

South Dakota Science and Technology Authority Board of Directors
Meeting Minutes
Thursday, June 16, 2022
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, June 16, 2022, 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. 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 (by phone)
Dr. Chris Fall (by phone)
Secretary/Treasurer Patricia Lebrun (by phone)
Mr. Roger Musick (by phone)
Chairperson Casey Peterson (in person)
Mr. Ron Wheeler (by phone)
Dr. James Rankin, ex-officio (by phone)

MEMBERS OF THE BOARD ABSENT

Dr. Ani Aprahamian

SDSTA STAFF PRESENT DURING ALL OR PART OF THE MEETING

Ms. Christine Burger, Human Resources Manager (in person)
Mr. Jason Connot, Underground Operations Engineer (in person)
Mr. Tim Engel, General Counsel (in person)
Ms. Reghan DeBoer, SURF Science Intern (via phone)
Mr. Joseph Egan, SURF Engineering Intern (via phone)
Ms. Halle Fjelland, SURF Engineering Intern (in person)
Ms. Gina Gibson, SURF Artist-in-Residence Coordinator (in person)
Ms. Bonita Goode, Environmental Manager (in person)
Mr. Mike Headley, Executive Director (in person)
Mr. Bill Kelly, Contracts & Procurement Manager (by phone)
Ms. Kelly Kirk, Sanford Lab Homestake Visitor Center (SLHVC) Director (in person)
Mr. Jordan Kludt, SURF Environment, Safety and Health Intern (in person)
Ms. Mandy Knight, Administrative Services Manager (in person)
Ms. Jacquelynn McKnight, SURF Education and Outreach Intern (via phone)
Ms. Staci Miller, SURF Foundation Director (in person)
Mr. Terry Miller, Chief Financial Officer (in person)
Mr. Curtis Petersen, SURF Education and Outreach Intern (via phone)
Mr. Gary Sczerbaniewicz, SURF 2022 Artist-in-Residence (by phone)
Ms. Wendy Straub, Hoists and Shafts Director (in person)
Ms. Constance Walter, Communications Director (in person)
Ms. Lindsey Weeldreyer, SURF Science Intern (via phone)
Ms. Natasha Wheeler, Administrative Assistant (in person)
Ms. Deb Wolf, Outreach & Culture Director (in person)

ALSO PRESENT DURING ALL OR PART OF THE MEETING

Mr. Clayton Hollowell, Department of Energy High Energy Physics Program Manager (in person)

ITEM 1. CALL TO ORDER

Chairperson Casey Peterson called the meeting to order at 8:00 AM (MT). Roll call was held. Mr. Dana Dykhouse, Ms. Pat Lebrun, Mr. Roger Musick and Mr. Ron Wheeler were present by phone. Dr. Chris Fall, Dr. Jim Rankin and Chairperson Peterson was present in person. Dr. Ani Aprahamian was absent.

Chairperson Peterson asked guests to introduce themselves. Of note, the summer 2022 interns introduced themselves to the board, including Reghan DeBoer, Joseph Egan, Halle Fjelland, Jordan Kludt, Jacquelynn McKnight, Curtis Petersen and Lindsey Weeldreyer.

Chairperson Peterson 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. No comment forms were submitted during the meeting.

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.

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

ITEM 3. APPROVE MINUTES

Chairperson Peterson asked for any comments on the March 24, 2022, Minutes. Hearing none, he asked for a motion to approve the minutes.

Motion by Dr. Fall and seconded by Mr. Wheeler to approve the March 24, 2022, minutes as presented. Motion passed unanimously.

ITEM 4. GENERAL CONFLICT OF INTEREST DISCLOSURE

SDSTA General 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.

Mr. Engel said his law firm works with the Office of Risk Management of the State of South Dakota, which is a party to the FY2023 Intergovernmental Agreement, Agenda Item No. 15, in today's meeting.

No other conflicts of interest were disclosed.

