

January—March 2019

Lake State Railway

The Turntable



FROM THE PRESIDENT

Here we grow again

BUSINESS DEVELOPMENT

Operating Flint to Plymouth

SAFETY

Introducing new Safety Director

Photo courtesy of John Puda

From the President...



Here we grow again!!!

Lake State Railway is proud to announce that as of March 30th, we have begun operating CSX's line from Mount Morris, MI (near Flint) to a point near Plymouth, MI. This welcomed addition to

our nearly 300 miles of existing track is a distance of approximately 53 miles. As part of this recent expansion, we welcome 8 new customers to our growing customer base and expect to add others in the near future.

LSRC is honored that CSX chose to work with us to take over this operation and believe that it will help both of our systems perform better and more efficiently as we continue to work and grow traffic together.

"Here we grow again!!!"

Lake State's new growth and expanded size has allowed us to attract many experienced railroaders to join our dedicated and loyal team and we look forward to seeing all the future benefits their knowledge will bring. In an effort to be positioned and ready to take on the expansion in operation, Lake State has increased staffing across the board. In December of 2018 LSRC employed around 32 conductors/engineers, today that number has increased to 42 and we expect to hire a few more in the near future. We have increased staffing in other critical departments as well from our Locomotive and Car shops to our Maintenance of Way department. Our overall employment jumped over 43% in 3 years from approximately 80 employees to nearly 115 and rising. To all of our new employees and customers, I'd like to take this opportunity to personally welcome all of you to Lake State Railway. Our goal is to make this a rewarding experience for everyone.

This expansion project has been a long and challenging process but I couldn't be more proud of our dedicated team who worked many long hours in preparation to ensure a smooth transition. Thank you all for your superb efforts and for going above and beyond in support of this opportunity. I



also want to thank the many folks at CSX who worked equally as hard to ensure this transaction would be a success. As with any large undertaking, there are always hurdles to jump, but everyone rose to the challenge and volunteered their time to get the job done. We greatly appreciate everyone's tenacity and hard work and look forward to a new chapter of growth.

**- John Rickoff
President & CEO**

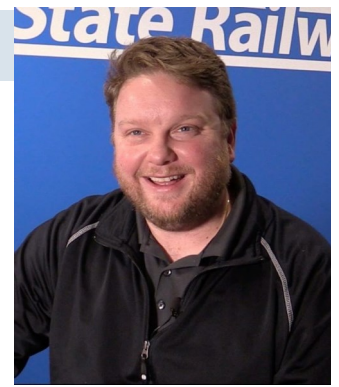
Business Development

Lake State is now operating additional trackage south towards the western Detroit Metro Area. The new trackage is a win-win-win for CSX, LSRC and our customers, with transit time savings, increased market reach, and improved efficiencies. Our operating plan includes minimal dwell in Plymouth, resulting in a reduction in transit time for our customers. Additionally, LSRC has agreed to pre-block outbound trains, allowing for quicker processing at Detroit and other connecting terminals. Wixom and Flint are set up very well for transload customers, and there are several developable industrial sites along the line. Our marketing team has an active pipeline of opportunities on the new property, with a handful of new customers hoping to ship yet this year. The Lake State locomotive fleet is also being upgraded in the form of 6 new to Lake State SD50-2 locomotives, which will be delivered functionally as SD40-3s. These units will be thoroughly shopped prior to delivery, including removal of the original EMD Super Series control system, upgrade to state of the art microprocessor control systems, installation of GPS with remote diagnostics and a fresh coat of paint.

Our marketing team has been busy as the ARAUCO facility in Grayling is in production, with railcar shipments expected to begin in the second quarter. Lake State has signed a long term lease on 30 brand new build bulk head flat cars to support ARAUCO, these will be the first new railcars delivered to LSRC in our 27 year history. LSRC also acquired over 40 log cars, which will be kept busy hauling logs in and out of the Grayling area. Rounding out first quarter equipment acquisitions, we acquired 30 center beam flat cars for use with a new customer shipping out of the newly developed Gaylord transload. LSRC's originating/terminating carload traffic grew by 16% in 2018 and Michigan's newest Regional Railroad expects to see continued growth through 2019 as well.

