

South Dakota Science and Technology Authority Board of Directors
Special Telephonic Meeting Minutes
Thursday, October 31, 2019
Lead, South Dakota

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 01:00 p.m. Mountain Time (MT) on Thursday, October 31, 2019, 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 Dolly-Reed Treehouse Conference Room, 226 711 East Wells Avenue, Pierre, South Dakota.

MEMBERS OF THE BOARD IN ATTENDANCE BY TELEPHONE

Vice-Chairperson Dana Dykhouse
Secretary/Treasurer Patricia Lebrun
Mr. Roger Musick
Chairperson Casey Peterson
Dr. James Rankin, *ex-officio member*
Vice-Chairperson Ron Wheeler
Dr. Robert Wilson

MEMBERS OF THE BOARD ABSENT

Dr. Ani Arahamian

SDSTA STAFF IN ATTENDANCE

Mr. Tim Engel, Legal Counsel (by phone)
Ms. Nancy Geary, Chief Financial Officer
Mr. Mike Headley, Executive Director (by phone)
Ms. Mandy Knight, Administrative Services Manager
Ms. Constance Walter, Communications Director
Ms. Natasha Wheeler, Administrative Assistant

GUESTS IN ATTENDANCE

Seth Tupper, Rapid City Journal Journalist (by phone)

ITEM 1. CALL TO ORDER

Chair Casey Peterson called the meeting to order at 1:00 p.m. (MT). Chair Peterson declared a quorum was present, consisting of board members Mr. Dykhouse, Ms. Lebrun, Mr. Musick, Chair Peterson, Mr. Wheeler and Dr. Wilson. Dr. Arahamian was absent.

Chair Peterson asked participants at the listening posts in Pierre and Lead to identify themselves. There was no response at the Pierre listening post. Ms. Geary, Ms. Knight, Ms. Walter and Ms. Wheeler were present at the Lead office, and SDSTA Legal Counsel Mr. Tim Engel and Executive Director Mike Headley joined by phone.

ITEM 2. APPROVE AGENDA

Chair Peterson asked for a motion to approve the agenda.

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

ITEM 3. GENERAL CONFLICT OF INTEREST DISCLOSURE

Mr. Engel said it has been a recommendation of the Board of Internal Control that a general conflicts of interest disclosure be included on public board agendas. He opened the floor for any member of the board, who feels they have anything that might be construed to be a conflict of interest, to disclose it.

No conflicts of interest were disclosed.

ITEM 4. DISCUSSION OF \$5M LINE OF CREDIT (LOC) WITH FIRST INTERSTATE BANK

Mr. Headley asked the board to consider a \$5,000,000.00 line of credit with First Interstate Bank, the bank used by SDSTA for normal day-to-day operations. He said, with the Cooperative Agreement (CA) in place, the Department of Energy (DOE) encouraged SDSTA to have a financial backstop to cashflow operations in case of delay in payment due to a government shutdown or a continuing resolution where funds may not yet have been received by the agency for the CA. Mr. Headley said, after having discussions with DOE in regard to an appropriate amount, \$3,000,000.00 LOC would be the recommended minimum, but \$5,000,000.00 would provide a cushion—a reasonable amount to keep operations moving forward if there was a delay in payment. He explained that interest will not be charged unless the account is used, and these funds will not be used unless there is a reasonable expectation of being paid later by DOE. He added, the DOE will approve spending that is in alignment with the CA, even if circumstances cause delayed payment/reimbursement for spending.

Mr. Headley noted that board approval will not be needed to access the LOC, as long as purchased items are budgeted expenses, and therefore already approved by the board. If the funds were necessary for a non-approved budget item, the board would be asked for approval. He added, in any circumstance, if the LOC is used, the board will be notified through normal reporting processes.

Ms. Geary said, unrestricted funds being held by the state would be used before using the LOC.

Dr. Wilson asked about fees, and Mr. Headley replied costs for setting up the LOC would be eliminated by First Interstate Bank if SDSTA agrees to process a specified number of payables using their First Interstate Bank credit card, a card currently in use by SDSTA.

Chair Peterson praised staff for addressing this issue in a timely matter, as current political tensions could potentially lead to a government shutdown. Dr. Wilson concurred with Chair Peterson's comments.

Mr. Engel said, the LOC has a variable interest rate, 125 basis points below the index, which is the Wall Street Journal prime rate. He said, the interest rate was at 3.75 percent when the LOC agreement was drafted, and currently the interest rate floor is 3.25 percent. Board members expressed that it is a good interest rate.

Motion by Ms. Lebrun and second by Mr. Musick to approve \$5,000,000.00 line of credit with First Interstate Bank as presented and to authorize the executive director and SDSTA board chairperson to sign the loan documents. By roll call vote, the motion passed unanimously.

ITEM 5. PUBLIC COMMENTS

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

ITEM 6. BOARD COMMENTS

Chairperson Peterson asked if there were any questions or comments from the board. Dr. Wilson praised the foresight of securing the LOC, Mr. Wheeler said he was happy the LUX-ZEPLIN detector made it underground safely and he is excited to see it turned on, Ms. Lebrun said it is prudent to put the LOC in

place, and Mr. Headley thanked the board for approving the LOC as well as Ms. Geary for her hard work. Chair Peterson praised the team for looking forward. He added that he had heard Sanford Lab mentioned in a teleconference, illustrating that Sanford Lab is becoming more well-known and is seen as a leader in technology. There were no other comments from the board.

ITEM 7. ADJOURN

Chair Peterson reminded board members the next regularly scheduled board meeting will be held on Thursday, December 12 at 9:00 a.m. (MT) instead of 8:00am, and it will be a telephonic meeting. He then called for a motion to adjourn.

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

Meeting adjourned at 1:13 p.m. (MT) on October 31, 2019.

DRAFT