00	\$6,660.00	86.83%	13.17%
Fermi P.O.#618741 Excav.Des.	\$233,818.00	\$250,000.00	\$16,182.00	93.53%	\$1,121,948.00	\$1,329,950.00	\$208,002.00	84.36%	15.64%
Fermi P.O.#620223 Building/Infra.	\$352,359.00	\$400,000.00	\$47,641.00	88.09%	\$1,116,816.00	\$1,268,836.00	\$152,020.00	88.02%	11.98%
LBNL LUX C#6973786	\$13,805.00	\$13,390.00	-\$415.00	103.10%	\$132,257.00	\$153,755.00	\$21,498.00	86.02%	13.98%
LBNL Operations C#6994297	\$1,228,989.00	\$900,314.00	-\$328,675.00	136.51%	\$10,010,119.00	\$10,402,503.00	\$392,384.00	96.23%	3.77%
LBNL LUX/Zeplin C#7093667	\$24,106.00	\$14,058.00	-\$10,048.00	171.48%	\$156,168.00	\$168,059.00	\$11,891.00	92.92%	7.08%
MJD (Majorana) # 5-4473	\$1,822.00	\$2,000.00	\$178.00	91.1%	\$19,954.00	\$20,000.00	\$46.00	99.77%	0.23%
CWR P.O. #228814 G2LZ	\$0.00	\$0.00	\$0.00	0.0%	\$956.00	\$1,100.00	\$144.00	86.91%	13.09%
CUBED - USD	\$430.00	\$500.00	\$70.00	86.0%	\$3,107.00	\$5,500.00	\$2,393.00	56.49%	43.51%
Sanf.Sci.Ed.Center - GOED Funded	\$38,798.00	\$25,000.00	-\$13,798.00	155.19%	\$260,905.00	\$275,000.00	\$14,095.00	94.87%	5.13%
U. of Minn. DUGL#A003778902	\$327.00	\$1,000.00	\$673.00	32.7%	\$19,170.00	\$48,500.00	\$29,330.00	39.53%	60.47%
* Xilinx, Inc. P.O.#729923	\$291.00	\$500.00	\$209.00	58.2%	\$759.00	\$1,715.00	\$956.00	44.26%	55.74%
Subtotal	\$1,963,180.00	\$1,665,247.00	-\$297,933.00	117.89%	\$13,597,282.00	\$14,572,835.00	\$975,553.00	93.31%	6.69%
Indirect Expenses									
Indirect Charges Personnel	\$105,012.00	\$83,569.00	-\$21,443.00	125.66%	\$997,016.00	\$1,033,449.00	\$36,433.00	96.47%	3.53%
Indirect Charges Other	\$258,947.00	\$225,946.00	-\$33,001.00	114.61%	\$2,673,209.00	\$2,655,945.00	-\$17,264.00	100.65%	-0.65%
Subtotal	\$363,959.00	\$309,515.00	-\$54,444.00	117.59%	\$3,670,225.00	\$3,689,394.00	\$19,169.00	99.48%	0.52%
Totals	\$2,404,694.00	\$2,035,619.00	-\$369,075.00	118.13%	\$17,919,187.00	\$18,903,133.00	\$983,946.00	94.79%	5.21%

* Private Corporation (Commercial Group)

SDSTA CAPEX Budget Summary FY14/15
Actual vs Budget
May 2015 & YTD

<u>Budget Area</u>	<u>Actual Month</u>	<u>FY2015 Monthly Budget</u>	<u>\$ Over/Under Budget</u>	<u>% of Budget</u>	<u>Actual YTD</u>	<u>FY2015 YTD Budget</u>	<u>\$ Over/Under Budget</u>	<u>% of Budget</u>	<u>% Remaining</u>
									100.00%
Operational CAPEX	\$ 1,845,587.65	\$ 1,418,567.00	\$ (427,020.65)	130.10%	\$ 12,536,293.71	\$ 18,566,715.00	\$ 6,030,421.29	67.52%	32.48%
TOTAL CAPEX	<u>\$ 1,845,587.65</u>	<u>\$ 1,418,567.00</u>	<u>\$ (427,020.65)</u>	<u>130.10%</u>	<u>\$ 12,536,293.71</u>	<u>\$ 18,566,715.00</u>	<u>\$ 6,030,421.29</u>	<u>67.52%</u>	<u>32.48%</u>

SD Science & Technology Authority
Operational CAPEX Budget
Monthly Actual vs Budget

Project #	Project Description	May-15	Budget	\$ Over/UnderBudget	% of Budget
CAP2012-13	Water/Hazard Mitigation Work	\$ -	\$ -	\$ -	0.00%
CAP2012-27	Ross Shaft Furnishings Repl.M&S	\$ 246,153.53	\$ 237,499.00	\$ (8,654.53)	103.64%
CAP2012-28	Work Decks	\$ 3,881.45	\$ 5,000.00	\$ 1,118.55	77.63%
CAP2012-32	SDSTA Personnel	\$ 280,715.81	\$ 240,955.00	\$ (39,760.81)	116.50%
CAP2013-06	Yates Shaft Improvements	\$ -	\$ -	\$ -	0.00%
CAP2014-01	Sanford Visitor Center Design & Construction	\$ 675,099.75	\$ 373,363.00	\$ (301,736.75)	180.82%
CAP2014-02	Xenon Gas	\$ -	\$ -	\$ -	0.00%
CAP2014-04	Surface Lab Roof	\$ -	\$ -	\$ -	0.00%
CAP2014-05	CASPAR Experiment Development	\$ 89,790.85	\$ 90,000.00	\$ 209.15	99.77%
CAP2014-06	BHSU Jonas Science Building Renovation	\$ 155,737.89	\$ 200,000.00	\$ 44,262.11	77.87%
CAP2014-07	Davis Campus HVAC Augment System	\$ -	\$ -	\$ -	0.00%
CAP2014-09	CASPAR Facility Development	\$ 349,362.37	\$ 221,750.00	\$ (127,612.37)	157.55%
CAP2014-11	BHSU Facility Development	\$ 44,846.00	\$ 50,000.00	\$ 5,154.00	89.69%
CAP2015-01	WTP Tank & Install	\$ -	\$ -	\$ -	0.00%
CAP2015-02	Yates Tunnel Hazard Mitigation	\$ -	\$ -	\$ -	0.00%
CAP2015-03	Yates/Ross Hoist Bldg. Masonry	\$ -	\$ -	\$ -	0.00%
CAP2015-04	Ellison Real Estate Option	\$ -	\$ -	\$ -	0.00%
	Monthly Totals	\$ 1,845,587.65	\$ 1,418,567.00	\$ (427,020.65)	130.10%

SD Science & Technology Authority
Operational CAPEX Budget
YTD FY2015 Actual vs Budget

Project #	Project Description	Apr. YTD FY2015	FY2015 Budget	\$ Over/UnderBudget	% of Budget	% Remaining
						100%
CAP2012-13	Water/Hazard Mitigation Work	\$3,199.50	\$ 113,643.00	\$ 110,443.50	2.82%	97.18%
CAP2012-27	Ross Shaft Furnishings Repl.M&S	\$2,393,990.78	\$ 4,643,148.00	\$ 2,249,157.22	51.56%	48.44%
CAP2012-28	Work Decks	\$26,876.73	\$ 45,000.00	\$ 18,123.27	59.73%	40.27%
CAP2012-32	SDSTA Personnel	\$1,997,596.97	\$ 2,231,015.00	\$ 233,418.03	89.54%	10.46%
CAP2013-06	Yates Shaft Improvements	\$30,548.66	\$ 300,000.00	\$ 269,451.34	10.18%	89.82%
CAP2014-01	Sanford Visitor Center Design & Construction	\$3,913,372.22	\$ 4,437,425.00	\$ 524,052.78	88.19%	11.81%
CAP2014-02	Xenon Gas	\$6,750.00	\$ 67,145.00	\$ 60,395.00	10.05%	89.95%
CAP2014-04	Surface Lab Roof	\$44,839.26	\$ 44,785.00	\$ (54.26)	100.12%	-0.12%
CAP2014-05	CASPAR Experiment Development	\$613,623.72	\$ 969,766.00	\$ 356,142.28	63.28%	36.72%
CAP2014-06	BHSU Jonas Science Building Renovation	\$1,223,694.33	\$ 2,500,000.00	\$ 1,276,305.67	48.95%	51.05%
CAP2014-07	Davis Campus HVAC Augment System	\$10,776.50	\$ 280.00	\$ (10,496.50)	3848.75%	-3748.75%
CAP2014-09	CASPAR Facility Development	\$1,459,181.96	\$ 2,178,308.00	\$ 719,126.04	66.99%	33.01%
CAP2014-11	BHSU Facility Development	\$416,540.68	\$ 700,000.00	\$ 283,459.32	59.51%	40.49%
CAP2015-01	WTP Tank & Install	\$110,167.43	\$ 97,000.00	\$ (13,167.43)	113.57%	-13.57%
CAP2015-02	Yates Tunnel Hazard Mitigation	\$160,674.97	\$ 100,000.00	\$ (60,674.97)	160.67%	-60.67%
CAP2015-03	Yates/Ross Hoist Bldg. Masonry	\$94,200.00	\$ 94,200.00	\$ -	100.00%	0.00%
CAP2015-04	Ellison Real Estate Option	\$30,260.00	\$ 45,000.00	\$ 14,740.00	67.24%	32.76%
	Totals	\$12,536,293.71	\$ 18,566,715.00	\$ 6,030,421.29	67.52%	32.48%

BHSU Pledged Contribution
(added \$200,000 to budget - CAP2014-11)
(\$500,000 SDSTA + \$200,000 BHSU)

Source/WBS	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
SDSTA	2.40	3.20	3.20	4.20	4.20	4.20						
Administration	0.40	0.40	0.40	0.40	0.40	0.40	0.40	1.20	1.20	1.20	1.20	1.20
Communication	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
DOE OPERATIONS	77.60	77.60	77.60	75.60	75.60	75.60	75.80	75.80	75.30	76.30	76.30	76.30
Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00	2.00	2.00	2.00
EHS	9.00	9.00	9.00	8.00	8.00	8.00	8.50	8.50	8.50	8.50	8.50	8.50
Engineering	4.60	4.60	4.60	4.60	4.60	4.60	4.30	4.30	4.30	4.30	4.30	4.30
Science	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Operations												
Management	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Ross Shaft	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Yates Shaft	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Hoist Operations	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Hoist Maintenance	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86
Ventilation	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Hazard Mitigation	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Water Treatment	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20
Dewatering	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Electrical Power Distribution	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Cyberinfrastructure	2.25	2.25	2.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Buildings and Grounds	6.93	6.93	6.93	6.93	6.93	6.93	6.93	6.93	6.93	6.93	6.93	6.93
Equipment Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Davis Campus	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
SDSTA CAPEX	28.25	28.25	28.25	28.25	28.25	28.25	30.25	30.25	30.25	29.90	29.90	29.90
GEN 2 LZ	1.33											
LBNE DESIGN	1.65	1.65	1.65	1.65	1.65	1.65	1.05	1.75	1.75	1.75	1.75	1.75
LBNE NEPA	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00
LUX OPERATIONS	0.60											
INDIRECT	13.10	14.10	14.10	14.10	14.10							
Grand Total	125.43	125.43	125.43	123.43	123.43	123.43	124.53	126.03	126.53	128.18	128.18	128.18

**SDSTA Staffing Plan by Funding Source
May 2015**

Executive Director’s Report Continuation – Mr. Mike Headley

6B. REACH Committee Update – Pat Lebrun (document attached).

South Dakota Research & Commercialization Council and REACH Committee Meeting
 June 11 – 12, 2015
 Sheraton Hotel/Premier Center
 Sioux Falls, SD

The SD Research & Commercialization Council (executive committee of REACH Committee) met Thursday, June 11 to review the Research Center annual reports. Pat Lebrun represents SDSTA on the council.

Executive Director Mike Headley, Dr. Heather Wilson, and SDSTA board member were at the REACH committee meetings.

The REACH committee met Thursday evening and Friday to hear reports on the NSF RII Track-1/SDRIC BioSNTR grant, the NSF RII Track-2 Dakota Bioprocessing Consortium, the NASA EPSCoR, and the NIH IDeA BRIN report.