- Mike Stickel
EVP & Chief Operating Officer

March 30, 2019
Takeover Day
Flint Yard



Michigan Agri-Business Association Train Ride

Lake State Railway hosted the Michigan Agri-Business Association (MABA) inspection train Ride in March. It was a great opportunity for Agricultural businesses to connect locally and to see first-hand how the railroad positively impacts the agricultural industry. MABA began as The Michigan Grain Dealers Association in 1903, evolving over the years to more broadly encompass agricultural interests. The association is well respected for its pursuit on behalf of its members to address industry issues at the State and National levels. MABA membership includes the heart of the industry; seed, fertilizer, crop protection manufacturers, retailers, advisers, grain handlers, feed suppliers, and food processors. All major commodity groups in Michigan are represented as well. Membership has grown to include many supporting sectors, including truck and rail transportation, energy providers, legal services, accounting firms, and insurance providers. Anyone interested in becoming a member of this respected organization can find the membership application on their website at www.miagbiz.org or contact the MABA office at 517-336-0223.

We appreciate all those who were able to attend, and would like to thank Congressman John Moolenaar and staffer Tom Smith, State Representative Brian Elder, Senator Roger Victory, and Spencer Verhagen from the Office of Senator Stabenow for taking the time to

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UPCOMING EVENTS

Good Friday	04/19
Easter	04/21
Earth Day	04/22
Admin. Professionals Day	04/24
Mother's Day	05/12
Memorial Day	05/27
LSRC Family Loons Days	06/09
Summer Begins	06/21
Independence Day	07/04



(Continued from page 4)

ride along in support of our agricultural community. For those of you who listen to talk radio, you may have heard a few interviews broadcasted live from the train on WSGW with Art Lewis. A special shout out goes to Art and his crew for joining us. Thank you all for your participation in this event. We look forward to a great year of harvest.

- Deanna Hennessy



Art Lewis live interview with John Rickoff

ASLRRRA Award



Lake State is extremely proud to be the recipient of the 2019 ASLRRRA Business Development Award (formerly known as the ASLRRRA Marketing Award) for the 2nd year in a row. We want to thank the whole LSRC team for their efforts and hard work to help lead us into a brighter future.

Rip Track Report

Lake State acquired an additional 70 100-ton open top hopper rail cars. The new cars bring the purpose built LSRC stone fleet to over 250 cars. The car shop has been busy over the winter bringing the cars up to our standards. Lake State has the capacity to haul the equivalent of over 10,000 heavy truckloads each summer. By shipping via rail, our customers move high quality limestone more economically, more environmentally friendly with better fuel efficiency, and a higher level of public safety than long haul heavy trucks.

-Mike Stickel



LSRC SAFETY REALLY COUNT

My name is Brian Edwards and I am the new Director of Safety and Training taking over for Mike O'Sullivan who recently retired from a long railroading career and is hopefully enjoying himself. I started my railroad career with CSX Transportation over 25 years ago as a conductor in Philadelphia and then as an engineer here in Saginaw, MI in 1995. I spent the next 8 years working between Saginaw and Toledo, OH. In 2006, I took a supervisor of Locomotive Engineers position in Chicago where I learned the value of training and rules and safety compliance. I have experienced many situations where compliance would have avoided serious injuries and/or derailments and look forward to using those experiences as learning tools here at Lake State. In 2013, I took a position in Indianapolis, IN as a Line of Road Train-

master from Indianapolis to St. Louis, MO. This March, I received the wonderful opportunity to join the Lake State Railway Company. I am extremely excited to be a part of this great team.

My father retired From CSX after 37 years and my wife Misty and brother-in-law, Jeff, still work there, so railroading is an extremely important part of my life. As a married father of 5 great kids Bailey, Andrew, Seth, Skyler and Isabella, I truly understand the importance of safety inside and outside the workplace and what it really means to go home the same way I came to work. I look forward to meeting all my new family members here at Lake State and would like to give a special thank you for the opportunity to continue promoting railroad safety and training.

