

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING  
BECKER-HANSEN BUILDING  
COMMISSION BOARDROOM  
FEBRUARY 17, 2016 @ 11:00 A.M.**

**AGENDA**

WEDNESDAY  
FEBRUARY 17, 2016

11:00 A.M.

**Todd Yeaton, Chair**

- Call to Order
- Approve the minutes of meeting on January 20, 2016

**1**

11:15 A.M.

**Bruce Lindholm, Office of Air, Rail, and Transit**

- Consideration of RCP&E TIGER grant funding
- Consideration of State owned rail line maintenance plans
- Update on MRC line project

**2**

**3**

**Adjourn**

To participate by telephone, please dial **1-866-410-8397** and enter code **1289182255** to be logged into the meeting

Notice is further given to individuals with disabilities that this board meeting is being held in a physically accessible place. Any individuals with disabilities who will require a reasonable accommodation in order to participate in the board meeting should submit a request to the department's ADA Coordinator at 605 -773-3540 or 1-800-877-1113 (Telecommunication Relay Services for the Deaf). Please request the accommodations no later than **2 business days prior to the meeting** in order to ensure accommodations are available.

Meeting agendas are now posted online at Boards and Commissions site  
<http://boardsandcommissions.sd.gov/>

SOUTH DAKOTA STATE RAILROAD BOARD MEETING  
January 20, 2016 @ 11:00 AM  
DOT Building – Commission/Boardroom  
Pierre, South Dakota

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

OTHERS: Alex Huff, Bill Ferguson, Carey Bretsch, Andy Kankin, and Randy Englund

PHONE: Jack Parliament, Chris Brozik, Terry Carter, and Jeff Cooley

STAFF: Darin Bergquist, Joel Jundt, Bruce Lindholm, Misty Siedschlaw, Kellie Beck, Bill Nevin, Bonnie Olson, Lynn Kennison and Tessa Wenner

**Agenda Items:**

Call to order

- 1) Approve the minutes of meeting on December 16, 2015
- 2) Consideration of Marshall County RRA lease and sub-lease agreements
- 3) Consideration of bid opening of surplus of railroad bridge timber
- 4) Consideration of Reliance Rail LLC option to lease, siding removal, and lease
- 5) Consideration of Amendment #3 to A & R Land Services, Inc. contract #910944
- 6) Consideration of Dakota Southern Railway Company's in-kind match agreement
- 7) Consideration of Napa to Platte lease extension
- 8) Update on MRC line project
- 9) Update on TIGER 2015 RCP&E project

Chair Yeaton called the regular meeting of the South Dakota State Railroad Board (the "Board") to order at 11:00 AM with a quorum present.

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

**Bruce Lindholm, Office of Air, Rail and Transit**

- 2) Consideration of Marshall County RRA lease and sub-lease agreements

Lindholm provided information regarding the Marshall County Regional Railroad Authority lease and sub-lease. The discussion included changing the payment language and effective date of both documents.

Motion by Cotton, second by Doering, to approve Marshall County lease and sub-lease agreements with the following items changed in the agreements:

1. Revise Section 19 of the lease agreement with Marshall County Regional Railroad Authority and Section 18 of the sublease agreement with Dakota, Missouri Valley & Western, Inc. to allow for the renegotiation of the rent in the event car storage occurs; and,
2. Change the effective date of the agreements from January 1, 2015, to January 1, 2016, and change the payment section so that the first rental payment under the new lease and sublease agreements would not be due until 2017.

Motion carried by roll call vote (all aye)

- 3) Consideration of bid opening of surplus of railroad bridge timber

Lindholm provided information from the two bids that were received. James Schaefer provided the highest bid of \$4,000.00.

Motion by Burket, second by Doering, to award a purchase agreement to James Schaefer in the amount of \$4,000.00 for surplus railroad bridge timber consistent with the terms of the bid documents.

Motion carried by roll call vote (all aye)

- 4) Consideration of Reliance Rail LLC option to lease, siding removal, and lease

Lindholm provided information concerning Reliance Rail LLC's counterproposal to enter into an option to lease rather than a lease agreement. The rental rate would remain the same during the option period.

Motion by Quenzer, second by Burket, to approve the Reliance Rail LLC option to lease, siding removal, and lease.

Motion carried by roll call vote (all aye).

5) Consideration of Amendment #3 to A & R Land Services, Inc. contract #910944

Lindholm informed the Board, moving forward the Department would be bringing railroad administrative decisions to the Board. Lindholm requested approval of Amendment #3 to A & R Land Services, Inc. contract #910944.

