

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES  
AUGUST 21, 2019 AT 10:00 A.M. CDT  
BECKER-HANSEN BUILDING – DOT COMMISSION ROOM  
700 EAST BROADWAY AVENUE, PIERRE, SOUTH DAKOTA**

**MEMBERS PRESENT:** Jerry Cope, Chairman  
Jeff Burket, Vice-chair  
Steve Scharnweber, Secretary  
Greg Carmon, Member  
Jon Kirby, Member  
Gary Doering, Member  
Jack Nelson, Member

**DOT STAFF PRESENT:** Darin Bergquist, Joel Jundt, Karla Engle, Bonnie Olson, Jack Dokken, Misty Siedschlaw, Lynn Kennison, and Kari Kroll

**OTHERS PRESENT:** Alex Huff; Dick Huff; Dan Kippley – Ellis & Eastern Company; Scott Van Den Top – D & I Railroad Co. (D&I); Rob Everist – D&I; Bob Mercer – Keloland; Bruce Lindholm – Dakota Southern Railway Company (DSRC); and Brian Hammerbeck – H&H Land Company #2 LLC

**OTHERS PRESENT**

**VIA CONFERENCE CALL:** John LeSeur – Slover & Loftus; Russ Hazel – Sioux Valley Regional Railroad Authority (SVRRA); Heath Haden – DSRC

Chairman Jerry Cope called the meeting of the South Dakota State Railroad Board (the “Board”) in order at 10:00 a.m. CDT.

Cope determined a quorum was present.

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Cope opened the floor to the Board members to disclose potential conflicts of interest and to present requests for waivers pursuant to South Dakota Codified Law (SDCL) chapters 3 – 23.

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

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Cope asked for a motion to approve the July 17, 2019, Board meeting minutes.

A MOTION WAS MADE by Nelson and seconded by Burket to approve the July 17, 2019, meeting minutes. All present voted aye by voice vote. The motion carried.

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Cope opened the floor to public input

Dan Kippley of Ellis & Eastern Company addressed the Board indicating Ellis & Eastern Company is working on a grant application for the upcoming Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant that are due October 8, 2019 and would be asking for the Board's support of the application. If Ellis & Eastern Company is awarded a grant, Kippley stated that Ellis & Eastern Company will be coming back to the Board to request a loan for additional funds for a siding project in Valley Springs.

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Jack Dokken of the Office of Air, Rail, and Transit introduced Brian Hammerbeck of H&H Land Company #2 LLC (H&H) who made a request to purchase land in Caputa, SD. The request is to purchase a portion of the land that H&H currently leases for non-rail related services.

A MOTION WAS MADE by Scharnweber and seconded by Burket to declare the leased parcel of property to be excess to the needs of the State of South Dakota and authorize the Department to sell the leased property to H&H at the appraised value. All present voted aye by voice vote. The motion carried.

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Jerry Cope asked for a motion for the Board to go into Executive Session.

A MOTION WAS MADE by Carmon and seconded by Nelson to enter an Executive Session pursuant to SDCL 1-25-2(3) for the purpose of consulting with legal counsel or reviewing communications from legal counsel about proposed or pending litigation or contractual matters. All present voted aye by voice vote. The motion carried.

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Executive Session began at 10:15 a.m.

Executive Session ended at 11:50 a.m.

The Board recessed at 11:50 a.m. with the intention of reconvening at 1:30 p.m.

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Cope called the meeting back into session at 1:30 p.m.

Secretary Darin Bergquist and Deputy Secretary Joel Jundt presented the Secretary's Report. Jundt shared information about the CRISI grant application and eligibility guidelines. Jundt suggested adding the discussion of the CRISI grant applications to the September meeting agenda. Application deadline for the next CRISI grants is October 18, 2019.

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Karla Engle, Office of Legal Counsel, presented to the Board the process the Department of Transportation (the "Department") is proposing for inviting proposals for the potential sale of state-owned rail lines. Engle summarized the state's progress in fostering and developing rail service along all the state-owned lines. Engle reviewed the proposed Invitation for Proposals (IFP) and identified editorial corrections to the IFP.

The Board offered members of the public an opportunity to provide input and ask questions and discussion ensued.

A MOTION WAS MADE by Burket and seconded by Kirby to approve moving forward with the IFP document and process as proposed by the department and including the editorial corrections suggested by Engle. All present voted aye by voice vote. The motion carried.

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With no other business to come before the Board, Cope adjourned the meeting at 2:25 p.m.