The REACH committee discussed the South Dakota Science and Technology Plan. Mike Headley prepared the requested report of actions taken by SDSTA that relate to the Science Plan. Those include the following ongoing initiatives:

2020 Vision: The South Dakota Science and Innovation Strategy

2020 Vision Management – Strategy Areas

<u>Initiative</u>	<u>Action</u>	<u>Responsibility</u>	<u>Outcome</u>
Strategic Area: Ideas			
Development of STEM education facilities to support training of teachers in STEM disciplines and engagement of K-12 students in STEM topics.	Renovate the Jonas Science Hall at Black Hills State University (BHSU) to support the training of teachers in STEM disciplines.	BHSU and South Dakota Science and Technology Authority (SDSTA)	Facility will prepare K-12 teachers and train university students in STEM. Increased teacher readiness and proficiency in teaching STEM. First two of three construction phases completed. Third phase is underway and set to

			complete in Q4 2015.
Development of STEM education facilities to support training of teachers in STEM disciplines and engagement of K-12 students in STEM topics.	Construct a new Sanford Lab Homestake Visitor Center in Lead, SD to feature the science of the Sanford Lab to engage all age levels in STEM topics.	South Dakota Science and Technology Authority (SDSTA)	Facility to engage general public including K-12 students in STEM topics. Generate excitement for STEM in general public and K-12. Facility construction started July 2014 and planned to complete in June 2015.
Development of a BHSU multidisciplinary science facility deep underground at the Sanford Lab.	Supporting Black Hills State University (BHSU) proposal to SD Board of Regents (SDBoR) for a new cleanroom facility to be hosted on the 4850L of the Sanford Lab.	BHSU and SDSTA	Expansion of science facility capacity deep underground to support multidisciplinary research for SD universities. Facility will lead to additional opportunities for undergraduate and graduate STEM research for all regental universities. Facility outfitting construction underway and expected to complete in August 2015. Experiment installation will occur in Q4 2015.

Captive Insurance Update – Mr. Tim Engel

Recommended Action:
Informational

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Third Amendment to Property Donation Agreement – Mr. Tim Engel

Attached is are the following documents:

- Third Amendment to the Property Donation Agreement (PDA)...redlined
- Notice of Amendment to Deed
- Notice of Amendment of Deed 05-22-15 (compared with Barrick - Notice of amendment to Deed (South Dakota PDA)...redlined

Recommended Action:

Motion to approve the amendment as presented.

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**THIRD AMENDMENT TO PROPERTY DONATION AGREEMENT
BETWEEN AND AMONG
HOMESTAKE MINING COMPANY OF CALIFORNIA,
THE STATE OF SOUTH DAKOTA
AND THE
SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY**

This Third Amendment to Property Donation Agreement (“Third Amendment”) is entered into effective the Third Amended Effective Date (as defined herein) between and among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority.

RECITALS

A. The parties previously entered into a Property Donation Agreement dated as of April 14, 2006, relating to certain real and personal property located in and near Lead, South Dakota (the “Donation Agreement”).

B. The Donation Agreement was amended by and through the First Amendment to Property Donation Agreement dated effective May 21, 2007 (the “First Amendment”), and by and through ~~a~~ the Second Amendment to Property Donation Agreement dated effective September 17, 2009 (the “Second Amendment”).

C. The parties desire to further amend the Donation Agreement, as previously amended by the First Amendment and the Second Amendment, by and through this Third Amendment, to authorize the Authority to transfer \$2,500,000.00 from the Indemnification Fund to the Captive (as defined below) and to provide certain limits of insurance through coverage provided by the Captive, all upon the terms and conditions set forth herein.

Subject to the terms, conditions and covenants contained in this Third Amendment, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. Amendment. The Donation Agreement, as previously amended by the First Amendment and the Second Amendment, is further amended as follows:

(a). Section 1.1 – Definitions – is amended by adding the following new subsections:

~~1.1(e)~~ 1.1(k-1). “Captive” means the South Dakota Authorities Captive Insurance Company, LLC;

~~1.1(s-1)~~ 1.1(s-1) “Division of Insurance” means the South Dakota Division of Insurance, an agency and instrumentality of the State;

1.1(III-1)– “Third Amended Effective Date” means the date upon which the Division issues a Certificate of Authority authorizing the Captive to act as an insurer at the levels and types of coverage provided for in this Third Amendment;

(b). Subsection 6.8(c) is ~~hereby~~ amended in its entirety to read as follows:

6.8(c). as of the Third Amendment Effective Date, the Authority will maintain an unencumbered balance of \$7,500,000-~~00~~ in the Indemnification Fund, reduced only by any amounts actually spent by the Authority for indemnification of the Homestake Indemnified Parties. In the event the value of the Indemnification Fund decreases for any other reason, the Authority shall promptly restore the amount of any decrease to the Indemnification Fund;

(c). Section 6.8 is ~~hereby~~ amended to add a new subsection (f) to read as follows:

6.8(f). anything elsewhere in this Agreement to the contrary notwithstanding, as of the Third Amendment Effective Date, the Authority may transfer up to \$2-~~5 million, 500,000.00~~ of the existing \$10,000,000.00 balance in the Indemnification Fund into the Captive for the purposes described in ~~this~~-the Third Amendment.

(d). Section 6.11 ~~is hereby~~, subsection (e) of which was amended in the First Amendment, is further amended to add a new subsection (h) to read as follows:

6.11(h). anything elsewhere in this Agreement to the contrary notwithstanding, as of the Third Amended Effective Date, if the Captive is funded with 2,500,000.00 pursuant to Section 1(c) of the Third Amendment or otherwise, the first \$1,000,000.00 of coverage under the General Liability Insurance may be provided by the Captive; provided, however that the deductible or retention thereunder may not exceed \$50,000.00. Upon Homestake’s prior written consent, ~~which consent may not be unreasonably withheld~~, the Captive may provide increased limits of General Liability Insurance and may provide limits under the ~~Pollution Liability Insurance as approved in writing by Homestake, acting reasonably~~ Environmental Risk Insurance so long as the General Liability Insurance and Environmental Risk Insurance are designed to provide equivalent financial protection to the Homestake Indemnified Parties, as determined in the reasonable discretion of Homestake. Nothing herein shall act to limit the ability of the Authority to obtain insurance coverage from the Captive that is not required by ~~the Donation~~-this Agreement.

(e). Section 6.11 ~~is hereby~~, subsection (e) of which was amended in the First Amendment, is further amended to add a new subsection (i) to read as follows:

6.11(i). in the event Division of Insurance withdraws, revokes or rescinds the certificate of authority for the Captive, or issues a cease and desist or other,

similar order, or it otherwise becomes obvious to the Authority, acting reasonably, that the Captive does not have sufficient capital to pay all pending claims which it is reasonably likely it will be required to pay under the coverage documents issued by the Captive, the Authority will immediately purchase replacement insurance from a commercial insurer meeting the requirements of subsection 1.1(dd) of ~~the PDA~~ this Agreement (for General Liability Insurance) or subsection 1.1(y) (for Environmental Risk Insurance, to the extent the Captive provides insurance limits under the Environmental Risk Insurance pursuant to Section 1(d) of the Third Amendment) to cover the risks otherwise insured by the Captive as required under ~~the Donation~~ this Agreement. If such coverage is not bound within thirty (30) business days of the triggering event, the Authority shall suspend all activities involving the Assets until the State of South Dakota and the Authority have obtained such coverage or provided a substitute means of protecting the Homestake Indemnified Parties to the same extent they would have been protected under this Agreement had the coverage remained available. Such substitute means may include an appropriate increase in the Indemnification Fund, posting of an irrevocable letter of credit in favor of the Homestake Indemnified Parties or some combination of methods designed to provide equivalent financial protection to the Homestake Indemnified Parties, as determined in the reasonable discretion of Homestake.

2. Consent to Captive as Insurer. Pursuant to subsection 1.1(dd) of the Donation Agreement, and subject to the terms and conditions set out below, Homestake hereby consents to coverage of the first \$1,000,000.00 of General Liability Insurance by the Captive.

3. Donation Agreement, First Amendment and Second Amendment Remain in Effect. Except as specifically amended in this document, the covenants, terms and conditions of the Donation Agreement, as amended by the First Amendment and the Second Amendment, remain in full force and effect.

4. Amendment to Deed. The terms of the Deed dated May 15, 2006, and recorded in the Office of the Register of Deeds, Lawrence County, South Dakota, on May 17, 2006, as document #2006-03035 are hereby amended consistent with the terms of the First Amendment, the Second Amendment and this Third Amendment. Mineral Deed should be amended and new or amended deed recorded.

5. Defined Terms. Capitalized terms not defined in this Third Amendment are defined in Section 1.1 of the Donation Agreement, the First Amendment or the Second Amendment.

6. Counterparts. This Third Amendment may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. The Parties agree that this Third Amendment may be transmitted between and among them by facsimile machine or by portable document format. The parties intend that a facsimile signatures or signatures in portable document format constitute original signatures and that a facsimile or portable document format document containing the signatures (facsimile, portable document format or original) of all the Parties is binding on the Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be executed effective as of the Third Amended Effective Date.

State of South Dakota

South Dakota Science and
Technology Authority

By: _____
Dennis Daugaard, Governor

By: _____
Casey Peterson, Chairman

Date: _____

Date: _____

Homestake Mining Company of California

By: _____

Its: _____

Date: _____

Prepared by:
Timothy M. Engel
May, Adam, Gerdes & Thompson LLP
503 S. Pierre Street
PO Box 160
Pierre, SD 57501
(605)224-8803

NOTICE OF AMENDMENT TO DEED

NOTICE IS HEREBY GIVEN that certain Deed dated effective as of May 15, 2006, and recorded in the office of the Register of Deeds of Lawrence County, South Dakota, on May 17, 2006, as Document Number 2006-03035, including all appendices thereto (the "Deed"), and relating to the property described in parts 1, 2 and 3 of Appendix A hereto, has been amended as follows:

A. Pursuant to that certain First Amendment to Property Donation Agreement Between and Among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority, dated effective May 21, 2007 (the "First Amendment"), which First Amendment provides for certain changes to the insurance requirements of the Property Donation Agreement between and among the aforementioned parties dated as of April 14, 2006 ("Property Donation Agreement"), all as more fully set out in the First Amendment, the Deed has been amended, including, without limitation, as follows, with all capitalized terms as defined in the Deed and Property Donation Agreement;

1. In Appendix C, Section A.5.(e), to require that the initial minimum amount of General Liability Insurance be increased from \$15,000,000.00 to \$30,000,000.00 prior to any Person going underground at the Homestake Mine; and
2. In Appendix C, Section A.5.(e), to require the amount of General Liability Insurance shall be increased to \$75,000,000 prior to any Person going underground to engage in any Permitted Use, other than (a) construction related solely to the rehabilitation or operation of existing infrastructure; (b) inspection or tours of the Underground Property for a period not to exceed 12 hours out of any 24 hour day; (c) operation and maintenance of the existing dewatering facilities; or (d) drilling in the Underground Property the purpose of which is solely to analyze the geophysical or geochemical characteristics of such property in connection with the design of underground chambers for Permitted Uses;

B. Pursuant to that certain Second Amendment to Property Donation Agreement Between and Among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority, dated effective September 17, 2009 (the

“Second Amendment”), which Second Amendment provides for certain changes to the Contractor and Project Sponsor indemnification and insurance requirements of the Property Donation Agreement, all as more fully set out in the Second Amendment, the Deed has been amended, including, without limitation, as follows;

1. In Appendix C, Section B.2.(b), to remove the requirements that (a) a Contractor or Project Sponsors hold harmless, defend, and indemnify the Homestake Indemnified Parties with respect to any damage or injury to any Person or property caused by the Contractor, Project Sponsor, or their respective Representatives, and (b) the Authority or Project Sponsor provide substitute equivalent financial protection to the Homestake Indemnified Parties in the event that a governmental entity acts as a Project Sponsor and against whom the enforceability of any agreement to hold harmless, defend, or indemnify is limited by constitution, statute, or administrative rule; and
2. In Appendix C, Section B.2.(d), to require (a) the development of a risk management plan, which must be implemented and followed by the Authority and must include, among other things, (i) general categories of Contractors and Project Sponsors, organized by level of risk, (ii) the types of coverage and limits of liability to be required for each category, (iii) a requirement that the Homestake Indemnified Parties be named as additional insureds on all commercial insurance policies required of Project Sponsors, (iv) the criterion used to determine whether the Homestake Indemnified Parties must be named as additional insureds on commercial insurance policies required of Contractors, and (v) the criterion to be used to determine whether a retained risk plan or pool is acceptable in combination with or in lieu of commercial insurance, and (b) the employment of a Risk Manager to categorize Contractors and Project Sponsors by level of risk, and either alone or in conjunction with a consultant, make decisions concerning the types of coverage, liability limits, and whether a retained risk plan or pool is acceptable in combination with or in lieu of commercial insurance; and

C. Pursuant to that certain Third Amendment to Property Donation Agreement Between and Among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority, dated effective _____, 2015 (the “Third Amendment”), which Third Amendment provides for certain changes to the insurance requirements of the Property Donation Agreement, all as more fully set out in the Third Amendment, the Deed has been amended, including, without limitation, as follows:

1. To authorize the Authority to establish and capitalize the Captive, a captive insurance company, to act as an insurer at the levels and types of coverage provided for in the Third Amendment, and to authorize the Authority to transfer up to \$2,500,000.00 of the existing \$10,000,000.00 balance in the Indemnification Fund into the Captive for the purposes described in the Third Amendment; and

2. In Appendix C, Section A.3.(c), to authorize the Authority to maintain an unencumbered balance of \$7,500,000.00 in the Indemnification Fund, reduced only by any amounts actually spent by the Authority for indemnification of the Homestake Indemnified Parties.