Motion by Anderson, second by Doering, to authorize the Department to enter into Amendment #3 to A & R Land Services, Inc. contract #910944, to add an additional \$15,000 to the agreement to complete the services required under the current agreement.

Motion carried by roll call vote (all aye).

**Darin Bergquist, Secretary of South Dakota Department of Transportation**

6) Consideration of Dakota Southern Railway Company's in-kind match agreement

Secretary Bergquist briefed the Board on the pending agreement with Dakota Southern Railway Company. As part of the MRC II Tiger Grant application, Dakota Southern Railway Company pledged \$1 million dollars of work towards the project. In May 2015, the Board approved an agreement with Dakota Southern Railway Company documenting the items of work to be completed and agreeing to the \$1 million value for that work. In July 2015, this agreement was incorporated into the overall funding package for the project.

Governor Daugaard did not concur with the proposed agreement because (1) some of the work contemplated under the agreement was later awarded to other contractors as part of the bid package for the project; and (2) the agreement was prospective in nature as to the types and amounts of work to be done.

Secretary Bergquist requested the Board adopt a process for this and future situations where the Board would approve the types of work to be done, but the value for that work would not be established until the work was completed and exact quantities were known. The agreed upon value for this type of work will not be presented to the Board until reviewed by a third party from outside the Department who is knowledgeable regarding the fair market value for work of this nature.

Motion by Burket, second by Doering, to approve a resolution adopting the process recommended by Secretary Bergquist as follows:

1. The Department will present to the Board for approval a memorandum of understanding with the party providing the in-kind match work detailing the types of work to be performed on a project;

2. Once work is completed, the Department will have a review completed by a third party from outside the Department who is knowledgeable regarding the fair market value for work of this nature;
3. The Department will present to the Board for approval the value of the work to be considered as in-kind match; and,
4. The Department will provide the party that performed the work a letter detailing the work performed and a value for the work as approved by the Board.

Motion carried by roll call vote (all aye).

Secretary Bergquist requested the Board authorize the Department to enter into a memorandum of understanding with Dakota Southern Railway Company memorializing the new process of establishing the value for work to be performed on the MRC II project and identifying the types of work for which credit will be given.

Motion by Burket, second by Quenzer authorizing the Department to enter into an memorandum of understanding based on the new process outlined above as requested by Secretary Bergquist.

Motion carried by roll call vote (all aye).

7) Consideration of Napa to Platte lease extension

Secretary Bergquist requested the Board approve a six month lease with Dakota Southern Railway Company for the Napa to Platte line. Secretary Bergquist is continuing to work with the Governor's Office on reviewing a variety of legal issues associated with the Board's granting of a long term lease directly to Dakota Southern Railway Company.

Motion by Cotton, second by Burket, to approve a six month lease with Dakota Southern Railway Company for the Napa to Platte line.

Motion carried by roll call vote (all aye).

8) Update on MRC line project

Lindholm updated the Board on the status of the MRC project. Lindholm stated the Missouri River Bridge was nearly complete, as well as the smaller bridges east of Reliance, and the culvert lining has been completed. There remains some minor rip rap work east of Reliance and some clean-up work, both of which are the responsibility of the culvert lining contractor. Koppers Railroad Structures, Inc., the bridge contractor, is planning on bringing in additional people to complete the project

by March 31, 2016. Railworks, LLC is planning on mobilizing back to the project March 1, 2016, weather permitting.

9) Update on TIGER 2015 RCP&E project

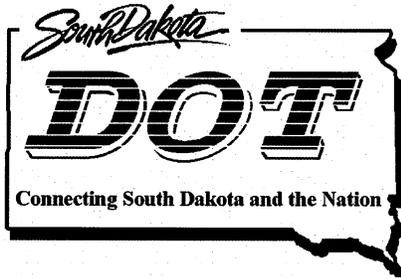
Lindholm updated the Board on the status of the TIGER 2015 Rapid City, Pierre & Eastern Railroad, Inc. (RCP&E) project. Because acquisition of professional services is required to comply with the Brooks Act, the Department will contract with Civil Design, Inc., for civil engineering services and HDR, Inc., for environmental services for the project. The Department has a process that complies with the Brooks Act and has these firms under contract already. The payment for these services will be part of the state match. The Department will review and approve consultant invoices before forwarding them on to be paid by the Governor's Office of Economic Development (GOED). The state match for these projects will be paid out of Future Funds by GOED.

Lindholm reported that the purchase of steel for the project will happen ahead of the grant agreement and the cost will be paid by RCP&E as part of their match. The Federal Railroad Administration is in agreement with this purchase ahead of the grant agreement.

