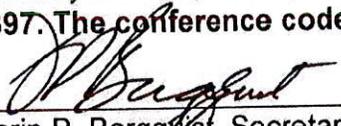


NOTICE OF MEETING OF THE
SOUTH DAKOTA RAILROAD BOARD

You will take notice that the South Dakota Railroad Board will have a meeting on Wednesday September 21, 2016 at 11:00 a.m. The public may listen to and participate in the proceeding in the Transportation Commission Room 200 of the South Dakota Department of Transportation, 700 E. Broadway Avenue, Pierre, South Dakota. **The InterCall dial-in number is 1-866-410-8397. The conference code is 1289182255.**



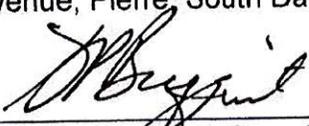
Darin P. Bergquist, Secretary
Department of Transportation

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 605-773-3251 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.

STATE OF SOUTH DAKOTA) : SS
COUNTY OF HUGHES)

AFFIDAVIT

I, Darin P. Bergquist, Secretary of the Department of Transportation, being first duly sworn, do hereby state that the above Notice of Meeting of the South Dakota Railroad Board will be posted on Friday, September 16, 2016 in the entryway of the Becker-Hansen Building at 700 East Broadway Avenue, Pierre, South Dakota.



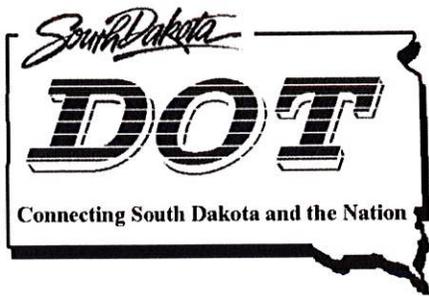
Darin P. Bergquist, Secretary
Department of Transportation

Subscribed and sworn to before me a Notary Public this 16th day of September, 2016.

Notary Public 

My Commission Expires: 2-15-18

SEAL



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

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING AGENDA
SEPTEMBER 21, 2016 @ 11:00 A.M.**

BECKER-HANSEN BUILDING -700 EAST BROADWAY AVENUE, PIERRE, SD 57501

The Inter-Call dial-in number is 1-866-410-8397. The conference code is 1289182255

- 11:00 A.M. **Call to Order - Todd Yeaton, Chair**
- Consideration on Conflict of Interest
 - Consideration of August 17, 2016 Minutes (**Attachment #1**)
- 11:30 A.M. **Darin Bergquist, Secretary**
- Secretary's report
- 11:45 A.M. **Office of Air, Rail, and Transit**
- Consideration of amending Hughes County RR Authority loan (**Attachment #2**)
 - Consideration of Sioux Valley RRA & D&I Railroad Company grant agreement
 - Consideration of Dakota Southern's MRC maintenance efforts and long term plan
 - Consideration of Rail Service from Napa to Tabor (**Attachment #3**)
 - Consideration of Napa to Platte Lease Agreement
 - Consideration of MRC TIGER Grant (Chamberlain to Presho) Funding
 - Updates
 - MRC TIGER project
 - Britton line project
 - RCP&E Tiger project
 - Sioux Valley Slide project

Adjourn

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.

**The next regular board meeting will be held on Wednesday,
October 19, 2016 @ 11:00 a.m. in the DOT Commission Room**

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

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
AUGUST 17, 2016 @ 11:00 A.M.
BECKER-HANSEN BUILDING, 700 EAST BROADWAY
PIERRE, SD 57501**

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

STAFF: Darin Bergquist, Joel Jundt, Bonnie Olson, Karla Engle, Misty Siedschlaw, Dave Voeltz, and Tessa Wenner

OTHERS: Alex Huff, Dick Huff, Blake Jones, Rick Spiering, Matt Windsand, Jeff Schrook, John Hauch, Lester Thompson, John Myre, Mike Williams, Dave Hushy, Ralph Marquardt, Tim Kleinsasser, John Marquardt, John Kramer, Jack Parliament, Toby Morris, and Bob Mercer

Agenda Items:

Call to order

- 1) Consideration of Conflicts of Interest
- 2) Consideration of July 20, 2016 Minutes
- 3) Secretary's Report
- 4) Consideration of Dakota Plains encroachment at Napa Junction
- 5) Consideration of Dakota Southern's MRC maintenance efforts and long term plan
- 6) Update on MRC TIGER project
- 7) Update on Britton line project
- 8) Update on RCP&E TIGER project
- 9) Update on Sioux Valley Slide project

Chair Yeaton called the regular meeting of the South Dakota State Railroad Board (the "Board") to order at 11:05 a.m. with a quorum present.

