

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
MAY 15, 2019, AT 11:00 A.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

MEMBERS PRESENT: Jerry Cope, Chairman
Greg Carmon, Member
Jack Nelson, Member

**MEMBER PRESENT
VIA CONFERENCE CALL:** Gary Doering, Member (left meeting at 11:12 a.m.)
Steve Scharnweber, Member

DOT STAFF PRESENT: Darin Bergquist, Karla Engle, Jack Dokken, and Kari Kroll

OTHERS PRESENT: Dick Huff; Alex Huff; Philip Deal – Wheaton Dumont Co-Op Elevator (WDCE); Kristin Brost – Brost Family; Troy Fast – Dakota, Missouri Valley & Western (DMVW); Mark Trottier – DMVW; Blake Jones – Rapid City, Pierre & Eastern (RCP&E); Rob Everist - D&I Railroad Co. (D&I); Rick Everist – D&I

**OTHERS PRESENT
VIA CONFERENCE CALL:** Chris Brozik – CDI, Jack Parliament – D&I

Chairman Jerry Cope called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:02 a.m.

Chairman 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) chapter 3-23.

Cope declared a conflict of interest concerning the consideration of Brost Family Request to Purchase Excess Railroad Property in Presho. Cope has previously made a written disclosure of this conflict of interest to the Board. When this item is addressed, Cope will recuse himself from the discussion and the vote.

Cope determined a quorum by those present.

Cope asked for a motion to approve the minutes from April 17, 2019, Board meeting.

A MOTION WAS MADE by Nelson and seconded by Carmon to approve the April 17, 2019, meeting minutes. All present voted aye by roll call vote. The motion carried.

Cope opened the floor for public input.

Alex Huff shared two opinions with the Board. First, Huff believes selling the Napa-Platte Line for \$1.5 million is selling under market price. Huff stated that he has written to the Governor to explain why and he also recommends that if state-owned lines are sold that they be sold at public auction. Second, Huff reported that effective April 22nd, Dakota Southern has an embargo in place regarding service west of Mitchell.

Secretary Darin Bergquist presented the Secretary's Report.

Bergquist presented on the history of sales of state-owned lines since the State first bought the lines in 1984. It was brought to his attention that there is again interest by private companies to buy state-owned rail lines. He requested that the Board add to the June agenda a discussion item to develop a plan to sell the state-owned lines.

The Board members had questions about the concept and discussed ideas about how the sales would be done. It was requested by the Secretary that the Board members start thinking about the idea and then have a more complete discussion in June.

Mark Trottier of DMVW Railroad and Philip Deal of Wheaton Dumont Co-Op Elevator – Britton Grain Terminal, shared their concerns about the state-owned lines going private and what that would mean for the stability and confidence to a viable line. Secretary Bergquist acknowledged their concern and stated the viability of a line's future would be considered when discussing the possibility of selling the lines.

Member Doering left the meeting at 11:12 a.m.

Member Scharnweber left the meeting at 11:19 a.m. and returned to the meeting at 11:21 a.m.

With Cope needing to recuse himself from the discussion and vote on the consideration of the Brost Family Request, there was no longer a majority vote available. This item was tabled to a future meeting.

Jack Dokken of the Office of Air, Rail and Transit introduced Kristin Brost who was present to testify on behalf of her family. She shared the reasons for the family's request and questioned why a crossing permit is required at this time. Brost agreed to participate in the later meeting on May 31, 2019, to be held via conference call.

Dokken presented on the consideration of weed spraying on the Mitchell Rapid City (MRC) rail line in Pennington County. He recommended to the Board to approve and authorize the bid by Pennington County for \$6,500.00 for spraying approximately seventy-one (71) miles of right of way along the MRC rail line within Pennington County.

A MOTION WAS MADE by Nelson and seconded by Carmon to authorize Pennington County to spray for weeds along the MRC. All present voted aye by roll call vote. The motion carried.

Mark Trottier of Dakota, Missouri Valley & Western (DMVW) shared with the Board the beginning of a project to develop on a spur line to the AgP soybean processing plant in Aberdeen and it's benefits to the South Dakota. No funding was requested at this time.

Philip Deal of Wheaton Dumont Co-Op Elevator – Britton Grain Terminal voiced his support of the project.

Troy Fast of DMVW shared with the Board the issues of soft subgrade on the Britton Line between Britton and Aberdeen. Fast provided the estimated project costs to fix the soft subgrade. No funding was requested of the Board at this time.

Dokken shared that Dakota Southern Railroad was unable to make it to the meeting today to share their update.

Dokken presented on the current funding situations regarding the D&I Railroad issues on the Sioux Valley Line. Iowa has received the natural disaster declaration and FEMA funds will be requested for that portion of the rail line in Iowa. South Dakota has not yet received a natural disaster declaration, but FEMA funds will be requested if a declaration is received.

Canton Bridge will go out for bid on May 30. There will be a pre-bid meeting held on May 22 at the Canton Bridge site. Dokken requested a conference call meeting of the Board for May 31, 2019, to proceed with awarding the bid to expedite the construction. The Board members present agreed to the meeting.

Rob Everist of D&I shared current construction details happening on the D&I line.

With no other business to come before the Board, the meeting was adjourned at 12:20 p.m.