

**SOUTH DAKOTA STATE RAILROAD BOARD MEETING MINUTES
NOVEMBER 14, 2018 – 1:00 P.M.
BECKER-HANSEN BUILDING – 700 EAST BROADWAY
PIERRE, SOUTH DAKOTA**

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

**MEMBERS PRESENT
VIA CONFERENCE CALL:** Jack Nelson, Member

DOT STAFF PRESENT: Darin Bergquist, Joel Jundt, Karla Engle, Jack Dokken,
Misty Siedschlaw, Perry Griffith, Lynn Kennison, and
Bonnie Olson

OTHERS PRESENT: Dick Huff; Alex Huff; Jody Sparks – Dakota Southern
Railroad Company. (DSRC); Phillip R Pryor – DSRC;
Scott Van Den Top – D&I Railroad Co.; Rick Vallery –
Rep. Noem’s office

**OTHERS PRESENT
VIA CONFERENCE CALL:** Heath Haden - DSRC

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

Vice 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.

The Board acknowledged receipt of Doering’s waiver disclosure of potential conflicts of interest regarding his relationship with East Central Regional Railroad Authority. Doering explained that he acts as a volunteer agent for the regional railroad authority when submitting paperwork to the Department.

Cope asked for a motion to approve the minutes of the October 17, 2018, Board meeting.

A MOTION WAS MADE by Carmon and seconded by Scharnweber to approve the October 17, 2018, meeting minutes. All present voted aye by roll call vote. The motion carried.

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

Election of Chair, Vice Chair, and Secretary-Treasurer

Doering nominated Cope for Chair.

All present voted aye by roll call vote, with the exception of Cope who abstained. The motion carried.

Scharnweber nominated Jeff Burket for Vice Chair.

All present voted aye by the roll vote, with the exception of Burket who abstained. The motion carried.

Burket nominated Steve Scharnweber for Secretary-Treasurer.

All present voted aye by roll call vote, with the exception of Scharnweber who abstained. The motion carried.

Deputy Secretary Joel Jundt presented the Secretary's Report.

Jundt presented consideration of Special Transportation Circumstance (STC) grant funding.

Jundt suggested the Board identify a process for reviewing requests for funding projects for the STC grant funds. The Board decided to follow a three-meeting process. DOT will send a letter of invitation to various railroads for submittal of STC funding requests. The letter will contain the requirements and dates of the process. The Board will receive requests through January. At the first meeting, February 20, 2019 the Board will receive the STC funding requests and begin reviewing. The second meeting, March 20, 2019, the applicants will provide a presentation and respond to questions. At the third meeting, April 17, 2019, the Board will make its determination as to which funding requests will be submitted to the FRA.

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

A MOTION WAS MADE by Scharnweber and seconded by Burket to amend the agreement with Bowers & Company to extend the end date to December 2, 2018. All present voted aye by roll call vote. The motion carried.

Jundt presented consideration of Slover & Loftus LLP agreement.

A MOTION WAS MADE by Burket and seconded by Carmon to amend the agreement with Slover & Loftus to obligated additional funds of \$75,000 and extend the agreement for an additional year.

Bergquist provided the Board FRA inspections on the MRC & Britton rail lines:

Karla Engle of the Office of Legal Counsel asked for a motion to enter into executive session pursuant to South Dakota Codified Law (“SDCL”) §1-25-2(3) and (4).

A MOTION WAS MADE by Burket 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 roll call vote. The motion carried.

The Board came out of executive session at 2:35 p.m. With no other business to come before the Board, the meeting was adjourned at 2:35 p.m.