

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
APRIL 19, 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, Misty Seidschlaw, Jenna Schweiss, Lynn Kennison and Tessa Wenner

OTHERS PRESENT

VIA CONFERENCE CALL: Jeremy Halverson and Chris Brozik

OTHERS PRESENT: Alex Huff, Dick Huff, Blake Jones, Shawn Engel, Steve Mousel, Jack Parliament, Russ Hazel, Dave Gillespie, Tom Miller, Gary Wickershon, Kim Halverson, Edward Eller, Jeff Goebel, Milt Handcock, Bill Floyd, Rick Vallery, Kirk Yackley, Heath Haden, Mark Lutright, Sharon Hobbs, John Zaiko

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.

Deputy Secretary, Joel Jundt requested the consideration of property in and around Presho, SD be removed from the meeting agenda.

No conflicts were disclosed.

Chair Yeaton asked for a motion to approve the minutes of March 15, 2017.

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

Election of Chair, Vice Chair and Secretary

Chair Yeaton recused himself from the election.

Doering nominated Todd Yeaton for Chair.

A MOTION WAS MADE by Quenzer and seconded by Burket to elect Yeaton as Chair. All present voted aye by roll call vote, except Yeaton who abstained. The motion carried.

Cotton nominated Harlan Quenzer for Vice Chair.

A MOTION WAS MADE by Doering and seconded by Burket to elect Quenzer as Vice Chair. All present voted aye by roll call vote, except Quenzer who abstained. The motion carried.

Cope nominated Jeff Burket for Secretary.

A MOTION WAS MADE by Doering and seconded by Quenzer to elect Burket as Secretary. All present voted aye by roll call vote, except Burket who abstained. The motion carried.

Deputy Secretary, Joel Jundt provided an update to the Board regarding President Trump's budget proposal eliminating TIGER grants and the status of the federal appropriations bill.

Jundt requested the Board enter into an executive session pursuant to SDCL 1-25-2(4) (preparing for contract negotiations.)

A MOTION WAS MADE by Cope and seconded by Cotton enter into an executive session pursuant to SDCL 1-25-2(4) for the purpose of preparing for contract negotiations. All present voted aye by roll call vote. The motion carried.

Executive session began at 11:11AM.

The Board returned at 12:14PM.

Jack Parliament, representative of D&I Railway Company and on behalf of Sioux Valley Regional Railroad Authority ("SVRRA"), presented the Board with information regarding the Sioux Valley relocation and bridge projects. Russ Hazel and Steve Mousel of SVRRA provided additional information.

A MOTION WAS MADE by Quenzer and seconded by Burket to increase loan #715458 to \$2,530,905.42, with a 2% interest rate, amortized over 15 years. All present voted aye by roll call vote. The motion carried.

The Board instructed the Department to execute an agreement for the \$1.95 million grant currently allocated to SVRRA for bridge work.

Ed Eller, Jeff Goebel, Gary Wickersham, and Kirk Yackley representing Ringneck Energy presented their request for the approval of a \$3.55M loan at 2% interest, amortized over 15 years.

A MOTION WAS MADE by Quenzer and seconded by Cope to approve a loan of \$3.55M to be repaid at a 2% interest, amortized over 15 years with a balloon payment after 7 years. All present voted aye by roll call vote. The motion carried.

The Department is requesting the Board approve funds to enter into a contract with Geotech for sampling and testing of materials at existing monitoring wells for the presence of contaminated materials at the Mitchell Roadhouse and for proposed remedial action if needed. The cost of this work is estimated at \$8,000.

A MOTION WAS MADE by Cotton seconded by Cope to approve the Department to enter into contract with Geotech for sampling and testing of materials at existing monitoring wells for the presence of contaminated materials at the Mitchell Roadhouse and for performance of any remedial action that may be needed. All present voted aye by roll call vote. The motion carried.

The Board instructed the Department to research if any funds are available from other sources to cover some or all of the total cost.

The Department is requesting funds for mainline track and right of way weed spraying. The areas to be sprayed are the Napa line from Ravinia to Platte and MRC line from Kadoka to Interior. The cost is estimated at \$26,000.

A MOTION WAS MADE by Cotton seconded by Cope to approve the Department's request to contract for weed spraying services on the Napa line from Ravinia to Platte and MRC line from Kadoka to Interior. All present voted aye by roll call vote. The motion carried.

Jack Dokken, Office of Air Rail and Transit Program Manager, provided updates to the Board on the following project:

RCP&E

The Department is in contact with the FRA and FRA's goal is to approve and obligate the grant by the end of May 2017.

With no other business to come before the Board, the meeting was adjourned at 1:54 p.m.