

SOUTH DAKOTA RAILROAD BOARD MEETING MINUTES

Wednesday, February 16, 2022 at 11:00 a.m. CST

BECKER-HANSEN BUILDING / DOT COMMISSION ROOM
700 EAST BROADWAY AVENUE, PIERRE, SOUTH DAKOTA

MEMBERS PRESENT

VIA CONFERENCE CALL: Jerry Cope, Chairman
Jeff Burket, Vice-chairman
Steve Scharnweber, Secretary/Treasurer
Jack Nelson
Greg Carmon
Jon Kirby

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

OTHER PRESENT: Rod Wiseman – Rapid City, Pierre & Easter Railroad (RCP&E); Mike Kellar – RCP&E; Tony Solie – Ringneck & Western/WATCO; Dan Kippley – Ellis & Eastern; Mark Trottier – Dakota, Missouri Valley & Western Railroad (DMVWRR); Troy Fast – DMVWRR; Brian Harmon – Rounds Construction; and Bruce Lindholm – Grant Solutions

OTHERS PRESENT

VIA CONFERENCE CALL: Scott Van Den Top – D&I Railroad Co. (D&I); Heath Haden – Dakota Southern Railway Company (DSRC); Hollie Stalder – Belle Fourche Development Corporation; Danny Smeins – BDM Rural Water Systems, Inc.(BDM); Rodney Kappes – BDM; Philip Deal – Coop Wheaton-Dumont Elevator; Mark Wegner – Twin Cities & Western Railroad Company, and Alex Huff

Chairman Jerry Cope called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:00 a.m. CST. 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) chapters 3 – 23.

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

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

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

Cope opened the floor to public input. No members of the public addressed the Board.

Secretary Joel Jundt presented the following items in the Secretary's Report to the Board. He shared that Congress has passed another continuing resolution set to expire on March 11, 2022. Until an appropriation bill is passed, the Department will continue to be capped at the FFY2021 federal funding amounts.

Jundt presented for Board consideration a state railroad loan to the Roberts County Regional Railroad Authority for the Sisseton to Milbank railroad line. The loan is proposed in conjunction with a Rebuilding American Infrastructure with Sustainability and Equality (RAISE) discretionary grant application for \$25,000,000. The proposed project would reconstruct the railroad line from Milbank to Sisseton (excluding the Lake Farley Bridge) to AREMA Class II standards. Jundt introduced Mark Wegner of Twin Cities & Western Railroad Company who explained more about the plan to pursue the RAISE grant for the project. The proposed project will replace the existing rail with 115lb or heavier new or relay rail, replace ties (estimate of 2046 new ties per mile), add 600 tons per mile of ballast, repair 10 crossings, add 850 tons of riprap, repair 94 culverts, repair 28 bridges.

A MOTION WAS MADE by Burket and seconded by Carmon to authorize the Secretary or his designee to execute a loan agreement and any other necessary documents to make a loan to Roberts Regional Railroad Authority for necessary project costs to reconstruct the railroad line from Milbank to Sisseton (excluding the Lake Farley Bridge) to AREMA Class II standards. The loan will be subject to the following conditions: (1) a resolution or official minutes from the Roberts Regional Railroad Authority authorizing the execution of all documents necessary to receive the loan; (2) a loan guarantee executed by Sisseton Milbank Railroad Company and Twin Cities and Western Railroad Company; (3) approval of a RAISE grant by the U.S. Department of Transportation for the reconstruction project; (4) limiting the loan amount to the lesser of \$6,250,000.00 or the difference between the actual, reasonable and necessary project costs minus the amount of the RAISE grant awarded by the U.S. Department of Transportation; (5) interest on the loan will be at the rate of 1.5% per year and the loan will be amortized over 15 years with a final balloon payment after seven years; (6) proceeds from project salvage shall be applied first to any actual, reasonable and necessary project costs in excess of \$31,250,000 and then to repayment of the loan; and (7) the Sisseton Milbank Railroad Company and Twin Cities and Western Railroad Company will work cooperatively with the South Dakota Department of Transportation (the "Department") to meet project and grant deadlines. All present voted aye by roll call vote. The motion carried.

Jack Dokken, Office of Air, Rail, and Transit Program Manager, presented to the Board the current progress of the State Rail Plan (SRP). He shared the Department is also creating a Rail Investment Guide (RIG) and has also launched a website at <https://www.southdakotasrp.com> to inform, partner with, and collect meaningful feedback from stakeholders, local jurisdictions, and the public about the SRP and RIG.

Secretary Jundt indicated the SRP and RIG may be presented at the April 20, 2022 Board meeting.

Dokken presented for Board consideration the 2022 Railroad Maintenance Plans submitted by the lessees of state-owned railroad lines. Mark Trottier of DMVWRR, Heath Haden of DSRC, and Mike Kellar of RCP&E gave quick updates and noted any items missing from the plan. Trottier added that there will be regular maintenance and bridge deck tie replacement to the Britton Rail Line plan. Heath Haden added that there will be a rail crossing in Tyndall/Tabor area on the Napa-Platte Rail Line. A MOTION WAS MADE by Scharnweber and seconded by Nelson to approve the 2022 Railroad Maintenance Plans as presented, including the additional items presented on the Britton and Napa-Platte Rail Lines. All present voted aye by roll call vote. The motion carried.

Dokken presented to the Board the Department's proposed schedule for rail line observation tours on the state-owned rail lines and asked for input from the Board members about tour dates that work in their schedules. The Board made the following plan:

Tuesday, April 5	Yale Rail Line/ Wosley Exchange	Cope, Scharnweber, Nelson
Wednesday, April 6	Britton Rail Line	Cope, Scharnweber,
Tuesday, April 12	Napa-Platte Rail Line	Burket, Carmon

Kirby will attend a tour on April 5 or 6 if his current conflict changes. Dokken will reach out to Doering to see his availability.

Dokken presented to the Board an excess property sale request adjacent to the Britton Rail Line in Britton, South Dakota. The sale would be to BDM Rural Water System, Inc., (BDM) which owns land near the sale property. Danny Smeins and Rodney Kappes, appeared on behalf of BDM to request approval of the sale.

A MOTION WAS MADE by Burket and seconded by Kirby to approve the sale of excess property adjacent to the Britton Rail Line in Britton to BDM Rural Water System, Inc., The sale will be subject to the following conditions: (1) the landowner whose property abuts the sale property waive any purchase rights; and (2) BDM obtain a survey and appraisal of the sale property that is satisfactory to 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 11:37 a.m. CST.