

**South Dakota Science and Technology Authority**

**Annual Board Meeting  
June 25, 2020**



**South Dakota Science and Technology Authority**

630 East Summit Street  
Lead, SD 57754



**Call to Order—Chairperson Casey Peterson**

---

1A. Call Roll

Dr. Ani Aprahamian  
Mr. Dana Dykhouse  
Ms. Pat Lebrun  
Mr. Roger Musick  
Mr. Casey Peterson  
Mr. Ron Wheeler  
Dr. Bob Wilson  
Dr. James Rankin (*ex-officio member*)

1B. Introduce guests

1C. Public comment form (ask public if they have a comment form to submit for discussion)

Procedure for Public Comment Periods

Pursuant to SDCL 1-25-1 as amended by House Bill 1172 in the 2018 Legislative Session the procedure for conducting public comment periods during meetings of the South Dakota Science and Technology Authority (SDSTA) shall be as follows:

The chair of the SDSTA shall reserve a period for public comment, limited at the chair's discretion, at each meeting.

Before the beginning of the meeting, all persons who wish to make comments during the comment period shall indicate their desire to do so on a form that will be provided by the Executive Director. The form shall indicate the person's name, city of residence and generally describe the matter or matters on which the person wishes to comment.

The amount of time allocated to each interested person who wishes to make comments will be determined at the chair's discretion at each meeting.

Comments must be limited to matters which are under the jurisdiction of the SDSTA.

All persons making public comments at meetings of the SDSTA must do so in a manner that maintains civility. Comments which contain offensive language or profanity will not be tolerated

Page intentionally  
blank

**Approve Agenda—Chairperson Casey Peterson**

---

Attached is the SDSTA Board agenda for the June 25, 2020 meeting.

---

**Recommended Action:**

*Motion to approve agenda as presented.*

Page intentionally  
blank

**AGENDA**  
**South Dakota Science and Technology Authority**  
**630 East Summit Street, Lead, South Dakota**  
**Annual Meeting of the Board of Directors**  
**Thursday, June 25, 2020 at 8:00 AM (MT)**

**\*\*Yates Education & Outreach Building Large Conference Room\*\***

**Public (Open) Session: 1-669-900-6833, Meeting ID: 605 722 4022, <https://zoom.us/join>**

SDSTA Mission: *To advance compelling underground, multidisciplinary research in a safe work environment and to inspire and educate through science, technology and engineering.*

**NOTICE: Members of the public may listen to the meeting by calling 1-669-900-6833 and entering Meeting ID code: 605 722 4022. Please mute your phone after joining.**

Title	Report	Recommendations
1. Call to order A. Call roll B. Introduce guests C. Request any public comment forms	-- Chair Casey Peterson	<i>Ask if any public comment forms were submitted before the start of the meeting</i>
2. Approve agenda	-- Chair Casey Peterson	<i>Motion to approve agenda</i>
3. Approve minutes	-- Chair Casey Peterson	<i>Motion to approve the March 19 and March 25 minutes</i>
4. Conflict of interest disclosure	-- Mr. Tim Engel	<i>Informational</i>
5. Conflict of interest disclosure and waiver under SDCL CH. 3-23	-- Mr. Tim Engel	<i>Grant waiver or decline to grant waiver</i>
6. Approval of FY2021 Office of Risk Management Intergovernmental Agreement	-- Mr. Mike Headley	<i>Motion to approve FY2021 Intergovernmental Agreement between the Bureau of Administration, Office of Risk Management of the State of SD and SDSTA and authorize SDSTA Executive Director to sign agreement</i>
7. SURF Foundation A. Approve replacement SURFF board member to fill unexpired term B. Foundation meeting update	-- Mr. Mike Headley -- Ms. Staci Miller	<i>7A. Motion to approve appointment of Fred Romkema to fill the unexpired term of Ron Wheeler</i>
8. Audit Committee A. Annual appointment of members B. Annual review of Audit Charter C. Update on internal control audit	-- Chair Casey Peterson -- Ms. Pat Lebrun -- Ms. Pat Lebrun	<i>8A. Appoint committee member 8B. Review Audit Charter dated June 19, 2014; reference board packet 8C. Motion to approve internal audit report dated June 1, 2020 as presented</i>

Please do not place or accept cell phone calls during this meeting. A copy of this agenda has been posted in a manner visible to the public at the entrance to the South Dakota Science and Technology Authority office located at 630 East Summit Street, Lead, South Dakota at least 72 hours prior to this meeting. Telephone: (605) 722-8650.

**AGENDA**  
**South Dakota Science and Technology Authority**  
**630 East Summit Street, Lead, South Dakota**  
**Annual Meeting of the Board of Directors**  
**Thursday, June 25, 2020 at 8:00 AM (MT)**

**\*\*Yates Education & Outreach Building Large Conference Room\*\***

*Public (Open) Session: 1-669-900-6833, Meeting ID: 605 722 4022, <https://zoom.us/join>*

Title	Report	Recommendations
9. Financial Report	-- Mr. Mike Headley	
A. Financial summaries	-- Ms. Nancy Geary	<i>9A. Motion to accept financial report as presented</i>
B. FY2021 budget	-- Ms. Nancy Geary	<i>9B. Motion to approve FY2021 budget as presented</i>
10. Report from Executive Director	-- Mr. Mike Headley	<i>Informational; reference board packet</i>
A. Declaration of Surplus (1)		<i>Presentation</i>
B. SDSTA quarterly update		<i>Presentation</i>
C. E&O update	-- Ms. Deb Wolf	
D. SURF Artist-in-Residence update	-- Ms. Gina Gibson	<i>Motion to accept executive director's report</i>
11. SDSTA Policies and Procedures	-- Mr. Mike Headley	
A. Annual review of P&P		<i>11A. Motion to approve updated Leave Policy as presented</i>
B. Annual statements affirming compliance with Financial Conflict of Interest policy		<i>11B. Each board member is to sign a copy of the financial conflict of interest statement</i>
12. Executive session <i>(closed meeting)</i>	-- Chair Casey Peterson	<i>Motion to enter executive session to discuss personnel matters and to consult with legal counsel concerning contractual and legal matters—SDCL 1-25-2(1), (3), and (4)</i>
13. Report from executive session	-- Chair Casey Peterson	<i>Motion to accept executive session report</i>
14. Report from nominating committee	-- Mr. Dana Dykhouse	<i>Reference nominating committee minutes in board packet</i>
15. Election of officers	-- Chair Casey Peterson	<i>Elect officers as described in procedure adopted August 2008</i>
16. Confirm date and time of next meeting	-- Chair Casey Peterson	<i>Next scheduled board meeting: Thur, September 17, 2020 at 8:00 A.M. (MT)—E&amp;O Building Conference Room or join via Zoom</i>
17. Public comments	-- Chair Casey Peterson	
18. Board comments	-- Chair Casey Peterson	
19. Adjourn	-- Chair Casey Peterson	<i>Motion to adjourn</i>

Please do not place or accept cell phone calls during this meeting. A copy of this agenda has been posted in a manner visible to the public at the entrance to the South Dakota Science and Technology Authority office located at 630 East Summit Street, Lead, South Dakota at least 72 hours prior to this meeting. Telephone: (605) 722-8650.



**Annual Meeting of the Board of Directors  
Thursday, June 25, 2020**

**SDSTA Board Member Terms of Service, Committees and Schedule**

<b>Board Members and Terms of Service</b>			
	<b>Board Members</b>	<b>Appointed</b>	<b>Term Expires</b>
1.	Dr. Ani Aprahamian	Re-appointed December 10, 2015	December 9, 2021
2.	Mr. Dana Dykhouse, Vice-Chair	Re-appointed August 1, 2014	August 14, 2020
3.	Ms. Patricia Lebrun, Secretary-Treasurer	Re-appointed August 5, 2016	August 8, 2022
4.	Mr. Roger Musick	Appointed September 19, 2018	August 21, 2022
5.	Mr. Casey Peterson, Chair	Re-appointed August 25, 2015	August 8, 2021
6.	Mr. Ron Wheeler, Vice-Chair	Re-appointed April 28, 2020	April 9, 2025
7.	Dr. Robert Wilson	Appointed August 24, 2015	August 8, 2021
8.	Dr. James Rankin, <i>ex-officio member</i>	SDSM&T President as of Jan 8, 2018	
<b>Committees and Members (2019-2020)</b>			
	Audit Committee Members (Sep): tbd	Nominating Committee Members (Jun):	
	➤ Pat Lebrun-Chair	➤ Dana Dykhouse	
	➤ Dana Dykhouse	➤ Roger Musick	
	➤ Casey Peterson, ex-officio		
<b>2020 Board Schedule</b>			
	<i>February 25, 2020</i>	<i>8:00 am (MT)</i>	<i>Special Telephonic</i>
	Thursday, March 19 2020	8:00 am (MT)	E&O Bldg
	<i>March 25, 2020</i>	<i>8:00 am (MT)</i>	<i>Emergency Telephonic</i>
	Thursday, June 25, 2020	8:00 am (MT), annual	E&O Bldg
	Thursday, September 17, 2020	8:00 am (MT)	E&O Bldg
	Thursday, December 17, 2020	9:00 am (MT)	E&O Bldg, lunch

Please do not place or accept cell phone calls during this meeting. A copy of this agenda has been posted in a manner visible to the public at the entrance to the South Dakota Science and Technology Authority office located at 630 East Summit Street, Lead, South Dakota at least 72 hours prior to this meeting. Telephone: (605) 722-8650.

Page intentionally  
blank

**Approve Minutes—Chairperson Casey Peterson**

---

Attached are the SDSTA Board Minutes from the March 19 and March 25, 2020 meetings.

---

**Recommended Action:**

*Motion to approve the March 21, 2019 Minutes as presented.*

Page intentionally  
blank

**South Dakota Science and Technology Authority Board of Directors**  
**Meeting Minutes**  
**Thursday, March 19, 2020**  
**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, March 19, 2020, 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.

**MEMBERS OF THE BOARD IN ATTENDANCE**

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

**MEMBERS OF THE BOARD ABSENT**

Mr. Roger Musick

**SDSTA STAFF**

Mr. Tim Engel, Legal Counsel (by phone)  
Ms. Nancy Geary, Chief Financial Officer  
Mr. Mike Headley, Executive Director  
Mr. Jaret Heise, Science Liaison Director  
Ms. Mandy Knight, Administrative Services Manager  
Mr. William McElroy, Operations Program Manager  
Mr. KC Russell, Cultural Diversity Coordinator (by phone)  
Mr. Matt Symonds, Contracts & Procurement Manager (by phone)  
Mr. Allan Stratman, Engineering Director  
Ms. Constance Walter, Communications Director (by phone)  
Ms. Natasha Wheeler, Administrative Assistant

**ALSO PRESENT DURING ALL OR PART OF THE MEETING**

Ms. Elizabeth Freer, dialogue LLC Principal and Owner (by phone)  
Mr. Alex Portal, Black Hills Pioneer Journalist  
Ms. Debra Wolf, E&O Director (BHSU) (by phone)

**ITEM 1. CALL TO ORDER**

Chairperson Casey Peterson called the meeting to order at 8:00 AM (MT). Roll call was held. Dr. Ani Aprahamian, Mr. Dana Dykhouse, Ms. Pat Lebrun, Chairperson Peterson, Mr. Ron Wheeler, Dr. Bob Wilson and Dr. Jim Rankin were present by phone. Mr. Musick was 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 at the listening post and time will be given at the end of the agenda to discuss.

## **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 Ms. Lebrun and seconded by Mr. Dykhouse to approve the agenda as presented. Motion passed unanimously by roll call vote.*

## **ITEM 3. APPROVE MINUTES**

Chairperson Peterson asked for any comments on the December 27, 2019 or February 25, 2020 Minutes. Hearing none, he asked for a motion to approve the minutes.

*Motion by Mr. Wheeler and seconded by Mr. Dykhouse to approve the Minutes of the December 27, 2019 meeting and February 25, 2020 meetings as presented. Motion passed unanimously by roll call vote.*

## **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 relative to matters under consideration at today's meeting.

No conflicts of interest were disclosed.

## **ITEM 5. DISCLOSURES 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 and no disclosures were made. Mr. Engel stated no board action is required.

## **ITEM 6. AUDIT COMMITTEE UPDATE AND AUDIT REPORT FY ENDED JUNE 30, 2019 APPROVAL**

Ms. Lebrun said the board, in December, reviewed the audit report for the fiscal year that ended June 30, 2019 and there are no issues of concern. She thanked Ms. Geary, Mr. Headley and their staff, as well as the state staff for efficient operations during the audit report process, and submitted the report for board approval.

*Motion by Ms. Lebrun and seconded by Mr. Wheeler to accept the Audit Report Fiscal Year Ended June 30, 2019 as reviewed and discussed at the December 12, 2019 board meeting. Motion passed unanimously by roll call vote.*

## **ITEM 7. FINANCIAL REPORT**

### **ITEM 7A. FEBRUARY FINANCIAL REPORT AND SUMMARIES**

Ms. Geary noted that actual expenditures for February were slightly over budget (\$46,000.00) for Cooperative Agreement (CA) funds, by mainly due to the purchase of two pieces of equipment to support the deep well pump installation. She said, year-to-date, there is an underrun that will likely be balanced out throughout the year. Ms. Geary also noted there was a substantial increase in the cost of liability insurance this year, but it was anticipated in the indirect rate and should be covered by currently established contracts. In other reports, Ms. Geary said there is nothing of note to report, and accounts receivable and cash are similar to previous reports.

### **ITEM 7B. INTERNAL CONTROLS AUDIT UPDATE**

Ms. Geary said the report received from the internal control auditor Clifton Larson Allen was sent to the board members for their review. She said the report addresses accounts receivable, governance, accounts

payable and electronic funds transfer. Another report will be issued addressing several other controls yet to be reviewed, and will include purchasing and overall computer system controls such as closing the general ledger month. The initial report gave a rating of “satisfactory,” from the three reporting options of satisfactory, needs improvement and unsatisfactory. Ms. Geary said there were two recommendations—segregations of functions concerning accounts payable, and posting of payroll to the bank. Ms. Geary said, by recently hiring a new accountant, both of those recommendations have been addressed, as the new accountant will be a backup employee for accounts payable and she will have the second security key fob used to post payroll to the bank. SDSTA Accountant Ms. Melanie Tollefson has the first key fob.

#### **ITEM 7C. MAY, ADAM, GERDES & THOMPSON LLP HOURLY RATE INCREASE**

Mr. Headley referred to the board packet to discuss a letter from Mr. Engel’s firm May, Adam, Gerdes & Thompson LLP, describing the firm’s rate structure and noted the last rate increase was June 2016. Mr. Headley said Mr. Engel and his firm requested a rate increase, to meet the prevailing rate for work done for state government, at \$190 per hour for partners and \$170 per hour for associates. Mr. Headley said, the service from Mr. Engel’s firm has been outstanding, noting that Mr. Engel and his firm are incredibly responsive, offer tremendous legal advice, and SDSTA appreciates the partnership with the firm. Mr. Headley requested approval from the board for the requested rate increase. Chairperson Peterson echoed Mr. Headley’s praise of the firm and called for a vote. Mr. Engel thanked the SDSTA and board for their consideration of the rate increase and voiced his appreciation for working with SDSTA.

*Motion by Mr. Dykhouse and seconded by Mr. Wheeler to approve the hourly rate increase as presented. Motion passed unanimously by roll call vote.*

Chairperson Peterson called for a motion to approve the Financial Report in Item 6.

