

South Dakota Science and Technology Authority Board of Directors
Meeting Minutes
Thursday, September 23, 2021
Lead, South Dakota

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 8:00 AM Mountain Time (MT) on Thursday, September 23, 2021, in the Education and Outreach (E&O) Building Conference Room at the South Dakota Science and Technology Authority, 630 East Summit Street, Lead, South Dakota. To maintain physical distance due to the COVID-19 pandemic, face masks were required, and 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

Vice Chairperson Dana Dykhouse (in person)
Secretary/Treasurer Patricia Lebrun (by phone)
Chairperson Casey Peterson (in person)
Dr. James Rankin, ex-officio (by phone)
Mr. Ron Wheeler (by phone)
Dr. Robert Wilson (by phone)

MEMBERS OF THE BOARD ABSENT

Dr. Ani Aprahamian
Mr. Roger Musick

SDSTA STAFF PRESENT DURING ALL OR PART OF THE MEETING

Mr. Tim Engel, Legal Counsel (in person)
Ms. Nancy Geary, Chief Financial Officer (in person)
Mr. Mike Headley, Executive Director (in person)
Dr. Jaret Heise, Science Director (in person)
Mr. Bill Kelly, Contracts & Procurement Manager (in person)
Ms. Mandy Knight, Administrative Services Manager (in person)
Mr. William McElroy, Operations Division Deputy Director (in person)
Ms. Staci Miller, SURF Foundation Director (in person)
Ms. Constance Walter, Communications Director (in person)
Ms. Natasha Wheeler, Administrative Assistant (in person)

ALSO PRESENT DURING ALL OR PART OF THE MEETING

Dr. Chris Fall, Sanford Underground Research Facility Foundation board member (in person)
Mr. Michael Gemelli, Fermi Research Alliance Far Site Conventional Facilities Project Manager (in person)
Ms. Wendy Pitlick, Black Hills Pioneer Journalist (in person)
Dr. Peggy Norris, Education & Outreach Deputy Director (BHSU) (in person)
Ms. Nicol Reiner, Education & Outreach Director (BHSU) (in person)

ITEM 1. CALL TO ORDER

Chairperson Casey Peterson called the meeting to order at 8:00 AM (MT). Roll call was held. Ms. Pat Lebrun, Mr. Ron Wheeler, Dr. Bob Wilson and Dr. Jim Rankin were present by phone. Mr. Dana Dykhouse and Chairperson Casey Peterson were present in person. Dr. Ani Aprahamian and Mr. Roger Musick were absent. Chairperson Peterson then asked audience members to introduce themselves. He said if anyone from the audience had any questions or comments for the board to address, to please

complete the public comment form located at the sign-in table and time will be given at the end of the agenda to discuss. He reported no comment forms were submitted.

ITEM 2. APPROVE AGENDA

Chairperson Peterson asked if there were any modifications to the agenda. Hearing none, Chairperson Peterson asked for a motion to approve the agenda as presented.

Motion by Mr. Dykhouse and seconded by Ms. Lebrun to approve the agenda as presented. Motion passed unanimously.

ITEM 3. APPROVE MINUTES

Chairperson Peterson asked if there were any comments on the June 24, 2021 or July 29, 2021 Minutes. Hearing none, he asked for a motion to approve the minutes.

Motion by Mr. Wheeler and seconded by Mr. Dykhouse to approve the June 24, 2021 and July 29, 2021 minutes as presented. Motion passed unanimously.

ITEM 4. GENERAL CONFLICT OF INTEREST DISCLOSURE

SDSTA Legal Counsel Mr. Tim Engel invited members of the board to disclose anything that might be construed to be a conflict of interest with respect to items under consideration at today's meeting.

No conflicts of interest were disclosed.

ITEM 5. CONFLICT OF INTEREST DISCLOSURE AND WAIVER UNDER SDCL CH. 3-23

Mr. Engel said, in regard to disclosures and waivers under SDCL Ch. 3-23, he polled the board members prior to the meeting. Mr. Wheeler's contract with the SDSTA was disclosed in writing. A copy of the disclosure was included in the board packet. No other disclosures were made. Mr. Engel stated that no changes occurred since the last time Mr. Wheeler's disclosure was approved, and no further board action is required.

