

SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES

Wednesday, November 16, 2022 at 11:00 a.m. CT

Becker-Hansen Building/ Commission Room – 700 E. Broadway Ave, Pierre SD

MEMBERS PRESENT: Jerry Cope, Chairman
Jeff Burket, Vice-chairman
Steve Scharnweber, Secretary
Jack Nelson

**MEMBERS PRESENT
VIA CONFERENCE CALL:** Greg Carmon
Jon Kirby

DOT STAFF PRESENT: Joel Jundt, Karla Engle, Jack Dokken, Misty Siedschlaw, Perry Griffith, Kyle Weinman, Katlyn Wieme, and Kari Kroll

OTHERS PRESENT: Scott Van Den Top – D&I Railroad Co. (D&I); Dan Kippley – Ellis & Eastern Company; Ryan Yanez – Ringneck & Western Railroad, L.L.C. (RWRR); Matt Hoobler – RWRR/ WATCO; Hollie Stalder – Belle Fourche Economic Development Corporation (BFEDC); Karen Wagner – BFEDC; Bruce Lindholm – Grant Solutions; Mark Trottier – Dakota, Missouri Valley & Western, Inc. (DMVW); Troy Fast – DMVW; and Deb Houseman – City of Lake Andes

VIA CONFERENCE CALL: Alex Huff, Jerry Vest – Rapid City, Pierre & Easter Railroad, Inc. (RCP&E); Dan Bilka – All Aboard Northwest; and David Montoya – HDR Engineering, Inc. (HDR)

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

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 revised minutes for the September 21, 2022 Board meeting. A typo was found after the minutes were approved at the October 19, 2022 meeting.

A MOTION WAS MADE by Burket and seconded by Nelson to approve the revised September 21, 2022 Board meeting minutes. All present voted aye by roll call vote. The motion carried.

Cope asked for a motion to approve the October 19, 2022 Board meeting minutes.

A MOTION WAS MADE by Scharnweber and seconded by Burket to approve the October 19, 2022 Board meeting minutes. All present voted aye by roll call vote. The motion carried.

Cope opened the floor to nominations for the election of Board officers.

Cope turned the gavel over to Vice-chairman Jeff Burket for the election of the Chair.

Jack Nelson nominated Jeff Burket as Chair of the Board. Cope called for nominations to cease.

A vote was taken on the election of Burket as Chair. All present voted aye by roll call vote, except Burket who abstained. The nomination carried.

Burket asked for nominations for Vice-chair.

Steve Scharnweber nominated Jerry Cope as Vice-chair of the Board. There were no further nominations.

A vote was taken on the election of Cope as Vice-chair. All present voted aye by roll call vote, except Cope who abstained. The nomination carried.

Jerry Cope nominated Steve Scharnweber as Secretary/Treasurer of the Board. There were no further nominations.

A vote was taken on the election of Scharnweber as Secretary/Treasurer. All present voted aye by roll call vote, except Scharnweber who abstained. The nomination carried.

After elections were complete, Burket took his place as Chair of the Board.

Karla Engle, Office of Legal Counsel, presented for Board consideration a proposed amendment to the Slover & Loftus legal services agreement. The amendment would extend the terms of the agreement for an additional year through December 31, 2023. The contract amount would remain the same. A MOTION WAS MADE by Cope and seconded by Scharnweber to approve the proposed amendment to the Slover & Loftus legal services agreement to expand the term of the contract by one year through December 31, 2023. All present voted aye by roll call vote. The motion carried.

Burket opened the floor to public input.

No one from the public addressed the Board or offered input.

Secretary Joel Jundt presented the Secretary's Report. He shared that with the elections over, there will be 30+ new legislators in the State Legislature for the upcoming session, including new chairpersons for both the Senate and House Transportation Committees.

Jundt asked the Board to consider the Board meeting dates for CY2023 as proposed by the department in the Board packet.

A MOTION WAS MADE by Nelson and seconded by Scharnweber to approve the proposed CY2023 Railroad Board meeting dates. All present voted aye by voice vote. The motion carried.

Jack Dokken presented for Board consideration a request to authorize issuance of a permit for a City of Lake Andes welcome sign on the railbanked right of way in Lake Andes.

A MOTION WAS MADE by Scharnweber and seconded by Nelson to approve issuance of a revocable permit to the City of Lake Andes for a welcome sign in the railroad right of way, subject to removal at the cost of the City if the line is re-activated. All present voted aye by roll call vote. The motion carried.

Dokken introduced Dave Montoya of HDR to present for Board consideration the State Rail Plan and Rail Investment Guide. Montoya discussed recent revisions to the State Rail Plan.

A MOTION WAS MADE by Cope and seconded by Scharnweber to approve the State Rail Plan subject to ensuring inclusion of all proposed 2022 Special Transportation Circumstance (STC) projects. All present vote aye by roll call vote. The motion carried.

Montoya discussed the latest version of the Rail Investment Guide.

A MOTION WAS MADE by Scharnweber and seconded by Nelson to accept the Rail Investment Guide as presented in the handout. All present voted aye by roll call vote. The motion carried.

