

**SOUTH DAKOTA STATE RAILROAD BOARD
MICROSOFT TEAMS VIDEO/CONFERENCE CALL
SPECIAL MEETING MINUTES
MAY 13, 2020 AT 9:00 A.M. CDT**

MEMBER PRESENT

VIA VIDEO: Jerry Cope, Chairman

MEMBERS PRESENT

VIA CONFERENCE CALL: Jeff Burket, Vice-chairman
Greg Carmon, Member
Steve Scharnweber, Secretary
Jack Nelson, Member
Gary Doering, Member
Jon Kirby, Member

DOT STAFF PRESENT

VIA VIDEO: Joel Jundt, Karla Engle, Bonnie Olson, Jack Dokken, Misty Siedschlaw,
Perry Griffith, Kari Kroll, and Kellie Beck

OTHERS PRESENT

VIA VIDEO: Dan Kippley – Ellis & Eastern Company

VIA CONFERENCE CALL: Scott Van Den Top – D & I Railroad Co. (D&I); Lance Pollman – (D&I);
Jerry Vest – Genesee & Wyoming, Inc. (G&W); Dean Krugman – Rapid
City, Pierre & Eastern (RCP&E); Mark Trottier – Dakota, Missouri Valley &
Western Railroad, Inc. (DMVW); Troy Fast – DMVW; Mark Wagner –
Sisseton-Milbank Railroad Company (SMRR); and Bruce Lindholm

Chairman Jerry Cope called the meeting of the South Dakota Railroad Board (the “Board”) to order at 9:19 a.m. A roll call was taken to verify a quorum.

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

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

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

Deputy Secretary Jundt introduced the presentations of the Consolidated Rail Infrastructure & Safety Improvements (CRISI) and Special Transportation Circumstances (STC) grant applications. Jundt shared a brief description of the process for the 2020 STC grant application. The STC grant application deadline is July 7, 2020. There are \$5.67 million available in STC funds for 2020, which includes \$1.37 million remaining from the 2019 STC fund allocation. The STC funds are 80 % federal funds with a required 20% match. The 20% match cannot consist of any in-kind match.

The Department of Transportation (the "Department") received one application for a CRISI grant and four STC applications by the Board's May 7th deadline. Jundt explained that he had been working with Mark Trottier of DMVW for the previous 6 months and a description of the DMVW intended project was submitted to the Department but the official application missed the deadline due to a miscommunication. Jundt requested the Board make a decision as to whether or not to review DMVW'S application based on this information. After discussion among the Board members, the Board decided to allow the submittal of DMVW'S proposal for Board consideration..

The following five (5) presentations were made to the Board:

1. **Presenter:** Jerry Vest, RCP&E/G&W
CRISI Project: Replacement of slightly more than 17 miles of main line rail west of Fort Pierre, improving both the carrying capacity of the line and its functionality over Pierre shale geological formations in the West River region.
CRISI Funding Request: Total project cost is \$12 million, \$6 million from CRISI Grant request, \$6 million RCP&E matching funds

STC Project: Replace an additional approximately four (4) track miles of PRC Subdivision main line rail and associated ballast, ditching, and surfacing along with replacing three (3) main line turnouts in Midland
STC Funding Request: \$2.8 million (\$2,240,000 federal/\$560,000 match)

RCP&E would be responsible for getting the proposal and application ready for submission.
2. **Presenters:** Mark Trottier and Troy Fast, DMVW
STC Project: Rehabilitate the track from Aberdeen yard limits to the Britton Junction to keep it in safe operational standards. The project would consist of anchors, ballast, and surfacing.
Funding Request: \$2,795,600 (\$2,236,480 federal/\$559,120 match)
3. **Presenters:** Scott Van Den Top and Lance Pollman, D&I
Project: Replace the main line bridge and replace the auxiliary track bridge simultaneously
Funding Request: \$1,295,025 (\$1,036,020 federal/\$259,005 match)

Alternate Project: Replace the main line bridge only
Funding Request: \$730,000 (\$584,000 federal/\$146,000 match)
4. **Presenter:** Jack Dokken, Program Manager Office of Air, Rail, and Transit
Project: Construct a new 10,000-foot siding east of Highway 45 near the Gavilon Elevator on the MRC line

Funding Request: \$2,500,000 (\$2 million federal/\$500,000 match) Dakota Southern Railway Company would contribute \$200,000 towards the required match with the remaining \$300,000 in match coming from state railroad funds

5. **Presenter:** Jack Dokken and Bruce Lindholm

Project: Relay the first four (4) miles of main line track west of the elevator at the Napa wye with heavy rail, replace 90% of the ties and add 5,000 tons of ballast per mile. In addition, there is a need to install 6000-feet of yard track at Janousek on the Napa-Platte rail line.

Funding Request: \$4.5 million (\$3.6 million federal/\$900,000 match) Dakota Southern Railway Company would not be contributing any money into this project. Bruce Lindholm spoke on behalf of Chuck Jepson stating Jepson's company will put up the match if the new ethanol plant is built. The other option would be using state railroad funds to pay the match.

Consistent with the CRISI and STC grant application procedure previously announced by the Board, the Board took no action on these applications. The Board will consider these applications at its next regular meeting.

Dokken presented for Board consideration the SMRR letter of support.

A MOTION WAS MADE by Scharnweber and seconded by Carmon to approve the letter of support as written to support the SMRR in pursuit of its BUILD grant. All present voted aye by roll call vote. The motion carried.

Karla Engle, Office of Legal Counsel, requested Cope call for a second public input opportunity. No members of the public addressed the Board or offered input.

Vice-chairman Jeff Burket requested a balance of the state railroad funds be available at the next Railroad Board meeting.

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