

SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES

September 29, 2021 at 11:45 a.m. CDT

Becker-Hansen Building/ Commission Room – 700 E. Broadway Ave, Pierre SD

MEMBERS PRESENT: Jerry Cope, Chairman
Jeff Burket, Vice-chairman
Steve Scharnweber, Secretary

MEMBERS PRESENT

VIA CONFERENCE CALL: Jon Kirby

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

DOT STAFF PRESENT

VIA CONFERENCE CALL: Joel Jundt

OTHERS PRESENT: Hollie Stalder – Belle Fourche Development Corporation; Scott Van Den Top – D&I Railroad Co. (D&I); Bruce Lindholm – Grant Solutions; Ed Van Gerpen – Bon Homme County; Janet Wagner – Friends of Tabor to Platte Rail to Trail; Ron Wagner - Friends of Tabor to Platte Rail to Trail; Bob Foley - Friends of Tabor to Platte Rail to Trail; Jon Corey - Rapid City, Pierre & Easter Railroad (RCP&E); Dean Krogman - Rapid City, Pierre & Easter Railroad (RCP&E); Dan Kippley – Ellis & Eastern; Paul Hegg – Encore Park; Ralph Schmidt – Sisseton Millbank Railroad; Steve Coomes – WATCO; P.J. Forbes – WATCO, and Kley Cameron - WATCO

VIA CONFERENCE CALL: Dick Huff; Alex Huff, Jerry Vest – RCP&E; John LeSuer – Slover & Loftus; and others

Chairman Jerry Cope called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 1:02 p.m. CDT. A roll call was taken, and a quorum was determined.

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

Cope acknowledged submission of his annual conflict of interest disclosure, a copy of which was included as Attachment A in the Board’s packet. No other conflicts of interest were disclosed, and no waivers were requested.

Cope asked for a motion to approve the August 18, 2021 Authority meeting minutes.

A MOTION WAS MADE by Scharnweber and seconded by Burket to approve the August 18, 2021 Authority meeting minutes. All present voted aye by roll call vote. The motion carried.

Cope opened the floor to public input. No one from the public addressed the Board.

Secretary Joel Jundt did not present a Secretary's Report. Jundt acknowledged a request, received from the Friends of Tabor to Platte Rail to Trail organization, to use a portion of the Napa to Platte rail line for a trail. This matter will be given further consideration at the next regular meeting of the Board.

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 2021 STC grant application. The STC grant application deadline and requirements have not been set yet, but there is an estimated \$6.9 million that is projected to be available for award.

The CRISI notification for funding has been released to the public with a mid-November deadline.

By the Board's September 21 deadline, the Department of Transportation (the "Department") received one application for a CRISI grant and six STC applications.

The following presentations were made to the Board:

1. **Presenter:** Jerry Vest, RCP&E/G&W

CRISI Project: Reconstruction project involves 88 miles of replacement rail with 136lb CWR and the upgrading of 121 bridge structures. Results of the project would allow for a minimum of 25 mph operations over the PRC Subdivision with 286,000 lb. freight car weight limit. This \$22 million grant request will be matched by \$42 million in RCP&E funds and \$20 million in State of South Dakota funds authorized by the state legislature and signed into law by Governor Noem in 2021.

CRISI Funding Request: Provide contingent concurrence for a potential CRISI competitive grant submission for the PRC Subdivision project if the Rebuilding American Infrastructure with Sustainability and Equality (RAISE) grant is not awarded.

STC Project: After professional hydrology studies were completed in 2020 and early 2021, seven culverts and one bridge structure were identified at significant risk of future heavy storms. Addressing these eight locations is the basis for the project.

STC Funding Request: \$1 million estimated total project cost, consisting of \$800,000 (80%) in federal grant and \$200,000 (20%) in RCP&E funding match

2. **Presenter:** Hollie Stalder, Belle Fourche Development Corporation (BFDC)

Project: Construct two tracks into the Belle Fourche Industrial & Rail Park to provide service to a new customer and provide service to an area to be used for a laydown yard for the Sanford Lab Long-Baseline Neutrino Facility project in Lead.

Funding Request: \$1,710,160.25 estimated total project cost, consisting of \$1,368,128.20 (80%) in federal grant and \$342,032.05 (20%) BFDC funding match

3. **Presenters:** Scott Van Den Top, D&I Railroad
Project: Replace the main line bridge located in rural Akron, IA and replace the auxiliary track bridge simultaneously.
Funding Request: \$1,360,000 estimated total project cost, consisting of \$1,088,000 (80%) in federal grant and \$272,000 (20%) D&I match.