ITEM 6. SURF FOUNDATION

ITEM 6A. FOUNDATION STATUS UPDATE

Ms. Miller stated the mission of the SURF Foundation, which is to support the advancement of world class science and inspire learning across generations, and the four key areas of impact, including the SURF Institute, Inspiring Future Students, Beyond the Classroom – Into the Community, and United in One Space.

Ms. Miller said the SURF Foundation also takes on special projects and the current special project is the development of the Sacred Circle Garden. She said SURF is creating an ethnobotanical garden designed with native plant species with an aim to respect, protect, and understand indigenous cultures of the Black Hills. She said the main focus of the garden will be a medicine wheel, and the garden will be a place that protects the environment, rich history and values that connect us all.

As part of the Sacred Circle Garden campaign, Ms. Miller introduced four photographs taken by artists (and who are also SDSTA employees in the Communications Dept) Mr. Matt Kapust and Mr. Adam Gomez, offered in limited edition, each with a certificate of authenticity. She said the four prints represent the sacred areas that will be incorporated in the garden, including the Badlands, Bear Butte, Bear Lodge (Devil's Tower), and Black Elk Peak; Prints are available for donors of \$1,500 each or \$5,000 for the full set of four. Ms. Miller said the prints will be offered to board members, employees and affiliates of SURF, and the SURF Foundation before they are offered to the public.

ITEM 6B. APPROVAL OF SURF FOUNDATION AMENDED BY-LAWS

Mr. Engel said amendments to the SURF Foundation By-Laws include Section 2.8, clarifying a reimbursement of expenses to directors using the U.S. General Services Administration (GSA) rate, and Article IX, noting the organization's purchase of directors and officers liability insurance. Mr. Engel said there was also an error in article numbers, which will be corrected. He recommended approval of the proposed amendments.

Motion by Mr. Dykhouse and seconded by Mr. Wheeler to approve the amendments to the SURF Foundation By-Laws as presented. Motion passed unanimously.

ITEM 6C. SURF FOUNDATION BOARD MEMBER APPOINTMENTS

Mr. Dykhouse said the SURF Foundation would like board approval of the appointment of three new board members. Ms. Miller presented bios of the slate of nominees: Ms. Julie Olson, CEO and owner of Turner Lee Consulting & Design; Mr. Linden (Linn) Evans, President and Chief Operating Officer of Black Hills Energy; and Dr. Barbara Szczerbinska, Professor of Physics at Texas A&M University – Corpus Christi.

Mr. Headley said he and Chairperson Peterson had conversations together with two of the three candidates and found them to all be high quality additions to the SURF Foundation board.

Motion by Mr. Dykhouse and seconded by Mr. Wheeler to approve appointment of new SURF Foundation board members Ms. Julie Olson, Mr. Linn Evans. and Dr. Barbara Szczerbinska as presented. Motion passed unanimously.

ITEM 7. AUDIT COMMITTEE

ITEM 7A. AUDIT COMMITTEE UPDATE

Ms. Geary said Mr. Al Schaefer from the South Dakota Department of Legislative Audit is expected to begin his audit on September 27, 2021, and SDSTA will request a complete report to share at the December 16, 2021 board meeting.

ITEM 7B. ANNUAL REVIEW OF AUDIT CHARTER

Ms. Lebrun said the Audit Committee Charter review was completed in June and a report was given at that time as reflected in the minutes of the June 24, 2021, SDSTA board meeting.

ITEM 8. FINANCIAL REPORT

ITEM 8A. FINANCIAL STATEMENTS

Ms. Geary said SDSTA secured a 5-year environmental insurance policy with an invoice to arrive soon, and that a spend plan is in place to address the current budget underrun under the Cooperative Agreement (CA). She also said all xenon has arrived onsite and is now in the detector.

ITEM 8B. SD INVESTMENT COUNCIL LETTER

Ms. Geary said SDSTA received the South Dakota Investment Council letter, which was included in the board packet. Upon discussion with the board, maintaining a 1% interest earning accrual percentage was proposed.

