

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
MARCH 15, 2017 – 11:00 A.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

MEMBERS PRESENT: Todd Yeaton, Chair
Sheldon Cotton, Vice Chair
Jeff Burket, Member
Jerry Cope, Member
Gary Doering, Member
Harlan Quenzer, Member

DOT STAFF PRESENT: Joel Jundt, Jack Dokken, Karla Engle, Bonnie Olson, Lynn Kennison,
Misty Siedschlaw and Tessa Wenner

OTHERS PRESENT

VIA CONFERENCE CALL: Jeremy Huggins, Chris Brozik, Steve Muzo

OTHERS PRESENT: Dick Huff, Alex Huff, Jeff Cooley, Dustin Buntrock, Heath Haden, Lucy Halverson, Mark Lutright, Brian Hammerback, Bart Banks, Erin Heupel, Jack Parliament

Chair Yeaton called the meeting of the South Dakota State Railroad Board meeting to order at 11:00 a.m. Roll call was taken and a quorum was determined.

Chair Yeaton opened the floor to Board members to disclose potential conflicts of interest and to present requests for waivers pursuant to South Dakota Codified Law (SDCL) chapter 3-23.

Cope disclosed a potential conflict in the consideration of the Presho property listed on the agenda. Cope previously provided a written letter of disclosure, dated June 16, 2016, to the Board requesting a waiver. At the Board's regular meeting held on July 20, 2016, the Board determined the matter underlying the conflict was fair, reasonable, and not contrary to the public interest, but required that Cope disclose the details of any specific contracts or other conflicts of which he becomes aware for the Board's particular consideration. Cope explained that he is employed by Dakota, Mill & Grain, Inc. Cope will abstain from the discussion and vote on the consideration of the Presho property.

A MOTION WAS MADE by Quenzer and seconded by Cotton that the essential terms of the contract or transaction is fair, reasonable, and not contrary to the public interest. All present voted aye by roll call vote, except Cope, who abstained from the Board discussion and vote. The motion carried.

Chair Yeaton asked for a motion to approve the minutes of February 15 & 28, 2017.

A MOTION WAS MADE by Cope and seconded by Burket to approve the February 15 & 28, 2017, meeting minutes. All present voted aye by roll call vote. The motion carried.

Deputy Secretary, Joel Jundt introduced to the Board updates of two follow up items. MRC trips results and the DSC, MRC maintenance report.

Quenzer reviewed the MRC trips results from Presho to 13th Street in Chamberlain. 20 joint pull aparts were found along that measure of rail. The Board discussed as to what the cause for the joint breaks. The Department noted that this is a normal maintenance issue on all rail lines. DSC agreed to investigate and repair this issue. The Board agreed to continue to monitor the situation.

Heath Haden presented to the Board an updated track inspection report. All maintenance issues had been assigned a date of repair.

No action was taken.

Deputy Secretary, Joel Jundt requested the Board table the consideration of public hearing date for revising of the guidelines. The Department is currently making changes to the guidelines to be consistent with the Transportation Commission guidelines. The Board agreed to table this item.

No action was taken.

Deputy Secretary, Joel Jundt presented the Board with a table of future rail projects. The Department recommended the Board address the current projects the Board has committed to and a possible fund for emergency situations.

A MOTION WAS MADE BY Quenzer to obligate money (amount to be determined later) for the Sioux Valley bridge upgrade. Chairman Yeaton called for a second three times. No second was made. Motion failed.

The Board agreed to table any decisions for future rail projects until the next meeting. D&I should have a proposal been that time to present to the Board.

No action was taken.

The Board took a five minute break @ 1:05 p.m. Reconvened @ 1:10 p.m.

Cope recused himself.

Burt Banks, DMG presented a proposal for purchase of property in Presho, SD. This was a three part proposal. Also, Banks peented the Board with a letter from the city of Presho, SD. The city is supportive with the concept of the project.

Loading/Unloading on the mainline in Presho, SD

A MOTION WAS MADE BY Quenzer and seconded by Burket to authorize the Department to negotiate an agreement to allow/conditional mainline loading. 1) Line operator onsite during loading and

unloading for safety 2) Maximum time limit that main street is closed 3) Maintain and prevent ballast contamination 5) DMG would be responsible for any costs in maintaining the ballast 4) Sidings must be constructed and ready for use within one construction season at the time of notification of track going west of Presho, SD 6) Maximum time for all crossings being blocked

All present voted 3 ayes, 2 nays by roll call vote. Cope abstained. The motion failed.

Clearance

A MOTION WAS MADE BY Quenzer and seconded by Burket to 1) Allow DMG maintain from right of way (ROW) 25ft from center of mainline to the south 2) Allow the Department to negotiate a ROW on the north side of 15ft from center line to center line for the first siding 3) Allow the Department to negotiate a lease on the south side to allow for truck traffic access to the north side of the bins, as long as there is no train traffic or train cars on the track

All present voted 3 ayes, 2 nays by roll call vote. Cope abstained. The motion failed.

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All present voted 3 ayes, 2 nays by roll call vote. Cope abstained. The motion failed.

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All present voted 3 ayes, 2 nays by roll call vote. Cope abstained. The motion failed.

A MOTION WAS MADE BY Cotton to appoint a committee to determine this plan meets FRA standards. No second. Motion failed.

A MOTION WAS MADE BY Cotton and seconded by Quenzer to 1) Allow DMG maintain from right of way (ROW) 25ft from center of mainline to the south 2) Allow the Department to negotiate a ROW on the north side of 15ft from center line to center line for the first siding 3) Allow the Department to negotiate a lease on the south side to allow for truck traffic access to the north side of the bins, as long as there is no train traffic or train cars on the track 4) All tie repair is the responsibility of DMG 5) DMG would be liable for any damage resulting in truck traffic along mainline

All present voted aye. Cope abstained. Motion carried.

All other business involving the Presho, SD property proposal has been tabled. Brosts will have the opportunity to communicate with the Department and DMG.

Cope returned.

SDDOT ART Program Manager, Jack Dokken presented updates for current rail projects.

- Britton line- picking up steel and OTR
- RCPE- working on finalizing paperwork for grant
- Sioux Valley slide- notifying tribal nations that may be involved
- MRC- 1,078 cars moved in February

With no other business to come before the Board, the meeting was adjourned at 3:05 p.m.