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The meeting was adjourned at 12:20 PM upon a motion for adjournment by Burket, second by Anderson.

Next meeting is scheduled for February 17, 2016, at 11:00 a.m.



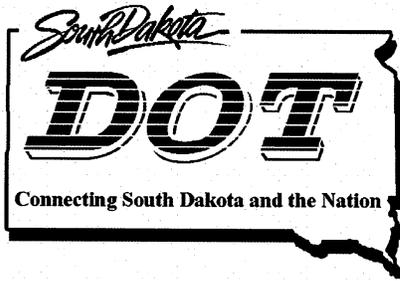
Department of Transportation  
Division of Secretariat  
Office of Air, Rail & Transit  
700 East Broadway Avenue  
Pierre, South Dakota 57501-2586  
OFFICE: 605/773-3574  
FAX: 605/773-2804

## MEMORANDUM

Date: February 4, 2016  
To: South Dakota State Railroad Board  
From: Darin Bergquist, Secretary, Department of Transportation  
Subject: RCP&E TIGER Grant Funding

The TIGER VII project for the RCP&E includes 9.25 miles of rail relay (115# CWR and 7550 new ties) in the Huron area and the construction of a 7000 foot siding west of Philip. This \$12.4 million project will be funded with a \$6 million TIGER Grant, \$4.4 million of RCP&E funds and \$2 million in Future Funds from GOED.

DOT is requesting Board approval to enter into funding agreements with GOED and RCP&E for their portions, and approval to enter into a grant agreement with USDOT for the TIGER Funding.



Department of Transportation  
Division of Secretariat  
Office of Air, Rail & Transit  
700 East Broadway Avenue  
Pierre, South Dakota 57501-2586  
OFFICE: 605/773-3574  
FAX: 605/773-2804

## MEMORANDUM

Date: February 11, 2016  
To: South Dakota State Railroad Board  
From: Darin Bergquist, Secretary, Department of Transportation  
Subject: Maintenance Plans for State Owned Rail

One of the recommendations that came out of the State Rail Plan was for the State to require annual Maintenance Plans for those state owned railroads that are in operation. The SD Rail Road Board directed DOT to collect these maintenance plans.

Attached please find the 2015 Maintenance Plans as proposed, the results of the 2015 Maintenance Plans and the 2016 Maintenance Plans.

We did not receive a maintenance plan for the Huron to Yale Line for 2015. However, some work was done on the line. 2,100 tons of ballast was placed in 2015. The ballast was purchased by East Central Regional Railroad Authority and placed by RCP&E. The funds for this project were generated by car storage east of Yale.

We did not receive a maintenance plan from DMVW for the Britton Line in 2015. I have included the 2016 maintenance plan.

# D & I RAILROAD CO.



300 S. PHILLIPS AVE. • SUITE 200  
P.O. BOX 5829  
SIOUX FALLS, SD 57117-5829  
PHONE 605-334-5000  
FAX 605-334-3656

1/26/16

Bruce Lindholm  
South Dakota Department Transportation  
Office of Local Transportation Programs  
700 E Broadway Ave.  
Pierre, SD 57501

RE: SVRRA / D & I Railroad Maintenance Plan  
Description: Canton to Elk Point and Hawarden to Beresford

Dear Bruce,

Per your request, the D & I Railroad is submitting the information below concerning the annual maintenance on the SD owned rail line between Canton and Elk Point and between Hawarden and Beresford.

The 2015 ROW Maintenance (between Canton & Elk Point and Hawarden & Beresford) included the following points, which have been completed, or otherwise noted below:

- Annual weed control by DeAngelo Brothers Spraying and MOW workforce:  
16 ft. track structure sterilization, 10 ft. to 40 ft wide broadleaf control as required  
DONE
- Mowing program: 3 ft. from ballast section along entire ROW as needed  
DONE
- Timber crossing renewal at MP 22.91 between Hawarden and Chatsworth  
DONE
- Timber crossing renewals at MP 3.81, MP 5.09 and MP 11.86 between Hawarden and Beresford. NOT DONE – scheduled for 2016
- Continued used tie removal and disposal DONE
- Tree and brush trimming and removal as needed along the ROW and around bridges  
DONE

#### Main Track Maintenance:

- Ballast and surfacing at the following locations (approximately 1600 tons of ballast):
  - MP 2.5 to MP 4.5 DONE
  - MP 12.7 to MP 13.0 DONE
  - MP 29.1 to MP 29.9 DONE
  - MP 37.5 to MP 38.0 NOT DONE
  - MP 48.5 to MP 49.0 DONE
  - Other locations as needed DONE, resurfaced between MP 22.5 and MP 24.5