1) Consideration of Conflicts of Interest

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.

There were no waivers to address.

2) Consideration of July 20, 2016 Minutes

Motion by Burket, second by Cotton, to approve the July 30, 2016, Railroad Board meeting minutes. Motion carried by roll call vote (all aye).

3) Secretary's Report

Secretary Bergquist discussed the following two items for the Secretary's Report:

- a. The Department of Transportation (the "Department") is currently working on revisions to the Property Management Guidelines.
- b. The details of the proposed sale of Department-owned property in Presho, South Dakota, to Dakota Mill & Grain, Inc. has not yet been finalized. Conversations are ongoing and Dakota Mill & Grain, Inc. continues to work with landowners.

4) Consideration of Dakota Plains encroachment at Napa Junction

Matt Windsand and Jeff Shrook presented information and technical data to the Board on behalf of Dakota Plains Ag Center, LLC ("Dakota Plains") regarding a potential land trade between the Department and Dakota Plains. The proposed terms of the land trade are as follows:

- Dakota Plains would transfer to the Department a 2.88 acre strip of property located adjacent to the state-owned railroad right of way and currently owned by Dakota Plains in exchange for the Department transferring to Dakota Plains 0.99 acre of state-owned railroad right of way near the Napa Wye;
- Dakota Plains will place sub ballast to fill in the ditch located between its industrial loop track and the state-owned mainline track at the location of the 0.99 acre being transferred to Dakota Plains;
- Dakota Plains will provide the Department with a copy of the wetland report for the 2.88 acres being transferred to the Department;
- Dakota Plains will provide the plats for the proposed land exchange for both properties; and
- Dakota Plains will allow for connection of a state-owned siding to its industrial loop track in the future, should the Department desire a connection.

Motion by Quenzer, second by Anderson to approve the land trade as proposed and authorize the Secretary or his designee to negotiate and execute an agreement consistent with the terms as proposed. Motion carried by roll call vote (all aye).

5) Consideration of Dakota Southern's MRC maintenance efforts and long term plan

Quenzer, along with Department staff, and Mike Williams from Dakota Southern Railway Company ("Dakota Southern"), toured the MRC line from Mitchell to Chamberlain. Harlan Quenzer prepared a written report of his observations and recommendations, which was included in the Board's meeting packet.

Chair Yeaton read the written report submitted by Quenzer to the Board.

Mike Williams, a representative of Dakota Southern, along with John Myre addressed the Board concerning maintenance activities on the MRC line and what was accomplished in order to meet the deadline imposed by the Board. Williams provided the following updates to the maintenance activities:

Bridges

All are completed with an additional 14 caps on the bridges.

Ballast and Tamping

Completed ½ mile

Dakota Southern will pre-place ballast in problem areas throughout October.

As of today Dakota Southern has 1,700-2,200 tons per mile on 42 miles of the 108 total miles. Estimating placing 12,500 tons per year- 25 miles at 500 tons per mile -- all over a three year period.

Tie replacement and disposal

Old ties removed and stored off the first project. Pukwana Landfill has agreed to allow the disposal of ties at its facility. The remaining ties on the TIGER project will be gathered and disposed of by year's end.

Tree/Brush Removal

Completed and will continue to monitor.

Crossing

Completed at 436.2 Wana Lane.
Waiting on contractor on Plankinton school.

Chair Yeaton acknowledged Dakota Southern's completion of maintenance activities requested by the Board within the deadline.

Williams stated he will submit a written maintenance plan to the Board on September 21, 2016.

Chair Yeaton requested the Department include Dakota Southern's Maintenance Plan as an agenda item for the next Board meeting on September 21, 2016.

Joel Jundt, Deputy Secretary of SDDOT

6) Update on MRC TIGER project

Deputy Secretary Jundt provided the Board with an update on the MRC TIGER project. All of the rail has been completed with the exception of the transition rail. Tie replacement is complete to the end of the project. Ten crossings remain to be completed. Surfacing is completed from Chamberlain to Reliance, and from Lyman three miles west towards Kennebec. Ballast has been dumped to one mile east of Kennebec. Quality control has been completed to Chamberlain and working its way west towards Presho.

7) Update on Britton line project

Relay overlap is complete. Waiting on rail to come in at the end of August. The rest of the relay is to be completed by the end of September.

8) Update on RCP&E TIGER project

Environmental approval for Phillip was received with a category exclusion for wetland. A request has been made for an update on the Huron environmental. Permission to buy rail has been given.