Copies of the First Amendment, Second Amendment, and Third Amendment are available at the offices of the South Dakota Science and Technology Authority, 630 East Summit Street, Lead, South Dakota, 57754.

Except as amended as described herein, the Deed remains valid, binding and enforceable as originally written and filed for record.

Exempt from transfer fee pursuant to SDCL 43-4-22().

Dated this ____ day of _____, 2015.

GRANTOR:

Homestake Mining Company of California

By: _____

Name: _____

Title: _____

Dated this ____ day of _____, 2015.

GRANTEE:

South Dakota Science and Technology Authority

By: _____

Name: _____

Title: _____

Prepared by:
Timothy M. Engel
May, Adam, Gerdes & Thompson LLP
503 S. Pierre Street
PO Box 160
Pierre, SD 57501
(605)224-8803

NOTICE OF AMENDMENT TO
DEED

NOTICE IS HEREBY GIVEN that certain Deed dated effective as of May 15, 2006, and recorded in the office of the Register of Deeds of Lawrence County, South Dakota, on May 17, 2006, as Document Number 2006-03035, including all appendices thereto (the "Deed"), and relating to the property described in parts 1, 2 and 3 of Appendix A hereto, has been amended as follows:

A. ~~A.~~ Pursuant to that certain First Amendment to Property Donation Agreement Between and Among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority, dated effective May 21, 2007 (the "First Amendment"), which First Amendment provides for certain changes to the insurance requirements of the Property Donation Agreement between and among the aforementioned parties dated as of April 14, 2006 (["Property Donation Agreement"](#)), all as more fully set out in the First Amendment, [the Deed has been amended, including, without limitation, as follows, with all capitalized terms as defined in the Deed and Property Donation Agreement;](#)

1. [In Appendix C, Section A.5.\(e\), to require that the initial minimum amount of General Liability Insurance be increased from \\$15,000,000.00 to \\$30,000,000.00 prior to any Person going underground at the Homestake Mine; and](#)
2. [In Appendix C, Section A.5.\(e\), to require the amount of General Liability Insurance shall be increased to \\$75,000,000 prior to any Person going underground to engage in any Permitted Use, other than \(a\) construction related solely to the rehabilitation or operation of existing infrastructure; \(b\) inspection or tours of the Underground Property for a period not to exceed 12 hours out of any 24 hour day; \(c\) operation and maintenance of the existing dewatering facilities; or \(d\) drilling in the Underground Property the purpose of which is solely to analyze the geophysical or geochemical characteristics of such property in connection with the design of underground chambers for Permitted Uses;](#)

B. ~~B.~~ Pursuant to that certain Second Amendment to Property Donation Agreement Between and Among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority, dated effective September 17, 2009 (the

“Second Amendment”), which Second Amendment provides for certain changes to the ~~contractor~~ Contractor and Project Sponsor indemnification ~~requirements~~ and insurance requirements of the Property Donation Agreement ~~between and among the aforementioned parties dated as of April 14, 2006~~, all as more fully set out in the Second Amendment, the Deed has been amended, including, without limitation, as follows; and

1. In Appendix C, Section B.2.(b), to remove the requirements that (a) a Contractor or Project Sponsors hold harmless, defend, and indemnify the Homestake Indemnified Parties with respect to any damage or injury to any Person or property caused by the Contractor, Project Sponsor, or their respective Representatives, and (b) the Authority or Project Sponsor provide substitute equivalent financial protection to the Homestake Indemnified Parties in the event that a governmental entity acts as a Project Sponsor and against whom the enforceability of any agreement to hold harmless, defend, or indemnify is limited by constitution, statute, or administrative rule; and
2. In Appendix C, Section B.2.(d), to require (a) the development of a risk management plan, which must be implemented and followed by the Authority and must include, among other things, (i) general categories of Contractors and Project Sponsors, organized by level of risk, (ii) the types of coverage and limits of liability to be required for each category, (iii) a requirement that the Homestake Indemnified Parties be named as additional insureds on all commercial insurance policies required of Project Sponsors, (iv) the criterion used to determine whether the Homestake Indemnified Parties must be named as additional insureds on commercial insurance policies required of Contractors, and (v) the criterion to be used to determine whether a retained risk plan or pool is acceptable in combination with or in lieu of commercial insurance, and (b) the employment of a Risk Manager to categorize Contractors and Project Sponsors by level of risk, and either alone or in conjunction with a consultant, make decisions concerning the types of coverage, liability limits, and whether a retained risk plan or pool is acceptable in combination with or in lieu of commercial insurance; and

C. ~~C.~~ Pursuant to that certain Third Amendment to Property Donation Agreement Between and Among Homestake Mining Company of California, the State of South Dakota and the South Dakota Science and Technology Authority, dated effective _____, 2015; ~~and providing (the “Third Amendment”), which Third Amendment provides~~ for certain changes to the insurance requirements of the Property Donation Agreement ~~between and among the aforementioned parties dated as of April 14, 2006 (the “Third Amendment”), which Third Amendment authorizes the repurposing of \$2,500,000.00 of the Indemnification Fund (as defined in the aforementioned Property Donation Agreement) to capitalize a captive insurance company to provide certain insurance coverages for the South Dakota Science and Technology Authority~~, all as more fully set out in the Third Amendment, the Deed has been amended, including, without limitation, as follows:

1. To authorize the Authority to establish and capitalize the Captive, a captive insurance company, to act as an insurer at the levels and types of coverage provided for in the Third Amendment, and to authorize the Authority to transfer up to \$2,500,000.00 of the existing \$10,000,000.00 balance in the Indemnification Fund into the Captive for the purposes described in the Third Amendment; and

2. In Appendix C, Section A.3.(c), to authorize the Authority to maintain an unencumbered balance of \$7,500,000.00 in the Indemnification Fund, reduced only by any amounts actually spent by the Authority for indemnification of the Homestake Indemnified Parties.

Copies of the First Amendment, Second Amendment~~—~~ and Third Amendment are available at the offices of the South Dakota Science and Technology Authority, 630 East Summit Street, Lead, South Dakota, 57754.

Except as amended as described herein, the Deed remains valid, binding and enforceable as originally written and filed for record.

Exempt from transfer fee pursuant to SDCL 43-4-22().

Dated this ____ day of _____, 2015.

GRANTOR:

Homestake Mining Company of California

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Dated this ____ day of _____, 2015.

GRANTEE:

South Dakota Science and Technology Authority

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

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

9.A Attached are policies recommended for approval:

- Manual Contents Page (*updated*)
- Policy 1:1 Authorization (*updated “SDSTA” only*)
- Policy 1:2 Policies and Procedures (*updated “SDSTA” only*)
- Policy 3:8 Salary and Hourly Payroll Policy (*incorporated policy 4:2:1 Business Hours*)
- Policy 4:1 Personnel Benefits Policy (*added “Policy” to title and updated*)
- Policy 4:2 Outside Employment and Political Activity Policy (*retitled and updated*)
- Policy 4:3 Holidays Policy (*added “Policy to title and updated “SDSTA” only*)
- Policy 4:4 Leave Policy (*added “Policy to title and updated “SDSTA” only*)
- Policy 4:4:4 Years of Service and Longevity Pay Policy (*retitled and incorporated policy 4:4:3*)
- Policy 4:4:5 Military Policy (*added “Policy” to title and reworded for clarity*)
- Policy 4:5 Employment Policy (*retitled and incorporated policy 4:5:1. Created new Employment Procedure 4:5A*)
- Policy 4:6 Resignation Policy (*retitled and updated*)
- Policy 4:8 Workers Compensation Policy (*added “Policy” to title, reformatted and reworded for clarity*)
- Policy 4:12 Progressive Discipline and Termination Policy (*reformatted and reworded for clarity*)
- Policy 4:13 Inclement Weather Policy (*added “Policy” to title, updated “SDSTA,” reformatted, and reworded for clarity*)
- Policy 4:14 Temporary Job Transfer (*removed “Procedure” from title and added “Policy,” and reworded for clarity*)

Attached are policies recommended for retirement:

- Policy 4:2:1 Business Hours
- Policy 4:4:1 Accumulated Vacation and Sick Leave (*Section A moved to Policy 4:10*)
- Policy 4:4:2 Vacation Leave while Traveling for Business (*incorporated with Policy 4:4*)
- Policy 4:4:3 Years of Service (*incorporated with Policy 4:4:4*)
- Policy 4:5:1 At-Will Employees (*incorporated with Policy 4:5*)
- Policy 4:7 Training (*incorporated with Policy 4:1*)
- Policy 4:9 Personal References (*incorporated with Policy 4:6*)
- Policy 4:10 Hiring Process (*incorporated into new Procedure 4:5A*)
- Policy 4:11 Moving Allowance (*incorporated into new Procedure 4:5A*)

FYI

- Procedure 4:5A Employment Procedures (new)

Legal Counsel has reviewed the above listed policies and procedure

9.B Annual Review of Conflict of Interest Policy

Recommended Action:

Motion to approve updated policies, new policies and retired policies as listed above.

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South Dakota Science & Technology Authority

Policies and Procedures Manual

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Section 1: GOVERNANCE

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- 1:2 Policies and Procedures

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- 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)
- 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
- 2:14 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)*
- 2:9 *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)
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SUBJECT: Authorization

NUMBER: 1:1

On February 11, 2004, Governor Mike Rounds implemented the legislation approved by the South Dakota Legislature. There are five bills that provide for the creation of the South Dakota Science and Technology Authority (SDSTA) and the preparation of the conditions of the Agreement in Principle for the transfer of the Homestake mMine to the ~~South Dakota Science and Technology Authority (the "Authority" SDSTA)~~.

SOURCE: ~~DATE: September, 2004~~ June 30, 2015 (This revision date supersedes all previous versions).
1.1 4.4 Authorization Policy

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Policies and Procedures

NUMBER: 1:2

The South Dakota Science and Technology Authority (~~SDSTA~~the “Authority”) is governed by a Board of Directors. ~~The Board who~~ shall adopt policies ~~policies in compliance with federal, state, and local laws and regulations and determined by the Board to be necessary for the safe and efficient operation of the facility~~ and to comply with federal, state, and local laws and regulations.