ITEM 5. DISCLOSURES AND WAIVER UNDER SDCL CH. 3-23

Mr. Engel said he contacted all board members before the June 16, 2022, board meeting and asked them to make any disclosures required by SDCL CH. 3-23. He said no disclosures were reported. He also noted that annual disclosures concerning contracts with the state and political subdivisions will be due at the September 22, 2022, board meeting.

ITEM 6. SURF FOUNDATION STATUS UPDATE

ITEM 6A. FOUNDATION STATUS UPDATE

Ms. Miller stated the SURF Foundation's mission, "supporting the advancement of world class science and inspiring learning across generations." She shared the completed 100% design of the Sacred Circle Garden and said \$449,771.59 has been raised toward the \$800,000.00 goal. Ms. Miller said all state donor registrations are complete. The SURF Foundation received a grant from the South Dakota Community Foundation for the Sacred Circle Garden and a grant from the John T. Vucurevich Foundation for Education and Outreach (E&O) professional development, and First PREMIER Bank/PREMIER Bank Card is the lead sponsor for this year's Davis Bahcall Scholars Program. She

announced that the new SURF Foundation Chairperson is Ms. Julie Olson, the Vice Chair is Mr. Fred Romkema, the Secretary/Treasurer is Ms. Beth Massa, and the new emeritus board member is Mr. Dana Dykhouse. Ms. Miller reminded the SDSTA board that July 9, 2022, is Neutrino Day and said the Foundation will host a table at the SLHVC with native plant information, and will conduct tours of the Sacred Circle Garden site.

ITEM 6B. APPROVAL OF SURF FOUNDATION AMENDED BYLAWS

Ms. Miller read the proposed changes to the Foundation Bylaws, consisting of new Section 2.9. Director Emeritus and the last sentence of Section 6.3. Standing Committees. The changes were approved by the SURF Foundation Board of Directors at their June 7, 2022, board meeting.

Motion by Dr. Fall and seconded by Mr. Musick to approve the SURF Foundation Bylaws as amended June 7, 2022. Motion passed unanimously.

ITEM 6C. SURF FOUNDATION BOARD MEMBER APPOINTMENTS

Ms. Miller provided brief biographies for three new members of the SURF Foundation Board of Directors and Chairperson Peterson asked for a motion to approve the appointment of the new SURF Foundation board members.

Motion by Ms. Lebrun and seconded by Mr. Wheeler to approve appointment of new SURF Foundation board members Mr. Adam Gollofon, Ms. Sandy Stash and Mr. Justin Varland, as presented. Motion passed unanimously.

ITEM 7. AUDIT COMMITTEE

ITEM 7A. ANNUAL APPOINTMENT OF MEMBERS

Chairperson Peterson reported the appointment of Ms. Lebrun and Mr. Dykhouse to continue to serve on the audit committee and commended their work in that role.

Motion by Mr. Wheeler and seconded by Dr. Fall to approve the appointment of audit committee members as presented. Motion passed unanimously.

ITEM 7B. AUDIT COMMITTEE UPDATE

Ms. Lebrun said she met with Mr. Dykhouse, Ms. Nancy Geary (former SDSTA CFO), Mr. Kelly and Mr. Miller on April 13, 2022, and the group agreed to award the contract to Eide Baily for the Financial and Compliance Audit of the SDSTA.

ITEM 7C. ANNUAL REVIEW OF AUDIT CHARTER

Ms. Lebrun referred to the SDSTA Audit Committee Charter in the board packet and said there is a requirement for the committee to review and update the charter annually. She said she met with Mr. Dykhouse and Mr. Miller on June 2, 2022, and upon review, found no changes to the charter are necessary. She said Eide Baily should be asked to review the Audit Committee Charter after they have conducted the FY2022 audit. Ms. Lebrun said Lighthouse Services, an external third-party ethics hotline, has not recommended any action to SDSTA in their monthly reports, which indicates there have not been any complaints. Chairperson Peterson thanked the Audit Committee for their work and for monitoring the monthly reporting from Lighthouse Services.