- Tie Replacement in the following areas:
  - MP 22 to MP 25 (approximately 1200 ties) DONE
  - MP 28 to MP 29 (approximately 700 ties) DONE
  - Other locations as needed (approximately 300 ties)
  - Installed about 430 ties between MP 25 and MP 26
- Rail welding and de-stressing MP 37.8 to MP 38.0 DONE

Improvements:

- Main Track Rail Relay ALL DONE
  - 4600 ft of 100# rail replaced with 80' sections of 115# between MP 25.1 and MP 25.9 in Hawarden
  - Other locations as needed (broken rails, worn rails)
- Bridge Renewals (as part of Grant / Loan program):
  - T-504 Rebuild with pre-stressed pre-cast concrete ballast deck slab DONE
  - T-528.5 Replaced with 8' x 8' precast box culvert  
DONE
  - T 532.5 Rebuild with pre-stressed pre-cast concrete ballast deck slab  
DONE
  - T 536 Rebuild with pre-stressed pre-cast concrete ballast deck slab  
DONE
  - T-586 Rebuild with pre-stressed pre-cast concrete ballast deck slab  
DONE
  - T-646 Rebuild with pre-stressed pre-cast concrete ballast deck slab  
DONE
  - T-480 Hydraulic study, bridge analysis, geotechnical exploration, engineering and design ONGOING

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The 2016 ROW Maintenance (between Canton & Elk Point and Hawarden & Beresford) is projected to include the following:

- Annual weed control by DeAngelo Brothers Spraying and MOW workforce: 16 ft. track structure sterilization, 10 ft. to 40 ft wide broadleaf control as required
- Mowing program: 3 ft. from ballast section along entire ROW as needed
- Timber crossing renewals at MP 3.81, MP 5.09 and MP 11.86 between Hawarden and Beresford.
- Continued used tie removal and disposal
- Tree and brush trimming and removal as needed along the ROW and around bridges

Main Track Maintenance:

- Ballast and surfacing at the following locations (approximately 1000 tons of ballast):
  - All jointed track between Canton and Elk Point (approximately 10 miles)
- Tie replacement:
  - Between Canton and Elk Point and between Hawarden and Beresford, as needed (approximately 500 ties)
  - Between MP 30 and MP 35 (approximately 1000 ties)

- Main Track Rail Relay
  - Replace rail as needed (broken rails, worn rails)

**Improvements:**

- Bridge Renewals (as part of Grant / Loan program):
  - T-472 Rebuild with pre-stressed pre-cast concrete ballast deck slab
  - T-476 Rebuild with pre-stressed pre-cast concrete ballast deck slab
  - T-478 Rebuild with pre-stressed pre-cast concrete ballast deck slab
  - Continue the hydraulic study, bridge analysis, geotechnical exploration, engineering and design criteria for Bridge T-480

Annually we are constantly inspecting the track and bridges to identify any and all FRA defects and doing whatever is necessary to address any of those issues. All of the above maintenance and improvements are subject to change and priorities and/or plans may change, as well.

To summarize, in 2015, the D & I Railroad spent over \$2.25 million on maintenance and improvements along the ROW. These figures include the Sioux Falls to Dell Rapids line and the two yards in Sioux City, which are an integral part of the rail system. In 2016, we expect the budgetary figure to be somewhat less, due to a lesser amount spent on rail renewal and improvements.

Very sincerely,



Jack Parliament  
President / Gen. Mgr.  
D & I Railroad Co.  
300 S. Phillips Ave.  
Sioux Falls, SD 57117

CC: Maggie Gillespie, SVRRA  
Russ Hazel, SVRRA  
Steve Mousel, L.G. Everist, Inc.  
Kevin Oliver, D & I Railroad Co.

**MRC REGIONAL RAILROAD AUTHORITY**  
THOMAS L. GREENWAY, CHAIRMAN  
c/o PLANNING & DEVELOPMENT DISTRICT III  
PO BOX 687  
YANKTON, SD 57078

January 26, 2015

Mr. Bruce Lindholm, Program Manager  
SD Department of Transportation  
Division of Air, Rail, and Transit  
700 E. Broadway Ave.  
Pierre, SD 57501-2586

**RE: MRC Regional Railroad Authority Maintenance Plan on the  
Leased/Subleased MRC Rail Line**

Dear Mr. Lindholm:

I am writing to you regarding your correspondence to me of December 12, 2014. It is my understanding that the MRC Regional Railroad Authority is to submit to you by January 30, 2015, a maintenance plan covering proposed maintenance that will be done on the MRC rail line in 2015. The MRC rail line is currently leased by the MRC Regional Railroad Authority and subleased by the Authority to Dakota Southern Railway Company.

