

**South Dakota Association of Conservation Districts, Inc. Record of Proceedings
SDACD Board of Directors
September 25, 2016**

Call to order: Chair Carolyn Rudebusch called the meeting to order at 1:00 pm, September 25, 2016, in Deadwood, SD.

Present: Carolyn Rudebusch, Karl Jensen, Lyle Stewart, Duane Schneider, Mark Snedeker, Ken Graupmann, Dale Lundgren, Jack Majeres

Absent: Yvonne Yoder

Also present: Angela Ehlers, SDACD executive director; Fran Fritz, NACD director; John Knebel, area director-elect; Jeff Zimprich, USDA-NRCS; Kurt Forman, USDI-FWS; Kelly Hepler, SD Dept of Game, Fish & Parks; Robin Viestensz, Beadle Conservation District.

For the purpose of continuity, these minutes are not necessarily in chronological order.

Agenda: MOTION: Ken Graupmann moved, Lyle Stewart seconded, to adopt the agenda. Motion carried on a voice vote.

Internal affairs:

Minutes: MOTION: Karl Jensen moved, Mark Snedeker seconded, to approve the May 3-4 and July 20, 2016, board of director minutes. Motion carried on a voice vote.

Conflict of interest/whistleblower policy: MOTION: Duane Schneider moved, Lyle Stewart seconded, to amend the conflict of interest/whistleblower policy to read as follows. Motion carried on a voice vote.

This Conflict of Interest Policy governs the activities of the board and staff of the South Dakota Association of Conservation Districts (SDACD). Questions about the policy should be directed to the Executive Director or Compliance Officer. It is the duty of all board members and staff to be aware of this policy, and to identify conflicts of interest and situations that may result in the appearance of a conflict and to disclose those situations/conflicts/or potential conflicts to (i) the employee's supervisor (ii) the executive director, (iii) the Chair of the Board or (iv) the Compliance officer, or other designated person, as appropriate. This policy provides guidelines for identifying conflicts, disclosing conflicts and procedures to be followed to assist SDACD manage conflicts of interest and situations that may result in the appearance of a conflict.

1. What is a conflict of interest? A conflict of interest arises when a board member or staff member has a personal interest that conflicts with the interests of SDACD or arise in situations where a board/staff member has divided loyalties (also known as a "duality of interest"). The former can result in situations that result in inappropriate financial gain to persons in authority at SDACD which can lead to financial penalties and violations of IRS regulations. Similarly, situations or transactions arising out of a conflict of interest can result in either inappropriate financial gain or the appearance of a lack of integrity in SDACD's decision-making process. Both results are damaging to SDACD and are to be avoided.

Example #1: A person in a position of authority over the SDACD may benefit financially from a transaction between the Organization and the board/staff member; or others closely associated with the board/staff member may be affected financially. Family members, or their businesses, or other persons or the businesses of persons with whom the board/staff member is closely associated, could benefit from similar transactions.

Example #2: A conflict of interest could be a direct or indirect financial interest such as those described above, or a personal interest such as the situation where a board member of SDACD is also a board member of another nonprofit or for-profit entity in the community with which SDACD collaborates or conducts business.

2. Who might be affected by this policy? Typically persons who are affected by a conflict of interest policy are SDACD's board members, officers, and senior staff. In some cases a major donor could also be in a conflict situation. SDACD takes a broad view of conflicts and board/staff are urged to think of how a situation/transaction would appear to outside parties when identifying conflicts or possible conflicts of interest.

3. Disclosure of Conflicts. Board members and senior staff will annually disclose and promptly update any disclosures previously made on an Annual Conflict Disclosure Questionnaire form provided by SDACD that requests them to identify their interests that could give rise to conflicts of interest, such as a

list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members as well as other nonprofit organizations.

Board and staff are also urged to disclose conflicts as they arise as well as to disclose those situations that are evolving that may result in a conflict of interest. Advance disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict. Staff should disclose to their supervisor/Executive Director and board members should disclose to the board/Chairperson of the board as soon as the person with the conflict is aware of the conflict/potential conflict or appearance of a conflict exists.

