

SOUTH DAKOTA STATE RAILROAD BOARD MEETING

October 7, 2015 @ 1:00 PM

DOT Building – Room 255

Pierre, South Dakota

MEMBERS: Todd Yeaton, Chair via phone
Carl Anderson via phone
Jeff Burket via phone
Jerry Cope via phone
Sheldon Cotton
Gary Doering

PHONE: Dave Cole with Dakota Mill & Grain

STAFF: Darin Bergquist, Bruce Lindholm, Misty Siedschlaw, Bill Nevin, Bonnie Olson, and Jeryl Lynn Stein

Agenda Items:

Call to order

- 1) Approve the minutes of meeting on September 16, 2015
- 2) Discussion on Dakota Mill & Grain request to remove portion of Presho siding
- 3) Marshall County RRA lease and sublease
- 4) Discussion on closing account fund 6517
- 5) Discussion on bridge planks from MRC project as salvage

Chair Yeaton called the regular meeting of the South Dakota State Railroad Board (the "Board") to order at 1:05 p.m. with a quorum present (via phone).

Secretary Bergquist provided the Board with a brief update from the last meeting regarding the 60 day lease with Dakota Southern Railway Company and the performance standards the Board would like included in the 20 year lease. The Department requested guidance from the Board regarding what performance standards the Board would like set out in the terms of the agreement.

- 1) Motion by Anderson, second by Cope, to approve the September 16, 2015, Railroad Board meeting minutes. Motion carried by roll call vote (all aye).

Bruce Lindholm, Office of Air, Rail, and Transit

2) Discussion on Dakota Mill & Grain request to remove portion of Presho siding

Cope recused himself from this discussion.

Dakota Mill & Grain (DM&G) submitted a request to the Board to allow DM&G to remove the siding track north of the mainline in Presho.

Motion by Anderson, second by Doering to approve DM&G's request for removal of siding and to direct the Department to negotiate the insurance requirements for the agreement and to enter into an agreement for the removal of the siding. Motion carried by roll call vote (5 aye, 1 abstain [Cope]).

3) Marshall County RRA lease and sublease

Dakota, Missouri Valley & Western (DMVW) submitted a request to the Board for a longer term lease in exchange for DMVW providing funding for the upgrade of the Britton Line. The revised lease would be structured like the other leases with the lease payment being 1 ½% to the regional railroad authority with 1% being provided to the state. This lease would also make the wye project a commitment of the state.

Motion by Cope, second by Burket to table the discussion of the lease with DMVW until the November meeting and to include covenants to standardize the lease agreements.

Motion failed by roll call vote (3 aye, 3 nay).

Motion by Doering, second by Cotton to approve the lease and sublease as submitted to the Board. Motion carried by roll call (4 aye, 2 abstain [Cope and Yeaton]).

4) Discussion on closing account fund 6517

As a condition of the Core line sale, the state committed to funding several projects. All of the projects have been completed except for the interchange improvements in Sioux City. There is \$34,978.90 remaining in fund 6517 and DOT has submitted a request to the Board to close account fund 6517 and add the remaining balance to the Railroad Trust Fund (3044).

Motion by Cotton, second by Anderson to approve the closing of account fund 6517 and move funds to the Railroad Trust Fund (3044). Motion carried by roll call vote (all aye).

5) Discussion on bridge planks from MRC project as salvage

Missouri River Bridge inspection and walk way planks will be replaced as part of the MRC project. Planks range in size from 2 ft. x12 ft., 3 ft. x 10 ft., 3 ft. x 12 ft. and ranging in length from 12 to 20 ft. Once all the material is removed, over 100, 000 board feet of material will be available. There is interest in the planks by area residents. The DOT is requesting the Board declare the material to be in excess of needs of the state and authorize the sale of the excess property

Motion by Anderson, second by Cotton to declare the bridge planks excess to the needs of the state and to authorize and direct the Department to advertise for bids the excess bridge planks. Motion carried by roll call vote (5 aye, 1 abstain [Yeaton]).

Lindholm provided the Board with an update on the MRC project. The project is on schedule.

The meeting was adjourned at 2:23 p.m. upon a motion for adjournment by Burket, seconded by Cotton.

Next meeting is scheduled for November 17, 2015, at 11:00 a.m.