The ~~Authority~~ SDSTA staff shall establish, implement, and maintain procedures in compliance with ~~the~~ Board approved policies. ~~Such procedures shall be consistent with the intent of the Board policies and approved by the Executive Director.~~

Copies of all policies and procedures shall be readily available to ~~Authority~~ SDSTA personnel.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Salary and Hourly Payroll Policy

NUMBER: 3:8

Salaries and hourly wage rates for South Dakota Science and Technology Authority (SDSTA) employees shall be fixed by the Executive Director and reviewed by the Personnel Committee of 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 exempted~~ employees shall submit time/effort reports at the end of each pay period.
- B. Full-time, part-time and temporary hourly employees 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.
 - 4-2. 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.
 - 2-5. 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. ~~other than salaried full-time employees who work more than forty (40) hours in a work week are eligible for overtime compensation.~~

Payroll records and employee time cards shall be retained per [Policy 3:31 Record Retention](#) ~~Policy~~.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Personnel Benefits Policy

NUMBER: 4:1

~~It is the policy of the South Dakota Science and Technology Authority (SDSTA) to offer eligible employees a variety of benefit programs designed to help plan for retirement and to meet the financial burdens that can result from illness or disability. The following is an overview of the benefits available to eligible South Dakota Science and Technology Authority (SDSTA) employees. Vacation leave and sick leave are described in greater detail in policy 4:4 Leave. Eligibility for benefits is discussed in Policy 4:5 Classification of Employmentees.~~

- A. Life and Accidental Death & Dismemberment (AD&D) Insurance: Both employer-paid life and ~~accidental death & dismemberment (AD&D)~~ insurances are provided for each employee, with a \$50,000 benefit. Employees may purchase additional coverage at their own expense.
- B. Long-Term Disability: Employer-paid long term disability insurance is provided for each employee. Following a ninety (90) day waiting period, the monthly benefit consists of sixty percent (60%) of the first \$15,000 of monthly pre-disability earnings. ~~For details concerning available coverage, the employee should contact the Human Resource Administrator.~~
- C. Health Insurance: Employer-paid health insurance is provided for each employee. Employees may purchase dependent coverage through SDSTA's group plan. Based upon funding, the SDSTA may elect to help subsidize the cost of dependent coverage. The coverage and premiums vary from year to year. ~~For details concerning available coverage and premiums, the employee should contact the Human Resource Administrator.~~
- D. Dental: Employer-paid dental insurance is provided for each employee. Employees may purchase dependent coverage at their own expense. The coverage available varies from year to year. ~~For details concerning available coverage, the employee should contact the Human Resource Administrator.~~
- E. Vision: Employer-paid vision care is provided for each employee. Employees may purchase dependent coverage at their own expense. The coverage available varies from year to year. ~~For details concerning available coverage, the employee should contact the Human Resource Administrator.~~
- F. Medical Expense and Dependent Care Flexible Spending Accounts: Employees may make pre-tax contributions ~~towards to~~ a flexible spending account ~~used to pay~~ for qualified medical expenses not covered by an insurance plan and dependent care expenses. ~~For details concerning available coverage and limits, the employee should contact the Human Resource Administrator.~~

SOURCE: ~~June 30~~ March 20, 2015 (This revision date supersedes all previous versions).
4:1 Personnel ~~Benefits~~ Benefits Policy

G. Paid Holidays: ~~Holidays~~—Ten (10) holidays per year plus any administrative holidays proclaimed by the Governor of South Dakota or the President of the United States:

- New Years Day
- Dr. Martin Luther King, Jr. Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Native American Day
- Veterans Day
- Thanksgiving
- Christmas

See additional details in Policy 4.3 Holidays.

H. Longevity Pay: ~~An employee is~~Full-time employees are eligible for longevity pay after seven (7) years of service. See ~~additional details in~~ Policy 4:4:4 Years of Service and Longevity Pay for complete details.

I. Retirement:

1. South Dakota Retirement System (SDRS): Benefits are provided through the SDRS after three (3) years of credited service. The SDSTA matches six percent (6%) of employee's contribution each month. Additional information is available at <http://www.sdrs.sd.gov/>.
2. SDRS Supplemental Retirement Plan: Employees may make additional pre-tax contributions through the SDRS Supplemental Retirement Plan. These contributions are ~~unmatched not matched~~ by the SDSTA. ~~For details concerning this plan, the employee should contact the Human Resource Administrator.~~
3. Special Pay Plan: The SDSTA is a participating unit of the Special Pay Plan, which provides eligible employees with two types of tax-efficient savings options, as well as additional retirement benefits. Under the Special Pay Plan, eligible members' lump-sum termination payouts are permanently exempt from Social Security taxes and, in addition, are free from federal income taxation until ~~they are~~ withdrawn from the plan. A participant has the option to invest the funds and any earnings will grow tax deferred until ~~they are~~ distributed from the plan. Withdrawals may be in the form of a single, lump-sum payment or as additional monthly retirement benefits. Additional information is available at <http://www.sdrs.sd.gov/spp/>.
4. ~~For retirement, t~~Employees who have reached normal retirement age of 65 with at least three years of credited service are ~~be~~ eligible for unreduced retirement benefits, normal retirement age is 65 with at least three years of credited service under the South Dakota Retirement System (SDRS). -Normal retirement is the first of the month of the employee's 65th birthday. -However, there is no mandatory retirement age at the AuthoritySDSTA.
5. ~~There are~~Employees have several opportunities to retire before the normal retirement date, depending on your age and years of service. -The SDRS also provides disability coverage for employees who have three years of credited service or for employees who are accidentally disabled while performing the usual duties of their job. -Employees' who cannot ~~unable to work because of a disability that is~~ expected to last one year or longer, may be eligible to receive

SOURCE: ~~March 20~~June 30, 2015 9(This revision date supersedes all previous versions).
4:1 Personnel Benefits Policy ~~Policy~~

a monthly benefit from SDRS. For additional information regarding retirement benefits, contact the SDRS.

J. Social Security: As mandated by law.

K. Training: The Executive Director of the SDSTA may determine the need for a variety of training for all or selected employees which may include professional development training, computer training, safety training, and other work-related training opportunities.

~~K. Training is provided or made available as determined by the Executive Director for professional development, work-related training, safety training and computer training.~~

~~L. Workers' Compensation: As required by law. If injured, an employee must notify his or her supervisor immediately. All injuries must be reported immediately to the Environment, Health, and Safety Department and a First Report of Injury must be completed and signed within three (3) days of the injury. If injured, an employee should report it to his or her supervisor immediately. Failure by the employee to file the claim report an injury on time may result in denial of the claim.~~

~~L.~~

~~Employees should refer to the insurance summary plan description provided at the benefit enrollment meeting for details of each insurance plan or contact the Human Resources Administrator. Eligibility for specific benefits under the SDSTA's insurance program is governed at all times by the complete terms of the respective group insurance policy.~~

~~The SDSTA's benefit programs are subject to change without notice. Employees should contact the Human Resources Administrator for details concerning any of their benefit plans.~~

An employee's insurance will terminate on his/her last day of work. Continuation of Benefits, which include medical, dental and vision, may be available under Title X of the Consolidated Omnibus Budget Reconciliation Act (COBRA) Law of 1985 upon termination. The employee ~~will need to~~ must contact the Human Resource Administrator if continued coverage is desired.

~~Vacation and sick leave benefits are described in Policy 4:4 Leave. Employees should refer to the insurance summary plan description that was provided at the benefit enrollment meeting for details of each insurance plan or contact the Human Resource Administrator. Eligibility for specific benefits under the SDSTA's insurance program is governed at all times by the complete terms of the respective group insurance policy. The SDSTA's benefit programs are subject to change without notice.~~

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Employee Responsibilities Outside Employment and Political Activity Policy

NUMBER: 4:2

It is the policy of the South Dakota Science and Technology Authority (SDSTA) that employees may engage in outside employment or ~~other outside political activity so long as it that~~ does not conflict with official duties, create a real or apparent conflict of interest, or violate provisions of law or SDSTA policies. ~~Employees are required to obtain approval before engaging in specified outside activities.~~

~~A. Attendance: Schedule and hours of work are set by the supervisor. Employees are expected to adhere to hours and schedules set by the supervisor. Breaks are allowed if employees' workload permits. Breaks are not guaranteed and employees must remain available and accessible during breaks to provide for the needs of the Authority.~~

~~B. Change of Address: It is the employee's responsibility to update any change in a home address or telephone number. Employees can update changes through the Human Resource Office.~~

A. Outside Employment: ~~You~~ Employees may have engage in outside employment provided that, in the opinion of the your appointing authority, there is not in conflict with your working hours, your work efficiency, or with the interests of the Authority SDSTA. Work assignments and schedules will not be modified to allow an employee to perform duties or services unrelated to the SDSTA. ~~You~~ Employees wishing to obtain outside employment ~~must~~ ^[1] discuss it with their supervisor prior to must check with your supervisor before accepting other employment.

B. Political ~~Political~~ Activity: Authority SDSTA employees are prohibited from using their position to influence or coerce the political action of a person or group of people. Active participation is allowed in political management or in political campaigns except during working hours. Employees may also hold an elective office in political clubs or organizations, which do not interfere with the normal performance of job responsibilities, except as prohibited by law. Employees whose positions are partially or wholly funded by federal monies are restricted from political activity by the Hatch Act.

~~C. Neither state nor federal law prevents activity of a non-partisan type not specifically identified with a national or state political party. Questions relating to constitutional amendments, referendums, approval of state laws, and other issues of similar character are not deemed specifically identified with a national or state political party. For example, school board elections and many city elections are non-partisan.~~ Outside Employment: You may have outside employment provided that, in the opinion of your appointing authority, there is not in conflict with your

SOURCE: ~~June 25, 2013~~ June 30, 2015 (This revision date supersedes all previous versions).

4:2 Outside Employment and Political Activity Policy

~~Employee Responsibilities Policy, Page 1 of 2~~

~~working hours, your work efficiency, or with the interests of the Authority. You must check with your supervisor before accepting other employment.~~

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Holidays Policy

NUMBER: 4:3

All employees at the [South Dakota Science and Technology Authority \(SDSTA\)](#) receive their regular pay for ten legal holidays plus any other day proclaimed as a holiday by the Governor of South Dakota or the President of the United States. The [Authority SDSTA](#) recognizes the following holidays:

New Year's Day	January 1
Martin Luther King, Jr. Day	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Native Americans Day	Second Monday in October
Veterans Day	November 11
Thanksgiving	Fourth Thursday in November
Christmas	December 25

If a holiday from the list falls on a Saturday, the preceding Friday is observed as the paid holiday. If a holiday falls on a Sunday, it is observed on the following Monday. Holiday pay is prorated based on the hours worked for employees who are working less than full time. For information about holiday pay provisions, contact the Human Resources Administrator.

Eligible employees will receive eight (8) hours of pay at their straight-time hourly rate of pay for each designated holiday. Employees required to work on the designated holiday will be paid their straight-time hourly rate of pay for all hours worked, plus their holiday pay for eight (8) hours.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Leave Policy

NUMBER: 4:4

~~It is the policy of the South Dakota Science and Technology Authority (SDSTA) that~~
~~For purposes of this policy,~~ all leave accruals shall commence from the employee's first date of service ~~to the Authority.~~

A. Vacation Leave:

1. Only full-time employees (including probationary full-time employees) will accumulate leave credits of 4.62 hours per bi-weekly pay period and may accumulate a maximum of twice the annual accrual. -When an employee completes 15 years of service, the employee will receive 6.16 hours of leave credits per bi-weekly pay period, and may accumulate a maximum of twice the annual accrual. -Vacation leave may be granted for vacation or to supplement other permitted and authorized leaves of absence.
- ~~1.2.~~ Salaried employees will not be required to use vacation leave while traveling when the purpose of the trip is specifically for SDSTA business. When SDSTA business is incidental to the trip, vacation leave will be required.
- ~~2.3.~~ Upon retirement or resignation, only full-time employees with 180 days of continuous service will be paid for accumulated vacation leave. -Vacation cannot be used to extend employment beyond the last actual day of work.

B. Sick Leave:

1. Full-time employees accumulate sick leave credits of 4.31 hours per bi-weekly pay period without a maximum limitation. -Sick leave may be granted for personal illness or disability, pregnancy of the employee or the employee's spouse, exposure to a contagious disease that would endanger the health of co-workers, eye and dental care, required medical examinations, counseling or treatment at approved centers for alcohol or drug abuse or psychiatric care. -There is no minimum period of employment before sick leave may be used.

C. General provisions for the accumulation and use of vacation and sick leave:

1. Effective June 23, 2011, for all new hires, accumulated hours of sick leave can be carried over from the State of South Dakota to the SDSTA only at the discretion of the Executive Director. With approval, only those hours that have not been paid out by the State of South Dakota will be credited as a beginning balance at the SDSTA. Documentation to verify hours not paid by the state must be provided in writing to the SDSTA. These hours will be used only after hours accrued through employment with the SDSTA have been used.

SOURCE: ~~Adopted September 2004, April 2005, October 2005, August 2006, August 21, 2008, December 18, 2008, February 20, 2009, December 17, 2009~~ June 30, 2015 (This revision date supersedes all previous versions).
4:4 Leave Policy

- 1.2. ~~Except when the circumstances do not permit, r~~Requests for leave must be submitted to the employee's supervisor in advance and in writing. -When the circumstances do not permit the prior submission of requests for leave, the request must be submitted as soon as is conveniently possible upon the employee's return to work.
- 2.3. ~~If employment is~~Employees terminated ~~while the employee is aduring the~~probationary ~~employeeperiod, the employee~~ will not be paid ~~for~~ accrued vacation leave.
- 3.4. Employees may not use more vacation leave than they have accumulated.
- 4.5. Requests for leave other than sick leave must be approved by the employee's immediate supervisor prior to the requested departure time.
- 5.6. ~~If e~~Employees ~~are ill, they~~ must notify their supervisor ~~of illness~~ prior to the start of their work shift.
- 6.7. Any time absent from the job without prior authorization or notification may at the supervisor's discretion be considered absence without leave, for which the employee may not use sick or vacation leave and will not be paid. Unauthorized or unreported absences may be cause for disciplinary action.
- 7.8. Upon an employee's resignation, retirement, or dismissal from employment because of reduction in staff, 25 percent of accumulated sick leave, up to a maximum of 480 hours, will be paid to such employee but only if the employee has been employed with the ~~Authority-SDSTA~~ continuously for at least 7 years, measured from the first date of employment. -The accumulated leave will be paid at the pay rate as of the employee's last date on the payroll. In the case of dismissal other than a reduction in staff, no payment for accumulated sick leave will be made. -For the purpose of this subsection C.7, employment with the State of South Dakota immediately preceding employment with the ~~Authority-SDSTA~~ shall count toward the 7-year requirement for payment of accumulated sick leave.