4. Procedures to manage conflicts. For each interest disclosed, the full board, or the Executive Director or the Chairperson of the board, as appropriate, will determine whether the organization should: (a) take no action or (b) disclose the situation more broadly and invite discussion/ resolution by the full board of what action to take, or © refrain from taking action and otherwise avoid the conflict. In most cases the broadest disclosure possible is advisable so that decision-makers can make informed decisions that are in the best interests of the organization.

When the conflict involves a decision-maker, the person with the conflict ("interested party"): (i) must fully disclose the conflict to all other decision-makers; (ii) may not be involved in the decision of what action to take (e.g., may not participate in a vote) but may serve as a resource to provide other decision-makers with needed information.

In some cases the person with the conflict may be asked to recuse him/herself from sensitive discussions so as not to unduly influence the discussion of the conflict.

In all cases, decisions involving a conflict will be made only by disinterested persons

The fact that a conflict was managed and the outcome will be documented in the minutes of board meetings if the conflict was related to a board member, and reported by the Executive Director to the board/Chair of the board/other appropriate committee of the board if the conflict was related to a staff member.

The Chairperson of the board/Executive Director will monitor proposed or ongoing transactions of the organization (e.g., contracts with vendors and collaborations with third parties) for conflicts of interest and disclose them to the Board and staff, as appropriate, whether discovered before or after the transaction has occurred.

Whistleblower Protection Policy

South Dakota Association of Conservation Districts (SDACD) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the SDACD, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility : This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that SDACD can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of SDACD's code of ethics or suspected violations of law or regulations that govern SDACD's operations.

No Retaliation: It is contrary to the values of SDACD for anyone to retaliate against any board member, officer, employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of SDACD. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Reporting Procedure: SDACD has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the Compliance Officer. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to the SDACD's Compliance Officer, who has the responsibility to investigate all reported complaints. Employees with concerns or complaints may also submit their concerns in writing directly to their supervisor or the Executive Director or the organization's Compliance Officer.

SDACD Vice-president as Compliance Office: The SDACD's vice-president shall serve as the Compliance Officer and is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. The Compliance Officer will advise the Executive Committee/Board of Directors of all complaints and their resolution and will report at least annually to the Board of Directors on compliance activity relating to accounting or alleged financial improprieties.

Accounting and Auditing Matters: The SDACD's Compliance Officer shall immediately notify the

Executive Committee/Board of Directors of any concerns or complaint regarding corporate accounting practices, internal controls or auditing and work with the Executive Committee/Board of Directors until the matter is resolved.

Acting in Good Faith: Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality: Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations: The SDACD's Compliance Officer will notify the person who submitted a complaint and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

SDACD committee structure: The board discussed a proposal to improve member and partner participation and effectiveness by eliminating standing committees and establishing task forces or interim committees. Board members agreed to present the proposal to the standing committees and receive feedback.

Conferences and meetings:

2019 convention: An RFP was distributed, responses were received from the Aberdeen Dakota Event Center, Aberdeen Ramkota, Huron Crossroads, Mitchell Highlands Center, Rapid City Ramkota, Sioux Falls Ramkota, and Spearfish Holiday Inn. Responses were not received from Oacoma Cedar Shore, Pierre Ramkota, Rapid City Rushmore Plaza, Sioux Falls Sheraton/Convention Center, Sioux Falls Holiday Inn City Centre, and Watertown Ramkota. Motion: Dale Lundgren moved, Karl Jensen seconded, to negotiate the Aberdeen Ramkota proposal for \$119.99 flat and \$139.99 suite with \$750/day meeting room fee. Motion carried on a voice vote. Host will be the Prairie Area.

2016 convention: Preparations were reviewed.

2017 SDACDE training: The SDACDE will hold their training meeting Mar. 1&2, 2017, in Pierre. They requested topic suggestions. The board responded with: conflict of interest/whistleblower/ethics and technical issues that NRCS could provide training on.

Grants/cooperative assistance:

Pilot customized leadership project: The partnership team reported they met with Edmunds CD who agreed to participate. Plans are being made to meet with the other two proposed sites.

319 water quality planning grant application: Angela Ehlers reported the application will be submitted with four components: planning consultants, Farm Bill technical assistance, soil health curriculum and materials for Earth Science teachers, and pilot of FieldPrint calculator and Resource Stewardship Evaluation.