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

#### **ITEM 8. REPORT FROM EXECUTIVE DIRECTOR**

##### **ITEM 8A-1. DECLARATIONS OF SURPLUS (5)**

Mr. Headley said the first three items declared surpluses are a Western plow, Arctic Cat ATV, and Chevy Suburban—three pieces of equipment that are high maintenance items. He said the CA will allow allocation of funds to replace the aging equipment. Mr. Headley also reported that two Mine Shield refuge chamber units, for which parts are no longer available, and which are scheduled to be replaced, have been declared to be surplus. Lastly, two chillers from the Davis Campus, which need to be replaced by larger units with a greater capacity for the heat load associated with the LUX-ZEPLIN (LZ) experiment, were declared surplus.

##### **ITEM 8A-2. SDSTA QUARTERLY UPDATE**

Mr. Headley said safety performance continues to be quite strong, although there was one reportable injury with lost time that occurred in February during a 30-inch snowstorm, when an Emergency Response Team member fell during an essential personnel work shift. The employee will need minor surgery in the coming weeks. Mr. Headley noted, prior to this incident, SDSTA successfully completed 22 consecutive months of injury-free performance, and the safety culture remains strong.

Mr. Headley said federal funding support remains strong, and the federal fiscal year 2020 (FY20) budget was approved, including \$171 million for the Long Baseline Neutrino Facility/Deep Underground Neutrino Experiment (LBNF/DUNE) and \$30 million for SURF. He said the FY2021 President’s

Budget Request was released to Congress and he expects that the strong support for SDSTA will result in an appropriation that meets project needs.

Mr. Headley said SDSTA is in the sixth month of performance under the SURF Operations CA, and an additional \$5.5 million has been requested for Infrastructure Improvement Projects; the proposal has been presented to the Department of Energy (DOE).

Mr. Headley noted LBNF pre-excavation work continues, LZ is continuing their installation activities, all the xenon has been received since the last board meeting, and the team is now preparing for purification. The transition of Ross Campus science activities to other locations to create distance from the upcoming LBNF/DUNE activities is underway for BHUC and SIGMA-V, while CASPAR will continue operating through late 2020 in their current space so the PhD students can collect sufficient data for their final papers. Mr. Headley also noted, current world health events, including the San Francisco Bay area's shelter-in-place mandate, are having an impact on the work.

Mr. Headley said the approved guaranteed maximum price has been approved for the maintenance support facility, all the work has been bid out for the project, and the foundation contractor has mobilized and is starting site preparation. He also said, SURF Institute plans will next focus on interviews with underground science leaders.

Mr. Headley noted that the SURF COVID-19 response is going well overall, and several controls have been put in place to help control exposure for all staff onsite. He explained a phased approach to operations has been developed, and currently SURF is operating at two shifts per day, with 46 staff telecommuting. He said phased operations are based on the availability of staff in key roles, such as infrastructure technicians, hoist operators, emergency response and security personnel.

Mr. Headley shared a new employee organization chart, explaining that there has been restructuring, and Mr. Will McElroy is now managing the Engineering, Facility Maintenance and Underground Operations Departments, reducing the number of direct reports to Mr. Headley and supporting the integration of operations and engineering work across the site.

## **ITEM 8B. SCIENCE UPDATE**

Dr. Heise provided a brief update on current science projects underway onsite, beginning with physics-based projects. He said LZ has been busy in the last six months following up on the installation of the detector last fall, adding that LZ has been working two (day and night) shifts since mid-November, and the future of the project includes plans to start detector operations this summer, to run for five years.

Addressing COVID-19 concerns, Dr. Heise noted that the safety of the scientists and of their equipment comes first, and SDSTA is working closely with the experiments to follow the best course of action as information becomes available. Delays are expected but have not yet been determined.

Dr. Heise said the Majorana Demonstrator (MJD) is working on hardware upgrades on five of their detector strings, copper electroforming has moved from the temporary cleanroom at the Ross Campus to the Davis Campus, and the MJD experiment plans to collect data through 2020, possibly longer, to reach the project data goal. He said, they plan to soon start testing LEGEND-200 detectors in a low-background environment at the Davis Campus, and a DOE advisory panel for nuclear science will select a site for the ten-scale  $0\nu\beta\beta$  before the technology down selection.

Dr. Heise said CASPAR completed an initial data collection with a neon-22 gas target, and is gathering data which may already be extending knowledge about certain reactions. He said, CASPAR will be optimizing their data campaign schedule to account for LBNF early excavation, and the experiment is awaiting a response on the National Science Foundation mid-scale research infrastructure proposal that was submitted to fund an accelerator upgrade.



Dr. Heise said the Black Hills State University Underground Campus (BHUC) continues regular assays with SURF assistance, and discussions are advancing for the decommissioning of the campus to support early LBNF early excavation, including plans to upgrade the cooling system prior to the migration.

He also provided updates on several other experiments onsite, including SIGMA-V, working at the 4850L and reviewing work at the 4100L, geology work being executed by GEOX at the 2000L and the 4850L, biology work being executed by DeMMO at the 800L, 2000L, 4100L and 4850L, BHSU research at the 4850L, and successful heat imaging research by Thermal Breakout.

### **ITEM 8C. FACILITY INFRASTRUCTURE IMPROVEMENT PROGRAM UPDATE**

SDSTA Engineering Director Al Stratman said, in FY19, DOE recognized the need for a SURF Infrastructure Improvement Program (IIP) focused on modernizing the current site infrastructure. A five-year IIP was developed to inform SURF Operations through the CA proposal. He said, it focused on larger scale projects not covered in the general operations budget and improvement project scopes were created to support the overall SURF facility, versus infrastructure for a particular science experiment. In FY20, projects received technical approval with an initial CA award of \$9.75 million, and a focus on firefighting, hoist reliability and shaft security. Mr. Stratman said, each year, SDSTA will propose a list of improvement projects to DOE for technical review, approval, and funding, and the IIP projects will be prioritized based on risk assessments and operational need.

Mr. Stratman said, starting with the approved FY20 project budget, \$604,000.00 is allocated to a fire safety control project, updating refuge chambers and an air door. He said, other planned projects include improvement at the headframes by replacing all entrance doors on the Ross and Yates Headframe buildings with card-access-capable security doors to address security risks, a Yates Cage Hoist Motor-Generator set refurbishment, an industrial and potable water update design project to replace the existing system serving the Yates Complex, a project designed to improve cooling capacity for 4850L Davis Campus experiment areas by replacing existing chillers, condenser coils and circulation pumps, and a water inflow system replacement project designed to replace dilapidated wooden structures with concrete walls.

Mr. Stratman said, under the CA, \$4.26 million was authorized for FY20, and the DOE appropriation authorized an additional \$5.5 million for the IIP Program, resulting in a request from DOE for an outline of additional projects to be executed in FY20. He said these projects include an industrial/potable waterline replacement at the Ross Complex, a Ross Campus bathroom project on the 4850L, a waste water treatment plant gravity flow upgrade project, a Ross and Yates Hoistroom drains and tuckpointing project designed to replace leaking, cast iron roof drain lines, and a Yates Shaft rehabilitation concept study. Mr. Stratman noted these projects are awaiting DOE technical reviews and approvals, and initial planning for the highest priority projects is already underway. He said the FY21 IIP program submission was \$15.2 million, and the DOE awards will dictate what budgets and projects can be executed in the coming fiscal year.

*Motion by Mr. Dykhouse and seconded by Mr. Wheeler to accept executive director's report as presented. Motion passed unanimously by roll call vote.*

### **ITEM 9. SURF INSTITUTE SCIENCE PROGRAM SCOPING STUDY**

Chairperson Peterson said, on February 28, the SURF Foundation board met, hearing from Foundation Director Staci Miller about Foundation updates and review of initial marketing materials. He said the board realized the scope of the Institute and fundraising goals need to be better defined before additional Foundation board members are sought out and fundraising begins. He said Elizabeth Freer with dialogue, LLC, who conducted phase one of the institute research study, was asked to provide a proposal to conduct a phase two study. Mr. Engel noted that this presents a conflict of interest due to the fact the

Ms. Freer is married to Mr. Headley. He requested questions for Mr. Headley before asking him to leave the room for the ensuing conflict of interest discussion. No questions were asked, Mr. Headley left the room and Chairperson Peterson noted that Ms. Freer was participating in the meeting via phone.

*Motion by Mr. Wheeler and seconded by Dr. Wilson to recognize the conflict of interest that arises by contracting Dialogue, LLC to perform work for SDSTA. Motion passed unanimously by roll call vote.*

Mr. Engel advised the board to discuss any potential contractors who may be hired within reasonable efforts for the same, or better, value without incurring a conflict of interest. Discussion amongst board members concluded that Ms. Freer was deemed appropriate for the initial phase of the study and her role as the contractor for the second phase of the study is invaluable due to her familiarity with the project and her participation in the site visits and data gathering of the phase one study. If a different consultant were retained, the new consultant would have to review the research conducted and materials generated in connection with the first report, which would result in significant additional cost for SDSTA.

Ms. Freer explained that phase two of the study will involve interviewing approximately twenty professionals in the scientific community to gather their insight about the need for an institute and what value it could provide to the community. She will compile a comprehensive report outlining potential strategies for moving forward with the project. She noted that her proposal and project design was submitted to Chairperson Peterson on March 13, 2020.

*Motion by Mr. Wheeler and seconded by Mr. Dykhouse to confirm SDSTA cannot, with reasonable efforts, obtain a more advantageous arrangement with a party that will not result in a conflict of interest, and to allocate SDSTA funding and authorize the chairperson to modify the existing contract with dialogue, LLC to provide a SURF Institute Science Program report. Motion passed unanimously by roll call vote.*

## **ITEM 10. EXECUTIVE SESSION**

*Motion by Dr. Wilson and seconded by Mr. Wheeler to enter into executive session to discuss personnel matters and to consult with legal counsel concerning legal and contractual matters. Motion passed unanimously by roll call vote.*

*The board recessed at 9:38 AM for a ten-minute break followed by executive session.*

*Due to technical difficulties, Dr. Aprahamian did not join executive session.*

*The board reconvened in open session at 10:44 AM. Roll call was taken with Mr. Dykhouse, Chairperson Peterson, Mr. Wheeler, and Dr. Bob Wilson present, which constituted a quorum.*

## **ITEM 11. REPORT FROM EXECUTIVE SESSION**

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

*Motion by Mr. Dykhouse and seconded by Mr. Wheeler to approve the executive session report. Motion passed unanimously by roll call vote.*

## **ITEM 12. SELECT NOMINATING COMMITTEE**

Chairperson Peterson said he asked Mr. Dykhouse and Mr. Musick to serve as the nominating committee, and the request was accepted by both individuals. Mr. Dykhouse said they would set up a meeting in the next month or two and propose a slate of nominees for the June meeting.

Election of officers will be held at the annual board meeting in June.

*Due to technical difficulties Ms. Lebrun was not able to rejoin the meeting until 10:48 AM.*

### **ITEM 13. REVIEW AND APPROVE SDSTA POLICY AND PROCEDURES**

Mr. Headley noted changes to several SDSTA policies and procedures, including updated language for competition requirements in the Procurement Policy and Sole-Source Policy to reflect recent discussions with the DOE and CA. He also introduced a new Foreign Access Policy to meet CA requirements for documenting and tracking foreign nationals at SURF, noted changes to the Tobacco-Free Property Policy. He also highlighted changes in the Procurement Methods and Thresholds Procedure and Tobacco-Free Procedure.

*Motion by Mr. Wheeler and seconded by Mr. Dykhouse to approve updated Procurement Policy, Sole-Source Policy, Tobacco-Free Property Policy and the new Foreign Access Policy as presented. Motion passed unanimously by roll call vote.*

Mr. Headley said an emergency change was made to the agenda late on March 18. Mr. Engel said it is allowable under South Dakota Codified Law (SDCL)-1.25-1.3 for state board special meetings to be held with less than three-days' notice, there were emergent circumstances present here and the addition of the agenda item on March 18 was the equivalent of calling a special meeting for the purpose of considering that item. Mr. Headley said the Executive Order and emergency amendment to the Leave Policy make allowances for modified sick leave use, and administrative leave use and pay structure impacting hourly staff if an essential personnel-only status is enacted due to COVID-19 concerns, respectively.

*Motion by Mr. Wheeler and seconded by Ms. Lebrun to approve the emergency amendment to the Leave Policy as presented. Motion passed unanimously by roll call vote.*

### **ITEM 14. CONFIRM DATE AND TIME OF NEXT MEETING**

Chairperson Peterson reminded the board of the next meeting (the annual meeting,) scheduled for June 25, 2020 at 8:00 AM (MT), and hopes to see everyone in person at the meeting.

### **ITEM 15. PUBLIC COMMENTS**

Chairperson Peterson announced he did not receive any public comment request forms. There were no questions or requests from the audience or on the phone to provide public comment.

### **ITEM 16. BOARD COMMENTS**

Mr. Dykhouse acknowledged the fluid situation surrounding the current COVID-19 issue, and also mentioned a recent article in Black Hills Business Magazine touting SURF and its mission. Ms. Knight said she would work with the Communications Department to request hard copies and forward to the board members.

Ms. Lebrun had no comments, but she commended the group for successfully handling the meeting-by-phone.

Mr. Wheeler had no comments.

Dr. Wilson commended Mr. Headley and his team for their response to the COVID-19 emergence and noted their control and planning in handling the crisis.

Mr. Engel thanked the board for the approved rate increase to his firm and the continued opportunity to work with the SDSTA.

Mr. Headley thanked everyone for their patience with the telephonic meeting, thanked the board for their support, and recognized the SDSTA team for doing their part during the COVID-19 emergency to operate as successfully as possible. He also thanked Mr. McElroy for his leadership in planning and support.

Chairperson Peterson said he appreciates everyone, recognizes the trying times and hopes that everyone stays well. He gave kudos to the team and management for continuing to operate and function in light of fear and uncertainty. He said it shows bravery and courage, and that is how these things are defeated. He thanked everyone for their attendance.

**ITEM 17. ADJOURN**

Chairperson Peterson called for a motion to adjourn.

*Motion by Mr. Dykhouse and seconded by Mr. Wheeler to adjourn. Motion passed unanimously by roll call vote.*

**Meeting adjourned at 11:02 AM.**

**South Dakota Science and Technology Authority Board of Directors**  
**Emergency Telephonic Meeting Minutes**  
**Wednesday, March 25, 2020**  
**Lead, South Dakota**

The Board of Directors of the South Dakota Science and Technology Authority (SDSTA) convened at 8:00 a.m. Mountain Time (MT) on Tuesday, March 25, 2020, via teleconference. The SDSTA office was closed at the time of the board meeting due to the COVID-19 pandemic; 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 Patricia Lebrun  
Mr. Roger Musick  
Chairperson Casey Peterson  
Vice-Chairperson Ron Wheeler  
Dr. Robert Wilson  
Dr. James Rankin, *ex-officio member*

**MEMBERS OF THE BOARD ABSENT**

Dr. Ani Aprahamian

**SDSTA STAFF PRESENT**

Mr. Tim Engel, Legal Counsel (by phone)  
Ms. Nancy Geary, Chief Financial Officer  
Mr. Mike Headley, Executive Director  
Dr. Jaret Heise, Science Director  
Ms. Mandy Knight, Administrative Services Manager  
Mr. Will McElroy, Operations Program Manager  
Ms. Staci Miller, SURF Foundation Director (by phone)  
Ms. Constance Walter, Communications Director (by phone)

**ALSO PRESENT DURING ALL OR PART OF THE MEETING**

Mr. Kent Bush, Rapid City Journal Journalist (by phone)  
Mr. Jerry King, FRA/LBNF Procurement Manager (by phone)  
Mr. Alex Portal, Black Hills Pioneer Journalist (by phone)  
Mr. Patrick Weber, FRA/South Dakota Services Division Head (by phone)  
Mr. Joshua Willhite, FRA/LBNF Far Site Conventional Facilities Project Manager (by phone)

**ITEM 1. CALL TO ORDER**

Chair Peterson called the meeting to order at 8:01 a.m. (MT). Chair Peterson declared a quorum was present, consisting of board members Mr. Dana Dykhouse, Ms. Pat Lebrun, Mr. Roger Musick, Chair Casey Peterson, Mr. Ron Wheeler, Dr. Bob Wilson and Dr. Jim Rankin. Dr. Ani Aprahamian was absent.