- D. Personal Leave:— If necessary, full-time employees may use up to 40 hours per year of accumulated sick leave for personal leave. -The leave may be used for:
1. A death in the immediate family (defined as father, mother, spouse, children, mother-in-law, father-in-law, son-in-law, daughter-in-law, brothers, sisters, grandparents, grandchildren, step-children, step-parents or foster children).
 2. The temporary care of members of the immediate family.
 3. The birth or adoption of a child.
 4. Volunteer police or rescue work.
 5. A call to active duty of military reserve or National Guard members.
- E. Family and Medical Leave Act ("FMLA"):— The Family and Medical Leave Act of 1993 provides eligible employees with up to 12 weeks of unpaid, job-protected family and medical leave ("FML") during a calendar year for certain family and medical reasons or up to 26 weeks for a family caregiver of an injured or ill service

member. -Employees are eligible if they have worked for at least one year and for 1,250 hours over the previous 12 months.

1. Reasons for Taking Leave. -FML must be granted for any of the following reasons:
 - a. To care for the employee's child after birth or placement for adoption or foster care (the employee is eligible to use this leave anytime within 12 months of the birth or placement);
 - b. To care for the employee's spouse, son or daughter (who is under eighteen years old, unless the son or daughter is not capable of self-care due to mental or physical disability), or parent, who has a serious health condition;
 - c. For a serious health condition that makes the employee unable to perform the employee's job;
 - d. Due to circumstances arising out of the fact that a covered military member (a spouse, son, daughter or parent) is on active duty or called to active duty status (e.g.: short- notice deployment, military events and related activities, childcare and school activities, making financial and legal arrangements, counseling, rest and recuperation, and post-deployment activities); or
 - e. To care for a family member (spouse, son, daughter, parent or next of kin) who incurred a serious injury/illness as a result of active military service (up to 26 weeks combined FMLA leave in a single 12-month period).
2. Paid Versus Unpaid Leave ~~---~~ -Employees may substitute eligible paid leave for unpaid leave during the FML period. -To use paid leave during the FML period, the employee must meet all the leave requirements of that particular paid leave. -For example, sick leave can only be used for the employee's own illness. -The ~~Authority-SDSTA~~ requires employees to use eligible paid leave before utilizing unpaid leave during the FML period.- If the employee exhausts his or her eligible paid leave, then the remainder of the FML period is unpaid.
3. Advance Notice and Medical Certification ~~---~~ -Except as otherwise provided herein, Employees must provide advance notice of request for FML and appropriate proof of need for leave relating to a medical condition. -Leave may be denied or delayed if these requirements are not met. -The employee ordinarily must provide 30 days advance notice when the leave is foreseeable. -In other circumstances, the notice must be given as soon as practicable. -The ~~Authority-SDSTA~~ may require medical certification to support a request for leave because of a serious health condition, second or third opinions, periodic recertification, periodic reports regarding the employee's status and intent to return to work, and a fitness for duty report to return to work.- Failure to provide this information may result in the denial of leave or other disciplinary action.
4. Job Benefits and Protection:
 - a. During FML, the ~~Authority-SDSTA~~ will maintain the employee's health insurance coverage at the same cost to the employee as if the employee

- was on the job. -Any other benefits for which the employee may be eligible will also be maintained, but the employee shall remain responsible for the usual cost of such benefits. -If the employee is on leave without pay, the employee must contact the Human Resources ~~Department Office~~ to make arrangements for the timely payment of premiums.
- b. Upon return from FMLA leave, employees other than certain highly-compensated employees will be restored to their original position or a position with equivalent pay, benefits and other employment terms.
 - c. The use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an employee's leave.
 - d. The ~~Authority SDSTA~~ may recover its share of insurance premiums if the employee fails to return after taking leave under certain circumstances.
5. Failure to Return to Work ~~—~~ -If an employee fails to return to work after FMLA leave is exhausted, the employee may be subject to disciplinary action or termination due to inability to perform the essential functions of the job.
 6. To the extent any provision of this Section E is inconsistent with the terms of the Family and Medical Leave Act as applicable at the time of the FML, the terms of the Family and Medical Leave Act shall govern.
- F. Court and Jury Leave ~~—~~ Full-time and probationary employees are eligible for court and jury leave. -The employee shall immediately notify the employee's supervisor if the employee expects to be absent from work due to the court and jury obligations. Absences will be administered as follows:
1. Testifying in official capacity ~~—~~ If the employee is subpoenaed by either party to testify in any civil or criminal proceeding because of the employee's official capacity or is instructed by the supervisor to testify in an official capacity without being subpoenaed, the employee shall receive the employee's regular salary without loss of leave credits and may receive actual expenses according to state rates, but may not receive witness fees. -The employee's supervisor and the ~~Authority SDSTA~~ shall determine if the employee is testifying in an official capacity.
 2. Subpoenaed to testify in non-official capacity ~~—~~ If an ~~Authority SDSTA~~ employee is subpoenaed to testify in court in a non-official capacity and is not a party to the case, the employee shall receive the employee's regular salary from the ~~Authority SDSTA~~ without loss of leave credits for the time spent testifying during regular working hours and may receive in accordance with SDCL 19-5-1 or any comparable federal law, witness fees and mileage from the party who issued the subpoena. -However, the employee may not take court and jury leave for travel time or time when the employee is not reasonably expected to testify regardless of whether the employee has been subpoenaed for that period of time. -If the employee is absent from the workplace while not testifying, the employee must use vacation leave or leave without pay. -This leave must be requested in advance and is subject to the supervisor's approval.

3. Party or witness not subpoenaed to testify ~~---~~. If an employee is a party to or witness who has not been subpoenaed, the employee must use vacation leave or leave without pay. -This leave must be requested in advance and is subject to the supervisor's approval.
 4. Service on jury ~~---~~. If an [Authority SDSTA](#) employee is summoned to serve on a jury, the employee shall receive the employee's regular salary without loss of leave credits for the time spent on jury duty during regular working hours and shall be entitled to retain the per diem and mileage provided for by SDCL 16-13-46 or any comparable federal law.
 5. The Executive Director is the final arbiter of whether an employee is eligible for court and jury leave.
- G. Military Training Leave: ~~---~~ Full-time employees are entitled to military training leave of up to 15 days per calendar year. -Employees requesting military training leave for must obtain a written certification from the commander of their reserve or National Guard unit indicating dates of the training period. -This notice is to be submitted to the employee's supervisor at least 15 calendar days prior to the date of the employee's departure for training.
- H. Leave of Absence Without Pay: ~~y-~~ Prior permission must be obtained from the employee's supervisor to take a leave of absence without pay. -If an employee has paid leave accumulated, the employee must use that before leave without pay is granted (see Policy 2:15 Absenteeism and Tardiness). While on leave without pay, employees will not accumulate leave credits and they must make provisions to pay for their own voluntary payroll deductions.
- I. Absence Without Leave: ~~---~~ Unauthorized and unreported absences may result in a deduction of pay and may be cause for disciplinary action. -Employees must report the reason for any absence to their supervisor as soon as possible.
- J. Exceptions:
1. The Executive Director may grant specific employees leave in addition to or different than that provided for in this policy if the Executive Director deems such changes necessary to hire or retain a key employee. -All exceptions will be made in writing.
 2. Vacation leave granted by the Executive Director may be accumulated to a maximum of twice the annual accrual.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Years of Service and Longevity Pay Policy

NUMBER: 4:4:4

Employment with the State of South Dakota shall be counted for purposes of determining years of employment with the South Dakota Science and Technology Authority (SDSTA). Employees hired after June 30, 2011, however, must have been continuously employed by the SDSTA and/or the State of South Dakota for a minimum of seven (7) years prior to termination to receive payment for one-fourth of their unused sick leave balance.

Longevity Pay:

- A. A Full-time Authority SDSTA employees with 7, 8 or 9 years of total service with the ~~Authority SDSTA or the Authority and the State of South Dakota are~~ eligible to receive \$100 for longevity to be paid on the employee's anniversary date.
- B. An eEmployees with 10 to 14 years of service receives \$10 times the number of years of service on the employee's anniversary date.
- C. An eEmployees with 15 through 19 years of service receives \$15 times the number of years of service on the employee's anniversary date.
- D. -An eEmployees with 20 through 24 years of service receives \$20 times the number of years of service on the employee's anniversary date.
- E. Longevity pay is based on an employee's number of years of service; years do not have to be consecutive.

The rate continues to increase by \$5 per year for every additional five years of service. As an example, an employee with 14 years of service will receive \$140 (\$10 x 14 years) longevity payment (minus deductions), and an employee who serves 22 years will receive \$440 (\$20 x 22 years) longevity payment (minus deductions).

~~The number of years does not have to be consecutive service.~~

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Military Active Duty Leave Policy

NUMBER: 4:4:5

The South Dakota Science and Technology Authority (SDSTA) recognizes and values the service performed by members of our military. This policy provides information for those employees activated for military duty. The SDSTA wants to make this transition as easy and as comfortable as possible. The goal is to ensure that an employee required to report for active duty is able to leave employment temporarily with the knowledge that their affairs are in order and their employment rights are protected. This policy clarifies the SDSTA's position regarding leave and benefits.

A. Active Duty Leave Options: Employees must furnish the Human Resources Office with a copy of their active duty orders.

Calendar Fiscal Year – For the purposes of this policy, The calendar fiscal year is defined as the state fiscal year, July 1 through June 30.

Longevity Pay – Employees are eligible for longevity pay if they opt to remain on either paid leave or leave without pay. Longevity checks will be issued on the payroll of their anniversary date.

Unless plainly inconsistent, all restrictions otherwise applicable to leave hours generally also apply to leave taken in connection with activation for military service.

Activated employees may choose from the following five (5) options or a combination of these options:

- ~~1. Up to 15 days (120 hours) of otherwise unused military training leave;~~
- ~~2. Up to 40 hours of otherwise unused personal leave;~~
- ~~3. Accrued vacation leave;~~
- ~~4. Active military duty status without pay;~~
- ~~5. Separation.~~

~~Unless plainly inconsistent, all restrictions otherwise applicable to leave hours generally also apply to leave taken in connection with activation for military service.~~

1. Up to 15 DaysAYS (120 HOURSHours) OF UNUSED MILITARY TRAINING LEAVEof Otherwise Unused Military Training Leave – -The employee may use up to 15 days (120 hours) of otherwise unused military training leave. Military leave may be used either in small amounts to generate a partial paycheck or to make up the entire check for the pay period. If military active duty extends into a new calendar-fiscal year, the employee may use their new calendar-fiscal year allotment. Unused military leave does not accrue or accumulate from year to year.
2. Up to 40 HOURS OF UNUSED PERSONAL LEAVEHours of Unused Personal Leave – The employee may use up to 40 hours of otherwise unused personal

SOURCE: ~~Adopted December 18, 2014~~ June 30, 2015 (This revision date supersedes all previous versions).
4:4:5 Military Active Duty Leave Policy

leave. Personal leave may be used either in small amounts to generate a partial paycheck or to make up the entire check for the pay period. If military active duty extends into a new ~~calendar-fiscal~~ year, the employee may use their new ~~calendar-fiscal~~ year allotment. Unused personal leave does not accrue or accumulate from year to year.

3. ~~Vacation Leave – VACATION LEAVE~~ The employee may use accrued and otherwise unused vacation leave to continue their bi-weekly paychecks until the leave is exhausted. Vacation leave may be used either in small amounts to generate a partial paycheck that covers employee-paid deductions, or to make up the entire check for the pay period.
4. ~~Active Military Duty Status Without Pay – ACTIVE MILITARY DUTY STATUS WITHOUT PAY~~ The employee may choose to remain on the SDSTA's payroll system and not be paid. This will also be the default option if the employee does not choose a form of leave or if the chosen leave expires.

~~LONGEVITY PAY – e The employee is eligible for longevity pay if the employee opts to remain on either paid leave or leave without pay. The employee will be issued a longevity check on the payroll of their anniversary date.~~

5. ~~Separation~~ ~~SEPARATION~~ – While most employees will elect to remain a SDSTA employee and use either paid leave or go on active military duty status without pay, employees may separate employment with the SDSTA. If the employee separates employment, they will be paid for any vacation and sick leave balance in accordance with established policy.