- Brian Edwards
Director of Safety

2019 2nd Qtr. Work Anniversaries

Brian Benson.....	20 Years
Scott Baker.....	18 Years
Richard Hanson.....	13 Years
Don Hasty	12 Years
Trista Wolgast.....	12 Years
John Agnew	8 Years
Allen Gooch	7 Years
Kristopher Kent.....	7 Years
Mark Pennell	7 Years
Mark Eickholt.....	5 Years
Rich Joles	5 Years
Ralph Rogers.....	2 Years
Michael Davis.....	2 Years
Sean Pengelly.....	2 Years
Andrew Esseltine	1 Year
Brendan Forrest	1 Year
Philip Bailey	1 Year
Travis Smith	1 Year

Welcome

We want to give a warm welcome to our newest team members who joined Lake State January—March, 2019 Welcome aboard! We look forward to all the great knowledge and workmanship you will bring to Lake State Railway.

All Aboard

Wade Arnold—Transportation
Marc Ballard—Transportation
James Brown—Transportation
Scott Brown—Maintenance of Way
Ryan Curbey—Maintenance of Way
Brian Edwards—Director of Safety
Tyler Frye—Transportation
Roger Fuehring—Chief Mechanical Officer
Ted Gregory—Transportation
Jeremie Hascall—Maintenance of Way

Brent Keeler—Transportation
Ryan Krengel—Transportation
Kristopher Lutenske—Car shop
Michael Milkowski—Transportation
Alex Nikora IV—Maintenance of Way
Jordan Norman—Transportation
David O'Neil—Transportation
Peter Ruesch—Yardmaster
Logan Schupp—Transportation
Tom Scott—Transportation

Congratulations

2018 1st Quarter LSRC Promotions:

Nathan Beach—Engineer
Jade Dowdy—Conductor
Michael Edwards—Engineer
Michael Milkowski—Conductor
Logan Schupp—Conductor

Congratulations to you all. LSRC thanks you for your commitment to Excellence in Transportation!



Congratulations to Mike & April Ewing on the new addition to their family. Meet the smiley Lyla Maize weighing in at 5 lbs. 15 oz. and 17 inches long. At 4-years old, big sister Evelyn has some babysitting in her future.

It's a girl!

Trista Wolgast— Customer Accounting & Car Hire Manager



Meet Trista Wolgast, Customer Accounting & Car Hire Manager. Although her title is specific, her responsibilities at Lake State take on a much larger scope including car accounting and management of fleet and storage cars. We're not exactly sure how she juggles it all, but she does so with accuracy and balance, which she feels are the most important aspects of her job.

Trista was born and raised in Tawas, MI and started with LSRC almost 12 years ago in the accounts receivable department when Lake State's main headquarters were located there. She had a little bit of railroading in her blood as her grandfather had worked for the Detroit & Mackinac Railway back in the day. In 2002, Trista had moved to Long Beach, California and worked as a Barista for Starbucks and later transferred with Starbucks to Mesa, AZ for a time before moving back to Michigan to be closer to family. Before Lake State was lucky enough to bring Trista aboard, she had been working for a local credit union in Tawas.

Trista spends a lot of her free time traveling, backpacking, hunting and fishing, basically anything outdoors. She has visited 14 national parks and will be making a return trip to Iceland soon with her travel partner and

fiancé Chris Brewer. Trista classifies herself as an outdoor gear junkie as she enjoys collecting and keeping (hoarding) gear even if she doesn't use it. 😊

When asked what she likes most about her job, she quick-wittedly replied "lunch". After a good laugh, she said she enjoys the freedom and ability to work both independently on a day-to-day basis and collaboratively when things need to come together.

Kevin Mitrzyk, EVP & CFO had a few words to say: "Trista is an extremely hard worker and has developed a wealth of knowledge during her time with the railroad. She has become an integral part of the Lake State team who contributes a great deal to our success. I can honestly say, I don't know what we would do without her." Trista's peers also had a few compliments to hand out:

"She is a big help to me...takes away the burden of paperwork." (D. Collins)

"She's quiet, diligent and wicked smart." (M. Pennell)

"Consistently reliable and trustworthy and a valued team player." (D. Fitzgerald)

"You could write a book about her, there are so many great things to say". (H. Huneycutt)

These quotes are just a few of the great comments Trista's fellow employees had to say about her. It is obvious she is highly thought of and valued as a tremendous asset to Lake State. We would like to take this opportunity to thank Trista for her loyalty and incredible work ethic, we are honored to have you on our team.

—Deanna Hennessy



“The Turntable” - Lake State Railway Company's official newsletter

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Flint, MI

Photo courtesy of Tom Scott

