

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
MAY 16, 2018 – 11:00 A.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

- MEMBERS PRESENT:** Harlan Quenzer, Chair
Jerry Cope, Vice Chair (joined meeting at 11:07 a.m.)
Jeffrey Burket, Secretary-Treasurer
Jack Nelson, Member
Steve Scharnweber, Member
Sheldon Cotton, Member
Gary Doering, Member
- DOT STAFF PRESENT:** Joel Jundt, Becky Janssen, Bonnie Olson, Lynn Kennison,
Misty Siedschlaw, Jack Dokken, Katherine Anderson, and
Patricia Saukel
- OTHERS PRESENT:** Alex Huff; Dick Huff; Tom Hatfield; Scott Van Den Top – D
& I Railroad Co. (D&I); and Jack Parliament (D&I)
- OTHERS PRESENT
VIA CONFERENCE CALL:** Mark Daniels, Regional Administrator-Federal Rail Authority
(FRA); Eldon Offutt, Deputy Regional Administrator (FRA);
Ed McCullough, Deputy Regional Administrator (FRA);
William Ken Naylor, Railroad Safety Specialist/Chief
Inspector (FRA); Michael Pirato, Track Specialist (FRA);
and Bob Mercer - press

Harlan Quenzer, Chair, called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:01 a.m. Roll call was taken and a quorum was determined.

Chair Quenzer 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.

No conflicts of interest were disclosed and no waivers were requested.

Chair Quenzer asked for a motion to approve the minutes of the April 18, 2018, Board meeting.

A MOTION WAS MADE by Nelson and seconded by Burket to approve the April 18, 2018, meeting minutes. All present voted aye by roll call vote. The motion carried.

Jerry Cope joined the meeting at 11:07 a.m.

Deputy Secretary Joel Jundt presented one item for the Secretary's Report. Jundt was notified by the Federal Rail Authority (FRA) that the grant for the slide project will expire on June 30, 2018. Jundt stated that the Department of Transportation (the "Department") needs to file an extension for the grant or it will be lost.

A MOTION WAS MADE by Cotton and seconded by Scharnweber to authorize the Department to file for an extension of the FRA grant for the slide project. All present voted aye by roll call vote. The motion carried.

Jack Dokken, Program Manager for the Office of Air, Rail, and Transit requested the Board's consideration on the railroad fencing program. Dokken explained the Department receives requests from landowners whose property abuts the state-owned railroad right of way to install or rehabilitate fencing and the Department has been reimbursing their costs.

A MOTION WAS MADE by Cope and seconded by Doering to authorize the Department to continue with the current procedures utilized by the Department for the railroad fencing program and allow the Department to use the railroad trust fund instead of the administration fund to pay for future reimbursements to landowners for the railroad fencing program. The Board authorized an annual maximum amount of \$25,000.00 for reimbursements with a maximum limiting amount of \$5,000.00 per project. Any reimbursements that exceed the authorized amounts will require the Board's approval. All present voted aye by roll call vote. The motion carried.

Deputy Secretary Jundt discussed the next item on the agenda regarding the consideration of the meet and pass siding on the Mitchell to Rapid City ("MRC") rail line. Jundt noted that at the last Board meeting, the Board authorized the Department to prepare and submit a grant application for the Special Transportation Circumstances (STC) Grant for fiscal year 2017. This would utilize the \$978,200.00 of funds available for a meet and pass project on the MRC rail line and the proposed location for the siding.

Jundt advised the Board after discussion with FRA, he was informed that the funds will roll over into the next year's apportionment and the Department would be allowed to submit more than one application. The Department recommends not submitting a grant by June 21 and instead wait until the Notice of Funding Opportunity (NOFO) rules are complete for the next year. At the Department's request, Civil Design Inc. (CDI) put a proposal together with three phases: preliminary design, final design, and construction.

A MOTION WAS MADE by Nelson and seconded by Doering to delay submission of the grant application for the meet and pass siding that was approved by the Board at the April 18, 2018, meeting and to authorize the Department to enter into a work order with CDI for the preliminary design phase on a meet and pass siding near Kimball, South Dakota, with a maximum limiting amount of \$30,000.00. All present voted aye by roll call vote. The motion carried.

The committee observation reports were distributed to the Board members and each committee discussed their observations from the tour. The committee members and rail lines toured are as follows:

- Scharnweber/Doering/Kennison – MRC
- Cope/Burket/Kennison – D&I/NAPA
- Scharnweber/Quenzer/Kennison – Wolsey Interchange/Yale
- Scharnweber/Rocky-DMVW/Kennison – G&P Sub/Britton

Jack Parliament of D&I Railroad Co., noted a correction that needed to be made to the D&I/NAPA observation report. The report would be corrected to reflect that the meet and pass siding was near Chatsworth and not Canton.

Jundt introduced Mark Daniels, Regional Administrator, Eldon Offutt, Deputy Regional Administrator, Ed McCullough, Deputy Safety Specialist/Chief Inspector, and Michael Pirato, Track Specialist with the FRA, all of which were on the teleconference line.

The FRA representatives provided the Board with an overview of their roles with FRA and the FRA's inspection and reporting procedures. At the Department's request, the FRA has agreed to provide the final inspection reports to the Department .

Dokken provided the following project updates:

- RCP&E project: The advertised bids have been closed and the lowest bidder has been identified. RCP&E will begin work shortly. The first pre-construction meeting will be in two weeks for the earthwork in Philip.
- MRC & Britton Salvage: Contractors started on May 7, 2018, in Presho. The Department has not been on site yet.
- Sioux Valley analysis: Fountainhead has begun work.
- Operators gross revenue review: The contract is with Bowers. Kickoff is scheduled for the week of May 21-25, 2018.
- Sargent-Richland Drainage project: The plans are finalized and they are working on soliciting bids. The track will be out of service for one week.

The Department and the Board congratulated Lynn Kennison of the Office of Air, Rail & Transit on his retirement and thanked Kennison for his exemplary service. Kennison retires on June 8, 2018, after being with the Department of Transportation for 14 years.

Jundt noted to the Board members that Katherine Anderson will be handling the duties of recording the minutes until a replacement is hired. She will begin these duties at the next Board meeting.

With no other business to come before the Board, the meeting was adjourned at 12:33 p.m.