~~— Longevity Pay — Employees are eligible for longevity pay if they opt to remain on either paid leave or leave without pay. Longevity checks will be issued on the payroll of their anniversary date.~~

~~— Unless plainly inconsistent, all restrictions otherwise applicable to leave hours generally also apply to leave taken in connection with activation for military service.~~

~~A.B. Wage Differences for Certain National Guard and Reserve Members: AGE DIFFERENCES FOR CERTAIN NATIONAL GUARD AND RESERVE MEMBERS~~ If an employee of the SDSTA who is a member of the National Guard or any other Reserve component of the U.S. Armed Forces and is ordered into State Active Duty (SAD), Title 10 or Title 32 service, other than for training purposes, and the employee's combined military salary and allowances are smaller than their SDSTA salary, SDSTA shall pay the difference between the employee's SDSTA salary or wage rate at the time the employee was activated and the employee's military salary and allowances for the time the employee is engaged in such active service, not to exceed 12 consecutive months. The salary or wage difference shall be paid by SDSTA on at least a quarterly basis.

~~For the purposes of this policy, T~~ the employee's ~~military~~ ~~military~~ wages will include their base pay ~~plus and~~ all allowances ~~that are~~ included in ~~their~~ gross pay. ~~The military wages, which~~ will be compared to the employee's SDSTA base pay, ~~which will include~~ ~~ing~~ overtime built into their schedule, but ~~excluding the Safety Construction Compensation (SCC) any~~ bonuses.

If the employee qualifies for this payment, the employee shall make copies of all

their military Leave & Earnings statements (LES) for the period of time they are activated and send them to the Human Resources Office either by mail, fax, or email.

~~B.C.~~ ~~INSURANCE BENEFITS~~ Insurance Benefits: Insurance Benefits: For absences of

30 days or less, benefits continue as if the employee has not been absent. Employees called to active duty whose leave exceeds 30 days become automatically covered through TRICARE and will have the following options:

1. The employee and any eligible family members ~~that~~ who are covered on the SDSTA —Health Plan, at the time of activation, may continue existing health coverage. The maximum period of coverage for an employee shall be the lesser of:
 - a. A 24-month period beginning on the date on which the employee's absence for purposes of performing services begins; or
 - b. A period beginning on the date on which the employee's absence for the purpose of performing service begins and ending on the date on which the employee fails to return from service or report for work.
2. The employee may discontinue SDSTA Health Plan coverage and elect TRICARE for his/herself and for family members; or
3. ~~The employee may~~ Choose coverage through another group plan.

If the employee elects to continue the SDSTA Health Plan coverage they will continue to receive paid health benefits by the SDSTA. If they also have coverage through TRICARE for themselves and their dependents, the SDSTA Health Plan (with limitations and exclusions surrounding military action) is primary and TRICARE is secondary on any claims.

If the employee elects to continue any flexible benefits and/or dependent(s) coverage (health and/or flexible benefits), they must notify the Human Resources Office to make arrangements for premium payments, including how to bill for coverage if the employee is on active military duty status without pay.

Employees returning from active duty will not be required to satisfy the pre-existing condition waiting period.

~~C.D.~~ ~~South Dakota Retirement System (SDRS)~~ Service Credit for Military

~~Leave of Absence:~~ The employee will receive SDRS credited service for a leave of absence due to military service authorized by the SDSTA, without contribution by the employee and the SDSTA, if the employee returns to employment within one year from the date of discharge from their initial period of active military service and if they remain employed for at least one year. Should the employee want to maintain SDRS disability, survivor and optional spouse coverage while on military leave of absence, the employee is responsible to make both the employee and SDSTA contributions during such leave. To maintain the optional spouse coverage, the employee must also pay the additional 1.5% of salary contribution. Such contributions are based on the employee's rate of compensation immediately prior to such leave and must be transmitted by the employee to the SDRS at least monthly.

The employee may also purchase military leave of absence service at a later time if they do not return to service within one year of discharge and remain employed for

one year. Employees should contact the SDRS at (605) 773-3731 for more information concerning the foregoing.

D.E. Employees Returning After Active Service: Federal and state law requires that after return from active duty, the SDSTA offer the employee a job with the same pay, rank, and seniority they would have expected if work had not been interrupted by military duty unless their separation from service is the result of a disqualifying discharge or other less than honorable discharge conditions. The actual position may or may not be the same, depending upon SDSTA needs at the time.

If the employee returns to duty within 90 days of discharge, or within 90 days after a hospitalization continuing after such release for a period of not more than one year, the employee will retain their most recent hire date and not serve another probationary period.

If the employee volunteers for emergency duty instead of being ordered to report, leave and benefits will be handled in the same manner as someone who is ordered to report.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Employment Policy

NUMBER: 4:5

All South Dakota Science and Technology Authority (SDSTA) employees are terminable “at-will,” without any tenure or expectation of continued employment. The employment relationship may be terminated by either the SDSTA or the employee, with or without cause, and with or without prior notice. Nothing in the policies adopted by the SDSTA is intended to create a contract of employment.

- A. All SDSTA employees will be expected to have the physical, mental, and emotional capacity to perform assigned tasks competently, and in a manner that does not unreasonably threaten safety, health or property, including participation in emergency procedures applicable to their work location.
- B. The SDSTA shall have the following employee classifications:
1. Salary Exempt Full-Time: An executive or administrative employee not paid on an hourly basis and who is expected to devote full time and attention to the job. Only SDSTA salary exempt employees are exempt from overtime per the Fair Labor Standards Act (FLSA) criteria will be placed in this classification.
 2. Hourly Full-Time: An employee who works forty (40) hours per week or more and is paid on an hourly basis.
 3. Probationary: The first 180 days for a full-time employee. The probationary period allows the new employee to determine if the job meets expectations and the SDSTA to initially evaluate the employee’s suitability. Vacation and sick leave are accrued during the probationary period.
 4. Part-Time: An employee who works less than twenty (20) hours per week. Part-time employees are not eligible for vacation, paid holidays or any other SDSTA benefit described in Policy 4:1 Personnel Benefits, except social security and workers compensation benefits as provided by law.
 5. Temporary Employee: An employee hired for a temporary purpose. Such employee is not entitled to any benefits, including vacation, sick leave or paid holidays. An example of a temporary employee would be summer-month college or high school student employee; person employed for specific purposes with no termination dates, and the like.

If a part-time or temporary employee becomes a full-time employee, the period of time spent as a part-time or temporary employee does not count toward the waiting periods for insurance benefits, or the service time for other benefits except for longevity pay.

Nothing in the policies adopted by the SDSTA is intended to create an expectation or contract of employment; all SDSTA employees are hired on an “at-will” basis.

South Dakota Science & Technology Authority
Policies and Procedures Manual

**SUBJECT: Resignation Policy
~~and Retirement~~**

NUMBER: 4:6

~~It is the policy of the Authority South Dakota Science and Technology Authority (SDSTA) to requests written notice of intent at least two weeks prior to the date the employee plans to leave resign. Written notice should be submitted to the employee's immediate supervisor or the Human Resources Administrator.~~

~~It is the policy of the SDSTA to respond only to written requests for personal references. The Human Resources Administrator is designated to respond to all such requests.~~

~~Basic information can be released to persons who have a legitimate need to receive such information. Basic information includes the former employee's name, job title, and dates of employment; rehire eligibility shall not be disclosed. Salary history may be provided only with the former employee's written authorization.~~

~~However, the Authority SDSTA may accept verbal resignation or written resignation with less than two weeks notice.~~

~~For retirement, to be eligible for unreduced retirement benefits, normal retirement age is 65 with at least three years of credited service under the South Dakota Retirement System (SDRS). Normal retirement is the first of the month of the employee's 65th birthday. However, there is no mandatory retirement age at the Authority.~~

~~There are several opportunities to retire before the normal retirement date, depending on your age and years of service. The SDRS also provides disability coverage for employees who have three years of credited service or for employees who are accidentally disabled while performing the usual duties of their job. Employees' who cannot work because of a disability that is expected to last one year or longer, may be eligible to receive a monthly benefit from SDRS. For additional information regarding retirement benefits, contact the SDRS.~~

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South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Workers' Compensation Policy

NUMBER: 4:8

A South Dakota Science and Technology (SDSTRA) eEmployees who isare injured or contracts a disease as a result of and/or in the course of their employment must report such injury or disease as soon as possible.

Within three (3) business days of occurrence, the employee must report in writing the circumstance of the injury or disease to his or hertheir supervisor as well asand to the person responsibleEnvironment, Health, and Safety Department. for filing the Employer's First Report of Injury form. Failure by the employee to file the claim report an injury on time may result in denial of the claim.

Then, Wwithin ten (10) days, not counting Sundays and legal holidays, after the employer has knowledge of the occurrence of an injury, the Employer's First Report of Injury must be made in writing to the Division of Labor and Management in the South Dakota Department of Labor. Failure by the employee to file the claim on time may result in denial of the claim.

Questions concerning status of a claim should be directed to Employees should keep in contact with the Assistant to the DirectorEnvironment, Health, and Safety Department to ensure a claim is properly filed.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Progressive Discipline and Termination Policy

NUMBER: 4:12

~~The purpose of this policy is to ensure that it is the policy of the South Dakota Science and Technology Authority (SDSTA) to utilize best progressive discipline practices when dealing with employees whose performance is sub-standard. -The objective is to communicate with and improve performance of employees unless the problem is so severe that termination is warranted. This policy is applicable to all the SDSTA's full-time, part-time and temporary employees.~~

~~A. At-Will Employment: Pursuant to Policy 4.5 Employment, any employment may be terminated by the SDSTA at any time for any reason or for no reason, provided the employment is not terminated for a reason prohibited by applicable law. Nothing in this Progressive Discipline Policy is intended to create a contract of employment or continued expectation of employment.~~

~~B. Progressive Discipline System: Progressive discipline is a system for dealing with job-related behavior that does not meet expected and communicated performance standards. Its primary purpose is to assist the employee to understand that a performance problem or opportunity for improvement exists.~~

~~The system of progressive discipline is not intended as a punishment but to assist the employee to overcome performance problems, satisfy job expectations, and become an effectively performing member of the organization.~~

~~—AT WILL EMPLOYMENT: Pursuant to Policy 4.5,1 “It is the policy of the SDSTA that all employees of the SDSTA are terminable “at will,” without any tenure or expectation of continued employment. The employment relationship may be terminated by either the SDSTA or the employee, with or without cause, and with or without prior notice. Nothing in the policies adopted by the SDSTA is intended to create a contract of employment”. any employment may be terminated by the SDSTA at any time for any reason or for no reason, provided the employment is not terminated for a reason prohibited by applicable law. Nothing in this Progressive Discipline Policy is intended to create a contract of employment or continued expectation of employment.~~

~~A. SCOPE:~~

~~This policy is applicable to all the SDSTA's full-time, part-time and temporary employees.~~

~~B.~~

~~C. DESCRIPTION:~~

SOURCE: ~~Approved by Executive Order December 18, 2013; Board approval March 20, 2014 June 30, 2015.~~ (This revision date supersedes all previous versions).

4:12 Progressive Discipline and Termination Policy

~~Progressive discipline is a process for dealing with job-related behavior that does not meet expected and communicated performance standards. The primary purpose for progressive discipline is to assist the employee to understand that a performance problem or opportunity for improvement exists.~~

~~The process Progressive discipline features increasingly formal efforts to provide feedback to the employee so the problem can be corrected. The goal of progressive discipline is to improve employee performance.~~

Failing that, ~~progressive disciplinethe system~~ enables the organization to fairly, and with substantial documentation, terminate ~~the~~ employment ~~if~~ of an employee ~~who is ineffective and~~ unwilling to improve.

C. Progressive Discipline Steps:

1. First Step – Counsel the employee about performance and ascertain his or her understanding of requirements. Ascertain whether there are any issues contributing to the poor performance, which are not immediately obvious to the supervisor. Solve these issues, if possible.
2. Second Step – Verbally reprimand the employee for poor performance.
3. Third Step – Provide a written warning in the employee's file, in an effort to improve employee performance.
4. Fourth Step – Suspend the employee from work. Suspension is assigned between one (1) day and five (5) days given the severity of incident or non-conformance.
5. Fifth Step – Terminate the employment of an individual who refuses to improve.

Depending on the nature of the offense, the SDSTA reserves the right to skip any of the Progressive Discipline Steps at its sole discretion. Safety and compliance violations shall, at a minimum, begin with a verbal reprimand. Any non-compliance with the SDSTA's Policy 2:3 Drug and Alcohol will result in immediate termination.