ITEM 8. FINANCIAL REPORT

ITEM 8A. REVIEW FINANCIAL STATEMENTS

Mr. Miller said there was a \$1.5 million increase in fixed assets over the last quarter which includes additions, deletions and depreciation. He said significant items to note include the purchase of the Yates

Complex waterline and meter building purchased with Department of Energy (DOE) funds (\$1,594,419.00), the purchase of a new Ford passenger van (approximately \$50,000.00) and various items from inventory put into service or supply, surplus assets and depreciation. Mr. Miller said he and Ms. Geary completed their annual asset verification, physically visiting areas of the property, which led to a net amount of \$73,274.00 in items put into service or supply and a net amount of \$15,450.00 in surplus or depreciated items. Surplus items were included in the Director's Report section of the board packet for review.

Mr. Miller said two important items of note over the past fiscal year include the completion of the Rounds Operations Center (ROC) and purchase of the SLHVC, including land and additional assets.

Mr. Miller said available resources remain relatively unchanged since February 2022, and there is an overrun to Cooperative Agreement (CA) funding, mostly due to a third payroll in May 2022, that should be back on track again by the end of June 2022. A third CA budget modification occurred in June and a fourth modification is expected by September.

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

ITEM 8B. AMEND FY2022 BUDGET

Mr. Miller said there have been several unexpected costs associated with the SLHVC. He said labor costs are within the expected range, but maintenance and inventory costs were not clearly disclosed from the previous owners. Mr. Miller requested approval for an amended budget for FY2022.

Dr. Fall asked if recent inflation has been factored into the budgeting process, noting DOE funding remains relatively fixed with the agreement in place. Mr. Headley assured the board that rising expenses are being considered, and budget items are being prioritized to account for items that may not immediately have funding available.

Motion by Dr. Fall and seconded by Mr. Wheeler to approve amended FY2022 budget as presented (a copy of which is attached to this Minutes). Motion passed unanimously.

ITEM 8C. LZ OPERATIONS SUPPORT GRANT

Mr. Headley said LUX-ZEPLIN (LZ) funding is being transferred from a contractual agreement to an Operations Support Grant that will total \$4.45 million over almost five years – a pro-rated percentage of the first year followed by four full years of funding. He said the grant will be evidenced by a document signed by DOE and if accepted, the first expenditure by SDSTA will constitute acceptance of the terms of the agreement by SDSTA. Dr. Fall asked about funding in the transition and Mr. Miller (clarified later) said the funding is related and the budgeting should look similar. Mr. Headley requested authorization from the board to accept the grant and make appropriate expenditures with the award.

Motion by Dr. Fall and seconded by Ms. Lebrun to accept and expend LZ Operations Grant. Motion passed unanimously.

ITEM 8D. APPROVAL OF FY2023 BUDGET

Mr. Miller said changes in the FY2023 budget are due to increases in funding for the SURF Foundation, xenon interest, and marketing/advocacy expenses, as well as funding for the SLHVC for maintenance and technology upgrades. He said a net increase of 3.5 full time employees is expected and requested approval for the FY2023 budget at \$45,304,065.00.

Motion by Dr. Fall and seconded by Mr. Musick to approve FY2023 budget as presented (a copy of which is attached to these Minutes). Motion passed unanimously.

ITEM 8E. MAY, ADAM, GERDES & THOMPSON HOURLY RATE INCREASE

Mr. Headley said SDSTA Legal Counsel requested an increase in its hourly rates to be consistent with the current prevailing rate for lawyers doing work for state agencies. Mr. Engel said the increase in rate is based on the prevailing rate for other lawyers doing work for the state, and is consistent with inflationary increases. Mr. Headley requested approval to increase the hourly rate from \$190.00 per hour to \$205.00 per hour.