NRCS agreements: Angela Ehlers and Jeff Zimprich reviewed the four agreements SDACD is currently sponsoring: 14-044 (Farm Bill technical assistance) contribution agreement has been extended, 15-529 (conservation planners to assist Big Sioux project) contribution agreement has been extended, 15-519 (NRI range data collection) contract started in August, and 16-523 (multi-district technical assistance) contribution agreement will start after convention. Angela Ehlers outlined the process and procedures that will be used to assist 16-523 operate efficiently.

Beadle CD tree research grant proposal: The board reviewed further information provided by Beadle CD. MOTION: Duane Schneider moved, Ken Graupmann seconded, to reimburse Beadle Conservation District \$1,156.50 cost-share for work already performed and to enter into a 3-year research agreement for cost-sharing monitoring, administration, weed control and mowing. Motion carried on a voice vote.

Staffing agreements: Angela Ehlers provide the board with updates on staffing agreements with SD Grassland Coalition and SD Soil Health Coalition.

State issues:

SD Dept of Game, Fish & Parks: Secretary Kelly Hepler introduced himself to the board of directors. They discussed cooperation among conservation interests, Farm Bill soil health and the Governor's proposed buffer legislation.

Conservation partnership retreat: The partners added progress dates in the locally-led strategic communications plan. Action items related to the future wheel topics were again requested. Those

received to date were reviewed.

Mass fatality response memorandum of understanding: The SD Department of Health seeks to update the agreements with conservation districts to use tree coolers as temporary morgues if necessary. The Dept requested SDACD sign on behalf of all conservation districts. SDACD responded that the Association would serve as point of contact but individual conservation district agreements were needed. The board reviewed two proposed agreements - one between SD Dept of Health and SDACD and one between SDACD and individual conservation districts. The board added an item to reflect the SD Dept of Health assume costs of operation and maintenance when they control the facility. Once that item is included, they approved sending the agreements to the conservation districts for review and approval. Angela Ehlers noted this topic was also on the SDACDE membership meeting occurring at the same time.

USDA leasing effort: Jeff Zimprich noted a national effort is to reduce costs by reducing USDA's footprint. This is creating a challenge to NRCS and partners under the "150 all in" effort (number of employees x 150 square feet = all space including meeting, storage, etc). Challenge is especially difficult in offices with fewer employees.

2017 legislature: Angela Ehlers noted legislative session will begin January 10 with budget address to be held in December. The board reviewed activities of interim legislative committees and other potential legislation. As a member of the River Basin Natural Resources Districts Oversight Advisory Task Force, Karl Jensen reported the Task Force may introduce legislation to define boundaries and process to revise boundaries and to provide for elections and board vacancies. The Task Force began discussing governance issues. Their next meeting is November 22. The Ag Property Valuation Task Force is addressing four issues: crop vs. non-crop productivity evaluation methods, discrepancies in west river counties, highest and best use parameters, and updates of soils tables. Their next meeting is October 17. Governor Daugaard released draft legislation regarding tax assessment of riparian buffers. Secretary Hepler provided background to the proposal. Items discussed between the board and partners included potentially including defined drainage ditches, the need for the program to be voluntary and not mandatory, and technical assistance needs for planning assistance. Livestock Development Task Force member Duane Schneider noted Task Force members are considering several legislative items to include level of permit review. Development of a standard matrix is being worked on but will not be considered for legislation at this time. Plans for the Animal Disease Research and Diagnostic Lab (ADRDL or state vet lab) are in preliminary design stage with a potential cost of over \$70 million. Consideration being held now on how to pay for it - possibly with a combination of state funds and fee increases. FY2018 information on the conservation grants funding is not available at this time.

Revised general permit: A contested case hearing will be held September 27-29. Participants are SD DENR, Dakota Rural Action, SD Cattlemen's Association, SD Dairy Producers, SD Pork Producers Council, and Sonstegard Foods Company.

National issues:

CstP re-invention: Jeff Zimprich noted Regional Conservationist Kevin Wickey will outline more information on Monday. The goal is for Conservation Stewardship Program to be more transparent, more accountable and more tied to conservation technical standards.

Adjourn: Chair Rudebusch adjourned the meeting at 4:37 p.m.

Respectfully submitted, Angela Ehlers, Executive Director

Next meeting: conference call at 8:00 pm Central/ 7:00 pm Mountain on Wednesday, October 19.