Chair Peterson asked participants at the listening post in Lead to identify themselves. Ms. Nancy Geary, Mr. Mike Headley, Dr. Jaret Heise, Ms. Mandy Knight and Mr. Will McElroy were present in person. Mr. Tim Engel, Ms. Staci Miller and Ms. Constance Walter joined by phone. Others who announced themselves on the phone included Mr. Alex Portal, Mr. Josh Willhite and Mr. Patrick Weber.

Chair Peterson proceeded if anyone from the audience or on the phone had any questions or comments for the board to address, to notify the Lead listening post or announce it, and time will be given at the end of the agenda to discuss.

## **ITEM 2. APPROVE AGENDA**

Chair Peterson asked for a motion to approve the agenda.

*Motion by Mr. Wheeler and seconded 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 asked if any member of the board, who feels they have anything that might be construed to be a conflict of interest for items under consideration today, to disclose it verbally.

No conflicts of interest were disclosed.

## **ITEM 4. DISCUSS TRANSITION TO LEVEL 3 MINIMAL ESSENTIAL OPERATIONS MODE AT SURF**

Mr. Headley started the discussion by thanking the board for meeting on short notice. He said as the COVID-19 epidemic advances in South Dakota, he is recommending the South Dakota Science and Technology Authority (SDSTA) temporarily transition activities at the Sanford Underground Research Facility (SURF) to a Level 3 minimal essential operations mode for a period of at least two weeks. This transition is necessary to limit the spread of COVID-19 and preserve the health and safety of SDSTA staff, researchers, contractors and the surrounding public.

Until recently, a large majority of COVID-19 cases detected in South Dakota were traced back to persons who had recently traveled out of state. The experimental and construction activities currently underway at SURF involve significant numbers of persons coming from outside South Dakota on a steady basis, including some persons coming from areas with significant numbers of COVID-19 cases.

He said numerous governmental entities and business organizations in the Black Hills region of South Dakota, including the City of Rapid City, the Butte County Commission, and the Deadwood Gaming Association, have mandated or adopted recommendations for business closure, travel restrictions and other practices intended to reduce the spread of COVID-19.

Given the nature of the activities underway at SURF, including but not limited to the significant number of persons coming from outside of the local area, including from areas with significant outbreaks of COVID-19, the best means to reduce the likelihood of spreading COVID-19 is to temporarily reduce operations at SURF to a minimum essential level.

Mr. Headley said this transition is aligned with South Dakota Governor Noem's Executive Order dated March 23, 2020, which encourages employers to implement the recommended CDC hygiene practices and other business strategies designed to reduce the likelihood of spreading COVID-19.

He stated Level 3 essential operations will include operations and maintenance activities necessary to preserve the safety of critical infrastructure elements and to keep existing science experiments in a safe configuration. He said during this period, construction activities will be halted.

Mr. Headley then introduced SDSTA Legal Counsel Mr. Tim Engel and asked him to read a draft Resolution 2020-01 that he would like the board to consider approving. A copy of the modified draft Resolution is attached to these minutes.

After the Resolution was read, Chair Peterson queried the board for questions or comments. Ms. Lebrun said this is a prudent act as people traveling from a distance could visit the lab and spread COVID-19.

Referencing the Resolution, Mr. Dykhouse asked if Mr. Headley has the authority to extend the minimal essential operations for more than two weeks, and Mr. Headley responded “yes”.

Dr. Rankin said the wording is unclear on the second page of the Resolution as it implies Mr. Headley is required to wait for the full two weeks before he can extend Level 3 operations and that would be short notice for staff.

Dr. Wilson commented by prefacing that his wife is a physician in Colorado and understands how bad things are in the regional medical community and world-wide, but also questions how this transition could affect the lab and Deep Underground Neutrino Experiment (DUNE) now and longer term. He said his background is with DUNE and the Long Baseline Neutrino Facility (LBNF) project—and is leaning towards doing whatever is possible to stop COVID-19 from spreading but also wants to mitigate the effects on the lab.

He mentioned several impacts to the LBNF/DUNE project including the concern to keep funding flowing and building support for the project, as well as competition from Japan with a similar experiment. Dr. Wilson asked if limited construction activities could proceed with the appropriate safeguards?

Chair Peterson said members of the group who drafted the resolution weighed the science against the safety of the employees and community as well as sustainability of essential employees to maintain the lab before making the recommendation. Chair Peterson said long-term, should the Northern Hills get community spread, there could be a potential of the lab shutting down anyway, and that would not be good for employees or the project. He said the two-week transition will allow the lab to coordinate with KAJV and other contractors.

Mr. Headley concurred with Chair Peterson and specified the staff are quite nervous about the number of individuals traveling from areas where the disease is more prevalent to the lab. He said during this two-week period, the lab will stand-down, including curtailment of construction. Proper controls will be put in place to provide the day-to-day staff in the field a level of comfort that they currently do not have.

Mr. Headley added OSHA has recently provided guidance directly related to COVID-19 and controls that are expected to be put in place. It has been a challenge to implement the controls as personal protective equipment (PPE), such as face shields and respirators, are in short supply across the country. He said under OSHA’s General Duty Clause, the lab has a general responsibility to protect the health and safety of the staff and the surrounding public. This two-week pause will allow us to implement social-distancing and prepare to operate in a different mode going forward and ensure the lab is meeting OSHA guidance.

Mr. Headley answered Dr. Wilson’s earlier question and said he would entertain resumption of some construction activities after the two-week period. Mr. Engel followed up by stating employers generally have a legal obligation to maintain a safe work environment, and that has been taken into account as management considered these issues. He said there can be liability for failing to maintain a safe work environment. Chair Peterson noted SDSTA cage operators have been testing different face shield models and are having issues communicating properly, which is a safety hazard.

Chair Peterson asked Dr. Wilson if all his questions and concerns were addressed and Dr. Wilson replied yes. He said his intent was not to imply management did not do due diligence during the discussions. Chair Peterson said he appreciated Dr. Wilson’s comments and perspective and said it has been a valuable discussion.

Mr. Engel addressed Dr. Rankin’s earlier comment and proposed to modify the Resolution. The proposed modification would strike out the 6<sup>th</sup> paragraph in regard to “no COVID-19 cases in the Black

Hills” and strike out the first clause on Page 2, No. 2 “Upon expiration of the minimum two-week period of minimal essential operation.” Mr. Headley concurred.

Dr. Wilson said he has a lot of confidence in the Executive Director’s judgment and will support any language to determine the appropriate level of operations. Mr. Headley thanked him.

Chair Peterson said this is a difficult time, but it will take bold steps to control what is going on. It is not a positive appearing situation for the project and SURF, but he is absolutely convinced it is the right step to take, which will take the lab well into the future rather than taking a possible short-term gain that could jeopardize the lab’s ability to operate. He thanked everyone involved.

*Motion by Mr. Wheeler and seconded by Mr. Musick to adopt Resolution 2020-01, as modified, to transition to Level 3 minimal essential operations. Board members Dykhouse, Lebrun, Musick, Wheeler, Wilson and Chair Peterson voted “yes.” There were zero “no” votes. The Chair declared that the motion passed unanimously.*

## **ITEM 5. PUBLIC COMMENTS**

Black Hills Pioneer journalist Mr. Alex Portal asked if the two-week period of minimal essential operations would significantly set the lab back for LBNF. Mr. Headley said he could not answer definitively at this time, but he has been communicating with Fermilab partners to determine what the plan is going forward. He said Fermilab is also assessing what the impact might be.

Mr. Wheeler said after this is over, it is the intention of the lab to do everything possible to mitigate any lost time in the schedule. Chair Peterson and Mr. Headley concurred.

## **ITEM 6. BOARD COMMENTS**

Mr. Musick said it is the prudent thing to do.

Mr. Wheeler said the lab is doing the right thing.

Dr. Wilson thanked Mr. Headley and management for doing their due diligence. He said this is a complicated situation and stressed to keep the communication open and the collaborative spirit between major stakeholders is essential. He strongly supports Mr. Headley’s efforts to keep Fermilab informed. The project is operating in good faith with all the partners and the lab is doing the right thing to help the community. He said he supports the resolution.

Dr. Rankin said having just suspended campus (South Dakota School of Mines and Technology) operations yesterday and the impacts to his constituents, he said it is the right step and appreciates the proactive move.

Mr. Dykhouse echoed the board comments and said decisions will need to be made daily and weekly and Mr. Headley is in the right position to make those.

Ms. Lebrun agreed with all the remarks and said the lab is doing the prudent thing. She said it is not forever—COVID will be over eventually, and the lab will be up and running.

Chair Peterson called for a motion to adjourn, thanked everyone and said to stay well.

## **ITEM 7. ADJOURN**

*Mr. Dykhouse left the meeting prior to the motion to adjourn.*

*Motion by Mr. Musick and seconded by Mr. Dykhouse to adjourn. By roll call vote, the motion passed unanimously.*

Meeting adjourned at 8:41 a.m. (MT) on March 25, 2020.



**Conflict of Interest Disclosure—Mr. Tim Engel**

---

---

**Recommended Action:**  
*Informational.*

Page intentionally  
blank

**Waiver Under SDCL CH. 3-23—Mr. Tim Engel**

---

---

**Recommended Action:**

*Motion to grant waiver or decline to grant waiver.*

Page intentionally  
blank

**Approval of FY2021 Office of Risk Management Intergovernmental Agreement—  
Mr. Mike Headley**

---

Attached is the FY2021 Intergovernmental Agreement between the Bureau of Administration, Office of Risk Management of the State of South Dakota and SDSTA. (see suggested motion below)

---

**Recommended Action:**

*Motion to approve FY2021 Intergovernmental Agreement between the Bureau of Administration, Office of Risk Management of the State of SD and SDSTA and authorize SDSTA Executive Director to sign agreement.*

Page intentionally  
blank

INTERGOVERNMENTAL AGREEMENT  
BETWEEN THE  
BUREAU OF ADMINISTRATION,  
OFFICE OF RISK MANAGEMENT  
OF THE STATE OF SOUTH DAKOTA  
AND THE  
SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY

This INTERGOVERNMENTAL AGREEMENT (“AGREEMENT”) is made and effective the 1<sup>st</sup> day of July, 20~~2019~~<sup>2019</sup>, between the South Dakota Bureau of Administration, Office of Risk Management, 1429 E. Sioux Avenue, Pierre, South Dakota 57501 (“ORM”), and the South Dakota Science and Technology Authority, 630 E. Summit, Lead, South Dakota, 57754 (“SDSTA”) pursuant to SDCL Ch. 1-24 and in particular SDCL 1-24-8.

Introduction and Purpose

The State of South Dakota established SDSTA to facilitate the development of the former Homestake gold mine into an underground science laboratory (the “Sanford Underground Research Facility” or “SURF”) and to lead the operation of SURF. The mission of the SDSTA is “to advance compelling underground, multidisciplinary research in a safe work environment and to inspire and educate through science, technology and engineering.”

When operating as an active mine, the Homestake gold mine was regulated by the U.S. Mine Safety and Health Administration (“MSHA”) and the South Dakota Department of Environment and Natural Resources (“DENR”). SDSTA received title to the Homestake site in 2006 from Homestake Mining Company of California after the 2003 closure of the mining facility.

MSHA and DENR continued to administer and enforce safety and environmental programs until 2008, at which time the SDSTA sought to clarify MSHA’s regulatory role. MSHA determined at that time it no longer had regulatory jurisdiction over the safety and health operations at the Homestake site due to the completion of mining reclamation and the new function of the site.

The U.S. Occupational Safety and Health Administration’s (“OSHA’s”) 29 CFR 1926<sup>1</sup> and 29 CFR 1910<sup>2</sup> are considered the most applicable of the available standards for safety and health for most activities conducted in support of the development of the underground laboratory. MSHA’s 30 CFR<sup>3</sup> standards are employed as a best practice for specified underground activities (see appendix A).

Although OSHA standards are being applied to the work conducted at SURF, OSHA does not have jurisdictional authority for enforcement of those regulations because SDSTA is for the purposes of OSHA standards and regulation a “political subdivision” as defined in 29 CFR 1975.5 because it is administered by individuals who are appointed by the Governor.

ORM has the responsibility to oversee the state’s risk management activities. Accordingly, ORM is the agency that is mandated to provide the inspection and audit of state institutions and

---

<sup>1</sup> Title 29 Code of Federal Regulations Part 1926, “Safety and Health Regulations for Construction”

<sup>2</sup> Title 29 Code of Federal Regulations Part 1910, “Occupational Safety and Health Standards”

<sup>3</sup> Title 30 Code of Federal Regulations Parts 15, 49, and 57”

facilities and has been designated to serve as the agency having jurisdiction (“AHJ”) for occupational safety and health at SURF.

SDSTA has entered into a lease (the “Lease”) with the United States of America, acting through the Department of Energy (the “Government”), dated March 29, 2016, whereby SDSTA has leased to the Government certain surface and subsurface real estate for the purpose of constructing, operating and maintaining the Long-Baseline Neutrino Facility (“LBNF”) and the Deep Underground Neutrino Experiment (“DUNE”), and related infrastructure (the “Leased Space”). ORM’s jurisdiction hereunder shall not include the Leased Space, but SDSTA and ORM shall continue to consult and cooperate concerning occupational safety and health related to the Leased Space.

The purpose of this Agreement is to clarify the roles and responsibilities, expectations and communications for ORM to serve as the AHJ for SDSTA in the implementation of the occupational safety and health standards.

This Agreement is authorized pursuant to SDCL Ch. 1-24 and SDCL 1-16H-32.

### Agreement

#### A. Safety Standards Applicable to SDSTA.

Until amended in writing by ORM, the safety standards applicable to SDSTA’s facilities and operations shall be as set out in Appendix A, attached hereto and incorporated herein by this reference. The parties agree that ORM may unilaterally amend Appendix A at any time and in their sole discretion, and all such amendments shall be incorporated herein effective upon 30 days written notice to SDSTA. The parties further acknowledge and agree that the agency having jurisdiction over the enforcement of building (International Building Code) and fire safety (National Fire Protection Association) codes and standards is the City of Lead, South Dakota. ORM shall not have jurisdiction to apply or enforce any codes and standards.

#### B. Responsibilities of the ORM.

ORM shall:

1. Provide for safety, loss control and regulatory compliance audits and inspections of SDSTA’s documentation, records and facilities;
2. Review claims to identify trends or situations requiring loss prevention efforts;
3. Advise SDSTA on applicable laws, regulations and standards which contribute to a safe work environment at SURF;
4. Provide for loss control training;
5. Upon request, review contracts for appropriate risk management language;
6. Assist SDSTA with the selection of brokers and insurance companies and in negotiating to obtain the best product for the best price;
7. Provide enforcement of the safety standards made applicable to SDSTA’s facilities by this Agreement; and
8. Provide copies of the results of safety or compliance reviews, inspections or audits to SDSTA upon completion.



