

**South Dakota Science and Technology Authority Board of Directors
Special Telephonic Meeting Minutes
Friday, September 17, 2021
Lead, South Dakota**

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 11:00 a.m. Mountain Time (MT) on Friday, September 17, 2021, via teleconference. A conference number was posted on the agenda with an invitation for members of the public to participate in the meeting by telephone.

MEMBERS OF THE BOARD IN ATTENDANCE BY TELEPHONE

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

MEMBERS OF THE BOARD ABSENT

Dr. Ani Aprahamian

SDSTA STAFF IN ATTENDANCE

Mr. Tim Engel, General Counsel (by phone)
Ms. Nancy Geary, Chief Financial Officer
Mr. Mike Headley, Executive Director
Mr. William (Bill) Kelly, Contracts and Procurement Manager
Ms. Mandy Knight, Administrative Services Manager
Mr. Will McElroy, Operations Division Deputy Director
Mr. Al Stratman, Director of Engineering
Ms. Natasha Wheeler, Administrative Assistant (by phone)

ALSO PRESENT DURING THE MEETING

No other guests present

ITEM 1. CALL TO ORDER

ITEM 1A. DETERMINATION OF A QUORUM

Vice-Chairperson Dana Dykhouse called the meeting to order at 11:00 a.m. (MT). Vice-Chairperson Dykhouse declared a quorum was present, consisting of board members Mr. Dana Dykhouse, Ms. Pat Lebrun, Mr. Roger Musick, Chairperson Casey Peterson, Dr. James Rankin, Mr. Ron Wheeler and Dr. Bob Wilson. Dr. Ani Aprahamian was absent.

ITEM 1B. INTRODUCE GUESTS (LISTENING POST IN LEAD)

Guests at the Lead Office included: Ms. Nancy, Geary, Mr. Mike Headley, Mr. Bill Kelly, Ms. Mandy Knight, Mr. Will McElroy, and Mr. Al Stratman were present at the listening post in Lead. Mr. Tim Engel and Ms. Natasha Wheeler joined by phone.

ITEM 1C. PUBLIC COMMENT FORM

Vice-Chairperson Dykhouse said no public comment forms were submitted before the meeting.

ITEM 2. APPROVE AGENDA

Vice-Chairperson Dykhouse asked for a motion to approve the agenda.

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

ITEM 3. GENERAL CONFLICT OF INTEREST DISCLOSURE

Mr. Engel asked if any member of the board, who feels they have anything that might be construed to be a conflict of interest with respect to matters under consideration by the Board today, to disclose it verbally.

No conflicts of interest were disclosed.

ITEM 4. APPROVAL OF ORO HONDO BACKUP FAN CONTRACT

Mr. Headley said two different ventilation fans are at the Oro Hondo ventilation shaft: 1) The main ventilation fan serves as the main ventilation draw for the underground and was recently updated with a variable frequency drive through a Long-Beamline Neutrino Facility (LBNF) project contract; and 2) The backup fan, which is significantly undersized at only 350 horsepower compared to the 2,000-horsepower main fan. Mr. Headley said if the main fan were to go down, there would be an impact to construction activities and overall operations activities, since there would not be enough overall airflow.

Mr. Headley said SDSTA has been in conversation with the Department of Energy (DOE) regarding funding an update to the backup fan to match the power of the main fan. The upcoming project will remove the current backup fan and install a new fan that matches the 2,000-horsepower main fan. He said the project is being contracted through a proposed design-build contract, after putting the project out for bid and choosing the best value from the three bids received based on both cost and potential risk factors.

Mr. Headley said the contract will be just under \$5.8 million and approximately \$290,000 of indirect costs will be directed toward the project, for a total of about \$6.1 million to complete the project for the new fan. Mr. Headley said a ventilation consultant is also included in the project at a cost of \$121,000, bringing the total project cost to approximately \$6.2 million. He said the project is estimated to have an 11-month schedule from start to finish and slated to begin as soon as possible.

Mr. Headley said the recommended contractor is based out of Canada and is a leader in the industry, doing a lot of ventilation fan work and specifically, work with mine ventilation.

Mr. Engel said the contractor wants to limit their liability to warranty obligations to repair or replace the fan equipment. He said negotiations are still ongoing, and he anticipates an agreement of one to two years for warranty coverage, and he expects a resolution soon. Mr. Engel said many contractors are now including liability limitations in their contracts.

Chairperson Peterson said he is concerned about the short-term warranty coverage compared to the high cost of the contract. He also asked what plans are in place if the main Oro Hondo fan fails?

Mr. Headley said the main fan will be used for ventilation, and although some down time will be necessary during the backup fan project, the current backup fan does not have the capacity to support operations if the main fan does go down.

Mr. Engel said it is frustrating that industry vendors are not willing to provide better protections for their projects, but SDSTA will make their best efforts to negotiate for the best available warranty from the contractor.

Dr. Wilson asked about personnel underground if the main fan goes down and the current backup fan is running. Mr. Headley said personnel can work underground in that scenario, but there would be concerns about radon levels and if there would be high enough airflow for heat rejection from equipment running underground. He said the upgrade will benefit underground construction efforts as well as continued regular operations of science and other projects underground.

Ms. Lebrun said there are many large projects happening at SURF and they are being done for the safety and future of the lab as an important international project. She said each project is important for how the lab will be able to operate for decades to come. Mr. Wheeler added that projects like these are labeled for the DOE as, “reliability projects.”

Motion by Mr. Wheeler and seconded by Ms. Lebrun to authorize the Executive Director, in consultation with the SDSTA Board Chairperson and legal counsel, to negotiate the final terms of the Oro Hondo backup fan contract between SDSTA and Howden Canada and authorize the Executive Director, to sign the final contract. The motion passed unanimously.

ITEM 5. PUBLIC COMMENTS

Vice-Chairperson Dykhouse said no requests were made for Public Comment.

ITEM 6. BOARD COMMENTS

Vice-Chairperson Dykhouse asked if there were any additional questions or comments from the board.

Mr. Headley thanked everyone for their time and recognized Engineering Director Mr. Al Stratman and his team, the Contracts & Procurement Manager Bill Kelly and his team and Mr. Engel for their efforts to arrange the contract.

Chairperson Peterson announced that Dr. Nigel Lockyer will resign as Director of Fermilab in May 2022. Mr. Wheeler suggested to send a letter from the board to Dr. Lockyer, expressing appreciation for his service. Chairperson Peterson and Mr. Dykhouse concurred. Dr. Wilson announced Fermi Research Alliance’s (FRA’s) new President Dr. Paul Alivisatos, and Universities Research Association’s (URA’s) new Executive Director and Chief Executive Officer, Dr. John Mester.

Vice-Chairperson Dykhouse said he looks forward to seeing everyone at the next regularly scheduled board meeting, set for Thursday, September 23, 2021, at 8:00 a.m. (MT), at the E&O Building Conference Room and via Zoom.

ITEM 7. ADJOURN

Motion by Ms. Pat Lebrun and seconded by Dr. Wilson to adjourn. The motion passed unanimously.

Meeting adjourned at 11:19 a.m. (MT) on September 17, 2021.