

SOUTH DAKOTA RAILROAD BOARD MEETING MINUTES
Wednesday, January 19, 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
Gary Doering

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

DOT STAFF PRESENT

VIA CONFERENCE CALL: Misty Siedschlaw and Kyle Weinman

VIA CONFERENCE CALL: Rod Wiseman – Rapid City, Pierre & Easter Railroad (RCP&E); Scott Van Den Top – D&I Railroad Co. (D&I); Kley Cameron – Ringneck & Western/WATCO; and Dan Kippley – Ellis & Eastern

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 December 15, 2021 Board meeting minutes.

A MOTION WAS MADE by Burket and seconded by Kirby to approve the Board meeting minutes for December 15, 2021. 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:

- Informed the Board the Department of Transportation (the "Department") had presented to the House and Senate Transportation Committees on January 13th and 14th, respectively, about the Department's strategic plan, performance measures, revenue and funding, functions, enhancements and innovations, and challenges for the Department.
- Shared that Senate Bill 29 is the only state legislation sponsored by the Department. The bill authorizes highway maintenance vehicle to operate less than the posted minimum speed on interstate highways. Secretary Jundt noted that this bill was approved by the Senate Transportation Committee and passed by the Senate and is headed to the House.
- The Department is still anticipating the Federal appropriations bill to be passed by Congress. Once passed, it will increase funds available during the 2022 Special Transportation Circumstances (STC) grant funding cycle.

Jundt presented to the Board an informational update on current rail funds and expected revenues. Jundt projected an increase in the Railroad Trust Fund. Jundt also reminded the Board that the Department is working with a consultant to create the State Rail Plan and development of an investment guide. The guide will include procedures / methodology that the Board and the DOT can use for selecting the most beneficial projects to fund – both for loans being requested from the Railroad Trust Fund and/or proposed grants. Jundt said there is talk about creating a grant or loan program to help increase economic development for the state.

Jack Dokken, Office of Air, Rail, and Transit Program Manager, introduced Scott Van Den Top of D&I Railroad, Inc (D&I). Van Den Top withdrew the D&I Railroad STC grant application that was submitted at the December 16, 2021 Board meeting. He explained that the requirements for federal funds would not be feasible for D&I to undertake. Van Den Top thanked the Board and indicated that D&I plans to put together a new proposal for FY2022.

Dokken presented to the Board the following updates on active railroad projects.

CRISI – SD West River Rail Improvement Project - Midland: Upgraded 2.6 miles of track from 100lb to 115lb CWR, reconstruction of two grade crossings, replaced 225 ties and installed 1,600 tons of ballast. This project was completed & closed on November 4, 2021 and final cost was \$325,427.31 under budget.

	Local Match RCP&E	Federal Grant	Project Total
Project funding	\$1,021,800.00	\$978,200.00	\$2,000,000.00
Expenditures to date	\$855,539.20	\$819,033.49	\$1,674,572.69
Balance	\$166,260.80	\$159,166.51	\$325,427.31

STC 2019 – Sisseton Milbank Railroad Lake Farley Bridge Replacement: Complete reconstruction of the existing bridge, including piles, pile caps, stringers, ties, and abutments. The existing bridge is an open deck timber trestle structure with an overall length of 176 feet, a total of eleven spans comprising of 3-ply timber stringers under each rail and bent substructures consisting of timber caps and six timber pile at each bent. This project is in the final design phase.

	Local Match SMRR	Federal Grant	Project Total
Project funding	\$387,462.00	\$1,549,848.00	\$1,937,310.00
Expenditures to date	\$15,075.11	\$60,300.44	\$75,375.55
Balance	\$372,386.89	\$1,489,547.56	\$1,861,934.45

STC 2019 – Ellis & Eastern Sioux Falls Area Bridges: Upgrade of three bridges in the Sioux Falls area. The scope of work for **Bridge P-106** includes adding another timber stringer cord, replacing timber pile caps, posting existing pile, replacing sway bracing and removal of debris around the bridge. The scope of work for **Bridge P-125** project includes removal of both existing timber approaches. The approaches would be replaced with steel piles, precast concrete abutments, precast concrete bent caps and precast solid slab beam spans. This project is in the final design phase.

	Local Match E&E RR	Federal Grant	Project Total
Project funding	\$979,960.00	\$3,919,840.00	\$4,899,800.00
Expenditures to date	\$18,957.39	\$75,829.56	\$94,786.95
Balance	\$961,002.61	\$3,844,010.44	\$4,805,013.05

STC 2019 – Belle Fourche Development Corporation Rail Park Expansion: Construction of a new double siding and transload facility including almost 4,000 total feet of siding, access road and storm sewer drainage. The grading work has been completed and most of the materials have been delivered. The pre-construction meeting was held, and construction work is planned to begin in February, weather permitting.

	Local Match BFDC	Federal Grant	Project Total
Project funding	\$479,427.00	\$1,917,710.00	\$2,397,137.00
Expenditures to date	79,265.18	\$317,060.68	\$396,325.86
Balance	\$400,161.82	\$1,600,649.32	\$2,000,811.14

STC 2019 - D&I Railroad Mainline Rail Replacement & Crossing Improvements: Upgrade over seven miles of old 100 lb. jointed rail to new 115 lb. CWR, 10,000 ties and twelve crossing upgrades at eleven locations. The four concrete crossings in Del Rapids have been rebuilt. All materials have been delivered for the rail replacement; construction will resume in the spring as soon as weather permits.

	Local Match D&IRR	Federal Grant	Project Total
Project funding	\$998,190	\$3,992,758	\$4,990,948

STC 2020 – RCP&E Midland Rail Improvement project: Replace four miles (between MP 530 and MP 534) of aging 100lb rail with CWR 136lb rail, shoulder shaping, ballast and resurface near Midland, SD on the RCP&E rail line. This project is in the environmental phase.

	Local Match RCP&E	Federal Grant	Project Total
Project funding	\$560,000	\$2,240,000	\$2,800,000

STC 2020 – Ringneck and Western Railroad Siding Construction: Construction of a 10,000-foot meet and pass siding with a full-length access road on the MRC line near Kimball. This project is in the environmental phase.

	Local Match R&WRR	Federal Grant	3044 State Expenditures	Project Total
Project funding	\$300,000	\$1,560,000	\$640,000	\$2,500,000

RAISE 2021 RCP&E South Dakota Expansion project: This project will upgrade 87.7 miles of jointed rail with 136lb continuous welded rail, 121 bridge structures, 80,000 mainline cross ties, 11 mainline 136lb turnouts, 122 private and public crossings, and install 76,200 tons of ballast and 4 new multipurpose hot wheel, hot bearing and dragging detectors. The project location is located between Ft. Pierre and Rapid City on the RCP&E rail line. SDDOT and RCP&E recently conducted the kickoff meeting and this project is in the environmental phase.

	Local Match RCP&E	Federal Grant	Gov Future Funds	Project Total
Project funding	\$42,000,000	\$20,000,000	\$22,000,000	\$84,000,000

At the February meeting the Board will receive the maintenance plans for State-owned lines, consider spring tours on the State-owned rail lines, and receive an update on the status of the State Rail Plan.

With no other business to come before the Board, Cope adjourned the meeting at 11:37 a.m. CST.