Motion by Mr. Wheeler and seconded by Dr. Fall to approve rate increase for May, Adam, Gerdes, & Thompson LLP law firm as presented. Motion passed unanimously.

ITEM 9. REPORT FROM EXECUTIVE DIRECTOR

ITEM 9A. DECLARATIONS OF SURPLUS (3)

Surplus items were noted previously in the meeting during Item 8. Financial Report and included in the board packet. Items included metal freestanding shelving units, a Kubota generator, spools of wire rope, Galiger pumps, a VFD 150HP control panel for 8100 tsunami pumps, two 8-ton 1975 locomotives and a 3-ton locomotive battery.

ITEM 9B. SDSTA QUARTERLY UPDATE

Mr. Headley said the American Physical Society (APS) dedicated a historic site at the 4850L, and SURF hosted a celebration to recognize 10 years of operation at the Davis Campus. He said Long-Baseline Neutrino Facility (LBNF) excavation is approximately 30% complete; dust mitigation progress is advancing; Stage 1 of the ISO certification audit is complete and SURF is on track to be certified by September 30, 2022; the application is prepared for SURF to become an official DOE Office of Science User Facility; science exhibits have been recently replaced in the SLHVC and planning is underway to expand information about Native American history in the Black Hills; over 19,000 K-12 students have been impacted by the Education and Outreach program this year, exceeding the goal of 12,000 students; the 100% design of the Sacred Circle Garden is complete; studies have been completed for additional lab space at the 4850L and for Yates Shaft rehabilitation; a DOE Operations Review is planned for June 28-30, 2022; and Neutrino Day is returning to a live event, scheduled for July 9, 2022, in Lead, South Dakota.

Mr. Headley shared a photo of the new APS plaque installed on the 4850L, featuring Ray Davis. The photo included all five of Ray Davis's children who attended with their spouses for the event. The plaque was created by an SDSTA employee welder and will be a permanent fixture in the Davis Campus.

To illustrate LBNF excavation progress, Mr. Headley shared a map of the project and said the top layer of the first cavern has been excavated to the full width of the finished space and will continue down the length of the cavern. Mr. Headley shared a photo of a newly created explosives magazine within the space, as well as a photo of shotcrete being applied in the South Cavern where the monorail will run. In the photo, operators are standing away from the shotcrete machine, which has wired controls set several meters away from the sprayer. Mr. Headley also shared a photo of the North Cavern, illustrating the full width of excavation.

Mr. Headley said planning for additional space on the 4850L includes completed concept designs and estimates for 25-, 50- and 100-meter cavern options. He said after talking with the science community and other stakeholders, the most desirable option would be a 100-meter cavern, 20-meters wide and 24-meters tall and the design and estimates will inform further funding discussions.

ITEM 9C. SLHVC UPDATE

Ms. Kirk introduced herself and her staff, including Ursula Ward, the SLHVC Guest Experience Manager, Perry (Butch) Oien, Kristine Webb and Charlene McCoy. Ms. Kirk said visitation has steadily increased, including bus tours, events and field trips that bring guests into the SLHVC; science exhibits have been updated; seasonal staff have been hired and trained including DOT training for trolley drivers and supervisors; and the staff is preparing for summer trolley tours. Ms. Kirk said the SLVHC is collaborating with the SDSTA Communications team on rack cards, trolley tour scripting, website redesign and event advertising; collaborating with the SURF Foundation including the display of limited edition prints, information about the Sacred Circle Garden and providing meeting and event space; strategizing for future collaborations such as working with the SURF Artist-in Residence and additional programming opportunities with E&O and researchers; and curating unique merchandise for the museum store with a focus on items related to science and local history. Ms. Kirk also mentioned that deferred maintenance work continues onsite.

