

SOUTH DAKOTA STATE RAILROAD BOARD MEETING

April 22, 2015 @ 11:00 AM

DOT Building – Commission/Boardroom
Pierre, South Dakota

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

OTHERS: Rick Eggebrecht, Carey Bretsch, Keith Bruinsma, Donald Endres, Dustin Buntrock, Kevin Hipply, Jack Parliament, Mary Duvall, Brenda Forman, Kevin Nelson, Jim Schaefer, Steve Brown, Cherie Ann Brown, Stacey Hieb, Rick Vallery

STAFF: Bruce Lindholm, Lynn Kennison, Kevin Tveidt, Kellie Beck, Bonnie Olson, Karla Engle, Misty Siedschlaw, and Jeryl Lynn Stein. Darin Bergquist attended the bid opening at 2:00 p.m.

Agenda Items:

Call to order

- 1) Approve the minutes of meeting on March 25, 2015
- 2) Welcome new member of SD Railroad Board-Jeff Burket
- 3) Update on Pukwana elevator
- 4) Update on Sioux Valley Relocation Project
- 5) Update on Trust Fund
- 6) Discussion on Hughes County RRA loan request
- 7) Discussion on Brookings County RRA loan request
- 8) Discussion on MRC RRA loan request
- 9) Discussion on salvage material from the Britton Line project and update

Chair Yeaton called the regular meeting of the South Dakota State Railroad Board (the "Board") to order at 11:03 a.m. with a quorum present.

- 1) Motion by Cope, second by Doering, to approve the March 25, 2015, Railroad Board meeting minutes. Motion carried by roll call vote (all aye).

2) Chair Yeaton welcomed new SD State Railroad Board member Jeff Burket.

Bruce Lindholm, Office of Air, Rail and Transit

3) Update on Pukwana elevator

Lindholm circulated before and after pictures of the demolition of the Pukwana elevators. The demolition is complete and Lindholm commended the parties for doing a nice job.

4) Update on Sioux Valley Relocation Project

Lindholm stated the Department is working to resolve environmental/wetland mitigation and property acquisition issues. The Department has identified two (2) potential sites in Plymouth County, Iowa, for relocation.

5) Update on Trust Fund

Lindholm provided the Board with the projected annual balance of the Railroad Trust fund through 2020.

Chair Yeaton requested that each individual request for a loan be made prior to the Board acting on any loan.

6) Discussion on Hughes County RRA loan request

Steve Brown, of South Dakota Pulse Processors, LLC, addressed the Board. The Hughes County Regional Railroad Authority submitted a loan request for the actual cost to put in a siding with two (2) main line switches not to exceed \$696,000.

7) Discussion on Brookings County RRA loan request

Donald Endres of Novita Aurora, LLC, addressed the Board. The Brookings County Regional Railroad Authority submitted a loan request in the amount of \$4,000,000 for construction of a loop track at their facility.

8) Discussion on MRC RRA loan request

Dustin Buntrock of South Dakota Wheat Growers Association addressed the Board. The MRC Regional Railroad Authority submitted a loan request in the amount \$4,300,000 for construction of a loop track at their Kennebec facility.

9) Discussion on salvage material from the Britton Line project and update

Discussion was held regarding what should be done with the rail material salvaged from the rail relay and wye project on the state-owned Britton line.

Motion by Cope, second by Cotton, to: (1) direct the Department to sell the 77# and 80# rail when the salvage value reaches a price of \$300.00 per ton or more; (2) retain the 85# rail and determine its suitability for use in other railroad projects; (3) authorize the Department to apply 50% of the salvage proceeds to reduce the loan balance on the railroad trust fund loan to Marshall County Regional Railroad Authority for the Britton line project; and (4) authorize the Department to apply 50% of the salvage proceeds to reimburse the operator on the Britton line, Dakota, Missouri Valley & Western Railroad Company, for its actual and reasonable costs for construction of the Britton line project.

Motion carried by roll call vote (5 aye, 1 nay [Cotton}).

The Board took a recess from 12:30 p.m. to 2:00 p.m.

The Board reconvened at 2:02 p.m. to start the bid opening. All bids were opened except one, which arrived after the 2:00 p.m. deadline.

Motion by Cotton, second by Burket, to table the loan requests until the Department and its engineering consultant have reviewed the bids for the reconstruction of the segment of the state-owned MRC line running from Chamberlain to Presho.

Motion carried by roll call vote (all aye).

The meeting was adjourned at 2:41 p.m. upon a motion for adjournment by Cope, seconded by Doering.

Next meeting is scheduled for May 20, 2015, at 11 a.m.

Meeting agendas are now posted online at SDDOT.com. Look for the Public Meetings heading then Boards and Commissions Portal