C. Risk Management Responsibilities of SDSTA.

SDSTA shall:

1. Be responsible for coordinating and implementing risk management programs within its departments and at its facilities with the assistance of ORM. SDSTA will provide a safe workplace and conduct operations in a manner that protects employees, contractors, visitors and the public from harm. The SDSTA shall conform to its safety policy: “Perform all work safely, with full regard to the well-being of all stakeholders and the environment.”
2. Perform all activities at SURF in a safe and environmentally sound manner.
3. Pursuant to Section 6.7 of the Property Donation Agreement<sup>4</sup> between SDSTA and Homestake, undertake all measures necessary to comply with federal, state, and local laws and regulations, including, without limitation, laws relating to workers’ compensation, mine health and safety, and all Environmental, Health and Safety Laws (as defined in the Property Donation Agreement), and shall apply in a timely manner for all Environmental Permits (as defined in the Property Donation Agreement) and all other permits, licenses and approvals necessary for its operations.
4. Assist ORM in identifying, measuring and minimizing exposures to loss by:
  - a. Conducting facility inspections to identify and address safety hazards;
  - b. Conducting services and operations in accordance with applicable laws, regulations and safety standards;
  - c. Properly reporting accidents, incidents and unsafe conditions;
  - d. Reviewing losses to identify trends or situations requiring loss prevention efforts;
  - e. Ensuring policies and procedures remain current, are communicated to all employees and enforced;
  - f. Drafting all contracts with the appropriate risk management language;
  - g. Communicating changes in exposures to ORM; and
  - h. Evaluating ORM’s recommendations.
5. Comply with all safety and enforcement directives and actions given by ORM.
6. Comply with requests from ORM for information and documents related to safety or compliance reviews, inspections or audits, including, to the extent available to SDSTA, any such reviews, inspections or audits related to activities in the Leased Space.

D. Agreement Administration.

The cooperative undertaking herein described shall be administered by the Parties through their risk management contact persons: ORM through its Director and SDSTA through its Executive Director or authorized designees as contemplated in SDCL 1-24-5.

---

<sup>4</sup> Property Donation Agreement Between and Among Homestake Mining Company of California, The State of South Dakota and the South Dakota Science and Technology Authority, April 14, 2006.

E. Reporting.

SDSTA employees may contact ORM directly and without risk of retaliation if they feel there is substantial risk of harm to persons or the environment that is not being addressed by SDSTA management.

F. Site Access Rules.

1. SDSTA will provide reasonable accommodations for ORM to have unencumbered access to SDSTA facilities and operations.
2. The parties acknowledge and agree that representatives of ORM conducting activities relating to this Agreement are “Authorized Entrants” as that term as used in the Property Donation Agreement.
3. Access to underground and other hazardous environments shall be provided in a manner that is reasonable and safe.

G. Right to Inspect.

1. ORM has the right to inspect SDSTA facilities at will and with no advance notification when there is reasonable cause.
2. ORM will otherwise provide reasonable notification in advance of scheduled visits.
3. ORM may require SDSTA to undertake third party inspections or oversight visits, or may contract for such inspection and oversight visits in its own right.
4. SDSTA will provide timely notifications to ORM when third party inspections or oversight visits are scheduled, and ORM may observe such third-party inspections or oversight visits at ORM’s discretion.
5. Whether or not ORM participates in third party reviews or inspections, SDSTA will provide the results and any findings to ORM.

H. Payment of Costs.

SDSTA shall upon request reimburse ORM for ~~extraordinary services and related charges at the rates shown in Appendix B and actual expenses and other~~ costs incurred by ORM in connection with ORM’s responsibilities hereunder. Costs of travel, lodging, and meals will be reimbursed at state rates as established by the State Board of Finance. The term “extraordinary costs,” as used herein, means costs other than the fees and costs of third party consultants and inspectors, travel costs of ORM personnel, costs (including reasonable attorney fees) incurred in commencing or maintaining enforcement actions and other, similar costs and expenses, but includes costs incurred in connection with out of state travel expenses incurred by ORM personnel in connection with this Agreement. ORM shall provide or cause to be provided to SDSTA ~~with~~ a written invoice, on no less than a quarterly basis, for costs and services incurred by ORM under this Agreement. SDSTA will contest any portions of the invoice it deems unreasonable and pay any uncontested amount within 30 days of receipt of the invoice. -SDSTA agrees to pay all uncontested costs and expenses within 45 days of receipt of invoice.

I. Indemnification and Insurance.

SDSTA shall indemnify and hold the State of South Dakota and its officers, agents and employees (“Indemnified Parties”) harmless from and against any and all claims, causes, actions or causes of action made or asserted against the Indemnified Parties arising out of related to ORM’s duties and responsibilities under this Agreement. SDSTA shall cause the Indemnified Parties to be named as additional insureds under SDSTA’s general liability policy. The limits of liability of SDSTA’s general liability policy shall not be less than \$75 million. SDSTA shall provide such proof of the existence and enforceability of the insurance required by this paragraph as ORM may from time to time reasonably request. Nothing in this paragraph (I) shall require SDSTA to indemnify ORM or its officers, employees or agents against any claims or losses resulting solely from the negligence or intentional acts of ORM or its officers, employees or agents.

J. Exclusion of Leased Space.

ORM hereby acknowledges receipt of a copy of the Lease. For so long as the Lease remains in force or the parties agree otherwise, ORM’s jurisdiction hereunder shall not include the Leased Space. ORM’s jurisdiction hereunder shall not include the Leased Space, but SDSTA and ORM shall continue to consult and cooperate concerning occupational safety and health related to the Leased Space.

K. Duration of Agreement.

This Agreement shall be in effect from July 1, 2020~~19~~, through June 30, 2021~~20~~.

L. Remedies - Enforcement.

ORM is entitled to all remedies reasonably necessary to carry out the terms of this Agreement and enforcement of the safety standards made applicable to SDSTA and its facilities by this Agreement. Without limiting the generality of the foregoing, ORM may pursuant to the terms of this Agreement issue an administrative order directing SDSTA to cease operations and/or close all or any portion of its facilities until such time as the violation giving rise to the administrative order has been resolved to ORM’s reasonable satisfaction.

M. Retention of Records.

Each party hereto agrees to retain all documentation and records relating to the services and inspections provided for hereunder and for payment and reimbursements for expenses under this Agreement for a period of three years after termination of this Agreement. Such records shall be available for inspection at any reasonable time by personnel authorized therefore by the State of South Dakota.

N. Funding Out.

This Agreement depends upon the continued availability of appropriate funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature

fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by ORM. Termination for any of these reasons is not a default by the ORM nor does it give rise to a claim against ORM.

O. Nature of Agreement.

This Agreement is intended to be an agreement for services by a public agency as contemplated by SDCL 1-24-8. The parties acknowledge that no separate entity as contemplated by SDCL 1-24-4 is being created to implement this Agreement. This Agreement is intended to only govern the rights and interest of the parties named herein. It is not intended to, does not and may not be relied upon to create any rights, substantial or procedural, enforceable at law by any third party in any matters, civil or criminal.

P. Governing Law-Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

Q. Notice.

Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to the Director of ORM, and by and to the Executive Director of SDSTA, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that the notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

R. Filing of Agreement.

The parties acknowledge that the ORM will file a true copy of this Agreement with the Office of Attorney General and the Legislative Research Council within 14 days of the execution hereof, as required by SDCL 1-24-6.1.

S. Alterations and Entire Agreement.

Except as provided in section A. of this Agreement, no amendment, alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties. No oral understanding or agreement not incorporated herein may be binding on any of the parties hereto. Terms expressly stated within the Agreement constitute the entire agreement between ORM and SDSTA. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, except as specifically provided herein.

T. Partial Invalidity.

In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

U. Authorization of Agreement.

By the signature of their representatives below, ORM and SDSTA certify that approval of this Agreement by ordinance, resolution or other appropriate means has been obtained by that governmental body's governing body or officer pursuant to SDCL 1-24-3 and 1-24-6, and that the representative is authorized to sign on the party's behalf. A copy of any SDSTA authorizing resolution or ordinance is attached to this Agreement and incorporated herein by reference.

In Witness hereto the parties signify this Agreement by signatures affixed below:

\_\_\_\_\_  
Mike Headley                                  Date  
Executive Director  
South Dakota Science and Technology  
Authority

\_\_\_\_\_  
Scott Bollinger                                  Date  
Commissioner  
Bureau of Administration  
State of South Dakota

## Appendix A – SURF Environmental, Safety and Health Standards

---

### 1.0 Work Place Safety

29 CFR 1910	Occupational Safety and Health Standards
29 CFR 1926	Safety and Health Regulations for Construction
30 CFR 15	Requirements for Explosives
30 CFR 49	MSHA Mine Rescue Teams
30 CFR 56/57	MSHA Safety and Health Standards – Underground Metal/Non-Metal Mines
30 CFR 57.3200-3401	Ground Control
<u>30 CFR 7.5060 - .5075</u>	<u>Diesel Particulate Matter</u>
<u>International Organization for Standardization (ISO) 9001</u>	<u>Quality Assurance</u>
30 CFR 57.8518 -.8535	Ventilation – Surface and Underground
30 CFR Part 57.19000 - .19119	Personnel Hoisting, Wire Ropes, Headframe and Sheaves, Conveyances, Hoisting Procedures, Shafts, Inspection and Maintenance
<del>OSHA 1910 / 1926</del>	<del>Fall Prevention &amp; Protection</del>
29 CFR 1910, Subpart D	Walking-Working Surfaces
29 CFR 1910, Subpart F	Powered Platforms, Manlifts, and Vehicle-Mounted Work Platforms
29 CFR 1910, Subpart I	Personal Protective Equipment
29 CFR 1910 / 1926, Subpart M	Fall <del>Prevention and revention and</del> Protection
29 CFR 1926, Subpart L	Scaffolds
<u>29 CFR 1910.134 / 1926.10</u>	<u>Respiratory Protection</u>
<u>30 CFR 57.15030</u>	<u>Provision and Maintenance of Self-Rescue Devices</u>
<u>29 CFR 1926, Subpart X</u>	<u>Stairways and Ladders</u>
<u>29 CFR 1910.1200 / 1926.59</u>	<u>Hazardous Communications</u>
<u>NFPA 704</u>	<u>Chemical Labeling and Identification</u>
29 CFR 1910, Subpart N, OSHA General Industry Standards <del>–Materials Handling and Storage.</del>	Cranes & Hoists <u>Materials Handling and Storage.</u>
29 CFR 1926 Subpart N, OSHA Construction Standard <del>–Helicopters, Hoists, Elevators, and Conveyers</del>	<u>Helicopters, Hoists, Elevators, and Conveyers</u>
OSHA 1910 / 1926, ASME B30.20	Below-the-Hook Lifting Devices & Slings/Rigging Hardware
<del>OSHA 1926.901</del>	<del>Blaster Requirements</del>
<del>ATF Federal Explosives Law and Regulations</del>	<del>Explosives Safety</del>
<del>30 CFR 57.6000</del>	<del>Explosives, Underground</del>
<del>OSHA 1910.109</del>	<del>Explosives and Blasting Agents, Surface</del>
<del>OSHA 1926 Subpart U</del>	<del>Blasting and the Use of Explosives, Surface</del>
<del>MSHA 57.6160—.6205</del>	

~~ATF 27 CFR 555~~  
~~South Dakota Public Safety (State Fire Marshal)~~  
~~Department of Transportation in 49 CFR 173~~  
~~DOE STD 1212-2012~~  
~~ANSI Z358.1-2009~~

30 CFR 57.11050- .11059  
30 CFR 57.22212 - .22229 (b)  
NFPA 72  
~~OSHA 1910.1200~~  
30 CFR Part 57.6000-S Subpart E  
27 CFR 555

29 CFR 1926.901  
29 CFR 1910, Subpart N  
29 CFR 1910.109  
29 CFR 1926, Subpart U  
29 CFR 1926.800 (p) (1,2)  
South Dakota Department of Public Safety  
Office of State Fire Marshal Explosives  
Permit

ATF Form 5400.14/5400.15 Part I

~~DOE STD 1212-2012~~

Memorandum of Understanding between the  
Department of Justice (ATF) and the  
Department of Labor (MSHA)

Metal and Non-Metal General Inspection  
Procedures Handbook No.PH13-IV-1  
Fermilab ES&H Manual (FESHM 5064)  
AUS/NZ Regulations  
Center for Disease Control (CDC)/World  
Health Organization (WHO)  
OSHA 3990-03 2020  
Nuclear Regulatory Commission License  
Number 40-35101-01

## 2.0 Building Codes

ANSI/ASHRAE 62-2004

~~Transport and Storage, Underground~~  
~~Commerce and Explosives / Licenses & Permits~~  
~~New Explosive Storage, Permitting~~

~~Transport of Explosives, Public Roadways~~  
~~General Reference Material (Explosives)~~  
Emergency Eyewash and Shower Equipment  
(Installation, Inspection, Maintenance and Use)  
Escapeways and Refuges  
Ventilation and Ventilation Plan  
National Fire Alarm Code  
~~Hazard Communication (Employees)~~  
Explosives  
Commerce in Explosives  
Notice of Clearance for Responsible Person and  
Employer Possessor  
Blaster Qualifications  
Materials Handling and Storage  
Explosives and Blasting Agents  
Blasting and the Use of Explosives  
Underground Construction  
State of South Dakota Explosives Permit  
Application for Permit to Purchase, Use, Transport,  
Sell or Manufacture Explosives Form.

Federal Explosives License/Permit – User of  
Explosives  
(content evaluated for ATF equivalency)  
~~Notice of Clearance for Responsible Person and~~  
~~Employer Possessor~~  
~~MSHA/ATF Agreement~~Memorandum of  
Understanding between the Department of Justice  
(ATF) and the Department of Labor (MSHA)

MSHA/ATF Equivalency Agreement  
Oxygen Deficiency Hazards (ODH)  
Fatigue Management  
COVID-19 Pandemic Management Plan

Radiation Safety

Ventilation for Acceptable Indoor Air Quality

ASME	Boilers and Pressure Vessel Code (Sections I through XII including applicable Code Cases)
ASME B31.1 (i)	Power Piping
ASME B31.2 (ii)	Fuel Gas Piping
ASME B31.3 (iii)	Process Piping
ASME B31.4 (iv)	Pipeline Transportation Systems for Liquid Components
ASME B31.5 (v)	Refrigeration Piping and Heat Transfer Components
ASME	Cranes and Hoist Standards
IBC 2015	Building Codes
NFPA 101	Life Safety Code
NFPA 110	Emergency and Standby Power Systems
NFPA 45	Fire Protection for Laboratories Using Chemicals
NFPA 520	Standard on Subterranean Spaces
NFPA 70 B	Recommended Practice for Electrical Equipment Maintenance
NFPA 70 E	Standard for Electrical Safety in the Workplace
NFPA 70	National Electrical Code
NFPA 780	Standard for the Installation of Lightning Protection Systems (and UL86A)
SD Lead City Ordinance	Occupational Noise Exposure

### 3.0 Environmental and Waste Management

10 CFR 1021	National Environmental Policy Act Implementing Procedures
40 CFR 112	Spill Prevention, Control and Countermeasure Procedures
40 CFR 260-279	Protection of Environment – Hazardous Waste Management System (Hazardous Waste Regulations)
40 CFR 262.11	Hazardous Waste Determination
40 CFR 273	Standard for Universal Waste Management
40 CFR 761	Polychlorinated Biphenyls (PCB)
40 CFR 280	Underground Storage Tanks
40 CFR 302 (CERCLA)	Designation, Reportable Quantities, and Notification
40 CFR 370	Hazardous Chemical Reporting, Community Right to Know
40 CFR 61, Subpart A	National Emissions Standards for Hazardous Air Pollutants
40 CFR 122	NPDES system
	Guidelines Establishing Test Procedures for the Analysis of Pollutants
49 CFR 171-180	Hazardous Materials Transportation Act
SD Article 12:62	Weed and Pest Control

### 4.0 SD-DENR: Codified Law



34-44	Asbestos Abatement Training Project
34A-1	Air Pollution Control
34A-2	Water Pollution Control
34A-3A	Safe Drinking Water
34A-6	Solid Waste Management
34A-9	Environmental Impact of Government Actions
34A-11	Hazardous Waste Management
34A-13	Petroleum Inspection and Release Compensation
46-1	Definitions and General Provisions (Water Rights)
46-2A	Administrative Procedure for Appropriate Water
46-5	Appropriation of Water
46-6	Groundwater and Wells

### **5.0 SD Administrative Rule:**

74:36	Air Pollution
74:31	Asbestos Control Program
74:50	Compliance Procedures for Water Pollution
74:54	Groundwater Quality
74:28	Hazardous Waste
74:32	Petroleum Inspection and Release Compensation
74:34	Regulated Substance Discharge
74:27	Solid Waste
74:51	Surface Water Quality
74:52	Surface Water Discharge Permits
74:55	Underground Injection Control
74:04	Water Hygiene
74:50	Compliance Procedures for Water Pollution Control
74:53	Water Supply and Treatment Systems
74:21	Water Systems Operators
74:02	Water Rights

### **6.0 Reference Standards**

ASME 31.9	Building Services Piping
ANSI C2	National Electrical Safety Code
NFPA 10	Portable Fire Extinguishers
NFPA 13	Automatic Sprinklers
NFPA 14	Standpipe and Hose Systems
NFPA 30	Flammable and Combustible Liquids Code
NFPA 55	Standard for the Storage, Use, and Handling of Compressed Gases and Cryogenic Fluids in Portable and Stationary Containers, Cylinders, and Tanks

### **7.0 Additional Standards**

The following are a selection of additional trade organizations and standards that may govern the SDSTA's selection and installation of products.