Ms. Kirk said overall visitation in March, April and May 2022 totaled 1,515, 1,999, and 4,867 visitors, respectively. She said events hosted at the SLHVC over the past year have included the 10-year Anniversary celebration of the Davis Campus, Deep Talks, the APS Historic Site Dedication luncheon, Lead mayoral and primary elections, the Lead mayoral forum, Fermilab community forums and Northern Hills Prospector meetings. She shared several photos and said field trips, pop-up plans and Road Scholar visits have also contributed to visitation numbers.

ITEM 9D. SURF ARTIST-IN-RESIDENCE UPDATE

Ms. Gibson, 2020 Artist-in-Residence (AiR) and current SURF AiR Coordinator, said her recent accomplishments include artwork installed as part of a SURF permanent art collection, solo exhibitions at Fermilab and SD Mines, speaking engagements at Fermilab, the Journey Museum, SD Mines and the Matthews Opera House, an interview with KOTA TV, a pending National Science Foundation grant and a solo exhibition and lecture at the University of Michigan scheduled for spring 2023. Ms. Gibson said 2021 AiR Lee Kang held an art exhibition at the Lead Deadwood Arts Center in fall 2021 and has artwork included in the SURF permanent collection. Ms. Gibson said the 2022 call for artists netted 20 applications from international, regional, and local artists interested in a variety of mediums including drawing, painting, sculpture, video, photography, mixed-media and performance art. She said a committee of SURF staff, Black Hills State University (BHSU) staff and area arts leader reviewed and ranked the applications, and then provided recommendations to Mr. Headley. Ms. Gibson introduced the chosen artist for 2022, Gary Sczerbaniewicz, a mixed media installation artists from Buffalo, New York, who has an MFA in visual studies from the University of Buffalo and creates pieces that allow viewers to actively interact with the artwork. Mr. Sczerbaniewicz said he had the chance to take guided tours of below and above ground facilities at SURF; completed interviews with South Dakota Public Broadcasting, NewsCenter 1 and the Black Hills Pioneer; held an open studio reception at the Lead Deadwood Arts Center; collaborated with SURF E&O; and plans on hosting his upcoming exhibition at BHSU in October 2022.

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

ITEM 10. SDSTA POLICIES AND PROCEDURES

ITEM 10A. ANNUAL REVIEW OF PY & PP

Mr. Headley said Policy (PY) and Policy-Procedure (PP) updates were included in the board packet and reviewed by legal counsel, and he recommended board approval. Dr. Fall recommended future review of

the Use of SDSTA Technology Resources and Internet Policy to ensure sufficient wording is included to bring awareness to the safety concerns that can be problematic with improper use of technology.

Motion by Mr. Wheeler and seconded by Ms. Lebrun to approve updated Employment Policy, Holidays Policy, Leave Policy, Travel Approval and Reimbursement – Employees Policy and Use of SDSTA Technology Resources and Internet Policy as presented. Motion passed unanimously.

ITEM 10B. ANNUAL STATEMENTS AFFIRMING COMPLIANCE WITH FINANCIAL CONFLICT OF INTEREST POLICY

Chairperson Peterson asked the board if everyone has signed their annual Conflict of Interest form. Ms. Knight confirmed she has received signed forms from all board members.

ITEM 11. REPORT FROM NOMINATING COMMITTEE

Mr. Dykhouse said he met with Mr. Musick on May 24, 2022, to discuss nominations as presented by their Nominating Committee Report, included in the board packet. He said the nominations include: Mr. Casey Peterson as chairperson, Mr. Dana Dykhouse as vice-chairperson, and Ms. Pat Lebrun as secretary/treasurer. Chairperson Peterson asked for additional nominations and none were made.

ITEM 12. ELECTION OF OFFICERS

Chairperson Peterson called for a motion to elect the slate of officers recommended by the nominating committee.

Motion by Mr. Wheeler and seconded by Dr. Fall to elect Casey Peterson as Chairperson, Dana Dykhouse as Vice Chairperson, and Patricia Lebrun as Secretary/Treasurer. Motion passed unanimously.

ITEM 13. EXECUTIVE SESSION

Motion by Dr. Fall 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) and 19-19-502. Motion passed unanimously.

