

SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES

Wednesday, February 25, 2026 at 11:00 a.m. CST

Becker-Hansen Building/Commission Room – 700 East Broadway Avenue, Pierre, SD

MEMBERS PRESENT: Jeff Burket, Chairman
Scott Lockwood
Jack Nelson

**MEMBER PRESENT
VIA COFERENCE CALL:** Ralph Schmidt
Steve Scharnweber
Greg Carmon

DOT STAFF PRESENT: Joel Jundt, Karla Engle, Kellie Beck, Jack Dokken, Misty Siedschlaw, Rocky Matson and Kari Kroll

**DOT STAFF PRESENT
VIA CONFERENCE CALL:** Paul Coppock

OTHERS PRESENT: Suzan Caylen – Sunflour Railroad, Inc. and Gary Grittner – Stanley County Commission

**OTHERS PRESENT
VIA CONFERENCE CALL:** Laverne Schieffer – Mayor of Tabor; John LeSuer – Slover & Loftus; Kenneth Bean – Iron Prairie Rail, LLC; Will Woodward – Missouri Valley & Eastern Railroad; Dan Bilka – All Aboard; and Dick Huff

Chairman Jeff Burket called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:00 a.m. CT. A roll call was taken, and a quorum was determined.

Burket 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 members disclosed any conflicts of interest and no waivers were requested.

Burket asked for a motion to approve the January 21, 2026 Railroad Board meeting minutes.

Scott Lockwood noted that on page 2 during the Secretary’s Report, Secretary Jundt references four agency boards/commission but only listed three being combined. Secretary Jundt explained that

Senate Bill 70 was to combine the Board, Aeronautics Commission, and Transportation Commission. The Railroad Authority would continue, although its members would be the same as the newly formed commission. In the explanation of the status of Senate Bill 70 at the bottom of page 2 of the minutes, it was proposed to remove the words “of the four”, so the sentence reads: “This was the bill to consolidate the three public bodies that handle state transportation-related issues, i.e. the Transportation Commission, the Aeronautics Commission, and the State Railroad Board into one Commission – the Transportation Commission.”

A MOTION WAS MADE by Lockwood and seconded by Nelson to approve the January 21, 2026 Railroad Board meeting minutes with the edit as noted. All present voted aye by roll call vote. The motion carried.

Burket opened the floor to public input.

Burket acknowledged receiving a letter from Farmers Pride relating to operations on the Napa to Platte line. He noted the letter is available to the public online and in the room.

No other members of the public addressed the Board or offered input.

Burket asked for a motion for the Board to enter into executive session.

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

Executive session began at 11:05 a.m. CT

Executive session ended at 11:41 a.m. CT. A roll call was taken to confirm a quorum and all members were present.

Secretary Jundt presented to the Board the following items in his Secretary’s Report:

- **Federal Update:** President Trump signed all but one of the twelve appropriations bills to fully fund the federal government and its programs for Federal Fiscal Year (FFY) 2026, which ends September 30, 2026. The amount of funding that will go to the Federal Railroad Administration (FRA) is similar to last year. We are still waiting for FRA to send out the Notice of Funding (NOFO) for the Special Transportation Circumstance (STC) grant funds.
- **State Legislature:** Legislative session has been busy. Of the three remaining bills that were filed on behalf of the Department of Transportation (the “Department”), all three have now passed both bodies and it is anticipated the Governor will sign them. No bills were filed that directly

affected the Board at this point. There are three bills regarding open meeting laws, but the Department already follows what has been proposed.

Jundt addressed the Board's consideration of the sale or lease proposals for all or part of the state-owned Napa-Platte railroad line. He observed that the proposers were on the phone or in the room to answer any additional questions from the Board.

Chairman Burket called for questions from the Board. There were none.

Jundt thanked the four proposers for taking the time to put together proposals for the Department and the Board to consider. He expressed appreciation for the insight and possible options that were shared. After careful and diligent consideration of all proposals, Jundt stated the Department's recommendation is to not accept any of the proposals because they would not result in sufficient benefits to the State of South Dakota at this time. One concerning aspect of the proposals was the significant financial commitment that may be required by the Department, although the shipping needs remain unknown. Jundt suggested an in-depth feasibility analysis of the line needs to be performed, including the costs and benefits of line rehabilitation.

Jundt recommended the Department work on putting together a proposal for an economic feasibility study of the Napa-Platte railroad line. One option would be to add the study's scope of work to the state railroad plan the Board has already approved. Another option is to perform a separate study. The study would involve input and expertise from other state agencies, such as the Governor's Office of Economic Development (GOED) and the Department of Agriculture and Natural Resources (DANR).

A MOTION WAS MADE by Nelson and seconded by Lockwood to reject all proposals for the purchase or lease of all or part of the state-owned Napa to Platte railroad line. All present voted aye by roll call vote. The motion carried.

Jundt then recommended the Board authorize railbanking the section of the line from Napa Junction to Tyndall. Railbanking will protect the line from abandonment and give the State and the Board an opportunity to complete the feasibility study and then determine the best course of action for the line.

Burket asked about the ease of removing a line from railbank status and was told it would not be difficult to accomplish.

Scott Lockwood questioned who would handle the vegetation in the interim. Jundt shared that the Department is responsible for that maintenance. He explained that the Department had asked for bids for tree removal, weed control and mowing, but the bids were deemed too high and were all rejected. Jundt said the Department will re-bid this spring and will bring bids to the Board at the next meeting for approval of award.

The Department also plans to share the 2026 Maintenance Plans for all the state-owned rail lines.

A MOTION WAS MADE by Lockwood and seconded by Nelson to authorize the Secretary or his designees to execute all necessary documents and make all necessary filings with the Surface Transportation Board to railbank the state-owned Napa to Tyndall railroad line. All present voted aye by roll call vote. The motion carried.

Jundt shared with the Board that the Department asked for \$40 million in budget authority for the current STC grants. The bill is in the Joint Appropriations currently.

With no further business to come before the Board, Burket declared the meeting adjourned at 12:06 p.m. CT.

DRAFT