Motion by Mr. Wheeler and seconded by Ms. Lebrun to approve interest earning accrual at one percent for fiscal year 2022. Motion passed unanimously.

ITEM 8C. FY END INVENTORY LISTING

Ms. Geary said the Inventory Listing is included in the board packet for review. No comments or questions were raised.

ITEM 8D. FY END PER DIEM LISTING

Ms. Geary said the Per Diem Listing is included in the board packet for review. No comments or questions were raised.

*Motion by Mr. Dykhouse and seconded by Mr. Wheeler to accept the financial report as presented.
Motion passed unanimously.*

ITEM 9. REPORT FROM EXECUTIVE DIRECTOR

ITEM 9A. DECLARATIONS OF SURPLUS

Mr. Headley said eight items for surplus are included in the board packet and asked if anyone had any questions or comments. No comments or questions were raised. Mr. Headley then went out of agenda order and asked Mr. Michael Gemelli, Fermi Research Alliance Far-Site Conventional Facilities Project Manager, to provide an update on the LBNF project, prior to giving his quarterly update.

ITEM 9C. LONG-BASELINE NEUTRINO FACILITY (LBNF)

Mr. Gemelli introduced himself, noting 30 years of experience in domestic and international project management. Mr. Gemelli gave an overview summary of LBNF conventional facilities, including: 1) Completed reliability project upgrades to SURF infrastructure, including a new hoist system and refurbished mine shaft to ensure the site can support the next 20-plus years of experimental operations for the Deep Underground Neutrino Experiment (DUNE); 2) Completed pre-excavation work to move excavated rock from one mile underground to the surface and deposit it in the Open Cut; and 3) The current excavation project which is underway, with work started in April 2021 to construct three DUNE caverns, with an expected completion date of April 2024.

Mr. Gemelli shared a series of photos, diagrams, and videos to illustrate completed reliability projects, the scope of excavation areas, the skip loading operation system, the rock handling system, excavation equipment used for the project including the raise bore machine, activity being completed by Thyssen Mining Inc., and blast excavation occurring underground.

ITEM 9B. SDSTA QUARTERLY UPDATE

Mr. Headley said the SURF operations CA is starting its third year of execution this October 2021, with the relationship between the Department of Energy (DOE) office and SDSTA remaining strong. He said infrastructure improvements are modernizing SURF and increasing reliability to support construction and current and future science. He said SDSTA support to LBNF construction is proceeding on plan with 24/7 operation, the Ross Shaft is in its final stages of certification, SDSTA continues to transport personnel and loads to the 4850L in support of construction and science, the Yates Shaft is currently in rehabilitation mode, and Yates loads are currently shifted to be transported at the Ross. Mr. Headley said long-term planning for science and the facility is progressing, with a completed SURF science vision roundtable held September 14 and 15, the initiation of 4850L science lab space planning with Stantec expected to be complete in November, a completed institute scoping document with building and budget planning underway, as well as planning underway to submit a proposal for SURF to become a DOE User Facility.

Mr. Headley said the new Rounds Operations Center (ROC) is now complete and in operation, as a 26,000 square foot facility with a \$6.5 million South Dakota commitment. He said the ROC dedication was held August 20, 2021, along with a ribbon cutting.

Mr. Headley said current Fiscal Year 2020 (FY20) facility infrastructure projects include security improvements at the headframes with completion planned for late September, an upgrade to the Oro Hondo backup ventilation system with design expected to begin in October, a water inflow system replacement underway, a Yates Shaft refurbishment concept study with 30% deliverable due October 18, 2021, an industrial and potable water project at the Yates with work that started September 13, 2021, and Waste Water Treatment Plant gravity flow upgrades awaiting authorization from DOE.

Addressing Education and Outreach, Mr. Headley said teacher professional development impacts in 2020-2021 included 709 total teacher participants, 73 South Dakota districts, and 18 new districts, impacted, nine professional development events and 29 days of teacher interaction. He also shared a quote from an elementary school teacher participant. Mr. Headley said student outreach for September through November 2021 includes both curriculum units and presentations throughout the state.

