

SOUTH DAKOTA STATE RAILROAD BOARD MEETING
Becker-Hansen Building – Commission Room
June 15, 2016 @ 11:00 AM
Pierre, South Dakota

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

OTHERS: Lester Thompson, Jack Parliament, Alex Huff, Dick Huff, John Hauck
Rick Vallery, Tub Harrington, Rick Spiering, Shawn Engel, Mike Williams,
and Jeff Cooley

STAFF: Joel Jundt, Bruce Lindholm, Karla Engle, Lynn Kennison, Misty
Siedschlaw, Bonnie Olson, and Tessa Wenner

PHONE: Bob Mercer

Agenda Items:

Call to order

- 1) Approve the minutes of meeting on May 18, 2016
- 2) Discussion of laws relating to boards, authorities and commissions
- 3) Update on MRC TIGER project
- 4) Update on Britton line project
- 5) Update on RCP&E Tiger project
- 6) Update on Sioux Valley Slide project
- 7) Discussion on Wolsey, Yale and Britton committee report
- 8) Discussion on Sioux Valley & Napa-Platte committee report
- 9) Update on Dakota Southern's MRC maintenance plan
- 10) Consideration of Napa-Platte rail line lease

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.

At the request of Deputy Secretary Jundt, the Chair moved Agenda item #2 "Discussion of laws relating to board, authorities, and commissions" to the end of the meeting.

Deputy Secretary Jundt requested the Board reconsider the amount of right of way to be sold in the Presho land sale at the next Board meeting as an agenda item.

Deputy Secretary Jundt recommended that a reoccurring agenda item be added to the Railroad Board meeting agenda entitled, "Secretary's Report."

1) Approve the minutes of the meeting on May 18, 2016

Motion by Burket, second by Cope, to approve the May 18, 2016, Railroad Board Meeting minutes. Motion carried by roll call vote (all aye).

3) Update on MRC TIGER project

The MRC Tiger grant project is on schedule. Jeff Cooley updated the Board on the status of the MRC project as follows:

- 32 miles of line have been installed
- 20,000 to 30,000 ties have been installed
- 6,500 tons of ballast have been installed
- 9 crossings have been installed
- 7 turn-offs have been installed
- Missouri River Bridge is completed, with the exception of the sliding joints, which should be finished in mid-July
- Some effort will be focused on finishing crossings in July

4) Update on Britton line project

Bruce Lindholm updated the Board on the status of the Britton line as follows:

- 24 miles of line have been identified for replacement
- 8 miles of rail has been replaced (anything under 90lb rail)
- Waiting for the remaining rail to arrive from Kansas City, Missouri
- Completion is slated for mid-August

5) Update on RCP&E Tiger project

Lindholm updated the Board on the status of the RCP&E Tiger project. The Department of Transportation ("Department") is waiting for purchasing approval from the Federal Railroad Administration.

6) Update on Sioux Valley Slide project

Lindholm updated the Board on the status of the Sioux Valley Slide project. The Department is getting closer to bid-letting. Studies have been completed and the Department is waiting on final environmental approvals. During the environmental

approval process, an endangered species of bat may have been detected in the area of this project.

7) Discussion on Wolsey, Yale, and Britton committee report

A committee of the Board, consisting of Burket, Cope, and Cotton, along with Department staff, made observations of the conditions of the Wolsey, Yale, and Britton rail lines and provided the Board with a summary of their observations.

8) Update on Dakota Southern Railway Company's MRC maintenance plan

Lester Thompson, a representative of the Dakota Southern Railway Company, provided an update to the Board on Dakota Southern's maintenance activities on the MRC line.

- Bridges between Mitchell and Chamberlain have had replacement and additional stringers on all except three remaining bridges. The next step will be to address all defective bridge caps.
- Brooming of the track has been started and will continue.
- Shoulders and spraying of the road bed has been done for both the Napa/Platte and MRC lines. Spraying will continue as the kasha is strong this year.
- 1,300 ties have been replaced, with 200 ties remaining to be installed.
- 3,000 tons of ballast have been delivered onsite, with 2000 tons distributed and the remainder to be placed where needed.
- 5 spots have been lifted and tamped.

Thompson feels confident the deadline set by the Board can be met.

10) Consideration of Napa-Platte rail line lease

Lindholm informed the Board the Napa Platte lease expires July 18, 2016, two days before the July Board meeting. The lease is currently with Dakota Southern Railroad Company. If no action is taken on the lease, the lease will expire. DOT requested approval to extend the lease agreement another six months.

Motion by Doering, second by Quenzer to extend the current lease agreement for six (6) months. Roll call vote was taken. (Six ayes One nay [Cope]). Motion carried.

Resolution 2016-B18 was adopted.

2) Discussion of laws relating to boards, authorities and commissions

Karla Engle presented information on House Bill 1214, which was passed during the 2016 Legislative Session. The law goes into effect July 1,2016.

Motion to adjourn by Quesner, second by Anderson. The meeting adjourned at 1:15 PM.

Next meeting is scheduled for July 20, 2016.