D. PROGRESSIVE DISCIPLINE SYSTEM:

~~Depending on the nature of the offense, the SDSTA reserves the right to skip any of the steps of the Progressive Discipline System at its sole discretion. Safety and compliance violations shall, at a minimum, begin with a verbal reprimand.~~

- ~~1. First Step – Counsel the employee about performance and ascertain his or her understanding of requirements. Ascertain whether there are any issues contributing to the poor performance, which are not immediately obvious to the supervisor. Solve these issues, if possible.~~
- ~~2. Second Step – Verbally reprimand the employee for poor performance.~~
- ~~3. —~~
- ~~4. Third Step – Provide a written warning in the employee's file, in an effort to improve employee performance.~~

SOURCE: ~~Approved by Executive Order December 18, 2013; Board approval March 20, 2014 June 30, 2015.~~ (This revision date supersedes all previous versions).

~~5. Fourth Step – Suspend the employee from work. Suspension is assigned between one (1) day and five (5) days given the severity of incident or non-conformance.~~

~~6. Fifth Step – Terminate the employment of an individual who refuses to improve. Exception to the Progressive Discipline System – Any non-compliance with the SDSTA's Drug and Alcohol Policy (Policy 2:3) **will result in immediate termination.**~~

~~Documentation of all disciplinary actions related to these steps and the exception shall be included in the employee's official file with Human Resources.~~

D. Termination: May occur as a result of any of the events listed below and is categorized as voluntary or involuntary:

E. TERMINATION EVENTS:

~~Termination may occur as a result of any of the events listed below and is categorized as voluntary or involuntary.~~

1. Voluntary Events:

a. Resignation ~~including or~~ retirement.

2. Involuntary Events:

- a. Non-renewal of contract.
- b. Discharge during probationary period.
- c. End of a ~~terminal-limited term of employment~~contract.
- d. Discharge for cause (other than poor performance).
- e. Discharge for poor performance.
- f. Job elimination.
- g. End of temporary position.
- h. End of grant.

F. Discipline For CauseDISCIPLINE FOR CAUSE:: The following are examples of conduct that may be cause for disciplinary action or termination. Discipline for cause is not limited to items on this list

1.3. Examples of "Just Cause" for disciplinary action include, but are not limited to:

- a. Violating rules, regulations, policies, directives, procedures, protocols and work rules – specifically standard operating procedures.
- ~~b.a. Non-compliance with the SDSTA's Drug and Alcohol Policy.~~
- ~~e.b. Insubordination.~~
- ~~d.c. Disrupting the efficiency of morale of the SDSTA or destroying morale of one of its divisions.~~
- ~~e.d. Misuse or abuse of leave.~~
- ~~f. Theft.~~
- ~~g. Engaging in outside business or personal activities while at work, or using the SDSTA's property for non-SDSTA business or purposes.~~
- ~~h. Engaging in conduct that reflects unfavorably on the SDSTA, or destroys confidence in the operations of the SDSTA's services, or adversely affects public trust in the SDSTA.~~

SOURCE: ~~Approved by Executive Order December 18, 2013; Board approval March 20, 2014~~June 30, 2015. (This revision date supersedes all previous versions).

4:12 Progressive Discipline and Termination Policy

- ~~i.e.~~ Repeated attendance issues such as tardiness or unexcused absences.
- ~~f.~~ Negligence with use of the SDSTA's assets.
- ~~g.~~ Theft.
- ~~h.~~ Discrimination or work place harassment.
- ~~j.i.~~ Non-compliance with the SDSTA's Policy 2:3 Drug and Alcohol.
- ~~j.~~ Violation of Policy 3:27 Conflict of Interest ~~Policy~~.
- ~~k.~~ Engaging in outside business or personal activities while at work, or using the SDSTA's property for non-SDSTA business or purposes.
- ~~k.l.~~ Engaging in conduct that reflects unfavorably on the SDSTA, destroys confidence in the operations of the SDSTA's services, or adversely affects public trust in the SDSTA.

Documentation of all disciplinary actions shall be included in the employee's official file with Human Resources.

~~The foregoing examples indicate the type of conduct that may be cause for disciplinary action or termination; however, disciplinary action or termination is not limited to items on this list.~~

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Inclement Weather Operations [Policy](#)

NUMBER: 4:13

~~The safety of South Dakota Science and Technology Authority (SDSTA) staff, science researchers, contractor personnel, and visitors is the SDSTA's top concern. This policy establishes the framework for the management of inclement weather events that could affect the continuity of Sanford Laboratory operations. The safety of the South Dakota Science and Technology Authority (SDSTA) staff, science researchers, and visitors is the Authority's SDSTA's top concern. Travel to and from the Laboratory must be minimized during inclement weather events to reduce the risk of injury.~~

During inclement weather events, ~~travel to and from the Sanford Laboratory must be minimized to reduce the risk of injury. In managing the Sanford Laboratory's response to inclement weather events, the Laboratory Director is authorized to close, delay opening, and / or implement a liberal leave policy as necessary to protect SDSTA staff and the facility.~~ ¶The Sanford Laboratory will be staffed only with essential personnel to maintain and monitor the facilities and selected science systems that, if not maintained and monitored, may cause the cessation of normal activities for an extended period of time. ~~In managing the Laboratory's response to inclement weather events, the Laboratory Director is authorized to close the Laboratory, delay its opening, and / or implement a liberal leave policy as necessary to protect the Authority SDSTA staff and the facility.~~

Science researcher and visitor access to the facility will not be allowed during a [Sanford Laboratory closure](#), except for experiment emergencies or to resupply critical consumables to maintain science experiments in a safe configuration.

~~A reasonable number of inclement weather days per fiscal year will be budgeted as allowable under federal procurement guidelines. As funds are available, essential full-time hourly staff members that must attend working during the closure will receive pay in addition to their hourly rate for straight time hours worked. Compensation for overtime hours will not be adjusted. Non-essential -Full-time hourly staff members, who are non-essential and thus not allowed to come to the Laboratory for work on-site, will be compensated for their normal shift during a closure. The Laboratory will budget for a reasonable number of inclement weather days per fiscal year as allowable under federal procurement guidelines.~~ Salaried full-time staff members, including those who must work during a closure, will receive their regular compensation.

During a closure, staff members who are able to telecommute from an off-site location to perform their work duties are encouraged so to do.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Temporary Job Transfer ~~Procedure~~Policy

NUMBER: 4:14

~~It is the policy of the South Dakota Science and Technology Authority (SDSTA) that employees may be. The purpose of this program is to temporarily transfer~~ **employees** from one job to another within the organization ~~as a way~~ to achieve ~~several~~ objectives ~~such as employee training and to more~~ effectively utilize staff. ~~This is normally a voluntary assignment but may be mandatory in certain circumstances such as unexpected vacancies due to illness or death.~~

~~A. Duration: This program involves the~~ **The duration of the job transfer assignment shall be determined prior to the beginning of the assignment. The assignment is typically two (2) weeks but may not exceed a total of six (6) months.** ~~temporary transfer of an employee from one position/area to another for a specified period of time (more than two (2) weeks but not to exceed a total of six (6) months). This is normally a voluntary assignment but may be mandatory in certain circumstances such as unexpected vacancies due to death or illness. Job transfers will not begin until a Request for Temporary Job Transfer Form has been completed, approved, and on file with the Human Resources Office.~~

~~Extension or termination of the temporary job transfer shall be documented by memorandum, signed by all individuals on the original Request for Temporary Job Transfer Form, and copied to the Human Resources Office. A transfer assignment expected to exceed six (6) months will be posted.~~

~~B. Compensation: An employee on a job transfer assignment to a job of lesser pay shall retain his or her regular job title and current rate of pay for the duration of the assignment.~~

~~An employee on a job transfer assignment to a job of higher pay shall retain his or her regular job title and be paid at his or her current rate of pay or be rate changed to a rate within the salary range of the higher paid job commensurate with his or her experience for the duration of the assignment. If a rate change is warranted, a Rate Change Form must be completed, approved, and filed with the Human Resources Office. This does not apply to the voluntary requests for accommodations for restricted duty.~~

~~An employee on a job transfer assignment shall receive his or her annual performance review at the normal time. The sending and receiving supervisor shall collaborate as appropriate on the review. The sending supervisor shall retain responsibility for timely completion of the review.~~

~~C. Termination: The assignment may be terminated at any time.~~

~~An employee on a job transfer assignment to a job of lesser pay shall retain their regular job title and current rate of pay for the duration of the assignment.~~

SOURCE: ~~By Executive Order Updated March 19, 2010~~ June 30, 2015 (This revision date supersedes all previous versions).
4:14 Temporary Job Transfer ~~Policy~~Procedures

~~An employee on a job transfer assignment to a job of higher pay shall retain their regular job title and be paid at their current rate of pay or be rate changed to a rate within the salary range of the higher paid job commensurate with their experience for the duration of the assignment. If a rate change is warranted, a Rate Change Form must be completed, approved, and on file with Human Resources. This does not apply to the voluntary requests for accommodations for restricted duty.~~

~~An employee on a job transfer assignment shall receive their annual performance review at the normal time. The sending and receiving supervisors shall collaborate as appropriate on the review. The sending supervisor shall retain responsibility for timely completion of the review.~~

~~The duration of the job transfer assignment shall be determined prior to the beginning of the assignment. The assignment may be extended (not to exceed a total of six (6) months) or terminated at any time.~~

~~Job transfers will not begin until a Request for Temporary Job Transfer Form has been completed, approved, and on file with Human Resources.~~

~~If the transfer assignment is extended (not to exceed a total of six (6) months) or terminated, the extension or termination should be documented by memorandum, signed by all individuals on the original Request for Temporary Job Transfer Form and copied to all parties, including Human Resources.~~

~~A transfer assignment will never go over six (6) months. If it is expected to go over six (6) months, the position will be posted.~~

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Business Hours

NUMBER: 4:2:1

The business hours of the Authority are from 7 A.M. to 4 P.M. (Mountain Time) Monday through Friday.

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

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.

For hourly employees working either an 8 hour x 5 day or a 10 hour x 4 day schedule, the work shift will generally include a 30 minute lunch break. In certain cases such as selected administrative positions, a one-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.

Given the demands of longer, rotating shifts, staff working a 12-hour rotating shift schedule will be compensated for their lunch breaks.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Accumulated Vacation and Sick Leave

NUMBER: 4:4:1

Section A:

Effective June 23, 2011, for all new hires, accumulated hours of sick leave can be carried over from the State of South Dakota to the Authority only at the discretion of the Executive Director. With approval, only those hours that have not been paid out by the State of South Dakota will be credited as a beginning balance at the Authority.

Documentation to verify hours not paid by the state must be provided in writing to the Authority. These hours will be used only after hours accrued through employment with the Authority have been used.

Upon termination from the Authority, these employees will not receive a payout for sick leave hours that were carried over from the state.

Section B:

The provisions of Section A above to the contrary notwithstanding, DUSEL employees employed with South Dakota School of Mines & Technology (SDSM&T) as of June 23, 2011 that are employed by the Authority in the future can transfer accumulated vacation and accumulated sick leave hours to the Authority as beginning balances at the Authority if the hours have not been paid out by SDSM&T.

Documentation to verify hours not paid must be provided in writing to the Authority. Authority and DUSEL hours will be treated as one bank of vacation hours and one bank of sick leave hours.

Upon termination from the Authority, these employees will receive a payout of the vacation and sick leave hours per Policy 4:4 Leave.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Vacation Leave While Traveling on Business

NUMBER: 4:4:2

Salaried employees will not be required to use vacation leave while traveling when the purpose of the trip is specifically for Authority business. When Authority business is incidental to the trip, vacation leave will be required.

POLICY RETIRED

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Years of Service

NUMBER: 4:4:3

Employment with the State of South Dakota shall be counted for purposes of determining years of employment with the Authority. However, employees must have been continuously employed by the Authority and/or the State of South Dakota for a minimum of seven (7) years prior to termination to receive payment for one-fourth of their unused sick leave balance.

POLICY RETIRED

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: “At-Will” Status of Employees

NUMBER: 4:5:1

It is the policy of the SDSTA that all employees of the SDSTA are terminable “at-will,” without any tenure or expectation of continued employment. The employment relationship may be terminated by either the SDSTA or the employee, with or without cause, and with or without prior notice. Nothing in the policies adopted by the Authority is intended to create a contract of employment.

POLICY RETIRED

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Training

NUMBER: 4:7

The Executive Director of the Authority may determine the need for a variety of training for all or selected employees which may include professional development training, computer training and other work-related training opportunities.

POLICY RETIRED

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Personal References

NUMBER: 4:9

The Executive Director is designated to respond to all personal reference requests. Responses will be made only to written requests for reference information. Telephone inquiries should be answered by telling the caller that it is the policy of the Authority to respond to written requests only.

