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Minutes of the
Board of Minerals and Environment
Telephone Conference Call Meeting
523 East Capitol Avenue
Pierre, South Dakota

July 18, 2024
10:00 a.m. Central Time

CALL TO ORDER: The meeting was called to order by Chairman Rex Hagg. The roll was called, and a quorum was present.

The meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Rex Hagg, Glenn Blumhardt, Bob Ewing, Gregg Greenfield, Jessica Gruenwald, Gary Haag, Bob Morris, and Laurie Schultz.

BOARD MEMBERS ABSENT: Doyle Karpen.

OTHERS PRESENT: Mike Lees, Roberta Hudson, Eric Holm, Bret Graves, Tom Cline, and Michael Evans, DANR Minerals, Mining, and Superfund Program.

APPROVAL OF MINUTES FROM MAY 16, 2024, MEETING: Motion by Blumhardt, seconded by Schultz, to approve the minutes from the May 16, 2024, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

MINING ISSUES CONSENT CALENDAR: A copy of the consent calendar, which is a table listing the department recommendations for transfers of liability, transfers of liability and surety, releases of liability, release of liability and surety, was included in the board packet. (See attachment.)

Mr. Morris asked why there are so many releases of liability on the consent calendar for this meeting.

Tom Cline with the Minerals, Mining, and Superfund Program stated that this time of year is when the site inspections are done. The annual reports submitted by the operators indicated that the sites had been reclaimed during the last six to eight months, and that is the reason there are so many listed on the consent list for this meeting.

Motion by Morris, seconded by Gruenwald, to approve the consent calendar, as presented. A roll call vote was taken, and the motion carried unanimously.

PROPOSED MODIFICATION TO MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF SOUTH DAKOTA DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES AND USDA, FOREST SERVICE REGION 2, BLACK HILLS NATIONAL FOREST: Roberta Hudson reported that in July 2023, the board approved the Memorandum of Understanding. The Memorandum of Understanding is on a five-year renewal process; however, the 2024 South Dakota Legislature revised some requirement associated with mineral exploration, mining permits, and mine licenses. The key statutory changes that impact the existing Memorandum of Understanding involve changes to the bonding limits for these operations. The changes to bonding requirements set in South Dakota Codified Law are in effect as of July 1, 2024.

Ms. Hudson stated that she contacted the Forest Service regarding amendments to the Memorandum of Understanding, which reflect the new bonding requirements in Section III of the document. Ms. Hudson noted that the board members received a copy of the proposed amendments to Memorandum of Understanding in the packet they received prior to the meeting.

Ms. Hudson stated that the State of South Dakota holds the initial bond up to the amounts indicated in the Memorandum of Understanding, and after that, if the Forest Service deems those bonding amounts inadequate it can hold an additional above and beyond that point.

Staff recommended approval of the amended Memorandum of Understanding.

Motion by Ewing, seconded by Haag, to approve the modification to Memorandum of Understanding 23-MU-11020300-043 between the State of South Dakota Department of Agriculture and Natural Resources and USDA, Forest Service Region 2, Black Hills National Forest, and to authorize Chairman Hagg to execute the document. A roll call vote was taken, and the motion carried unanimously.

ELECTION OF OFFICERS: Chairman Hagg requested that the board not elect him as chairman since he has asked that the Governor not reappoint him to the board. He noted that he will remain on the board until the Governor appoints a replacement.

Motion by Morris, seconded by Gruenwald, to nominate Glenn Blumhardt as chairman, Gregg Greenfield as vice chairman, and Laurie Schultz as secretary, and to cease nominations and cast a unanimous ballot. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD IN ACCORDANCE WITH SDCL 1-25-1: There were no public comments.

NEXT MEETING: The next meeting is tentatively scheduled as an in-person meeting on September 19, 2024, at the Foss Building Matthew Training Center in Pierre.

Chairman Blumhardt noted that the contested case hearing that was originally scheduled to take place at the July meeting has been turned over to the Office of the Hearing Examiners.

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Mike Lees stated that there is an oil and gas enforcement case that could potentially be ready to be heard by the board at its September meeting.

