

SOUTH DAKOTA STATE RAILROAD BOARD MEETING AGENDA

Wednesday, August 16, 2023 at 11:00 a.m. CDT

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

MEMBERS PRESENT

VIA CONFERENCE CALL: Jeff Burket, Chairman
Jerry Cope, Vice-chairman
Scott Lockwood
Ralph Schmidt
Steve Scharnweber
Greg Carmon

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

DOT STAFF PRESENT

VIA CONFERENCE CALL: Joel Jundt

OTHERS PRESENT

VIA CONFERENCE CALL: Scott Van Den Top – D&I Railroads; Ryan Yanez – Ringneck & Western Railroad (RWRR); Jerry Vest – Rapid City, Pierre & Eastern (RCP&E); Hollie Stalder – Belle Fourche Development Corporation; Tom Kersting – South Dakota Soybean Producers; Kyle Peters – A1 Development Solutions; Jeff Cooley – Civil Design Inc. (CDI); Shellee Currier – RWRR; Mark Hoobler – WATCO; Bruce Lindholm; Dan Bilka – All Aboard; Dick Huff; Alex Huff; and Danny Dale – Advanced Sunflower, LLC

Chairman Jeff Burket 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.

He welcomed the new members, Scott Lockwood and Ralph Schmidt, to the Board.

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

Karla Engle, Office of Legal Counsel, presented a waiver request received from Ralph Schmidt concerning a potential conflict of interest. A copy of the request for waiver is attached to and incorporated into these minutes as **ATTACHMENT A**. Schmidt is the General Manager of Sisseton Milbank Railroad Inc. (SMRR) and the Secretary for the Roberts Regional Rail Authority (RRRA). The only current conflict noted is the 2022 CRISI grant application for the SMRR that has been submitted to the Federal Railroad Administration but has not been awarded. Schmidt anticipates future conflicts

relating to funding requests for SMRR or RRRR that have not yet been made to the Department of Transportation (the “Department”) or the Board.

Engle recommended Schmidt abstain from participation Board discussions and Board votes on matters involving SMRR and RRRR.

A MOTION WAS MADE by Cope and seconded by Lockwood that the matters disclosed in the waiver request are fair, reasonable, and not contrary to public interest. All present voted aye by roll call vote, except Schmidt who abstained. The motion carried.

Burket asked for a motion to approve the May 24, 2023 Board meeting minutes.

A MOTION WAS MADE by Scharnweber and seconded by Carmon to approve the Board meeting minutes for May 24, 2023. All present voted aye by roll call vote. The motion carried.

Burket opened the floor to public input.

Danny Dale of Advanced Sunflower, LLC, addressed the Board. He shared the company’s intent to request a railroad trust fund loan from the Board at the September meeting for track improvements in and around Huron.

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

- Jundt congratulated Board members Scott Lockwood and Ralph Schmidt for their appointments to the Board.
- Jundt noted that the Special Transportation Circumstance (STC) federal grant Notice of Funding Opportunity (NoFO) has not been announced yet but he is expecting the announcement soon. He then reminded the Board that the estimated amount of funding will be \$58 million for both the 2022 and 2023 STC federal grants.
- Jundt drew the Board’s attention to the handout regarding the proposed 2024 Board meeting dates. The Board noted no conflicts with the dates. Jundt pointed out a potential conflict he has with the November 15, 2023, meeting date. No changes were made to the meeting dates, but the Board left open whether an alternate meeting date would be set at a later date.
- Jundt explained that if the U.S. Congress does not pass an appropriation bill by the end of the Federal Fiscal Year, which is September 30, 2023, funding for the 2023 CRISI grant will not be available.

Jack Dokken, Program Manager for the Office of Air, Rail, and Transit, presented for Board consideration a request to authorize the Department of Transportation (the “Department”) to enter into a contract with Civil Design Inc, (CDI) to complete and submit two South Dakota Rail Investment Guide intake forms for the following projects:

- A) rehabilitate 20.9 miles of rail between Napa Junction, South Dakota (MP 0.0) to Tyndall, South Dakota (MP 20.9) on the Napa Junction-Platte rail line, and;
- B) rehabilitate approximately 11.37 miles of rail between Napa Junction (MP 0.0) and 426th Avenue, which is located 1 mile west of Tabor, South Dakota (MP 11.37).

The contract would further require CDI to prepare a federal STC grant application if one of the projects is approved by the Board. The maximum amount paid to CDI under the contract would be \$35,615.44.

A MOTION WAS MADE by Scharnweber and seconded by Schmidt to authorize the Department to enter into a contract with CDI to prepare intake forms for these two projects and also prepare a federal STC grant application if one of the projects is approved by the Board. The maximum amount paid to CDI under the contract would be \$35,615.44. All present voted aye by roll call vote. The motion carried.

RESOLUTION #2023 – B06 was adopted.

Tom Kersting of South Dakota Soybean Processers, LLC, Jeff Cooley of CDI, and Kyle Peters of A1 Development Solutions, LLC presented a summary of the construction work for High Plains Processing, LLC in Mitchell, South Dakota. They indicated a loan request will be made to the Board at its September meeting.

Jack Dokken presented an update on current Department railroad projects.

With no other business to come before the Board, Burket adjourned the meeting at 12:19 p.m. CDT.

STATE OF SOUTH DAKOTA

(insert name of board/commission/authority)

REQUEST FOR STATE BOARD WAIVER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Date: 6-30-23

Name of Board Member or Former Board Member: Ralph Schmidt

Name of Board, Authority or Commission: South Dakota Railroad Board and Authority

Brief explanation of contract for which a waiver is requested:

a) Parties to the contract

Sisseton Milbank Railroad
Roberts Regional Rail Authority

b) Board Member's role in the contract

General Manager of Sisseton Milbank
Secretary of Roberts Regional Rail Authority Railroad

c) Purpose and objective of the contract

2023 Crisis Grant Application Potential 2023 loan
2023 State Appropriation Application Washout
2022 STC Grant Application Repair

d) Consideration or benefit conferred or agreed to be conferred upon each party

These would benefit the Sisseton Milbank RR
in Rehabilitation of line

e) Duration of the contract

Unknown at this time

Signature of Requesting Party: Ralph Schmidt Date 6-30-23