Only basic information, which includes the employee's name, job title, salary information and dates of employment should be released to persons having a legitimate need to receive such information. This basic information does not include whether or not the former employee is eligible to be rehired or would be rehired.

POLICY RETIRED

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Hiring Process

NUMBER: 4:10

- A. All applicants must apply in writing as directed by the Authority webpage: www.sanfordlab.org. A resume is required.
- B. Following review of all submitted resumes, the Authority will establish a list of the most qualified candidates, who will be interviewed. If not selected, an acknowledgment will be sent within ninety (90) days of filling the position.
- C. A conditional offer of employment will be made to the candidate selected after the interview process. The applicant must acknowledge the Authority's employment and safety policies in writing, consent to and pass a pre-screening physical, consent to and pass the required regulated substance, background and reference checks and comply with any other conditions imposed by the Authority.
- D. The standard pre-employment background check will include:
 - 1. Social Security number verification and trace.
 - 2. Educational degree and professional license verification.
 - 3. Employment history verification.
 - 4. Department of Motor Vehicles search.
 - 5. Local, state and federal criminal records search.
- E. All Authority employees will be expected to have the physical, mental, and emotional capacity to perform assigned tasks competently, and in a manner that does not unreasonably threaten safety, health or property, including participation in emergency procedures applicable to their work location.
- F. Following acceptance of the offer of employment and compliance with the conditions for employment, the new employee will be given a start date and location to report for an orientation session. During the orientation the new employee will be given workplace rules, policies and other relevant information about the employee's position. The new employee must have completed an application, all required tax forms, acknowledgments of policies and other required forms before meeting with the supervisor and beginning work.
- G. The Authority is an equal opportunity employer. Equal employment opportunities will be provided to all employees in all conditions of employment. Discrimination on the basis of race, color, creed, religion, sex, sexual orientation, ancestry, national origin, age (40 years of age or older), disability, or political affiliation is prohibited. If an employee believes he or she has been denied equal opportunity or discriminated against, the employee should immediately notify their supervisor or the Executive Director.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Moving Allowance

NUMBER: 4:11

In certain instances, such as when hiring for a specific skill set, the Authority may pay relocation expenses to a prospective employee at a compensation equal to one month's salary or the actual cost of moving household items, including expenses for gas, food and lodging for the prospective employee and household residents from that person's place of residence to a location mutually agreed upon by the prospective employee and the Authority, whichever is less. Receipts must accompany all requests for reimbursement.

Each offer will be determined on a case-by-case basis and approved by the Executive Director.

If an employee leaves the employ of the Authority within six (6) months following a move, the employee shall repay the Authority the cost of the move and related expenses paid by the Authority unless the employee was unable to continue due to illness or injury or was dismissed or the employee was dismissed due to a reduction in force.



South Dakota Science & Technology Authority Policies and Procedures Manual

SUBJECT: Employment Procedures

NUMBER: 4.5A

Employment procedures have been developed by the South Dakota Science and Technology Authority (SDSTA) to ensure the employer-employee relationship is understood and that applicable federal, state, and local rules are met.

All SDSTA employees are terminable “at-will,” without any tenure or expectation of continued employment. The employment relationship may be terminated by either the SDSTA or the employee, with or without cause, and with or without prior notice. Nothing in the policies adopted by the SDSTA is intended to create a contract of employment.

A. Classification of Employees:

1. **Salary Exempt Full-Time** - An executive or administrative employee not paid on an hourly basis who is expected to devote full time and attention to the job. Leave must be taken in eight (8) hour increments, and there is no reduction in pay for days during which fewer than eight (8) hours are worked. Only employees exempt from overtime per the Fair Labor Standards Act (FLSA) criteria are placed in this classification. Salary exempt full-time employees are eligible for the benefits described in Policy 4:1 Personnel Benefits.
2. **Hourly Full-Time**: An employee who works forty (40) hours per week or more and is paid on an hourly basis. Overtime must be approved by the employee’s supervisor in advance, if practical. Full-time employees are eligible for the benefits described in Policy 4:1 Personnel Benefits.
3. **Probationary**: The first 180 days for a full-time employee is probationary. The probationary period allows the new employee to determine if the job meets expectations and the SDSTA to initially evaluate the employee’s suitability. Vacation and sick leave are accrued during the probationary period.
4. **Part-Time**: An employee who works less than twenty (20) hours per week. Part-time employees are not eligible for vacation, paid holidays or any other SDSTA benefit described in Policy 4:1 Personnel Benefits, except social security and workers compensation benefits as provided by law.
5. **Temporary Employee**: An employee hired for a temporary purpose. Such employee is not entitled to any benefits, including vacation, sick leave or paid holidays. An example would be a person employed for specific purposes with no termination dates.

If a part-time or temporary employee becomes a full-time employee, the period of time spent as a part-time or temporary employee does not count toward the waiting periods for insurance benefits, or the service time for other benefits except for longevity pay.

B. Hiring Process:

1. All applicants must apply in writing as directed by the SDSTA webpage: <http://www.sanfordlab.org>. A resume is required.
2. Following review of all submitted resumes, the SDSTA will establish a list of the most qualified candidates, who will be interviewed. If not selected, an acknowledgment will be sent within ninety (90) days of filling the position.
3. A conditional offer of employment will be made to the candidate selected after the interview process. The applicant must acknowledge the SDSTA's employment and safety policies in writing, consent to and pass a pre-screening physical, consent to and pass the required regulated substance, background and reference checks and comply with any other conditions imposed by the SDSTA.
4. The standard pre-employment background check will include:
 - a. Social Security number verification and trace.
 - b. Educational degree and professional license verification.
 - c. Employment history verification.
 - d. South Dakota Department of Public Safety, Division of Driver Licensing, or corresponding office of another jurisdiction search.
 - e. Local, state and federal criminal records search.
5. All SDSTA employees will be expected to have the physical, mental, and emotional capacity to perform assigned tasks competently, and in a manner that does not unreasonably threaten safety, health or property, including participation in emergency procedures applicable to their work location.
6. Following acceptance of the offer of employment and compliance with the conditions for employment, the new employee will be given a start date and location to report for an orientation session. During the orientation the new employee will be given workplace rules, policies and other relevant information about the employee's position. The new employee must have completed an application, all required tax forms, acknowledgments of policies and other required forms before meeting with the supervisor and beginning work.
7. Effective June 23, 2011, for all new hires, accumulated hours of sick leave can be carried over from the State of South Dakota to the SDSTA only at the discretion of the Executive Director. With approval, only those hours that have not been paid out by the State of South Dakota will be credited as a beginning balance at the SDSTA. Documentation to verify hours not paid by the state must be provided in writing to the SDSTA. These hours will be used only after hours accrued through employment with the SDSTA have been used.
8. Relocation allowance: The SDSTA may pay relocation expenses to a prospective employee in certain instances, such as when hiring for a specific skill set. Each offer will be determined on a case-by-case basis and approved by the Executive Director.
 - a. Relocation compensation shall be comprised of the actual cost of moving household items, including reimbursable expenses, or one month's salary, whichever is less. Reimbursable expenses include gas, food, and lodging for

the prospective employee and household residents from that person's place of residence to a location mutually agreed upon by the prospective employee and the SDSTA. Receipts must accompany all requests for reimbursement.

- b. If an employee voluntarily leaves the employ of the SDSTA within six (6) months following a move, the employee shall repay all relocation-related expenses paid by the SDSTA. Exceptions may be made for an employee unable to continue due to illness or injury, dismissal, or a reduction in workforce.

The SDSTA is an equal opportunity employer and shall take affirmative action as called for by applicable laws to employ and to advance in employment all persons pursuant to Policy 2:2 Equal Opportunity and Affirmative Action.

Nothing in the policies adopted by the SDSTA is intended to create an expectation or contract of employment; all SDSTA employees are hired on an "at-will" basis.

South Dakota Science & Technology Authority
Policies and Procedures Manual

SUBJECT: Conflict of Interest Policy

NUMBER: 3:27

Article I

Purpose

The purpose of the conflict of interest policy is to protect the Authority'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 2 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 Authority.

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 Authority has a transaction or arrangement;
 - 2. A compensation arrangement with the Authority or with any entity or individual with which the Authority 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 Authority 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.

- B. Determining Whether a 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 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 Authority 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 Authority'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 Conflicts 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 Authority 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 Authority 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 Authority 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 Authority 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 Authority, 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 Conflict of Interest Policy;
- B. Has read and understands the policy; and
- C. Has agreed to comply with the policy.

Executive Session – Chairperson Casey Peterson

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

Recommended Action:

Motion to accept report from Executive Session.

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Report on Nominating Committee – Mr. Dana Dykhouse

Nominating Committee Report

June 1, 2015

Participants:

Mr. Dana Dykhouse, SDSTA Board of Director and Nominating Committee Chair

Dr. Ani Aprahamian, SDSTA Board of Director

Mr. Dykhouse and Dr. Aprahamian communicated as the nominating committee on June 1, 2015 for the purpose of nominating the slate officers for the 2015-2016 board year. The slate of officers is as follows:

Chairperson: Mr. Casey Peterson

Vice-Chairperson: Mr. Dana Dykhouse

Vice-Chairperson: Mr. Ron Wheeler

Secretary Treasurer: Ms. Patricia Lebrun

The nominating committee had contacted all of the candidates and they are each willing to serve in this capacity for another year.

Recommended Action:

Informational

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Elect Officers – Chairperson Casey Peterson

South Dakota Science and Technology Authority
Election Procedures Policy
Adopted 6/24/08

The Board of Directors shall follow the following procedure for the nomination and election of officers.

- A. The nomination and election process shall be held in open session.
- B. At the last meeting of the Board before the Annual Meeting, the Chairperson shall appoint a Nominating Committee.
- C. The following procedure shall be utilized at the Annual Meeting:
 1. The Chairperson shall call for the report of the Nominating Committee.
 2. After the Nominating Committee reports, the Chairperson shall ask if any Board member intends to make additional nominations.
 3. If no Board member indicates the intention to make additional nominations, the Chairperson shall call for a motion to elect the slate recommended by the Nominating Committee.
 4. If any Board member indicates the intention to make an additional nomination for any office, the slate recommended by the Nominating Committee shall be deemed rejected and the following procedure shall be utilized:
 - a. The Chairperson shall call for oral nominations for the office of Chairperson. Once it appears that all nominations have been made, a motion that nominations cease would be in order. This motion may be made with or without a call for such motion by the Chairperson.
 - b. If there is only one nominee, a motion that all nominations cease and that the nominee be elected Chairperson would be in order. This motion may be made with or without a call for such motion by the Chairperson.
 - c. If there is more than one nominee, nominations shall continue until there is a successful motion that nominations cease.
 - d. Upon passage of a motion that nominations cease, the Chairperson shall call for a vote. Each Board member shall announce his or her vote out loud. Counsel for the Authority shall tabulate the vote and announce the results.
 - e. The successful candidate shall immediately take office as Chairperson and conduct the remainder of the election and the meeting.
 - f. The Chairperson shall follow the procedure set forth above for each of the remaining offices.
- D. Pursuant to SDCL 1-16H-11, the affirmative vote of no less than four Board members is necessary to elect any officer. If no candidate receives four votes, the Board will vote twice more. If no candidate receives four votes after three attempts, the election for that office will be deemed adjourned until the next meeting of the Board. At the next meeting, the Board shall commence the election procedure set forth above in Section C.4, but only as to any office not filled at the prior meeting. This procedure shall continue from meeting-to-meeting until a candidate receives at least four votes. Pursuant to Article III, Section 1 of the Bylaws, the officers in office as of the commencement of the Annual Meeting shall remain in office until their successors are duly elected.

This policy shall remain in effect until specifically rescinded or modified.

Recommended Action:

Motion to accept the report from the nominating committee and to elect the slate of officers as discussed.

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Confirm date and time of next meeting – Chairperson Casey Peterson

The next board meeting will be held on September 17, 2015 at 9am (MT).

2015 SDSTA Board of Directors meeting schedule:

- Friday, March 20, 2015 at 9:00 am (MT)
- Tuesday, June 30, 2015 at 8:30 am (MT) – (followed by the Sanford Lab Homestake Visitor Center Grand Opening at 11am)
- Thursday, September 17, 2015 at 9:00 am (MT)
- Thursday, December 17, 2015 at 9:00 am (MT)

Meeting location:

SDSTA

630 E. Summit Street, Lead SD 57754

Administration Building/2nd Floor Vault

Please contact Mandy Knight if you have any questions.

Direct Line: 605.722.4022, Cell: 605.641.0475

Recommended Action:

Informational

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Board Comments – Chairperson Casey Peterson

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