I and Ken Cotton, the attorney for the MRC Regional Railroad Authority, met with Lester Thompson, the Roadmaster and person in charge of the MRC rail line per the sublease with Dakota Southern Railway Company, at Mt. Vernon, SD, on Monday, January 5, 2015.

During that meeting in Mt. Vernon, Mr. Thompson presented to me a document that he had put together as the Roadmaster for the Dakota Southern Railway Company on the MRC rail line, which he asked to be considered the maintenance plan by the DSRC as to operations on the MRC line for the year 2015. I am attaching this document signed by Mr. Thompson and marked Exhibit 1 to this letter. During the discussion of January 5, 2015, we inquired of Mr. Thompson if there were any encroachments on any portion of the MRC rail line that he was aware of as the Roadmaster for the Dakota Southern Railway Company. Mr. Thompson replied in the affirmative and we began talking about areas where the local landowners were encroaching upon the MRC rail line. That led to a revision of Mr. Thompson's proposed maintenance plan that was presented to me at the Mt. Vernon meeting on January 5, 2015. A new paragraph 8 was added to the January 5, 2015, document (Exhibit 1), which specifically sets out the milepost numbers and the townships and section numbers wherein there has been encroachment upon the line by adjoining land owners. Mr. Thompson has also attached pages from various township atlases and the names of what he believes are prospective owners of some of these properties involved. I am attaching the revised document dated January 19, 2015, as Exhibit 2 to this letter.

Exhibit 2 also includes the information that Roadmaster Thompson put together concerning who he believes are the probable owners of the properties described in the various township and sections set out in Exhibit 2.

The MRC Regional Railroad Authority board of commissioners will be meeting via teleconference on Friday, January 30, 2015, for consideration of this proposed 2015 maintenance plan for the MRC rail line. January 30<sup>th</sup> was the first day we could get everyone together so that we would have a quorum for our meeting.

It is my understanding that Attorney Ken Cotton had a teleconference on January 26, 2015, and indicated to you that he would email an attachment of this letter and Exhibit 1 and Exhibit 2 so that you had that available by January 30, 2015. That will, of course, be unsigned and as soon as we have a chance to have our conference call, at which time I am assuming that the board will approve the contents of this letter and Exhibits 1 and 2, I will notify you Friday afternoon of that approval and promptly mail to you a signed copy of this letter with the exhibits set forth herein as the final proposed maintenance plan for 2015 by the MRC Regional Railroad Authority.

Thanks, Bruce, and should you have any questions or comments whatsoever, please do not hesitate to contact me or the Authority's attorney, Ken Cotton, in Wagner, SD. Ken can be reached at 605-384-5471. Also, you are more than welcome to appear at the teleconference meeting at 12 noon on Friday, January 30, 2015. If you call Ken's office, he can give you the dial-in number and the access code for the conference call.

Sincerely,  
MRC Regional Railroad Authority,  
a South Dakota Political Subdivision

By: \_\_\_\_\_  
Thomas L. Greenway, Chairman

Exhibit 1

To: MRC Rail Board

Let this stand as a maintenance plan by the Dakota Southern Railway's operations on the MRC line for the year 2015.

Dakota Southern Railway will be involved in several projects of improvement to the MRC line for year of 2015.

These improvement projects are as follow:

1. DSRC will aid in the demolition and clean up of three elevator structures in the city of Pukwana with in the months of Feb. or March. This project is joint effort with the City of Pukwana. The effort is to remove and improve property along the MRC line in hopes of drawing future business to the site.

2. DSRC will be providing pre-construction prep work of vegetation removal, sod removal, and lifting and tamping the rail line from mile post 439.6 to mile post 482. This is part of DSRC's contribution to the second phase of the rehabilitation to the MRC line. DSRC will dedicate man power and machinery to this phase starting in late March or early April and anticipates this will last until June, given there is no set backs due to unforeseeable circumstances .

3. DSRC has purchased 136 lb. switch material to replace the much smaller 90 lb. switches at Titterton siding (mile post 375.3 and mile post 375.5). This upgrade will match the switches to the existing 135 lb. rail on the mainline.. This project will be completed by the end of Sept. 2015.

