

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
AUGUST 21, 2018 – 11:00 A.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

MEMBERS PRESENT: Harlan Quenzer, Chair
Steve Scharnweber, Member
Gary Doering, Member

**MEMBERS PRESENT
VIA CONFERENCE CALL:** Jerry Cope, Vice Chair
Greg Carmon, Member
Jack Nelson, Member

DOT STAFF PRESENT: Darin Bergquist, Joel Jundt, Karla Engle, Bonnie Olson, and Katherine Anderson

**OTHERS PRESENT
VIA CONFERENCE CALL:** Dick Huff; Jack Parliament – D & I Railroad Co. (D&I);
Bob Mercer – Associated Press; and George Jaeger

Chairman Harlan Quenzer called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:00 a.m.

Chairman Quenzer 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.

Chairman Quenzer asked for a motion to approve the minutes of the August 1, 2018, Board meeting.

A MOTION WAS MADE by Carmon and seconded by Scharnweber to approve the August 1, 2018, meeting minutes. All present voted aye by roll call vote. The motion carried.

Chairman Quenzer opened the floor for public input. No members of the public addressed the Board or offered input.

Secretary Bergquist presented the reconsideration of submitting a CRISI grant application for Sioux Valley Railroad Authority ("SVRRA")/D & I Railroad Co. ("D&I") The new recommendation is a funding package consisting of CRISI grant funds in the amount of \$4,050,000.00, a loan in the amount of \$2,550,000.00 from the State Railroad Trust Fund, a grant in the amount of \$1,000,000.00 from the State Railroad Trust Fund, and \$500,000.00 in funds from D & I Railroad Co. and other private sources.

A MOTION WAS MADE by Scharnweber and seconded by Doering to approve submission of a CRISI grant application for the D&I project. The funding package would consist of CRISI grant funds in the amount of \$4,050,000.00; a loan to Sioux Valley Regional Railroad Authority from the State Railroad Trust Fund in the amount of \$2,550,000.00; a grant from the State Railroad Trust Fund in the amount of \$1,000,000.00; and funds from D&I or other sources in the amount of \$500,000.00. D & I Railroad Co. will pay the entire cost of the preparation of the grant application. If the grant application is approved by the Federal Railroad Administration ("FRA"), Sioux Valley Regional Railroad Authority and D & I Railroad Co. must obligate all project funding and commence construction within one year from the date all required CRISI grant agreements are executed. If the project is not commenced within this one-year period, the Board's authorization of the railroad trust fund loan and railroad trust fund grant will be automatically rescinded and no further action of the Board will be required to de-authorize the use of railroad trust funds for this project.

All present voted by roll call vote: 5 aye [Quenzer, Carmon, Doering, Nelson, and Scharnweber] and one nay [Cope]. The motion carried.

Chairman Quenzer requested the Department of Transportation staff compile and provide to the Board a list of the outstanding State Railroad Trust Fund grants and loans.

A MOTION WAS MADE by Scharnweber and seconded by Doering to adjourn.

With no other business to come before the Board, the meeting was adjourned at 12:17 p.m.