Jerry Vest of Rapid City, Pierre & Eastern Railroad, Inc. (RCP&E) addressed the Board to amend the previously approved Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant application to only include the construction of the new locomotive shop in Huron for the total project amount of \$23,250,000

A MOTION WAS MADE by Scharnweber and seconded by Carmon to rescind approval of the prior CRISI application and funding requests of September 21, 2022 and October 19, 2022 that were presented by RCP&E and instead authorize the Secretary or his designee to execute all documents necessary to submit a CRISI application on behalf of RCP&E for a total project funding amount of \$23,250,000 for a new locomotive shop in Huron. The funding request would consist of \$11,525,000 in federal funding, RCP&E contributions of at least an additional \$11,625,000, and a State contribution of \$100,000. All present vote aye by roll call vote. The motion carried.

Dokken introduced the Special Transportation Circumstances (STC) grant application presentations. The following presentations were made to the Board:

- 1. Presenter:** Bruce Lindholm, Grant Solutions on behalf of Sisseton Milbank Railroad Company (SMRC)

STC Project: This project would replace 2.5 miles of 60 lb. rail with new jointed 115 lb. rail, add 2400 tons of ballast and surface the track between MP 19.5 to 22 on the Sisseton Milbank railroad line. Preliminary engineering and environmental will be part of the scope of the project. If awarded, SMRC will request pre-award authority for the preliminary engineering and environmental.

STC Funding Request: \$2,108,798.23 estimated total project cost, consisting of \$1,687,038.58 (80%) in federal grant funds and \$421,759.65 (20%) match by SMRC.
- 2. Presenter:** Ryan Yanez, Ringneck & Western Railroad, L.L.C. (RWRR)

Project: The project would consist of purchasing and installing 11,600 ties, 8,200 tons of ballast, 21 miles of surfacing, 1000 feet of undercutting, and purchase and placement of 3,500 tons of rip rap.

Funding Request: \$2,993,156.76 estimated total project cost, consisting of \$2,394,525.41 (80%) in federal grant and \$598,631.35 (20%) match by RWRR.

3. **Presenter:** Scott Van Den Top, D&I Railroad Co. (D&I)
Project: The project would replace 5.8 miles of existing 100 lb. joint rail with 115 lb. ribbon rail located from MP 29.86 to 36.66 in the Hawarden Subdivision on the D&I railroad line.
Funding Request: \$5,530,616 estimated total project cost, consisting of \$4,424,492.80 (80%) in federal grant and \$1,106,123.20 (20%) match by D&I.
4. **Presenter:** Hollie Stalder, Belle Fourche Economic Development Corporation (BFEDC)
Project: BFEDC offered three options to consider
- Option 1: The project would construct a track 1494' track leading into the BFEDC rail park
 - Option 2: The project would include the scope of work in option 1 and add a planning project to have a high-level evaluation of five locations for a new rail park – a more in-depth analysis of two locations, then selection of the preferred location then preliminary design, and environmental clearance of the selected location.
 - Option 3: The project would include the scope of work in option 2 and add security cameras and the purchase of a Trackmobile to move cars around in the industrial park.
- Funding Request:** OPTION 1: \$661,100.50 estimated total project cost, consisting of \$528,880.40 (80%) in federal grant and \$132,220.10 (20%) match by BFEDC. OPTION 2: \$776,100.50 estimated total project cost, consisting of \$620,880.40 (80%) in federal grant and \$155,220.10 (20%) match by BFEDC. OPTION 3: \$1,216,100.50 estimated total project cost, consisting of \$972,880.40 (80%) in federal grant and \$243,220.10 (20%) match by BFEDC.
5. **Presenters:** Mark Trottier, Dakota Missouri Valley & Western Railroad, Inc. (DMVW)
NEW Project: DMVW offered two plans to consider
- Plan A: The project is a more comprehensive project that would include installing 24,300 new ties (500 ties per mile), skew tie straightening, crossing improvements, 57,000 ton of ballast (12 cars per mile), surfacing, rail anchors, rehab four bridges and surfacing. The bridge rehab is limited to superstructure elements. There would be no undercutting into the subgrade.
 - Plan B: The project would include installing 20,520 new ties (450 ties per mile), skew tie straightening, 45,600 tons of ballast (10 cars per mile), surfacing, and anchors. Again, there would be no undercutting into the subgrade.
- Funding Request:** PLAN A: \$13,986,688 estimated total project cost, consisting of \$11,189,350.40 (80%) in federal grant and \$2,797,337.60 (20%) match by the State. PLAN B: \$10,317,693 estimated total project cost, consisting of \$8,254,154.40 (80%) in federal grant and \$2,063,538.60 (20%) match by the State.

Secretary Jundt shared that the Notice for Funding on the STC grants by the United States Department of Transportation (USDOT) has not been finalized. With that, he reminded the Board that any decisions on the applications could not be made until the Notice of Funding is finalized. The Board will consider the submitted applications at the December or January Board meeting. The Department of Transportation (the "Department") will notify the applicants when the Notice of Funding is finalized.

No action was taken on the grant requests.

With no other business to come before the Board, Burket adjourned the meeting at 1:05 p.m. CT.

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