4. DSRC will purchase and place ballast at several locations that where lifted and tamped in 2014 starting at mile post  
375.5 to 375.8  
377 to 377.4  
385.5 to 385.6  
390 to 390.2  
394.5 to 394.7  
405 to 406 spot dumping  
410.3  
415.6

These spots will consume up to 1000 ton of ballast.. Plans are to start in April.

5. Routine vegetation control of noxious weeds will start in late April and continue trough out the year spraying at least three times from mile post 374.6 to mile post 439.6.

6. There will be several broken rails to repair at various locations.

7. DSRC will perform routine surfacing projects throughout the year from mile post 374.6 to 439.6. This will be based upon routine inspection . Each site will be based up evaluation by the Roadmaster to what areas are deemed a priority.

8. DSRC will replace ties in designated areas deemed as priority spots by the Roadmaster.



## Exhibit 2

To: MRC Rail Board

January 19, 2015

Let this stand as a maintenance plan by the Dakota Southern Railway's operations on the MRC line for the year 2015.

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These improvement projects are as follow:

1. DSRC will aid in the demolition and clean up of three elevator structures in the city of Pukwana with in the months of Feb. or March. This project is joint effort with the City of Pukwana. The effort is to remove and improve property along the MRC line in hopes of drawing future business to the site.
2. DSRC will be providing pre-construction prep work of vegetation removal, sod removal, and lifting and tamping the rail line from mile post 439.6 to mile post 482. This is part of DSRC's contribution to the second phase of the rehabilitation to the MRC line. DSRC will dedicate man power and machinery to this phase starting in late March or early April and anticipates this will last until June, given there is no set backs due to unforeseeable circumstances .
3. DSRC has purchased 136 lb. switch material to replace the much smaller 90 lb. switches at Titterton siding (mile post 375.3 and mile post 375.5). This upgrade will match the switches to the existing 135 lb. rail on the mainline.. This project will be completed by the end of Sept. 2015.
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 These spots will consume up to 1000 ton of ballast.. Plans are to start in April.
5. Routine vegetation control of noxious weeds will start in late April and continue trough out the year spraying at least three times from mile post 374.6 to mile post 439.6.
6. There will be several broken rails to repair at various locations.
7. DSRC will perform routine surfacing projects throughout the year from mile post 374.6 to 439.6. This will be based upon routine inspection . Each site will be based up evaluation by the Road master to what areas are deemed a priority.
8. DSRC will replace ties in designated areas deemed as priority spots by the Road master.

The MRC right of way has several areas that local farmers are encroaching on.

These areas are as follow:

MP 377 to 377.5 both sides of the track. Land is located in the Beulah Township section 24 n Davison County.

MP 382 to 382.5 south side of track. Land is located in Beulah township section 19 in Davison County

MP 383.5 to 384 both sides of track. Land is located Mt. Vernon township section 24 in Davison County.

MP 385 to 385.3 south side of track. Land is located in Mt. Vernon township section 22 in Davison County.

MP 392 to 393 north side of the track. Land is located in the Hopper township section 22 of Aurora

**Kennison, Lynn**

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**From:** Lindholm, Bruce  
**Sent:** Friday, February 05, 2016 8:36 AM  
**To:** Kennison, Lynn  
**Subject:** FW: 2015 maintenance Plan update

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**From:** Lester Thompson jr [<mailto:lesterdthompsonjr@yahoo.com>]  
**Sent:** Friday, November 06, 2015 5:08 PM  
**To:** Lindholm, Bruce  
**Cc:** Mike Williams  
**Subject:** 2015 maintenance Plan update

Bruce,  
As you requested here is an update on DSRC's 2015 maintenance plan:

Item

1. City of Pukwana took charge leveled, burned and cleared abandoned elevators on north side of MRC mainline. DSRC was on site.
2. Refer to Contribution Contract Update
3. Replacement of siding switches at MP 375.4 and 375.5 (Titterton Siding) has not been completed as of this date. Major parts have been purchased and are on site, remaining OTM had to be ordered is scheduled for delivery November 10 th.
4. DSRC had purchased a 1000 ton of Rock and has distributed it in various hot spots. Please refer to update given to you on November 2nd for locations.  
Price quotes for the order of more rock have been received and passed to upper management for approval. Upon approval several more HOT spots have been selected to receive more rock.
5. Vegetation was sprayed on scheduled in May of 2015, initial kill was good.  
Due to heavy work load scheduled second spray was missed in July. MRC mainline had to be mowed due to heavy growth from summer rains. Dakota Helicopters was contracted to aid to make up ground, spraying 64 miles from Chamberlain to Mitchell in mid September. There is still existing old/killed growth on the track, this is unsightly but does not restrict or interfere with operations.
6. Broken rail is currently being addressed as a priority during the week of November 9th thru the 13th. Currently all broken rail has been drilled and barred for safe use.
7. Surfacing issues have just started to be addressed as of November 2nd. Identified hot spots are being addressed. MP 415.5 to 414.7, MP 410.3 to 410 have been lifted and tamped as of today.
8. DSRC has not addressed any tie issues as of today, currently tie conditions meet accepted class status to continue operations.