The board recessed at 9:40 AM for a ten-minute break followed by executive session.

Mr. Wheeler left the meeting at 11:30 AM.

The board reconvened in open session at 11:36 AM.

ITEM 14. REPORT FROM EXECUTIVE SESSION

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

Motion by Dr. Fall and seconded by Mr. Dykhouse to approve the executive session report. Motion passed unanimously.

ITEM 15. APPROVAL OF FY2023 OFFICE OF RISK MANAGEMENT INTERGOVERNMENTAL AGREEMENT

Mr. Headley said SDSTA has an agreement with the Office of Risk Management (ORM) for the annual update to the Intergovernmental Agreement and it is presented in the board packet. He said ORM requested one update to section I. Remedies – Enforcement, allowing ORM to terminate the agreement if an acceptable agreement relating to insurance issues is not reached. Mr. Headley requested approval to sign the agreement as discussed. Mr. Engel did not participate in the discussion of the agreement.

Motion by Mr. Dykhouse and seconded by Ms. Lebrun to approve the FY2023 Intergovernmental Agreement between the Bureau of Administration, Office of Risk Management of the State of SD and SDSTA and authorize the SDSTA executive director to sign agreement. Motion passed unanimously.

ITEM 16. CONFIRM DATE AND TIME OF NEXT MEETING

Chairperson Peterson reminded the board of the next meeting, scheduled for Thursday, September 22, 2022, at 8:00 AM (MT) in the E&O Conference room and via Zoom.

ITEM 17. PUBLIC COMMENTS

Chairperson Peterson said he did not receive any public comment request forms during the meeting and there was no one present in the room asking to provide public comment.

ITEM 18. BOARD COMMENTS

Mr. Dykhouse said thank you for a productive meeting covering several significant issues, thank you for everyone's time and he looks forward to seeing everyone in person in September.

Dr. Fall said it was a great meeting and he learned a lot.

Ms. Lebrun said it was a good meeting and progress continues to be made. She said she has been thinking of how far SDSTA and SURF have come in the last 10 years. She said we don't often think about it, because the changes seem to be incremental on a day-to-day basis, but looking back year-to-year, it's very substantial. Ms. Lebrun said thank you to Mr. Headley and all his staff for making so many things possible.

Mr. Musick said it was a very good meeting, thank you for your hard work and keeping us well informed.

Dr. Rankin said he appreciates the Artist-in-Residence, the Visitor Center, updates on the construction of LBNF and all the exciting things going on at SURF. He said it's a pleasure to be part of it.

Mr. Engel said thank you, Mr. Chairperson and thank you for the raise. He said, as always, he appreciates the opportunity and it's almost always fun and exciting.

Mr. Headley thanked the board members for their continued support and said it's amazing to have the board in our corner helping us move forward. He thanked Ms. Knight and Ms. Wheeler for helping with meeting logistics, and thanked the team, noting the past year being one of the busiest so far and amazing things happening all the time.

Chairperson Peterson said thank you to Mr. Headley and the team for taking on so much, including the ISO certification, and they keep stretching to make everything work. He said thank you to the board members, the audit committee and the nominating committee for their attention, attendance and great ideas and conversation. He called out PREMIER Bank to say thank you for the consistency in sponsorships, saying it does not go unnoticed. Chairperson Peterson said it was a great meeting, and even when there are issues to look at, we keep surmounting them. He wished everyone well.

ITEM 19. ADJOURN

Chairperson Peterson called for a motion to adjourn.

Motion by Dr. Fall and seconded by Mr. Dykhouse to adjourn. Motion passed unanimously.

Meeting adjourned at 11:43 AM (MT) on June 16, 2022.

**Sanford Lab Homestake Visitor Center
Budget and YTD Actual
FY2022**

	FY2022 Budget (Jan to June)	Actual YTD May 2022
SLHVC	\$ 255,506.16	\$ 270,536.24