Mr. Headley said the SURF operations funding summary for FY21 totaled at \$29.1 million, due to a 3% reduction from DOE for operations programs to fund small business technology transfer and innovation efforts, and \$29.1 million should be expected again for FY22. He said the CA will provide a fixed \$23.8 million for FY22, and infrastructure improvement projects are estimated at \$6.2 million for FY22.

Mr. Headley said the Institute scoping document was completed on July 30, 2021, and expressed his appreciation to the working group for their contributions. He said a building visioning workshop was held with Arup on August 27 to discuss functional requirements, sizing and potential locations, and Arup is now developing a report to capture initial costing. He said Arup is providing the initial scoping study pro bono as a donation to the SURF Foundation. He said SDSTA is also working with dialogue LLC principal Ms. Elizabeth Freer to refine staffing and operation budgeting for an Institute. Mr. Headley said to expect a presentation at the December 15, 2021, board meeting with updates to the scoping study.

Motion by Mr. Dykhouse and seconded by Mr. Wheeler to accept the executive director's report as presented. Motion passed unanimously.

ITEM 10. REVIEW OF SDSTA POLICIES AND PROCEDURES

Mr. Headley said SDSTA added a new Integrated Management System (IMS) policy, updated the Holiday Policy to include Juneteenth/Emancipation Day, updated the Personnel Benefits Policy to include Juneteenth/Emancipation Day as a paid holiday and updated the Record Retention Policy to revise retention dates for miscellaneous Environment, Safety and Health documents and formatting.

Motion by Mr. Wheeler and seconded by Mr. Dykhouse to approve the new IMS Policy and updated Holiday Policy, Personnel Benefits Policy and Record Retention Policy as presented. Motion passed unanimously.

ITEM 11. EXECUTIVE SESSION

Motion by Mr. Wheeler and seconded by Mr. Dykhouse to enter into executive session to discuss personnel matters and to consult with legal counsel concerning legal and contractual matters as permitted by SDCL 1-25-2(1), (3) and (4). Motion passed unanimously.

The board recessed at 9:15 AM for a ten-minute break followed by executive session.

Dr. Rankin left the meeting at 10:00 AM.

The board reconvened in open session at 10:16 AM.

ITEM 12. REPORT FROM EXECUTIVE SESSION

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

Motion by Mr. Dykhouse and seconded by Ms. Lebrun to approve the executive session report. Motion passed unanimously.

ITEM 13. CONFIRM DATE AND TIME OF NEXT MEETING

Chairperson Peterson reminded the board of the next meeting, scheduled for Thursday, December 16, 2021, at 9:00 AM (MT) in the E&O Conference room and via Zoom.

Ms. Knight said she will send an email to poll the board to schedule the 2022 SDSTA board meetings and Chairperson Peterson asked board members to send their responses back to Ms. Knight as soon as possible.

ITEM 14. PUBLIC COMMENTS

Chairperson Peterson said he did not receive any public comment request forms and there were no questions from the audience.

ITEM 15. BOARD COMMENTS

Mr. Dykhouse said the SURF Foundation is acquiring high-quality board members who are great people and he's excited about their addition.

Ms. Lebrun said it was a good meeting and she appreciated the photos included in the executive director's report.

Mr. Wheeler said he is pleased with the progression of SDSTA and remains concerned about COVID.

Dr. Wilson said he also enjoyed the photographs and blasting videos included in the executive director's report.

Mr. Headley thanked everyone for their time and attention and thanked the staff, recognizing there are a many things happening, and the team is doing a great job moving things down the road and making sure the lab is advancing.

Chairperson Peterson echoed Mr. Headley's comments, saying thank you to the team and thank you to the board. Chairperson Peterson asked the board to consider purchasing photos to support the SURF Foundation and the Sacred Circle Garden.

ITEM 16. ADJOURN

Chairperson Peterson called for a motion to adjourn.

Motion by Mr. Dykhouse and seconded by Mr. Wheeler to adjourn. Motion passed.

Meeting adjourned at 10:23 AM.