

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
DECEMBER 19, 2018 – 11:00 A.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

MEMBERS PRESENT: Jerry Cope, Chairman
Jeff Burket, Vice Chair
Steve Scharnweber, Secretary
Gary Doering, Member
Greg Carmon, Member
Jack Nelson, Member

**MEMBERS PRESENT
VIA CONFERENCE CALL:** Harlan Quenzer, Member

DOT STAFF PRESENT: Joel Jundt, Jack Dokken, Misty Siedschlaw, Perry Griffith, Lynn Kennison, Bonnie Olson, Becky Janssen, and Katherine Anderson

OTHERS PRESENT: Dick Huff; Alex Huff; Heath Haden – Dakota Southern Railway Company (DSRC); Scott Van Den Top – D&I Railroad Co. (D&I); Jeff Cooley – Civil Design, Inc.; Rod Wiseman – Rapid City, Pierre & Eastern Railroad, Inc. (RCPE); Danny Dalton – RCPE; Chad Roob – RCPE; Jack Parliament – D&I; and Bob Mercer – Associated Press

**OTHERS PRESENT
VIA CONFERENCE CALL:** Troy Fast, Dakota Missouri Valley Western Railroad (DMVW), Del Bartels – Capital Journal (joined at 11:04 a.m.)

Chairman Jerry Cope called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:00 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.

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

Cope asked for a motion to approve the minutes of the November 14, 2018, Board meeting.

A MOTION WAS MADE by Carmon and seconded by Burket to approve the November 14, 2018, meeting minutes. All present voted aye by roll call vote. The motion carried.

Cope opened the floor for public input. Dick Huff distributed a letter to the Board regarding railroad tax credit. Huff requested the Board take control of the tax credits received on the Mitchell to Rapid City ("MRC") line and the Napa to Platte line. Heath Haden, Dakota Southern Railway Company ("DSRC") addressed the Board regarding the tax credits.

Deputy Secretary Joel Jundt presented the Secretary's Report. The Department of Transportation (the "Department") sent letters to all operators of the state-owned rail lines requesting proposals for Special Transportation Circumstances ("STC") funding be submitted to the Board by February 22, 2019, to allow time for review prior to the March Board meeting. The Department will have to wait for the appropriations bill to see if there's an opportunity to amend the State Rail Plan.

Jundt presented consideration of a time extension for the Bowers & Company agreement.

A MOTION WAS MADE by Nelson and seconded by Scharnweber to amend the agreement with Bowers & Company to extend the ending date to January 31, 2019. All present voted aye by roll call vote. The motion carried.

Jack Dokken, Program Manager for the Office of Air, Rail, and Transit, requested the railroad operators present their annual maintenance plans to the Board.

Chad Roob, Director of Engineering, Rapid City, Pierre & Eastern Railroad, Inc. ("RCP&E") presented RCP&E's annual maintenance plan for the Yale Subdivision.

Troy Fast, a representative of Dakota, Missouri Valley and Western Railroad ("DMVW") presented DMVW's annual maintenance plan.

Scott Van Den Top, representative of D & I Railroad Co., ("D&I") presented D&I's annual maintenance plan.

Heath Haden, representative of DSRC, presented DSRC's annual maintenance plan.

Dokken provided the Board with an update on the RCP&E TIGER siding project in Philip. There's an underrun of about \$4 million. The Department would like to apply this underrun

to a section of rail about five miles northwest of Fort Pierre but is waiting for approval from the Federal Railroad Administration.

A MOTION WAS MADE by Doering and seconded by Carmon to enter into executive session pursuant to SDCL § 1-25-2(3) for the purpose of consulting with legal counsel or reviewing communications from legal counsel about proposed or pending litigation or contractual matters, and SDCL § 1-25-2(4) for the purpose of preparing for contract negotiations. All present voted aye by voice vote. The motion carried.

The Board came out of executive session at 12:45 p.m.

With no other business to come before the Board, the meeting was adjourned at 12:45 p.m.

DRAFT