ACGIH Threshold Limit Values

American Concrete Institute (ACI) – ACI-318

American Industrial Hygiene Association (AIHA)

American Institute of Steel Construction (AISC) – Manual of Steel Construction

American National Standards Institute (ANSI)

American Society for Testing and Materials (ASTM)

American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE)

American Society of Mechanical Engineers (ASME)

American Water Works Association (AWWA)

Institute of Electrical and Electronics Engineers (IEEE)

National Electrical Manufacturers Association (NEMA)

National Fire Protection Association (NFPA)

National Institute for Occupational Safety and Health (NIOSH)

National Institute of Standards & Technology (NIST)

Sanford Underground Research Facility Subterranean Design Criteria (EHS-1000-L3-05)

Underwriters Laboratories, Inc. (UL)

**Appendix B – ORM Fee Schedule**

---

SDSTA shall pay for services performed by ORM personnel hereunder for actual hours worked using the following fee schedule, which is subject to change as provided below:

<u>Position Title</u>	<u>Rate</u>
<u>Director</u>	<u>\$ 63.73</u>
<u>State Risk Manager</u>	<u>\$ 43.97</u>
<u>Risk Analyst</u>	<u>\$ 35.65</u>
<u>Risk Analyst</u>	<u>\$ 39.15</u>
<u>Risk Analyst</u>	<u>\$ 35.51</u>
<u>Risk Analyst</u>	<u>\$ 34.00</u>
<u>Risk Analyst</u>	<u>\$ 33.04</u>
<u>Administrative Assistant</u>	<u>\$ 23.29</u>

The parties acknowledge and agree that the fees payable on account of the above-described personnel are based on their respective rates of compensation paid by ORM, and that in the ordinary course of ORM's business those rates may change during the term of the Agreement. -As often as ORM may reasonably request, ORM shall advise SDSTA of any such changes in writing. -Absent written objection from SDSTA within thirty days of such notice, the change in rate shall be deemed an amendment to the Agreement. -Any notices given under this paragraph shall be attached to the Agreement and absent objection from SDSTA as provided herein shall become a part of the Agreement.

|

Page intentionally  
blank

**Update on SURF Foundation—Mr. Mike Headley**

---

SURF Foundation

7A. Approve replacement SURFF board member to fill unexpired term. (see suggested motion below)

7B. Foundation board met on May 12 to select officers—update:

The slate of officers include:

- President: Mr. Dana Dykhouse
- Vice-President: Mr. Paul Christen
- Secretary/Treasurer: Ms. Kay Jorgensen

---

**Recommended Action:**

*7A. Motion to approve appointment of Fred Romkema to fill the unexpired term of Ron Wheeler.*

Page intentionally  
blank

**Audit Committee—Chairperson Casey Peterson**

---

8A. Annual appointment of committee members per Audit Charter—the standing members of the audit committee consisting of Ms. Pat Lebrun and Mr. Dana Dykhouse to serve another year with support from Chairperson Peterson.

8B. Annual review of Audit Charter—Audit Charter dated June 19, 2014 attached.

8C. Approve internal audit report dated June 1, 2020.

---

**Recommended Action:**

*8C. Motion to approve internal audit report dated June 1, 2020 as presented.*

Page intentionally  
blank



# **SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY AUDIT COMMITTEE CHARTER**

## **STATEMENT OF MISSION**

The mission of the South Dakota Science and Technology Authority (SDSTA) Audit Committee is to be the pro-active steward for oversight of the financial reporting and disclosure process for SDSTA, including the investigation of claimed breaches of ethics, theft, fraud, embezzlement and reports of whistle-blowers. Our responsibility is to the SDSTA Board of Directors to report independently on the results of the oversight so as to assist in maintaining and enhancing the quality of the financial reporting. The Audit Committee is committed to communication between and among directors, the external auditor and Chief Financial Officer (CFO).

### **A. The Audit Committee has the following responsibilities and duties:**

#### **1. Appointment**

- Annually be appointed by the SDSTA Board of Directors at their annual meeting in June.
- At least one member will be deemed a “financial expert,” as defined by applicable law and regulation.

#### **2. Review**

- Annually review and update this Charter.
- Annually determine the independence of Audit Committee members through a certification by the SDSTA Board of Director’s Chairperson.
- Review the SDSTA’s annual financial statements and any reports or other financial information submitted to or from any governmental body, or the public, including any certification, report, opinion or review rendered by the external auditor or the SDSTA CFO.
- Review any report or memo or other communication from Federal and State regulators and reviewers, and attend as many entrance and exit conferences as possible.

#### **3. External Auditors/CFO/Independent Counsel/Other Advisors**

- The Audit Committee shall have the independent authority to engage any legal counsel or other advisors it deems necessary to carry out its duties.
- Periodically consult with the external auditor out of the presence of management about internal controls and the fullness and accuracy of the company’s financial statements.
- Make the selection, retention, and review the performance of, the external auditor, considering independence and effectiveness and approve the fees paid to the external auditor as well as the proposed fee. On an annual basis, the Audit Committee should review and discuss with the external auditor all significant relationships the external auditor has with the company to determine the auditor’s independence and consider the appropriateness of the non-audit services prior to their engagement.
- Periodically meet with the CFO on the results of exams, and be available to CFO for appropriate communications at any time they desire the meeting.

#### **4. Financial Reporting Process**

- In consultation with the external auditor, review the integrity of the SDSTA’s financial reporting processes.

# **SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY**

## **AUDIT COMMITTEE CHARTER**

- Consider the external auditor's judgments about the quality and appropriateness of the SDSTA's accounting principles, as applied in its financial reports and as promulgated by the Governmental Accounting Standards Board.
- Consider and forward to the SDSTA Board of Directors, if appropriate, recommendations for major changes to the SDSTA's auditing and accounting principles and practices as suggested by the external auditor, management or the CFO.
- Establish regular and separate systems of reporting to the Audit Committee by management and the external auditor regarding any significant judgments made in management's preparation of the financial statements and the Audit Committee's view of each as to appropriateness of such judgments.
- Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work, or access to required information.
- Review and resolve any significant disagreement among management and the external auditor in connection with the preparation of the financial statements. Review in detail the passed audit adjustments and the materiality levels used by the external auditor, and the impact of Management's estimates used in the financial statement preparation.
- Review with the external auditor and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee in prior reports or meetings, have been implemented.

### **5. Ethical and Legal Compliance**

- Establish, review and update periodically a Conflict of Interest Policy and ensure that management has established a system to enforce this Policy.
- Review management's monitoring of compliance with the SDSTA's Conflict of Interest Policy, and verify that management has the proper review system in place to ensure that financial statements, reports, and other financial information disseminated to governmental organizations, and the public, satisfy legal requirements.
- Review with SDSTA's retained legal counsel any legal matter that could have a significant impact on the SDSTA's financial statements.
- Periodically review individual committee member education and obtain resources, seminars and materials to keep the level of member's education current.
- Perform any other activities consistent with this Charter, the SDSTA's By-Laws and governing law, as the Audit Committee or the SDSTA Board of Directors deems necessary or appropriate.

### **6. Reporting**

In order to facilitate the proper execution of its duties and responsibilities, the Audit Committee shall conduct its reviews and investigations in a confidential manner. The Audit Committee shall report to the SDSTA Board the results of the Financial Reporting Process, consultations with External Auditors, the CFO or other Advisors, or any other issues they deem important for the SDSTA Board to meet its responsibilities. These reports shall include, but not be limited to, the results of the annual external audit or any internal audit on financial reports or compliance (including difficulties or disagreements encountered, if any, past

# SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY

## AUDIT COMMITTEE CHARTER

adjustments, materiality defined by the auditor, any legal matter having a material impact on the report, management letter comments, etc.), the integrity of the financial reporting system, the appropriateness of the accounting principles applied to the financial reports, the status of internal controls, any suggested change to any of the above systems the Audit Committee thinks should be made, any significant report or communication from any other matter that the Audit Committee deems critical information needed by the SDSTA Board. To the extent permitted by applicable law, the Audit Committee's reports to the Board of Directors shall be delivered in closed session.

The Audit Committee shall strive to provide the Board with the information it needs to manage the reporting and accounting for the SDSTA as well as utilize the reports to manage all of the other risks it faces. These reports will be made when information is received and available. The Annual Schedule below outlines some of the reporting dates anticipated.

### **7. Budget Process**

The Audit Committee will meet with the CFO in March to establish the annual budget for the Audit Committee to cover costs for audit fees, legal fees, consulting fees, continuing education travel and costs and miscellaneous costs.

### **B. Annual Schedule**

The Audit Committee will meet at its discretion but the following is a guideline for business to be conducted during the year:

December-January – Meet with external auditors to discuss preliminary audit findings, letters to management, passed adjustments, materiality, management estimates, and quality and appropriateness of accounting principles.

March-June – Present audit findings, letter of comments and other appropriate information to the SDSTA's Board of Directors at SDSTA annual meeting. Meet to update issues on hiring other outside auditors for review, as deemed necessary, of such areas as EDP, compliance, etc.

September – Request proposal for external audit. Meet with CFO.

October/November/December – Meet with CFO to review any issues regarding the audit. Meet to engage external financial auditor on entrance conference. Review all SDSTA regulators' reports (State and/or Federal). Certify as to committee member's independence.

### **C. Limitations on the Committee's Role:**

While the Audit Committee has the responsibilities and powers as stated above, it is not the Committee's duty to audit the SDSTA's financial statements or to determine that the SDSTA's financial statements are complete and accurate in accordance with generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board. These are the responsibilities of management and the independent auditors.

Page intentionally  
blank

---

## SDSTA Audit Committee Meeting

June 1, 2020

### Participants:

Ms. Pat Lebrun, SDSTA Board of Director and Audit Committee Chair  
Mr. Dana Dykhouse, SDSTA Board of Director/Audit Committee Member  
Ms. Nancy Geary, SDSTA Chief Financial Officer

A teleconference was held June 1, with discussions on the following:

1. Greetings were exchanged and discussions were held concerning review of the Audit Charter. No corrections or additions were noted.
2. It was discussed that Ms. Geary will request the yearly audit with the SD Department of Legislative Audit to work out the details as to timing for the upcoming FY2020 yearly audit. She will communicate with Mr. Al Schaefer, Auditor-in-Charge with the State, to coordinate timing to get the final report from the State for the December Board meeting. This would also coincide with the schedule of completion for the State Comprehensive Annual Financial Report (CAFR).
3. Further discussions included the current Internal Controls Audit. Ms. Geary noted that the audit was almost complete and that the results would hopefully be available for the upcoming June Board meeting. The results will be forwarded to the Audit Committee as well.

Page intentionally  
blank



June 1, 2020

Internal Audit –Financial Controls and Reporting,  
and Human Resources/Payroll

## South Dakota Science and Technology Authority

*Prepared by:*

**Brian G. Pye**

612-397-3179 *phone*

220 South Sixth Street, Suite 300

Minneapolis, MN 5502-1436

Brian.Pye@cliftonlarsonallen.com

[www.CLAconnect.com](http://www.CLAconnect.com)

June 1, 2020

Michelle Baumann  
Contracts Specialist  
South Dakota Science and Technology Authority  
630 E Summit St.  
Lead, SD 57754

Dear Mrs. Baumann:

This report provides you, South Dakota Science and Technology Authority (SDSTA) leadership, the Audit Committee, and members of the Board with the results of the recent Internal Audit of Financial Controls and Reporting, and Human Resources/Payroll and a means to prioritize risk mitigation and/or remediation strategies.

The Internal Audit was performed in accordance with the statement on standards for consulting services established by the AICPA. CliftonLarsonAllen (“CLA”) was not engaged by SDSTA, to conduct a financial audit, for which the objective would be the expression of an opinion on the financial statements. Had we been hired to perform an audit of financial information in accordance with U.S. generally accepted auditing standards, other issues may have come to our attention that would have been reported to you. Therefore, we express no opinion on the effectiveness of SDSTA, controls over all or any part of its financial statements.

In addition, the procedures performed by CLA are not a substitution for management’s responsibility to maintain a system of controls to mitigate risk. The Internal Audit of Financial Controls and Reporting and Human Resources/Payroll processes was designed to provide SDSTA, with insight to inherent and specific risks and deficiencies involved with these activities. Our procedures alone cannot identify errors and irregularities related to the scope of this project.

We appreciate the opportunity to assist SDSTA, in performing this assessment. Management and staff involved in the process were a pleasure to work with and very open to sharing their opinions and knowledge. This cooperation was invaluable to the outcome of this project. If you have any questions, please feel free to contact us for assistance.

Sincerely,

Brian G. Pye  
Principal  
612-397-3179  
[Brian.Pye@cliftonlarsonallen.com](mailto:Brian.Pye@cliftonlarsonallen.com)



---

## EXECUTIVE SUMMARY

CliftonLarsonAllen LLP (“CliftonLarsonAllen” or “CLA”) performed an Internal Audit of Financial Controls and Reporting and Human Resources/Payroll processes, for SDSTA, to assess whether internal controls are suitably designed and operating effectively to achieve control objectives. This included a review of the following areas:

### Financial Controls and Reporting

- Financial statement reconciliations
- Bank reconciliations
- Segregation of duties
- Journal entries
- Cash Controls

### Human Resources/Payroll

- Payroll
- Benefits
- Hiring
- Terminations
- Employee Expenses
- Segregation of duties
- Changes to employee master files

To achieve the project objective, CLA conducted the review through inquiry procedures and reviewing documentation provided by management.

---

## OBJECTIVES AND SCOPE

### Objective

The objective of the internal audit is to assess the design and effectiveness of controls over Financial Controls and Reporting, and Human Resources/Payroll.

### Procedures

As part of the internal audit, we performed the following:

- Assessed policies and procedures relating to financial reporting and human resources/payroll
- Assessed month-end checklists to verify items are tracked through completion
- Reviewed general ledger account reconciliations for the month of February 2020 to verify reconciliations are documented, reviewed, appropriately approved, and adequately supported
- Reviewed detailed reports of reconciliation of changes and expenses provided to executive management
- Reviewed journal entries completed between September 2019 through February 2020
  - Discussed new procedures implemented in April 2020 to address segregation of duties within financial reporting processes
- Reviewed reconciliations of both biweekly, weekly payrolls and all time-cards/paystubs for pay date of 2/28/20 to verify reconciliations are documented, reviewed, appropriately approved, and adequately supported
- Assessed payroll raises processed between September 9, 2019 and February 28, 2020
- Compared listing of current employees to terminated employees to verify accuracy of employees currently employed.
- Reviewed a sample of 20 current employees (10 exempt and 10 non-exempt) to verify the following information was on file:
  - Completed employment applications
  - Completed W-4 forms
  - Completed health benefits acceptance
  - Completed payroll elections
  - Completed background investigations

---

## Conclusion

We appreciate the opportunity to assist SDSTA, in the internal audit of Financial Controls and Reporting, and Human Resources/Payroll activities. Based on the review of the content and outcome of the procedures performed, the process has been assigned a classification of satisfactory, needs improvement or unsatisfactory. The classifications are based solely upon the specific processes, scope and objectives of the internal control assessment noted in the executive summary and are meant to facilitate comparison between the areas assessed.