9) Update on Sioux Valley Slide project

Currently waiting on environmental approval.

Adjourn

Motion to adjourn by Cope, second by Burket. Motion carried. Meeting adjourned at 12:35 PM.

Next meeting to be held September 21, 2016.

DRAFT

**HUGHES COUNTY REGIONAL RAILROAD AUTHORITY
RESOLUTION NO. 2016-01**

APPROVAL TO AMEND THE SD PULSE PROCESSORS LOAN AGREEMENT IN
RELATION TO RAIL PROJECT NEAR HARROLD, SOUTH DAKOTA

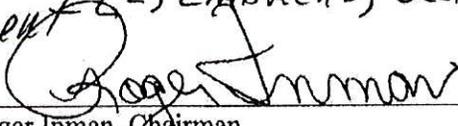
WHEREAS, the SD Pulse Processors, LLC has received a loan for up to \$696,000 to develop a new rail siding to serve a facility it is developing near Harrold, South Dakota;

WHEREAS, SD Pulse Processors, LLC have not expended the full amount of that loan and would like to amend the loan agreements to allow them to include engineering costs for the project from prior to the issuance of the loan;

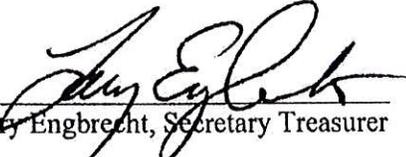
NOW, THEREFORE, BE IT RESOLVED, the Hughes County Regional Railroad Authority (HCRRA) shall make application to the South Dakota State Railroad Board to amend the loan agreement with the SD Pulse Processors, LLC to allow them to include additional engineering fees within the scope of the existing loan, retaining the existing loan amount of six hundred ninety six thousand dollars (\$696,000) for their project to build a new railroad siding to serve their facilities near Harrold, South Dakota.

Passed, approved and adopted this 1st day of September, 2016.

Voting on Motion: Yea (3) Inman, Weaver, Winckler
Nay (0)
Not present (2) Engbrecht, Becker.



Roger Inman, Chairman
Hughes County Regional Rail Authority

ATTEST: 
Larry Engbrecht, Secretary Treasurer

RALPH MARQUARDT
P.O. BOX 1040
YANKTON, SD 57078

September 16, 2016

Mr. Todd Yeaton, Chairman
Railroad Commission
South Dakota Department of Transportation
Railroad Division
700 E. Broadway Ave., Room 253
Pierre, SD 57501

Re: Request for Agenda Placement

Dear Mr. Yeaton,

As you are aware, we have made several requests over the past year for rail service to be provided to our grain elevator operation in Tabor. We have made significant capital improvements to that facility this summer in the form of new equipment and bins, dramatically enhancing our storage capacity and grain handling capabilities. With those enhancements, comes the need for rail service to serve our customers needs and the elevator operations.

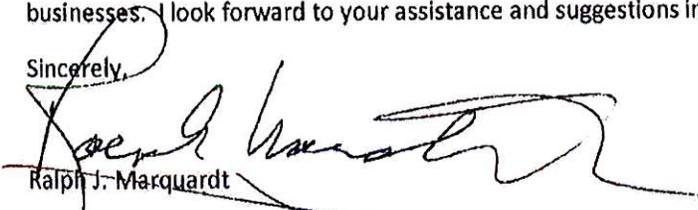
The Napa Platte line has served to provide a significant source of revenue to both the State of South Dakota and Dakota Southern. With the ability to store rail cars on this under-utilized portion of track, monthly cash flow has provided a constant stream of income to both entities. It is high time that some of this revenue is channeled into a direct investment in the Napa Platte line to upgrade the track to handle rail traffic rather than merely exist as a rail car "parking lot".

I am concerned at the lack of attention and action with this section of the track. I have continued to receive assurances of service, but to date have not received it. I also have a concern about who or what entity is to be scheduling rail cars. Is it the shipper, Dakota Southern, or someone else? Does Dakota Southern have rail cars currently available?

I do not wish to cast dispersions on anyone or any department for the lack of service. I just want to know what I need to do or who I need to entice to get this line ready and available to serve the agricultural area around Tabor. If it is a shortage of cash, perhaps I can lend some money to the rail authority or State of South Dakota to get some action.

Please consider my request and provide me with direction on how we can get this project moving forward. In the long run, this rail service can generate not only a dependable source of income for the State and rail authority, but also provide a competitive means of transportation to area farmers and businesses. I look forward to your assistance and suggestions in moving this request forward.

Sincerely,



Ralph J. Marquardt

Cc: Darin Bergquist