## Lindholm, Bruce

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**From:** Lester Thompson jr <lesterdthompsonjr@yahoo.com>  
**Sent:** Friday, February 12, 2016 1:38 PM  
**To:** Lindholm, Bruce  
**Subject:** Fw: Continued update of 2015 maintenance plan for the MRC

On Friday, February 12, 2016 12:09 PM, Lester Thompson jr <[lesterdthompsonjr@yahoo.com](mailto:lesterdthompsonjr@yahoo.com)> wrote:

1. Two switches identified in 2015 maintenance plan located at mile post 375.5 where totally reconstructed. All rail material has been upgraded from 90 lb to 136 lb.
2. The road master had identify several rally broke and broke angle bars during inspections. All of these

**Kennison, Lynn**

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**From:** Lester Thompson jr <lesterdthompsonjr@yahoo.com>  
**Sent:** Monday, February 08, 2016 3:14 PM  
**To:** Kennison, Lynn  
**Subject:** Fw: 2016 MRC Maintenance Plan

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**From:** Lester Thompson jr <lesterdthompsonjr@yahoo.com>;  
**To:** Bruce Lindholm <bruce.lindholm@state.us.sd>; mw@rrmaterials.com <mw@rrmaterials.com>;  
**Subject:** 2016 MRC Maintenance Plan  
**Sent:** Thu, Jan 28, 2016 8:38:14 PM

## 2016 MRC Maintenance Plan

DSRC's over all goal for 2016 is to address areas of importance as to change classification of the MRC line from excepted track to class 2.

This will be necessary to provide timely service to our West River customers.

### 1. Weed Control

Dakota Southern will continue spraying efforts to control undesired weeds along the road bed and right of way between MP 374.6 to 439.6

Budget permitting the DSRC will hire a contractor to spray the designated areas.

### 2. Upgrading of all bridges

Dakota Southern has engaged in the upgrading of bridges between mile post 374.6 to 439.6. This has consisted of replacing bridge caps and stringers, also adding a fourth stringers to bring bridges into compliance with FRA load ratings. These upgrades will continue through out the 2016 callender year.

### 3. Broken Rail, Ties and Angle Bars

These items will be addressed as they are found through routine inspections.

### 4. Surfacing and rock

Dakota Southern will be addressing areas of the track in need of surfacing as identified by the road master through routine inspection. Areas needing ballast will receive spot dumping as needed.

### 5. Crossing Planks

Dakota Southern road master has identified several road crossings needing planks replaced. DSRC will be addressing these time permitting.

Mike and Bruce, if there are any other areas you feel that need to be addressed please add them in.

January 29, 2015

To: N.A.P.A. Rail Board

Let this letter stand as a maintenance plan for the Dakota Southern's operations on the NAPA/Platte line.

1. DSRC will provided vegetation control of noxious weeds along the railroad right of way. Control will be established by spot spraying identified trouble spots. DSRC has established contact with weed boards in the local counties and will work with them to address areas of concern.

2. DSRC will be removing trees and shrubs at NAPA Junction.

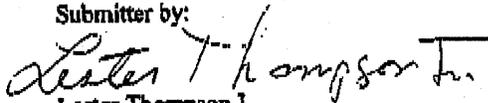
3. DSRC will be mowing the property at NAPA Junction to provide a usable space for loading for a potential customer.

The rail line from Utica Road west has been red boarded and deemed unusable by the road master. This was done as Yankton County Highway maintenance has bent rail in several crossings while maintaining road ways.

This has shortened usable track from 8 miles down to 2 miles.

