

# **SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES**

## **Wednesday, September 20, 2023 at 11:00 a.m. CDT**

Becker-Hansen Building/Commission Room – 700 East Broadway Avenue, Pierre, SD

### **MEMBERS PRESENT**

**VIA CONFERENCE CALL:** Jeff Burket, Chairman  
Jerry Cope, Vice-chairman  
Greg Carmon  
Scott Lockwood  
Ralph Schmidt

**DOT STAFF PRESENT:** Joel Jundt, Karla Engle, Kellie Beck, Jack Dokken, Perry Griffith, Misty Siedschlaw, Katlyn Wieme, and Kari Kroll

### **OTHERS PRESENT**

**VIA CONFERENCE CALL:** Scott Van Den Top – D&I Railroad Co.; Ryan Yanez – Ringneck & Western Railroad, L.L.C. (RWRR); Ross Lane – Rapid City, Pierre & Eastern Railroad, Inc. (RCP&E); Danny Dale – Advanced Sunflower, LLC; Jeff Tschetter – East Central Regional Railroad Authority; Kyle Peters – A1 Development Solutions; Jeff Cooley – Civil Design Inc. (CDI); Mark Hobbler – Watco; Dan Bilka – All Aboard; Dick Huff; Alex Huff; and Dave Scott

Chairman Jeff Burket called the meeting of the South Dakota State Railroad Board (the “Board”) to order at 11:00 a.m. CDT. A roll call was taken, and a quorum was determined.

\*\*\*

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

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

\*\*\*

Burket asked for a motion to approve the Board meeting minutes for August 16, 2023.

A MOTION WAS MADE by Carmon and seconded by Lockwood to approve the Board meeting minutes for August 16, 2023. All present voted aye by roll call vote. The motion carried.

\*\*\*

Burket opened the floor to public input.

No members of the public addressed the Board nor offered input.

\*\*\*

Karla Engle, Office of Legal Counsel, presented to the Board a request to amend the contract with Slover & Loftus, LLP for legal services. Engle requested to extend the contract to December 31, 2024, and increase the hourly rate for attorney services to \$500/ hour from the current \$450/ hour.

A MOTION WAS MADE by Cope and seconded by Schmidt to amend the contract with Slover & Loftus LLP to extend the termination date to December 31, 2024, and increase the hourly rate for attorney services to \$500/hour. All present voted aye by roll call vote. The motion carried.

\*\*\*

Secretary Joel Jundt presented the Secretary's Report to the Board. He noted that Vice-chairman Cope was reappointed for another 3-year term by Governor Noem. He also mentioned that three Board member have terms ending later in 2023.

Secretary Jundt also reported that the Surface Transportation Board (STB) granted the State of South Dakota's request to issue a *Notice of Interim Trail Use* for a segment of the Napa Junction-Platte rail line from Tyndall to Ravinia, SD on August 21, 2023. This makes a continuous segment of the line in railbanked status from Tyndall to the west end of the line near Platte, SD. In light of this approval, the the lease agreement with Dakota Southern Railway no longer includes the Ravinia to Tyndall segment of track.

Next, the Department will file a notice with the STB stating the Department will comply with all the requirements of the *Notice of Interim Trail Use*. If approved by the Board, the Department will salvage the rail materials from Tyndall to Platte.

Jundt also noted that the railbanking of the Tyndall to Ravinia segment of state-owned line was not prompted by the recent interest by the Friends of the Tabor to Platte Rail to Trail, Inc., in establishing a trail on the line. This portion of the line is inactive and as an asset of the State of South Dakota, salvaging the rail material may be desirable.

\*\*\*

Jack Dokken, Program Manager for the Office of Air, Rail, and Transit, presented for Board consideration a loan request in the amount of \$401,085 from the East Central Regional Railroad Authority to build a 1,352-foot siding in Huron, SD for Advanced Sunflower Company, LLC. The loan would provide funding for construction costs to build the siding at their Huron location which accesses the RCP&E mainline. The siding would be owned by Advanced Sunflower, LLC and located on property leased from RCP&E.

It was shared by Jeff Tschetter, the Chairman of the East Central Regional Railroad Authority, that Advanced Sunflower, LLC was approved for a Local Infrastructure Grant from the Governor's Office of Economic Development last week in the amount of \$401,085. This along with the requested loan would allow for construction to begin as early as next week.

The Department noted that the standard loan terms are as follows: 2% annual interest amortized over twenty years with a balloon payment 7 years after the first installment payment is due.

A MOTION WAS MADE by Cope and seconded by Carmon to approve a loan to East Central Region Railroad Authority in the amount of \$401,085 at 2% interest per year amortized over 20 years, with a balloon payment on the remaining principal and interest 7 years after the first installment payment is due and a promissory note or guaranty executed by Advanced Sunflower, LLC. All present voted aye by roll call vote. The motion carried.

\*\*\*

Dokken presented the Department's request for authorization to issue a request for proposals or bids to salvage the ties, rail, and other track materials on the state-owned railbanked segment extending from Tyndall to Ravinia. The project would include approximately 60 miles of 60-pound track and nine sidings. The ties would be disposed of at certified landfills or salvaged. The proceeds of the salvage contract, if any, would be deposited in the railroad trust fund account.

A MOTION WAS MADE by Carmon and seconded by Lockwood to approve the Department's request conditioned on the Department making the STB filing of the Department's notice of compliance with the requirements of the *Notice of Interim Trail Use*. All present voted aye by roll call vote. The motion carried.

\*\*\*

It was addressed that the next meeting would be held in-person on October 10, 2023 at 11 a.m. CDT/ 10 a.m. MT as a Special Railroad Board meeting to hear proposals for Special Transportation Circumstance (STC) grant requests followed by a second October regular in-person meeting on October 18, 20223 at 11 a.m. CT/ 10 a.m. MT where the Board will consider and take action, if desired, on the previously presented proposals.

\*\*\*

With no other business to come before the Board, Burket adjourned the meeting at 11:41 a.m. CDT.