Based on the interview process and controls tested, we have determined controls are **Satisfactory**. There were no reportable findings noted during our review.

The following is a summary of each classification:

Rating	Definition
Satisfactory	Denotes an acceptable structure of internal control and reasonable compliance with pertinent policies, procedures and regulatory requirements. Issues indicate modest weaknesses that require management's attention.
Needs Improvement	Denotes weaknesses in the structure of internal control and/or compliance with pertinent policies, procedures and regulatory requirements. The issues require management's prompt resolution to prevent further deterioration and possible losses.
Unsatisfactory	Denotes substantial weakness in the structure of internal control and/or compliance with related policies, procedures and regulatory requirements. Management's immediate attention to these issues is required to prevent loss to the bank.

Page intentionally  
blank

**Financial Report—Mr. Mike Headley**

---

Financial Report:

9A. Financial Summaries for May 2020, attached. (see suggested motion below)

9B. FY2021 Budgets, attached. (see suggested motion below)

1. FY 2021 Budget Summary
2. FY 2021 CAPEX Budget
3. FY 2021 SDSTA Budget

---

**Recommended Action:**

*9A. Motion to accept the Financial Report as presented.*

*9B. Motion to approve SDSTA fiscal year 2020 budget.*

Page intentionally  
blank

# FINANCIAL SUMMARIES

REPORT DATE 06/08/20

SOUTH DAKOTA SCIENCE & TECHNOLOGY

12:08

PAGE 0001

DIVISION: ALL

BALANCE SHEET

## ASSETS

AS OF  
05/31/20

CURRENT ASSETS

First Interstate Checking	\$	3,367,412.40
First Interstate Other		12,541.73
		-----
Total in Local Checking		3,379,954.13
SD Treas: Indemnification		7,500,000.00
SD Treas: Mine Closure		1,462,524.66
SD Treas: Operating		798,647.59
SD Treas: Sanford Gift #2		15,988.97
SD Treas: Spec Sess - Lab		5,261,643.00
SD Treas: Experiments		920,184.08
		-----
Total with SD Treasurer		15,958,988.30
Billed A/R		2,047,786.19
Unbilled A/R		743,105.69
Other A/R		515,601.62
Inventory - Supplies		2,309,679.01
Inventory - Warehouse		28,581.79
Other Current Assets		740,035.16
		-----
Total Current Assets		25,723,731.89

FIXED ASSETS

Land, Underground & Other	12,633,473.13
Bldgs & Infrastructure	9,789,145.56
Improvements	63,059,308.67
Computer Equipment	563,025.07
Equipment & Fixtures	10,972,343.67
Accum Depr & Amort	(17,948,180.61)
	-----
Total Fixed Assets	79,069,115.49

OTHER ASSETS

Work in Process	2,186,236.31
Pension Deferred Outflows	3,943,908.40
Xenon Purchased	8,164,350.39
	-----
Total Other Assets	14,294,495.10

TOTAL ASSETS

\$ 119,087,342.48

=====

DIVISION: ALL

BALANCE SHEET

LIABILITIES & EQUITY

AS OF  
05/31/20

CURRENT LIABILITIES		
Accounts Payable	\$	906,457.64
Other Payables		14,611.71
		-----
Total Accounts Payable		921,069.35
Accrued Payroll Liab		1,943,216.01
		-----
Total Current Liabilities		2,864,285.36
OTHER LIABILITIES		
LT Xenon Notes Payable		6,000,000.00
Pension Deferred Inflows		783,421.31
		-----
Total Other Liabilities		6,783,421.31
EQUITY		
Restricted: Indemnificati		7,500,000.00
Restricted: Lab		5,261,643.00
Restricted: Mine Closure		1,462,524.66
Restricted: Sanford Gift2		15,988.97
Restricted: Pension		3,160,487.09
Restricted: Experim. Int.		767,010.00
		-----
Total Restricted Funds		18,167,653.72
Investment in Gen FA		79,069,115.49
Unrestricted Funds		12,202,866.60
		-----
Total Equity		109,439,635.81
		=====
TOTAL LIABILITIES & EQUITY	\$	119,087,342.48
		=====



ALL

## STATEMENT OF INCOME

FOR THE PERIOD ENDING 05/31/20

	YR-TO-DATE
	-----
REVENUE	
DOE Subcontracts	\$ 27,702,590.58
NSF/NASA Subcontracts	15,790.54
State Revenue	2,500,000.00
Checking Interest	1,880.88
Interest Income	152,004.25
	-----
TOTAL REVENUE	30,372,266.25
DIRECT COSTS	
Direct Labor	7,131,937.11
Board of Directors	10,342.77
Capital Outlay >\$5K	1,605,603.26
Contractual Svcs	2,543,933.32
Inventory	177,389.10
Supplies	1,149,891.21
Travel - Domestic	18,923.30
Travel - Foreign	44,042.97
Utilities	2,057,802.26
Other Direct Costs	78,198.49
Unallow/Unbill Costs	379,671.07
	-----
TOTAL DIRECT COSTS	15,197,734.86
INDIRECT COSTS	
Fringe Benefits	5,479,945.77
Overhead	7,780,367.20
	-----
TOTAL INDIRECT COSTS	13,260,312.97
	-----
GROSS PROFIT/LOSS ( )FROM OPERATIONS	1,914,218.42
	-----
OTHER INCOME	
Water Treatment	209,829.08
Miscellaneous Income	44,668.71
Other Operating Income	1,883.79
	-----
TOTAL OTHER INCOME	256,381.58
OTHER EXPENSES	
Loss (Gain) on Sale of Fixed Assets	248,072.86
Reclass Incr Net Assets	(1,484,182.52)
	-----
TOTAL OTHER EXPENSES	(1,236,109.66)
	=====
NET INCOME/LOSS ( )	\$ 3,406,709.66
	=====

DIVISION: ALL

COMPARATIVE BALANCE SHEET

ASSETS

	AS OF 05/31/20	AS OF 05/31/19	\$ CHANGE	% CHANGE
<b>CURRENT ASSETS</b>				
First Interstate Checking	\$ 3,367,412.40	\$ 1,092,569.56	\$ 2,274,842.84	208.21%
First Interstate Other	12,541.73	4,019.18	8,522.55	212.05%
	-----	-----	-----	-----
Total in Local Checking	3,379,954.13	1,096,588.74	2,283,365.39	208.22%
SD Treas: Indemnification	7,500,000.00	7,500,000.00	-	0.00%
SD Treas: Mine Closure	1,462,524.66	1,432,739.47	29,785.19	2.08%
SD Treas: Operating	798,647.59	582,758.01	215,889.58	37.05%
SD Treas: Sanford Gift #2	15,988.97	49,920.97	(33,932.00)	-67.97%
SD Treas: Spec Sess - Lab	5,261,643.00	3,927,954.00	1,333,689.00	33.95%
SD Treas: Experiments	920,184.08	1,930,610.35	(1,010,426.27)	-52.34%
	-----	-----	-----	-----
Total with SD Treasurer	15,958,988.30	15,423,982.80	535,005.50	3.47%
Billed A/R	2,047,786.19	3,656,426.40	(1,608,640.21)	-43.99%
Unbilled A/R	743,105.69	501,582.79	241,522.90	48.15%
Other A/R	515,601.62	36,392.98	479,208.64	1316.76%
Inventory - Supplies	2,309,679.01	2,320,588.01	(10,909.00)	-0.47%
Inventory - Warehouse	28,581.79	29,306.70	(724.91)	-2.47%
Other Current Assets	740,035.16	384,663.69	355,371.47	92.38%
	-----	-----	-----	-----
Total Current Assets	25,723,731.89	23,449,532.11	2,274,199.78	9.70%
<b>FIXED ASSETS</b>				
Land, Underground & Other	12,633,473.13	12,633,473.13	-	0.00%
Bldgs & Infrastructure	9,789,145.56	10,079,478.68	(290,333.12)	-2.88%
Improvements	63,059,308.67	62,661,312.62	397,996.05	0.64%
Computer Equipment	563,025.07	447,815.17	115,209.90	25.73%
Equipment & Fixtures	10,972,343.67	10,971,944.11	399.56	0.00%
Accum Depr & Amort	(17,948,180.61)	(16,360,140.09)	(1,588,040.52)	9.71%
	-----	-----	-----	-----
Total Fixed Assets	79,069,115.49	80,433,883.62	(1,364,768.13)	-1.70%
<b>OTHER ASSETS</b>				
Work in Process	2,186,236.31	1,986,525.15	199,711.16	10.05%
Pension Deferred Outflows	3,943,908.40	4,839,927.07	(896,018.67)	-18.51%
Xenon Purchased	8,164,350.39	6,513,900.39	1,650,450.00	25.34%
	-----	-----	-----	-----
Total Other Assets	14,294,495.10	13,340,352.61	954,142.49	7.15%
	=====	=====	=====	=====
<b>TOTAL ASSETS</b>	<b>\$ 119,087,342.48</b>	<b>\$ 117,223,768.34</b>	<b>\$ 1,863,574.14</b>	<b>1.59%</b>
	=====	=====	=====	=====

DIVISION: ALL

## COMPARATIVE BALANCE SHEET

## LIABILITIES &amp; EQUITY

	AS OF 05/31/20	AS OF 05/31/19	\$ CHANGE	% CHANGE
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 906,457.64	\$ 658,357.95	248,099.69	37.68%
Other Payables	14,611.71	5,641.00	8,970.71	159.03%
	-----	-----	-----	-----
Total Accounts Payable	921,069.35	663,998.95	257,070.40	38.72%
Accrued Payroll Liab	1,943,216.01	1,642,564.33	300,651.68	18.30%
	-----	-----	-----	-----
Total Current Liabilities	2,864,285.36	2,306,563.28	557,722.08	24.18%
<b>OTHER LIABILITIES</b>				
LT Xenon Notes	6,000,000.00	6,000,000.00	-	0.00%
Pension Deferred Inflows	783,421.31	851,741.96	(68,320.65)	-8.02%
	-----	-----	-----	-----
Total Other Liabilities	6,783,421.31	6,851,741.96	(68,320.65)	-1.00%
	-----	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>9,647,706.67</b>	<b>9,158,305.24</b>	<b>489,401.43</b>	<b>5.34%</b>
<b>EQUITY</b>				
Restricted: Indemnificati	7,500,000.00	7,500,000.00	-	0.00%
Restricted: Lab	5,261,643.00	3,927,954.00	1,333,689.00	33.95%
Restricted: Mine Closure	1,462,524.66	1,432,739.47	29,785.19	2.08%
Restricted: Sanford Gift2	15,988.97	49,920.97	(33,932.00)	-67.97%
Restricted: Pension	3,160,487.09	3,988,185.11	(827,698.02)	-20.75%
Restricted: Experim. Int.	767,010.00	1,831,064.00	(1,064,054.00)	-58.11%
	-----	-----	-----	-----
Total Restricted Funds	18,167,653.72	18,729,863.55	(562,209.83)	-3.00%
Investment in Gen FA	79,069,115.49	80,433,883.62	(1,364,768.13)	-1.70%
Unrestricted Funds	12,202,866.60	8,901,715.93	3,301,150.67	37.08%
	-----	-----	-----	-----
<b>TOTAL EQUITY</b>	<b>109,439,635.81</b>	<b>108,065,463.10</b>	<b>1,374,172.71</b>	<b>1.27%</b>
	=====	=====	=====	=====
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 119,087,342.48</b>	<b>\$ 117,223,768.34</b>	<b>\$ 1,863,574.14</b>	<b>1.59%</b>
	=====	=====	=====	=====

## COMPARATIVE STATEMENT OF INCOME

FOR THE PERIOD ENDING 05/31/20

	YEAR TO DATE	PRIOR YEAR TO DATE	\$ CHANGE	% CHANGE
<b>REVENUE</b>				
DOE Subcontracts	\$ 27,702,590.58	\$ 23,675,829.21	\$ 4,026,761.37	17.01%
NSF/NASA Subcontracts	15,790.54	37,600.84	(21,810.30)	-58.00%
State Revenue	2,500,000.00	4,004,092.42	(1,504,092.42)	-37.56%
Contributions & Donations	-	125,000.00	(125,000.00)	100.00%
Checking Interest	1,880.88	2,945.99	(1,065.11)	-36.15%
Interest Income	152,004.25	133,988.82	18,015.43	13.45%
TOTAL REVENUE	30,372,266.25	27,979,457.28	2,392,808.97	8.55%
<b>DIRECT COSTS</b>				
Direct Labor	7,131,937.11	5,980,882.61	1,151,054.50	19.25%
Board of Directors	10,342.77	10,373.65	(30.88)	-0.30%
Capital Outlay >\$5K	1,605,603.26	2,746,700.90	(1,141,097.64)	-41.54%
Contractual Svcs	2,543,933.32	1,773,526.15	770,407.17	43.44%
Inventory	177,389.10	181,121.70	(3,732.60)	-2.06%
Supplies	1,149,891.21	1,035,521.56	114,369.65	11.04%
Travel - Domestic	18,923.30	30,849.42	(11,926.12)	-38.66%
Travel - Foreign	44,042.97	16,234.01	27,808.96	171.30%
Utilities	2,057,802.26	1,836,211.47	221,590.79	12.07%
Other Direct Costs	78,198.49	29,536.89	48,661.60	164.75%
Unallow/Unbill Costs	379,671.07	316,352.79	63,318.28	20.02%
TOTAL DIRECT COSTS	15,197,734.86	13,957,311.15	1,240,423.71	8.89%
<b>INDIRECT COSTS</b>				
Fringe Benefits	5,479,945.77	4,348,812.14	1,131,133.63	26.01%
Overhead	7,780,367.20	6,317,349.43	1,463,017.77	23.16%
TOTAL INDIRECT COSTS	13,260,312.97	10,666,161.57	2,594,151.40	24.32%
GROSS PROFIT/LOSS ( )	1,914,218.42	3,355,984.56	(1,441,766.14)	517.81%
<b>OTHER INCOME</b>				
Water Treatment	209,829.08	151,751.19	58,077.89	38.27%
Miscellaneous Income	44,668.71	74,073.95	(29,405.24)	-39.70%
Other Operating Income	1,883.79	11,785.58	(9,901.79)	-84.02%
TOTAL OTHER INCOME	256,381.58	237,610.72	18,770.86	7.90%
<b>OTHER EXPENSES</b>				
Loss (Gain) on Sale of FA	248,072.86	46,756.39	201,316.47	430.56%
Reclass Incr Net Assets	(1,484,182.52)	(1,677,518.78)	193,336.26	-11.53%
TOTAL OTHER EXPENSES	(1,236,109.66)	(1,630,762.39)	394,652.73	-24.20%
NET INCOME/LOSS ( )	\$ 3,406,709.66	\$ 5,224,357.67	\$ (1,817,648.01)	-34.79%

**South Dakota Science & Technology Authority**  
**Available Resources**  
**5/31/2020**

Cash Total Checking	\$	3,367,412
Cash With State Treasurer	\$	<u>15,958,988</u>
Total Cash	\$	19,326,400
Less: Restricted Funds		
Indemnification/Mine Closure/Special Session Lab	\$	(14,224,168)
Experiments (Xenon, Interest, Infrastructure)	\$	<u>(920,184)</u>
 Total Cash Available for Infrastructure Upgrades and Authority Operations	 \$	 4,182,048
Plus: Accounts Receivable Billed	\$	2,047,786
Accounts Receivable Unbilled	\$	743,106
Less: Current Liabilities (Accounts Payable & Accrued Payroll)	\$	<u>(2,626,717)</u>
(not including accts. pay. for Experiment funding)		
Available Cash and Receivables	\$	<u><u>4,346,223</u></u>

