

South Dakota Science and Technology Authority Board of Directors
Special Telephonic Meeting Minutes
Thursday, April 27, 2017
Lead, South Dakota

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 11 A.M. Mountain Time (MT) on Thursday, April 27, 2017, via teleconference. Listening posts for the public were established at the office of the SDSTA at 630 E. Summit Street, Lead, South Dakota, and at the conference room of the South Dakota Governor's Office of Economic Development, 711 East Wells Avenue, Pierre, South Dakota.

MEMBERS OF THE BOARD IN ATTENDANCE BY TELEPHONE

Dr. Ani Aprahamian
Mr. Paul Christen
Vice-Chairperson Dana Dykhouse
Secretary/Treasurer Patricia Lebrun
Chairperson Casey Peterson
Vice-Chairperson Ron Wheeler
Dr. Robert Wilson

MEMBERS OF THE BOARD ABSENT

Dr. Heather Wilson

SDSTA STAFF IN ATTENDANCE

Mr. Tim Engel, Legal Counsel (by phone)
Mr. Mike Headley, Executive Director
Ms. Sharon Hemmingson, Business Services and Contracts Manager
Ms. Mandy Knight, Administrative Services Manager

OTHERS IN ATTENDANCE

Mr. Al Van Zee, Black Hills Pioneer

ITEM 1. CALL TO ORDER

Chair Peterson called the meeting to order at 11 A.M. (MT). All members were present by roll call except Dr. Heather Wilson.

Chair Peterson asked participants at the listening posts in Pierre and Lead to identify themselves. There was no response at the Pierre listening post. Staff and others listed above were present at the Lead office.

ITEM 2. APPROVE AGENDA

Chair Peterson asked for a motion to approve the agenda.

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

ITEM 3. APPROVE BASIC ORDERING AGREEMENT (BOA)

Chair Peterson asked SDSTA Executive Director Mike Headley to discuss the BOA. Mr. Headley said the SDSTA has been working with Fermilab for several months to get project plans in place for a series of projects that fall into two categories: 1) the Sanford Underground Research Facility (SURF) Reliability Projects and 2) Projects under the CD-3a approval received by the Department of Energy (DOE). In total, these projects represent additional site preparation activity that need to be completed to

support construction as the Construction Manager/General Contractor (CMGC) comes on board. He said the BOA is like a task order contract that provides the terms and conditions by which Fermi will award individual task orders—one for each project. Mr. Headley said approval today is approving the framework contract that provides the terms and conditions and cost ceiling at approximately \$19M. The cost ceiling amount is the sum of engineering estimates for each of the individual projects or tasks. He said SURF Reliability Projects include the following: Oro Hondo Fan Refurbishment, Refuge Chamber Capacity Increase at the 4850L, Ross Hoist Motor Rehabilitation, Hoist Variable Speed Drives, Hoist Bearings and Bushings, Ross Hoist Brakes and Clutches, Ross Skip Replacement and Ross Cage Replacement. Mr. Headley said beyond these projects are projects under the CD-3a approval (LBNF construction approval by DOE) that relate to the rehabilitation of some of the underground drifts or pathways that are used as part of the SDSTA ventilation plan for LBNF (4850L Ventilation Rehabilitation, 3650L Ventilation Rehabilitation, Tramway Rehabilitation, Design Support, and Construction Support).

Mr. Headley said the first of the projects coming up this summer, if Congress includes sufficient money in the FY2017 budget currently under consideration, is the Tramway Rehabilitation (repairing portals and bolting the tramway) in preparation for the pipe conveyor project. Funding permitting, this project would start in May and said this is the reason to get the BOA in place soon. Mr. Headley asked if there were any questions.

Dr. Robert Wilson asked if the tramway is only a rehabilitation or if there is also new excavation needed? Mr. Headley replied that toward the north section of the Ellison part of the tramway, there will be a small excavation performed by the CMGC that will complete the pathway through the tramway for the pipe conveyor. To provide safe access, the bolting and cleanup of the remaining tramway will be part of one of the tasks that falls under the BOA.

Dr. Robert Wilson said, as he understands, the cost of the excavation is not included in this BOA and Mr. Headley concurred. Mr. Headley said it is a separate scope and this excavation would not be managed or performed by the SDSTA.

Dr. Robert Wilson was disconnected at 11:09 A.M.

In most of the projects there is some level of SDSTA-performed work. The \$19M being discussed is not strictly SDSTA-performed work. It would be a mix of subcontract and SDSTA-Performed work. Business Services and Contracts Manager Ms. Hemmingson said approximately \$10M would be subcontracted work.

Mr. Wheeler asked if the board approves the BOA, would it authorize Mr. Headley to approve the tasks individually? Mr. Headley said he interprets this as giving the SDSTA approval to go forward with the tasks as long as they stay within the ceiling and the terms of the contract. Mr. Engel concurred with Mr. Headley's characterization. Mr. Headley said some of the tasks will exceed \$2.5M in value and Chair Peterson would need to sign those when they come through.

Dr. Robert Wilson rejoined the meeting at 11:11 A.M.

Mr. Wheeler asked Mr. Engel in this particular case, since the board is approving the discussed tasks and they are going to be capped by the contract amount, can we approve the BOA and authorize Mr. Headley to sign individual tasks? Mr. Engel said yes. Mr. Wheeler then said he thinks it would simplify this process.

A motion was made by Mr. Wheeler to approve the contract and authorize the executive director to sign the individual contracts as they come up.

Mr. Engel suggested a motion for clarification purposes. A substitute motion was then made.

Substitute motion by Mr. Wheeler and second by Mr. Dykhouse to authorize the executive director and chairperson in consultation with legal counsel to finalize the terms of the Basic Ordering Agreement between Fermi Research Alliance LLC and SDSTA and for the executive director to sign the contract.

Dr. Robert Wilson said he heard the motion and then asked why Exhibit B's title refers only to the SURF Reliability Projects when there are two categories described in Exhibit B, the first being the SURF Reliability Projects and the second category being Work in Support of CD-3a Construction? Mr. Headley said that is a fair comment and Ms. Hemmingson made note of the recommended title change for Exhibit B to read "SURF Reliability Projects and Work in Support of CD-3a Construction."

Dr. Robert Wilson then asked where the DOE leased spaced is as opposed to where all this work will be occurring, as described Exhibit B, page 4 in the Environment, Safety and Health section? Mr. Headley explained the leased space area. Mr. Engel added that there is no ambiguity in what DOE leased space is in this context.

Dr. Robert Wilson also pointed out the lettering typo in Exhibit A, Section 6 that there are two "B"s and should instead read "B" then "C."

Ms. Lebrun asked if additional insurance will be needed for these tasks or are these covered under SDSTA insurance? Mr. Engel said these are outside of the Captive in a separate "tower" of policies; the vast majority is commercial insurance. Ms. Lebrun asked who covers the cost? Mr. Headley replied that the cost of the tower is in the indirect rate and the tower was put in place a while back.

Chair Peterson asked if there were any other questions.

By roll call vote, the substitute motion passed unanimously.

ITEM 4. ADJOURN

Chair Peterson called for a motion to adjourn and reminded board members the next regularly scheduled board meeting will be held on Thursday, June 22, 2017 at 8:00 A.M. in the Education and Outreach Building.

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

Meeting adjourned at 11:28 A.M. (MT) on April 27, 2017.