

SOUTH DAKOTA RAILROAD AUTHORITY MEETING MINUTES

Wednesday, May 15, 2024 at 11:00 a.m. CDT

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

MEMBERS PRESENT: Jeff Burket, Chairman
Steve Scharnweber
Scott Lockwood
Jack Nelson
Greg Carmon

**MEMBERS PRESENT
VIA CONFERENCE CALL:** Ralph Schmidt

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

**DOT STAFF PRESENT
VIA CONFERENCE CALL:** Joel Jundt

OTHERS PRESENT: Chadd Thimesch – Ringneck & Western Railroad, LLC (RWRR); PJ Forbes – WATCO; Randy Burington – WATCO; and Mike Kellar – Rapid City, Pierre & Eastern Railroad, Inc. (RCPE)

**OTHER PRESENT
VIA CONFERENCE CALL:** Sally Currier – RWRR; Mark Trottier – Dakota, Missouri Valley & Western Railroad Inc. (DMVW); Clint Sayler – DMVW; Ross Lane – Genesee & Wyoming Inc; Dan Bilka – All Aboard; and Alex Huff

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

Burket 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) chapter 3 – 23.

Authority member Ralph Schmidt declared his conflict of interest with the agenda item regarding Millbank to Sisseton rail line. Karla Engle, Chief Legal Counsel, shared with the Authority that Schmidt has already presented to the Authority his waiver request regarding this conflict and the Authority found it to be fair, reasonable, and not contrary to public interest. Schmidt will recuse himself from discussion and vote on this item.

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

Burket asked for a motion to approve the special Authority meeting minutes from May 24, 2023.

A MOTION WAS MADE by Scharnweber and seconded by Nelson to approve the special Authority meeting minutes from May 24, 2023. All present voted aye by roll call vote, except Lockwood who recused himself. The motion carried.

Karla Engle, Chief Legal Counsel, presented for Authority consideration the proposed expenditure of funds for rehabilitation of the Rapid City Pierre & Eastern ("RCP&E") rail line from west of Fort Pierre to Rapid City. During the 2021 legislative session the South Dakota Legislature enacted Senate Bill 93 which appropriated \$20 million in state funds for rehabilitation of this segment of line. The appropriation was contingent upon the receipt of federal grant money for the rehabilitation project. Federal grant money was awarded for the rehabilitation project in the amount of \$22 million.

A MOTION WAS MADE by Scharnweber and seconded Carmon to propose and authorize the expenditure of \$20 million in state general funds and \$22 million in federal grant funds for the rehabilitation of the RCP&E rail line from west of Fort Pierre to Rapid City. All present voted aye by roll call vote. The motion carried.

Authority member Schmidt recused himself from the discussion and vote of the Milbank to Sisseton rail line rehabilitation project.

Engle presented for Authority consideration the proposed expenditure of funds for a railroad project involving the Milbank to Sisseton rail line. During the 2023 legislative session the South Dakota Legislature enacted Senate Bill 16 which appropriated \$6,250,000 in state general funds for the rehabilitation of this line. The appropriation was contingent upon receipt of federal grant money for the rehabilitation project. Federal grant money was awarded for the rehabilitation project in the amount of \$24,712,204.

A MOTION WAS MADE by Carmon and seconded by Nelson to propose and authorize the expenditure of \$6,250,000 in state funds and \$24,712,204 in federal grant funds for the rehabilitation of the Milbank to Sisseton railroad line. All present voted aye by roll call vote, except Schmidt who was recused. The motion carried.

Schmidt rejoined the meeting.

Burket opened the floor to public input.

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

With no further business to come before the Authority, Burket declared the meeting adjourned at

11:11 a.m. CT.

DRAFT