SDSTA Operating Budget Summary FY2020  
Actual vs Budget  
May 2020 & YTD

	May 2020	Budget	\$ Over/Under Budget	% of Budget	Actual YTD	YTD Budget	\$ Over/Under Budget	% of Budget	% Remaining
SDSTA (Authority) Direct Charges									100%
Board of Directors	\$17,917.00	\$21,108.00	\$3,191.00	84.88%	\$221,134.00	\$228,997.00	\$7,863.00	96.57%	3.43%
Executive Office	\$22,245.00	\$22,454.00	\$209.00	99.07%	\$286,480.00	\$234,025.00	-\$52,455.00	122.41%	-22.41%
Science Center E & O	\$903.00	\$2,000.00	\$1,097.00	45.15%	\$56,860.00	\$59,100.00	\$2,240.00	96.21%	3.79%
Science Liaison	\$1,061.00	\$0.00	-\$1,061.00	100.0%	\$1,935.00		-\$1,935.00	100.00%	0.00%
Subtotal	\$42,126.00	\$45,562.00	\$3,436.00	92.46%	\$566,409.00	\$522,122.00	-\$44,287.00	108.48%	-8.48%
Federal/State Funding - Direct Charges									
Fermi P.O.#649934 Prof. Services	\$31,014.00	\$31,500.00	\$486.00	98.46%	\$319,358.00	\$349,090.00	\$29,732.00	91.48%	8.52%
Fermi C#629760 SURF Services	\$0.00	\$0.00	\$0.00	0.0%	\$3,939,908.00	\$3,040,007.00	-\$899,901.00	129.60%	-29.60%
Fermi C#630223 Ross Rehab	\$22,273.00	\$46,023.00	\$23,750.00	48.4%	\$1,584,639.00	\$1,738,749.00	\$154,110.00	91.14%	8.86%
Fermi C#654406 Ross Logist.Supp	\$105,459.00	\$134,394.00	\$28,935.00	78.47%	\$1,490,831.00	\$1,695,151.00	\$204,320.00	87.95%	12.05%
Fermi Misc. Contracts	\$504.00	\$5,000.00	\$4,496.00	10.08%	\$51,787.00	\$99,000.00	\$47,213.00	52.31%	47.69%
Office of Science Coop.Agree	\$1,003,658.00	\$1,199,553.00	\$195,895.00	83.67%	\$9,202,987.00	\$9,770,173.00	\$567,186.00	94.19%	5.81%
LBNL LUX/Zepplin C#7255146	\$45,143.00	\$50,000.00	\$4,857.00	90.29%	\$754,122.00	\$822,529.00	\$68,407.00	91.68%	8.32%
LBNL LZ Operations C#7355157	\$0.00	\$0.00	\$0.00	0.0%	\$311,753.00	\$353,245.00	\$41,492.00	88.25%	11.75%
LBNL SIGMA-V C#7371823	\$0.00	\$8,000.00	\$8,000.00	0.0%	\$52,514.00	\$83,000.00	\$30,486.00	63.27%	36.73%
LBNL LZExp.Operat.C#7525117	\$60,292.00	\$62,000.00	\$1,708.00	97.25%	\$251,834.00	\$259,870.00	\$8,036.00	96.91%	3.09%
MJD (Majorana) ORNL144149	\$1,996.00	\$2,600.00	\$604.00	76.77%	\$14,751.00	\$28,600.00	\$13,849.00	51.58%	48.42%
BHSU-UGCampus Gen.Serv.	\$0.00	\$200.00	\$200.00	0.0%	\$0.00	\$2,200.00	\$2,200.00	0.00%	100.00%
SDSM&Tech CASPAR Gen.Serv.	\$5,475.00	\$2,500.00	-\$2,975.00	219.0%	\$10,369.00	\$15,331.00	\$4,962.00	67.63%	32.37%
* Kiewit/Alberici JV	\$0.00	\$0.00	\$0.00	0.0%	\$600.00	\$600.00	\$0.00	100.00%	0.00%
* Xilinx, Inc. P.O.#732495	\$0.00	\$0.00	\$0.00	0.0%	\$641.00	\$900.00	\$259.00	71.22%	28.78%
Subtotal	\$1,275,814.00	\$1,541,770.00	\$265,956.00	82.75%	\$17,986,094.00	\$18,258,445.00	\$272,351.00	98.51%	1.49%
Indirect Expenses									
Indirect Charges Personnel	\$603,718.00	\$516,753.00	-\$86,965.00	116.83%	\$4,487,570.00	\$4,555,668.00	\$68,098.00	98.51%	1.49%
Indirect Charges Other	\$631,478.00	\$278,252.00	-\$353,226.00	226.94%	\$5,370,640.00	\$5,336,502.00	-\$34,138.00	100.64%	-0.64%
Subtotal	\$1,235,196.00	\$795,005.00	-\$440,191.00	155.37%	\$9,858,210.00	\$9,892,170.00	\$33,960.00	99.66%	0.34%
Totals	\$2,553,136.00	\$2,382,337.00	-\$170,799.00	107.17%	\$28,410,713.00	\$28,672,737.00	\$262,024.00	99.09%	0.91%
* Private Corporations (Commercial Group)									

SDSTA CAPEX Budget Summary FY20  
Actual vs Budget  
May YTD FY2020

<u>Budget Area</u>	<u>Actual Month</u>	<u>FY2020 Monthly Budget</u>	<u>\$ Over/Under Budget</u>	<u>% of Budget</u>	<u>Actual YTD</u>	<u>FY2020 YTD Budget</u>	<u>\$ Over/Under Budget</u>	<u>% of Budget</u>	<u>% Remaining</u>
									100.00%
Operational CAPEX	\$ 256,544.18	\$ 260,475.00	\$ 3,930.82	98.49%	\$ 2,186,236.31	\$ 7,189,826.00	\$ 5,003,589.69	30.41%	69.59%
TOTAL CAPEX	<u>\$ 256,544.18</u>	<u>\$ 260,475.00</u>	<u>\$ 3,930.82</u>	<u>98.49%</u>	<u>\$ 2,186,236.31</u>	<u>\$ 7,189,826.00</u>	<u>\$ 5,003,589.69</u>	<u>30.41%</u>	<u>69.59%</u>

SD Science & Technology Authority  
Operational CAPEX Budget  
YTD FY2020 Actual vs Budget

Project #	Project Description	May 2020 YTD	FY2020 Budget	\$ Over/UnderBudget	% of Budget	% Remaining
						100%
CAP2014-01	Sanford Visitor Center Sign/Display	\$ 24,236.54	\$ 10,000.00	\$ (14,236.54)	242.37%	-142.37%
CAP2016-03	LZ Xenon Gas	\$ 932,246.89	\$ 926,000.00	\$ (6,246.89)	100.67%	-0.67%
CAP2019-01	Maintenance Support Facility	\$ 1,229,752.88	\$ 6,253,826.00	\$ 5,024,073.12	19.66%	80.34%
	Totals	\$ 2,186,236.31	\$ 7,189,826.00	\$ 5,003,589.69	30.41%	69.59%



SD Science & Technology Authority  
Operational CAPEX Budget  
Monthly Actual vs Budget

Project #	Project Description	May FY2020	Budget	\$ Over/UnderBudget	% of Budget
CAP2014-01	Sanford Visitor Center Displays/Monitoring	\$ 6,997.20	\$ -	\$ (6,997.20)	0.00%
CAP2016-03	LZ Xenon Gas	\$ 11,978.75	\$ 475.00	\$ (11,503.75)	0.00%
CAP2019-01	Maintenance Support Facility	\$ 237,568.23	\$ 260,000.00	\$ 22,431.77	91.37%
	Monthly Totals	<u>\$ 256,544.18</u>	<u>\$ 260,475.00</u>	<u>\$ 3,930.82</u>	<u>98.49%</u>

Page intentionally  
blank

**SDSTA Operating Budget Summary FY2021**  
July 2020 - June 2021

	Sources of Revenue		Budget \$ FY20/21	Budget \$ FY19/20	Difference
	Federal Funding	SDSTA Funds			
<b>Administration Budgets</b>					
Board of Directors		\$266,000	\$266,000	\$253,300	\$12,700
Executive Office (Includes Foundation Expenses)		\$356,806	\$356,806	\$269,446	\$87,360
Science Liaison		\$0	\$0	\$0	\$0
Science Center E & O		\$82,000	\$82,000	\$82,200	(\$200)
	<b>Total</b>	<b>\$704,806</b>	<b>\$704,806</b>	<b>\$604,946</b>	<b>\$99,860</b>
*** Science C.E & O (Approx. \$14,000 from Chris B./Jack H. Memorials)					
<b>Total Authority Operating Budgets</b>	<b>\$0</b>	<b>\$704,806</b>	<b>\$ 704,806</b>	<b>\$604,946</b>	<b>\$99,860</b>
Federal & State Funding (includes Indirect Budget)	\$43,218,035		\$43,218,035	\$26,313,091	\$16,904,944
					FY2020 did not include Indirects
CAPEX Budget 7/2020 - 6/2021		\$288,000	\$ 5,068,074	\$7,189,826	\$ (2,121,752)
Additional Approval Beyond Carryover			Includes carry over	Total for year	
<b>Total for Approval</b>	<b>\$43,218,035</b>	<b>\$992,806</b>	<b>\$ 48,990,915</b>	<b>\$34,107,863</b>	<b>\$14,883,052</b>
<b>Total FTE</b>					
Approximate Carryover CAPEX Projects				SDSTA Funds	1.5 FTE + 8 Interns
Grand Total with Carryover	\$43,218,035	\$992,806	\$44,210,841	Other & Indirect	179.5
<b>Total FTE</b>					
<b>SDSTA Funds includes funding from GOED/Foundation for Xenon</b>					<b>181</b>

SDSTA FY2021 CAPEX Budget

6/12/20

	<u>Proj. Mng</u>	<u>Project #</u>	<u>Project Description</u>	<u>New Proj. \$'s</u>	<u>Estimated Carry Over Proj.\$'s</u>	<u>Total Proj. \$'s</u>
*	M. Headley	CAP2014-01	Sanford V.Center Ground Monitoring	\$ 54,000	\$ -	\$ 54,000
**	M. Headley	CAP2016-03	LZ - Xenon Foundation Interest & Insurance	\$ 234,000	\$ -	\$ 234,000
***	M. Headley	CAP2019-01	Maintenance Support Facility	\$ -	\$ 4,780,074	\$ 4,780,074
			TOTAL ALL PROJECTS	\$ 288,000	\$ 4,780,074	\$ 5,068,074
			Total FY21 Budget	\$ 288,000	\$ 4,780,074	\$ 5,068,074

- \* Sanford Gift Funding
- \*\* GOED and Foundation Funding
- \*\*\* Future Funds

Column labeled "New Proj. \$'s" consists of funding for ongoing ground monitoring and display changes at the Sanford Lab Homestake Visitor Center, yearly interest to be paid to the (3) Foundations for Xenon loans and Xenon Insurance. Column labeled "Est. Carry Over Proj. \$'s" represents the balance of the \$6.5M of State funds for the MSF.

SDSTA  
FY2021Budget

<u>Funding Source</u>	<u>P.O/Subc.</u>	<u>FY21 Amount</u>
CA Cooperative Agreement	DE-SC0020216	27,440,319
LBNL LZ Experiment Support	7525117	605,270
SIGMA-V	7371823	235,180
Fermi Ross Logistics Support (Ross Rehab Final)	630223/654406	2,895,079
Fermi Engineer Supp	649934	200,155
SDSM&Tech. - CASPAR	PHY-1615197	9,000
Oak Ridge N.L. MJD	144149	21,000
Indirects		11,812,032
Totals		<u>\$ 43,218,035</u>

Page intentionally  
blank

**Executive Director's Report—Mr. Mike Headley**

---

The Executive Director's Report includes the following:

- 10A. Declaration of Surplus (1)—charging station and cap lamps, informational.
- 10B. SDSTA Quarterly Update—informational.
- 10C. E&O update—informational, Ms. Deb Wolf.
- 10D. SURF Artist-in-residence update—informational, Ms. Gina Gibson.

---

**Recommended Action:**

*Motion to accept the Executive Director's Report as presented.*

Page intentionally  
blank





Underground Research Facility

630 E. Summit St. Lead, SD 57754

South Dakota Science and Technology Authority

www.sanfordlab.org

## DECLARATION OF SURPLUS PROPERTY

The South Dakota Science and Technology Authority (SDSTA) purchased a 40-unit cap lamp charging station and cap lamps in 2008. The items were replaced more than a year ago. The charging station, originally valued at \$5,253.00, has been fully depreciated and is no longer of value. The surplus items will be donated to be used for a virtual reality project.

Having no further use for this property, I hereby declare the cap lamp charging station and cap lamps surplus property.

Dated at Lead, South Dakota this 31<sup>st</sup> day of March, 2020.

A handwritten signature in blue ink, appearing to read "Mike Headley".

Mike Headley  
SDSTA Executive Director

Page intentionally  
blank

**Annual Review of SDSTA Policies and Procedures—Mr. Mike Headley**

---

11A. Annual review of SDSTA Policies and Procedures

- Section 2
  - Leave Policy, *updated*.

11B. Board members to sign annual statements for 2020 affirming compliance with Financial Conflict of Interest, attached—return signed statements to Mandy Knight.

---

**Recommended Action:**

*Motion approve updated SDSTA Leave Policy as presented.*

Page intentionally  
blank

## **LEAVE POLICY**, updated for board approval

It is the policy of the South Dakota Science and Technology Authority (SDSTA) that all leave accruals shall commence from the employee's first date of service.

### **A. Vacation leave**

1. Only full-time employees (including probationary full-time employees) will accumulate leave credits of 4.62 hours per bi-weekly pay period and may accumulate a maximum of twice the annual accrual. When an employee completes 15 years of service, the employee will receive 6.16 hours of leave credits per bi-weekly pay period, and may accumulate a maximum of twice the annual accrual. Vacation leave may be granted for vacation or to supplement other permitted and authorized leaves of absence.
2. Salaried employees will not be required to use vacation leave while traveling when the purpose of the trip is specifically for SDSTA business. When SDSTA business is incidental to the trip, vacation leave will be required.
3. Upon retirement or resignation, only full-time employees with 180 days of continuous service will be paid for accumulated vacation leave. Vacation cannot be used to extend employment beyond the last actual day of work.

### **B. Sick leave**

1. Full-time employees accumulate sick leave credits of 4.32 hours per bi-weekly pay period without a maximum limitation. Sick leave may be granted for personal illness or disability, pregnancy of the employee or the employee's spouse, exposure to a contagious disease that would endanger the health of co-workers, eye and dental care, required medical examinations, counseling or treatment at approved centers for alcohol or drug abuse or psychiatric care. There is no minimum period of employment before sick leave may be used. If an employee gives notice of resignation and uses any sick leave hours during the notice period, a doctor's note will be required before the employee is compensated for time otherwise compensated for as sick leave.

### **C. General provisions for the accumulation and use of vacation and sick leave**

1. Effective June 23, 2011, for all new hires, accumulated hours of sick leave can be carried over from the State of South Dakota to the SDSTA only at the discretion of the Executive Director. With approval, only those hours that have not been paid out by the State of South Dakota will be credited as a beginning balance at the SDSTA. Documentation to verify hours not paid by the state must be provided in writing to the SDSTA. These hours will be used only after hours accrued through employment with the SDSTA have been used.
2. Requests for leave must be submitted to the employee's supervisor in advance and in writing. When the circumstances do not permit the prior submission of

requests for leave, the request must be submitted as soon as is conveniently possible upon the employee's return to work.