Mr. Hagg thanked the board members for the privilege of being the chairman of the board for the last ten years.

ADJOURN: Motion by Hagg, seconded by Haag, to adjourn the meeting. A roll call vote was taken, and the motion carried unanimously.

Secretary, Board of Minerals and Environment	Date
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Consent Calendar
South Dakota Board of Minerals & Environment

July 18, 2024

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Transfer of Liability:</u>					
Carl E Scott Custer, SD	89-388		\$1,500	First National Bank, Pierre First Interstate Bank, Custer	Transfer liability.
		388002	NE1/4 Section 35; T4S-R4E,	Custer County	
Transfer to:					
Michael Buszkohl Custer, SD	24-1138		\$4,000	First National Bank, Rapid City	
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047003	Longview Claim – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E,	Custer County	
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047004	Beecher Lode – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E,	Custer County	
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	

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<u>Transfer of Liability:</u>					
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047005	Black Diamond Claim – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E, Custer County		
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047006	Dyke Lode – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E, Custer County		
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	
<u>Transfer of Liability & Surety:</u>					
Tom Loomis dba Dakota Matrix Minerals Rapid City, SD	04-801		\$1,000	First National Bank, Pierre	Release liability & \$1,000.
		801001	SW1/4 Section 8; T4S-R4E, Custer County		
Transfer to:					
Michael Busskohl Rapid City, SD	24-1138		\$4,000.00	First National Bank, Rapid City	

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<u>Transfer of Liability & Surety:</u>					
Minnehaha County Highway Department Sioux Falls, SD	83-236		Exempt	NA	Release liability & close license.
		236001	E1/2 SE1/4 and NW1/4 SE1/4 Section 6; T101N-R50W,	Minnehaha County	
Transfer to:					
First Rate Excavate, Inc. Sioux Falls, SD	05-817		\$20,000	North American Specialty Insurance Company, Sioux Falls	
<u>Release of Liability:</u>					
Morris Inc. Pierre, SD	83-2		\$20,000	United Fire & Casualty Company Cedar Rapids, IA	Release liability.
		2034	SW1/4 Section 6; T41N-R36W,	Jackson County	
Morris Inc. Pierre, SD	83-2		\$20,000	United Fire & Casualty Company Cedar Rapids, IA	Release liability.
		2054	SW1/4 Section 22; T1N-20E,	Haakon County	
DOT-Aberdeen Region Aberdeen, SD	83-10.2		Exempt	NA	Release liability.
		10015	W1/2 Section 36; T116N-R72W,	Hyde County	

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<u>Release of Liability:</u>					
Clausen & Sons Construction LLC Watertown, SD	83-15	15014	\$20,000	Merchants Bonding Company, Des Moines, IA NE1/4 Section 9; T116N-R52W, Codington County	Release liability
Western Construction Inc. Rapid City, SD	09-880	880006	\$20,000	Western Surety Company, Chicago, IL Section 26; T2S-R12E, Pennington County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880009	\$20,000	Western Surety Company, Chicago, IL N1/2 Section 36; T1S-R8E, Pennington County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880014	\$20,000	Western Surety Company, Chicago, IL S1/2 NW1/4 Section 11; T1N-R23E, Haakon County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880015	\$20,000	Western Surety Company, Chicago, IL W1/2 SW1/4 Section 21; T2N-R11E, Pennington County	Release liability.

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<u>Release of Liability:</u>					
Western Construction Inc. Rapid City, SD	09-880	880018	\$20,000	Western Surety Company, Chicago, IL SW1/4 Section 21 and NW1/4 Section 28; T3S- R9E, Custer County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880021	\$20,000	Western Surety Company, Chicago, IL NW1/4 SW1/4 Section 5; T18N-R1E, Harding County	Release liability.
Sorber Inc. Colome, SD	20-1077	1077001	\$500	First Fidelity Bank, Colome N1/2 Section 10; T95N-R75W, Tripp County	Release liability.
<u>Release of Liability & Surety:</u>					
James W Heinrich Tolstoy, SD	04-795	795001	\$500	First National Bank, Pierre S1/2 Section 33; T122N-R73W, Edmunds County	Release liability & \$500.