5. DSRC and the NAPA Rail Board will be working jointly to address the damaged crossings.

Submitter by:



Lester Thompson J.  
General Manager  
Dakota Southern Railway

## Lindholm, Bruce

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**From:** Lester Thompson jr <lesterdthompsonjr@yahoo.com>  
**Sent:** Thursday, February 11, 2016 9:35 AM  
**To:** Lindholm, Bruce; Mike Williams  
**Subject:** NAPA: 2015 Maintenance plan update

The following items have been addresses in the calendar year of 2015 on the NAPA/Platte rail line:

1. Repairs have been made to crossings at the following locations:

MP 1.2, MP, 2.2, MP 3.2, MP 4.2, MP 5.2, MP 6.3, MP 7.2, MP 8.2, MP 9.4, MP 10.4, MP 10.5, MP 10.6, MP, 11.4, MP 11.8, MP 12.4, MP 13.5, MP 14.5, MP 14.9, MP 15.6, MP 16.7, MP 17.7, MP 17.9, MP 18.8, MP 19.9

24 CROSSINGS have received repair work: including the following rail replacement, tie replacement, removal of black top or gravel, and addressing roadway approaches.

Crossings located at MP 13.5 (highway 25) MP 14.5 14.9, MP 15.6, MP 16.7 where a ground up build as these identified crossings had been totally removed.

2. Track was mowed and had been sprayed to suppress vegetation growth of grass and weeds on the road bed between MP 1 and MP 20

3. Trees and brush where removed along road bed from MP 1 to MP 20

4. The East siding switch in Tabor was repaired and made functional, repairs were made to the east end of this siding giving room for six cars to service the elevator.

Any further updates or details need please let me know.

## Lindholm, Bruce

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**From:** Lester Thompson jr <lesterdthompsonjr@yahoo.com>  
**Sent:** Friday, February 12, 2016 1:39 PM  
**To:** Lindholm, Bruce  
**Subject:** Fw: NAPA/Platte 2016 maintenance plan

On Friday, February 12, 2016 12:08 PM, Lester Thompson jr <[lesterdthompsonjr@yahoo.com](mailto:lesterdthompsonjr@yahoo.com)> wrote:

1. DSRC will continue to make efforts to control noxious weeds and vegetation along the bed and right of way between MP 1 and MP 20.
2. DSRC will be replacing broken ties as routinely identified by inspections of designated personnel.
3. DSRC will be fixing gauge problems as routinely identified through inspection by designated personnel.
4. DSRC will continue the maintenance and up keep of crossing to their existing conditions.
5. DSRC will be inspecting and repairing culverts as identified by designated



# INVOICE

East Central Regional Railroad Authority  
c/o Gary Doering  
PO Box 74  
Cavour, SD 57324  
E-Mail: [doering@santel.net](mailto:doering@santel.net)

Billing Date 1/26/2016

Bill No. RCPE1504R

REMIT TO Rapid City, Pierre & Eastern Railroad  
27533 Network Place  
Chicago, IL 60673-1275

Months:  
Account:

Ballast car loads purchased by the RCPE for ECRRA  
to use on the Yale Sub Track Work.

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Price</u>	<u>Total Price</u>
4/15/2015	Ballast	1,100.00	15.05	16,555.00
4/23/2015	Ballast	1,000.00	15.05	15,050.00
	Sales Tax Paid		4.00%	1,264.20

\$ 32,869.20

**Total Charges**

**\$ 32,869.20**

If you have any questions about this invoice, please contact  
Michael Bown at (801) 316-0201 or [mbown@gwrr.com](mailto:mbown@gwrr.com)



a Genesee & Wyoming Company

January 20, 2016

Lynn Kennison  
State of SD DOT  
Becker Hansen Bldg.  
700 E Broadway Ave.  
Pierre, SD 57501

RE: Planned Maintenance for Yale Line (East Central)

Dear Lynn,

RCP&E is planning the below listed maintenance for 2016.

1. Track Inspection to meet or exceed FRA Standards Part 213
2. Annual bridge inspection to meet FRA Standards Part 214
3. Track repair and maintenance as needed to meet or exceed FRA standards
4. Surface two to three miles of track as needed

If you have further questions, please contact me.

Sincerely,

Greg J. Christenson  
Director Maintenance  
RCP&E Railroad  
605-515-3157

## South Dakota Maintenance and Capitol Rail Plan-2016

- Dump ballast and surface track as needed from Geneseo Jct. to yard limits  
Aberdeen average per year is 30 to 40 cars of ballast
- Install 26.5 miles of 112/115lb rail replacing all existing 70lb and 80lb rail  
between MP 48.1 and MP 83.5
- Install around 2000 ties from the South leg of wye at Jarret Jct. into Britton and  
will dump ballast and surface as needed into town
- Need to replace crossing on Hwy 9 with concrete panels or put in rubber seal and  
asphalt and replace the existing rail with 115lb
- Install ties throughout the yard along with ballast and surfacing
- Would like to tear out the crossover track and the two switches and also the  
switch that leads back to the livestock yard