3. Employees terminated during the probationary period will not be paid accrued vacation leave.
4. Employees may not use more vacation leave than they have accumulated.
5. Requests for leave other than sick leave must be approved by the employee's immediate supervisor prior to the requested departure time.
6. Employees must notify their supervisor of illness prior to the start of their work shift.
7. Any time absent from the job without prior authorization or notification may at the supervisor's discretion be considered absence without leave, for which the employee may not use sick or vacation leave and will not be paid. Unauthorized or unreported absences may be cause for disciplinary action.
8. Upon an employee's resignation, retirement or dismissal from employment because of reduction in staff, 25 percent of accumulated sick leave, up to a maximum of 480 hours, will be paid to such employee but only if the employee has been employed with the SDSTA continuously for at least 7 years, measured from the first date of employment. The accumulated leave will be paid at the pay rate as of the employee's last date on the payroll. In the case of dismissal other than a reduction in staff, no payment for accumulated sick leave will be made. For the purpose of this subsection, employment with the State of South Dakota immediately preceding employment with the SDSTA shall count toward the 7-year requirement for payment of accumulated sick leave.

#### **D. Personal leave**

If necessary, full-time employees may use ~~up to 40 hours per year (state fiscal year, July 1–June 30)~~ of accumulated sick leave for personal leave. The leave may be used for:

1. A death in the immediate family of the employee or the immediate family of the spouse or significant other of the employee. For the purposes of this Policy, the term "immediate family" means ~~(defined as~~ father, mother, step-parents, spouse, significant other, children, foster children, step-children, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, siblings, step-siblings~~brothers, sisters,~~ grandparents, grandparents-in-law grandchildren, aunts, uncles, aunts-in-law, uncles-in-law, nieces and nephews~~step-children, step-parents or foster children).~~
2. The temporary care of members of the immediate family of the employee or the employee's spouse or significant other (see list above).
3. The birth or adoption of a child.
4. Volunteer police or rescue work.

5. A call to active duty of military reserve or National Guard members.

## **E. Administrative Leave**

Administrative leave is an administratively authorized absence from normal duty without loss of pay and benefits or use of other types of leave. Administrative leave may be approved in cases of reaction to natural, human-made or health-related emergencies. An emergency includes but is not limited to; inclement weather, utility failure, fire, terrorism, other forced evacuations or state of emergency. Administrative leave is not an entitlement, and SDSTA is not required to grant it. Only the Executive Director may approve a grant of administrative leave.

## **F. Family and Medical Leave Act (“FMLA”):**

The Family and Medical Leave Act of 1993 provides eligible employees with up to 12 weeks of unpaid, job-protected family and medical leave (“FML”) during a calendar year for certain family and medical reasons or up to 26 weeks for a family caregiver of an injured or ill service member. Employees are eligible if they have worked for at least one year and for 1,250 hours over the previous 12 months.

### **1. Reasons for taking leave.**

FML must be granted for any of the following reasons:

- a. To care for the employee’s child after birth or placement for adoption or foster care (the employee is eligible to use this leave anytime within 12 months of the birth or placement);
- b. To care for the employee’s spouse, son or daughter (who is under eighteen years old, unless the son or daughter is not capable of self-care due to mental or physical disability), or parent, who has a serious health condition;
- c. For a serious health condition that makes the employee unable to perform the employee’s job;
- d. Due to circumstances arising out of the fact that a covered military member (a spouse, son, daughter or parent) is on active duty or called to active duty status (e.g.: short-notice deployment, military events and related activities, childcare and school activities, making financial and legal arrangements, counseling, rest and recuperation, and post-deployment activities); or
- e. To care for a family member (spouse, son, daughter, parent or next of kin) who incurred a serious injury/illness as a result of active military service (up to 26 weeks combined FML leave in a single 12-month period).

### **2. Paid versus unpaid leave.**

- a. **Non-Worker’s Compensation:** Employees are required to use their paid leave, up to a maximum of 12 weeks, prior to taking leave under FML. FML will follow consecutively for an additional 12 weeks (and up to 26 weeks for a family caregiver of an injured or ill service member). If the employee has less

than 12 weeks of paid leave available, the FML period will start once the paid leave is exhausted. If the employee has paid leave remaining available after the initial 12 weeks required to be used, the employee may use the remaining available paid leave during the FML period. To use paid leave before or during the FML period, the employee must have leave available and must meet all the leave requirements of that particular type of paid leave; for example, sick leave can only be used for the employee's *own* illness.

- b. Worker's Compensation: Employees receiving temporary partial disability or temporary total disability benefits may take up to 10 hours of paid leave per week in addition to their worker's compensation benefits; provided, however, that the sum of the net (after payroll deductions) paid leave and workers compensation benefits may not exceed the net (after payroll deductions) salary to which the employee would be entitled if the employee were not receiving worker's compensation benefits. If the condition giving rise to the payment of workers compensation benefits constitutes a qualifying serious illness or injury under FML, then the absence shall be deemed leave under FML and the employee shall be so notified in writing. If after the FML 12-week period, the employee is unable to return to work, the employee's job is no longer protected pursuant to the FML.

### 3. Advance notice and medical certification

Except as otherwise provided herein, employees must provide advance notice of request for FML and appropriate proof of need for leave relating to a medical condition. Leave may be denied or delayed if these requirements are not met. The employee ordinarily must provide 30 days advance notice when the leave is foreseeable. In other circumstances, the notice must be given as soon as practicable. The SDSTA may require medical certification to support a request for leave because of a serious health condition, second or third opinions, periodic recertification, periodic reports regarding the employee's status and intent to return to work, and a fitness for duty report to return to work. Failure to provide this information may result in the denial of leave or other disciplinary action.

### 4. Job benefits and protection

- a. During FML, the SDSTA will maintain the employee's health insurance coverage at the same cost to the employee as if the employee was on the job. Any other benefits for which the employee may be eligible will also be maintained, but the employee shall remain responsible for the usual cost of such benefits. If the employee is on leave without pay, the employee must contact the Human Resources Office to make arrangements for the timely payment of premiums.
- b. Upon return from FML, employees other than certain highly-compensated employees will be restored to their original position or a position with equivalent pay, benefits and other employment terms.



- c. The use of FML will not result in the loss of any employment benefit that accrued prior to the start of an employee's leave.
  - d. The SDSTA may recover its share of insurance premiums if the employee fails to return after taking leave under certain circumstances.
5. Failure to return to work—If an employee fails to return to work after FML is exhausted, the employee may be subject to disciplinary action or termination due to inability to perform the essential functions of the job.
  6. To the extent any provision of this Section E is inconsistent with the terms of the Family and Medical Leave Act as applicable at the time of the FML, the terms of the Family and Medical Leave Act shall govern.
  7. Within five days of a request for FML leave or when SDSTA acquires knowledge that leave may be for an FML-qualifying reason, the SDSTA shall give persons whose leave is deemed FML leave eligibility notice and rights and responsibilities notice as required by FML.

## **G. Court and jury leave**

Full-time and probationary employees are eligible for court and jury leave. The employee shall immediately notify the employee's supervisor if the employee expects to be absent from work due to the court and jury obligations. Absences will be administered as follows:

1. Testifying in official capacity—If the employee is subpoenaed by either party to testify in any civil or criminal proceeding because of the employee's official capacity or is instructed by the supervisor to testify in an official capacity without being subpoenaed, the employee shall receive the employee's regular salary without loss of leave credits and may receive actual expenses according to state rates, but may not receive witness fees. The employee's supervisor and the SDSTA shall determine if the employee is testifying in an official capacity.
2. Subpoenaed to testify in non-official capacity—If an SDSTA employee is subpoenaed to testify in court in a non-official capacity and is not a party to the case, the employee shall receive the employee's regular salary from the SDSTA without loss of leave credits for the time spent testifying during regular working hours and may receive in accordance with SDCL 19-5-1 or any comparable federal law, witness fees and mileage from the party who issued the subpoena. However, the employee may not take court and jury leave for travel time or time when the employee is not reasonably expected to testify regardless of whether the employee has been subpoenaed for that period of time. If the employee is absent from the workplace while not testifying, the employee must use vacation leave or leave without pay. This leave must be requested in advance and is subject to the supervisor's approval.
3. Party or witness not subpoenaed to testify—If an employee is a party to or witness who has not been subpoenaed, the employee must use vacation leave

or leave without pay. This leave must be requested in advance and is subject to the supervisor's approval.

4. Service on jury—If an SDSTA employee is summoned to serve on a jury, the employee shall receive the employee's regular salary without loss of leave credits for the time spent on jury duty during regular working hours and shall be entitled to retain the per diem and mileage provided for by SDCL 16-13-46 or any comparable federal law.
5. The Executive Director is the final arbiter of whether an employee is eligible for court and jury leave.

#### **H. Military training leave**

Full-time employees are entitled to military training leave of up to 15 days per calendar year. Employees requesting military training leave must obtain a written certification from the commander of their reserve or National Guard unit indicating dates of the training period. This notice is to be submitted to the employee's supervisor at least 15 calendar days prior to the date of the employee's departure for training.

#### **I. Leave of absence without pay**

Prior permission must be obtained from the employee's supervisor to take a leave of absence without pay. If an employee has paid leave accumulated, the employee must use that before leave without pay is granted (see the Absenteeism and Tardiness Policy). While on leave without pay, employees will not accumulate leave credits and they must make provisions to pay for their own voluntary payroll deductions.

#### **J. Absence without leave**

Unauthorized and unreported absences may result in a deduction of pay and may be cause for disciplinary action. Employees must report the reason for any absence to their supervisor as soon as possible.

#### **K. Exceptions**

1. The Executive Director may grant specific employees leave in addition to or different than that provided for in this policy if the Executive Director deems such changes necessary to hire or retain a key employee. All exceptions will be made in writing.
2. Vacation leave granted by the Executive Director may be accumulated to a maximum of twice the annual accrual.



## Conflict of Interest Statement

In accordance with Article VII of the South Dakota Science and Technology Authority (SDSTA) Financial Conflict of Interest Policy, this statement affirms that the undersigned:

- a. Has received a copy of the Financial Conflict of Interest Policy,
- b. Has read and understands the policy, and
- c. Has agreed to comply with the policy.

---

*Signature*

---

*Date*

---

*Printed Name*

Page intentionally  
blank

**Executive Session—Chairperson Casey Peterson**

---

Meeting closed to public during executive session.

See recommended motion below.

---

**Recommended Action:**

*Motion to enter executive session to discuss personnel matters and to consult with legal counsel concerning contractual and legal matters.*

Page intentionally  
blank

**Report from Executive Session—Chairperson Casey Peterson**

---

See recommended motion below.

---

**Recommended Action:**

*“The board consulted with legal counsel concerning contractual and legal matters. No action was taken.”*

*OR*

*...as discussed and stated otherwise.*

Page intentionally  
blank



**Report from Nominating Committee—Mr. Dana Dykhouse**

---

**Nominating Committee Report**

May 20, 2020

Participants:

Mr. Dana Dykhouse, SDSTA Board of Director and Nominating Committee Chair

Mr. Roger Musick, SDSTA Board of Director and Nominating Committee Member

Mr. Dykhouse and Mr. Musick communicated as the nominating committee on May 20, 2020 for the purpose of nominating the slate officers for the 2020-2021 board year. The slate of officers is as follows:

Chairperson: Mr. Casey Peterson

Vice-Chairperson: Mr. Dana Dykhouse

Vice-Chairperson: Mr. Ron Wheeler

Secretary Treasurer: Ms. Patricia Lebrun

The nominating committee has contacted all of the candidates and they are each willing to serve in this capacity for another year.

---

**Recommended Action:**  
*Informational.*

Page intentionally  
blank

**Election of Officers—Chairperson Casey Peterson**

---

South Dakota Science and Technology Authority  
Election Procedures Policy

Adopted 6/24/08

The Board of Directors shall follow the following procedure for the nomination and election of officers.

- A. The nomination and election process shall be held in open session.
- B. At the last meeting of the Board before the Annual Meeting, the Chairperson shall appoint a Nominating Committee.
- C. The following procedure shall be utilized at the Annual Meeting:
  1. The Chairperson shall call for the report of the Nominating Committee.
  2. After the Nominating Committee reports, the Chairperson shall ask if any Board member intends to make additional nominations.
  3. If no Board member indicates the intention to make additional nominations, the Chairperson shall call for a motion to elect the slate recommended by the Nominating Committee.
  4. If any Board member indicates the intention to make an additional nomination for any office, the slate recommended by the Nominating Committee shall be deemed rejected and the following procedure shall be utilized:
    - a. The Chairperson shall call for oral nominations for the office of Chairperson. Once it appears that all nominations have been made, a motion that nominations cease would be in order. This motion may be made with or without a call for such motion by the Chairperson.
    - b. If there is only one nominee, a motion that all nominations cease and that the nominee be elected Chairperson would be in order. This motion may be made with or without a call for such motion by the Chairperson.
    - c. If there is more than one nominee, nominations shall continue until there is a successful motion that nominations cease.
    - d. Upon passage of a motion that nominations cease, the Chairperson shall call for a vote. Each Board member shall announce his or her vote out loud. Counsel for the Authority shall tabulate the vote and announce the results.
    - e. The successful candidate shall immediately take office as Chairperson and conduct the remainder of the election and the meeting.
    - f. The Chairperson shall follow the procedure set forth above for each of the remaining offices.
- D. Pursuant to SDCL 1-16H-11, the affirmative vote of no less than four Board members is necessary to elect any officer. If no candidate receives four votes, the Board will vote twice more. If no candidate receives four votes after three attempts, the election for that office will be deemed adjourned until the next meeting of the Board. At the next meeting, the Board shall commence the election procedure set forth above in Section C.4, but only as to any office not filled at the prior meeting. This procedure shall continue from meeting-to-meeting until a candidate receives at least four votes. Pursuant to Article III, Section 1 of the Bylaws, the officers in office as of the commencement of the Annual Meeting shall remain in office until their successors are duly elected.

This policy shall remain in effect until specifically rescinded or modified.

---

**Recommended Action:**

*Motion to accept the report from the nominating committee and to elect Casey Peterson as Chairperson, Dana Dykhouse as Vice Chairperson, Ron Wheeler as Vice Chairperson and Patricia Lebrun as Secretary/Treasurer, to take office at the end of the June 25, 2020 board meeting.*

Page intentionally  
blank

**Confirm date and time of next meeting—Chairperson Casey Peterson**

---

The next board meeting will be held on Thursday, September 17, beginning at 8:00 AM (Mountain Time).

<b>2020 Regular Quarterly Board Schedule</b>	
March 19, 2020	08:00 am (MT)
<b>June 25, 2020</b>	<b>08:00 am (MT), annual</b>
September 17, 2020	08:00 am (MT)
December 17, 2020	09:00 am (MT), catered lunch

*South Dakota Science and Technology Authority  
Sanford Underground Research Facility  
Education & Outreach Building (large conference room)  
630 E. Summit Street,  
Lead SD 57754  
Questions? Contact Mandy Knight, [mknight@sanfordlab.org](mailto:mknight@sanfordlab.org)  
Direct Line: 605.722.4022, Cell: 605.641.0475*

---

**Recommended Action:**  
*Informational.*

Page intentionally  
blank

**Public Comments—Chairperson Casey Peterson**

---

---

**Recommended Action:**

Page intentionally  
blank



**Board Comments—Chairperson Casey Peterson**

---

1. Dr. Ani Aprahamian
2. Mr. Dana Dykhouse, Vice-Chairperson
3. Ms. Pat Lebrun, Secretary-Treasurer
4. Mr. Roger Musick
5. Mr. Casey Peterson, Chairperson
6. Mr. Ron Wheeler, Vice-Chairperson
7. Dr. Robert Wilson
8. Dr. Jim Rankin, Ex-officio member

---

**Recommended Action:**

Page intentionally  
blank