4. **Presenter:** Paul Hegg – Encore Park and Dan Kippley – Ellis & Eastern
Project: Construct a 5,121 ft. siding along the Ellis & Eastern from MP 50.94 to 51.91, install 6 rail turnouts on the siding, and a 948-foot siding into a new rail service industrial park located on the west edge of Brandon, SD.
Funding Request: \$3,020,075 estimated total project cost, consisting of \$2,416,060 (80%) in federal grant and \$604,015 (20%) Encore Park match

5. **Presenter:** Kley Cameron - WATCO
Project: Build-out of new railroad infrastructure in Plankinton located on wholly-owned railroad property at MP395 that includes a 558' locomotive shop track and two 1,500' transload tracks. Ancillary project work would include a loadout spur, access roadway for transloading, six turnouts, and a maintenance pit.
Funding Request: \$2,998,348.39 estimated total project cost, consisting of \$1,799,009.03 (60%) in federal grant and \$1,199,339.36 (40%) WATCO match..

6. **Presenter:** Ralph Schmidt, Sisseton Millbank Railroad/ Twin Cities & Western
Project: Replace 4 miles of 60 lb. rail with new jointed 115 lb. rail, add 2400 tons of ballast, and surface the track.
Funding Request: \$2,161,804.72 estimated total project cost, consisting of \$1,729,443.78 (80%) in federal grant and \$432,360.94 (20%) Sisseton Milbank Railroad match.

No action was taken on the grant request. The grant applications will be considered at the next regular meeting of the Board.

With no other business to come before the Board, Cope adjourned the meeting at 2:55 p.m.

Attachment A

ANNUAL DISCLOSURE FOR AUTHORITY/BOARD/COMMISSION MEMBER PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Name of Member: Jerry D. Cope

Name of Board, Authority, or Commission: South Dakota State Rail Board & South Dakota State Rail Authority

The Member shall disclose below any contract in which the Member has an interest or from which the Member derives a direct benefit if the contract is:

- 1) With the state agency to which the Member's board, authority, or commission is attached for reporting or oversight purposes and which contract requires the expenditure of government funds;
- 2) With the state and which contract requires the approval of the Member's board, authority, or commission and the expenditure of government funds; or
- 3) With a political subdivision of the state if the political subdivision approves the contract and:
 - a. Is under the regulatory oversight of the authority, board, or commission, or
 - b. Is under the regulatory oversight of the agency to which the Member's board, authority, or commission is attached.

The Member shall disclose the contract even though no additional authorization is needed from the Member's board, authority, or commission to have an interest or derive a benefit from the contract.

The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

- 1) The entity receives grant money from the State, either directly or by a pass-through grant or
- 2) The entity contracts with the State or any political subdivision for services.

Attachment A

1. **Contracts in which you have an interest pursuant to SDCL Chapter 3-23 and which do not violate any other provision of law** – Provide the following for each contract in which you have, or will have, an interest. For further information see SDCL 3-23-2.1 and 3-23.3.1.

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed, if applicable
*State Rail ROW land purchase east of Presho *Murdo State Rail Land Lease *Presho State Rail Land Lease	Dakota Mill & Grain Inc. for all purchases and leases	Employed by Dakota Mill & Grain Inc.	*State Rail ROW land purchase east of Presho 2018 *Murdo State Rail land lease – ongoing *Presho State Rail Land Lease - ongoing

Attach additional pages, if necessary.

2. **Contract in which you have a direct benefit pursuant to SDCL Chapter 3-23** – Provide the following for each contract from which you derive, or will derive, a direct benefit. For more information see SDCL 3-23-2, 3-23-2.2, and 3-23-3.1.

Description of the contract	Parties	Description of the direct benefit	Date contract was authorized
*State Rail ROW land purchase east of Presho *Murdo State Rail Land Lease *Presho State Rail Land Lease	Dakota Mill & Grain Inc. for all purchases and leases	Employed by Dakota Mill & Grain Inc.	*State Rail ROW land purchase east of Presho 2018 *Murdo State Rail land lease – ongoing *Presho State Rail Land Lease - ongoing

Attach additional pages, if necessary.

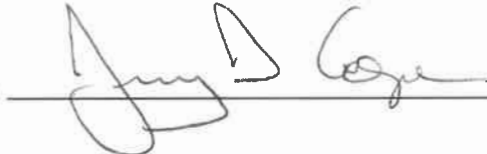
Attachment A

Entities in which you possess an ownership interest of five percent or more that receive grant money from the State, either directly or by a pass-through grant, or that contract with the State or any political subdivision for services – Provide the following for each such entity. See SDCL 3.23-3.1.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision

Attach additional pages, if necessary.

The Member shall complete a separate authorization request for any contract identified above that requires authorization from the Member's board, authority, or commission in order for the Member to legally derive a direct benefit.

Signature of Member:  Date 8/18/21