

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
OCTOBER 16, 2019 AT 11:00 A.M. CDT
BECKER-HANSEN BUILDING/ DOT COMMISSION ROOM
700 EAST BROADWAY AVENUE, PIERRE, SOUTH DAKOTA**

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

MEMBER PRESENT

VIA CONFERENCE CALL: Gary Doering, Member

DOT STAFF PRESENT: Joel Jundt, Karla Engle, Bonnie Olson, Misty Siedschlaw, and Kari Kroll

OTHERS PRESENT: Alex Huff; Dick Huff; Scott Van Den Top – D&I Railroad Co. (D&I); Bruce Lindholm – Belle Fourche Development Corporation; / Ellis & Eastern Company; Jerome Bentz; Kelsey Lyndoe – Platte Development; Ken Van Zee – Platte Development; Steve Christensen – City of Platte; Clark Meyer – Ellis & Eastern Company; Dan Kippley – Ellis & Eastern Company; Shauna Meyerink – City of Platte; Hollie Stalder – Belle Fourche Development Corporation; Jim Doolittle – Belle Fourche Development Corporation; Derrick Jones – Belle Fourche Development Corporation; Karen Wagner – Belle Fourche Development Corporation; Bob Mercer – Associated Press

OTHERS PRESENT

VIA CONFERENCE CALL: Jeff Cooley – Civil Design, Inc (CDI); Mark Wagner – Sisseton-Milbank Railroad Company (SMRR); Shannon – Forest Service

Chairman Jerry Cope called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:00 a.m. CDT.

Cope determined a quorum was present.

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

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

Cope asked for a motion to approve the September 18, 2019, Board meeting minutes.

A MOTION WAS MADE by Carmon and seconded by Kirby to approve the September 18, 2019, Board meeting minutes. All present voted aye by roll call vote. The motion carried.

Cope opened the floor to the public input.

Jerome Bentz, from Platte, South Dakota, addressed the Board regarding the desires of the city of Platte, Platte Development Corporation, and members from the Platte trail committee to develop a walking/running/biking trail on the railbanked portion of the Napa rail line from Platte to Geddes. Representatives from Platte requested information on the process to obtain approval to use the railbanked portion from Platte to Geddes for a walking//running/biking trail. Since all state-owned railroad lines are currently advertised for sale, including the railbanked portion of the Napa line, it was suggested that the parties review the Invitation for Proposals (IFP) and related documents found on the Department of Transportation (the "Department") website.

Deputy Secretary Joel Jundt presented the Secretary's Report. Jundt provided an update on the IFP process including four addenda that have been made to the IFP and the status of the tours of the state-owned rail lines. Jundt provided an update on the second round of letters that were sent out regarding the excess property addressed in Section 3.11 of the IFP. The letters offered lease holders one last opportunity to express their interest in acquiring the excess property. To date, the Department has received approximately 87 responses on 126 leased areas. The Board decided to hold a special meeting on November 6 and 7 to hear from lessees interested in acquiring their leased excess property.

Jundt reminded the Board of its previous approval of requests from the Sisseton-Milbank Railroad Company and the D&I Railroad Co. to submit applications for Special Transportation Circumstances (STC) grant funding. Jundt informed the Board that there is \$7.21 million in STC funding still available for grant funding requests.

To comply with STC grant funding requirements, Jundt asked the Board to amend the State Rail Plan to include the D&I Railroad Company's previously approved Sioux Falls to Dell Rapids STC grant funding project.

A MOTION WAS MADE by Scharnweber and seconded by Nelson to amend the State Rail Plan to include the D&I Railroad Company's Sioux Falls to Dell Rapids STC grant funding project.

Gary Doering left the meeting at 11:28 a.m. after the motion was made.

All present voted aye by roll call vote, except Doering who was absent from the vote. The motion carried.

Gary Doering rejoined the meeting at 11:29 a.m.

Hollie Stalder, Executive Director of Belle Fourche Development Corporation (BFDC), presented supplemental information regarding its STC grant application. The original application, considered by the Board in March 2019, was tabled by the Board. BFDC's proposed STC project involves construction of approximately 3,975 feet of additional siding at BFDC's rail park. BFDC is estimating a total project cost of \$2,400,000.00. BFDC seeks STC funding for 80% of the total project cost (the 80% share is estimated to be \$1,920,000.00) with the remaining 20% (estimated to be \$480,000.00) paid for by BFDC. BFDC proposes to prepare the STC grant application, but asks that the Department submit the STC grant application on behalf of BFDC.

Dan Kippley of Ellis & Eastern Company (E&E) presented its STC grant application proposal. This is a new proposal to come before the Board. E&E is requesting financial funding assistance to rehabilitate and strengthen three bridges in the Sioux Falls and Brandon, SD area. The total project cost is estimated to be \$4,900,000.00. E&E seeks STC funding for 80% of the total project cost (the 80% share is estimated to be \$3,919,520.00) with the remaining 20% (estimated to be \$980,000.00) paid for by E&E. E&E proposes to prepare the grant application, but asks that the Department submit the STC grant application on behalf of E&E.

Jundt provided an update to the Board on the letter of support for E&E's Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant application. The Board approved providing a letter of support at its September 2019 meeting. Jundt provided a draft of the support letter to the Board and made the letter available to members of the public. Jundt made the Board aware of concerns the city of Brandon, South Dakota, has expressed concerning the project and safety at the crossings.

Cope asked the Board to consider the BFDC grant funding request first then proceed to consideration of the E&E grant funding request.

A MOTION WAS MADE by Burket and seconded by Nelson to authorize the Department to submit an STC grant application to the Federal Railroad Administration (FRA) in the amounts proposed by Belle Fourche Development Corporation, with the requirement that the Belle Fourche Development Corporation prepare the grant application for submission by the Department. All present voted aye by roll call vote. The motion carried.

Cope signed the letter of support for E&E's CRISI grant application, which the Board had authorized at its last meeting.

A MOTION WAS MADE by Carmon and seconded by Kirby to authorize the Department to submit an STC grant application to the FRA in the amounts proposed by Ellis & Eastern Company with the requirement that Ellis & Eastern Company prepare the grant application for submission by the Department. All present voted aye by roll call vote. The motion carried.

With no other business to come before the Board, Cope adjourned the meeting at 12:44 p.m. CDT.