

Winter 2019-2020

Lake State Railway



FROM THE PRESIDENT

Track Improvements & Trail Crossings

BUSINESS DEVELOPMENT

Customer Updates

SAFETY

Electronic Safety & Training Records

From the President...



Now that 2019 is behind us, LSRC is focused on 2020. We expect to continue working on our long-term vision of building a stronger company by continuing to rebuild infrastructure, grow traffic with existing customers as well as new customers, develop our personnel and improve safety.

During 2020, LSRC will begin work under the CRISI Grant which was awarded in 2019. This Grant along with funds from the State of Michigan and Lake State will allow for major improvements on the Mackinaw Subdivision over the next four years or less. This year we plan to replace approximately 15 miles of jointed rail (nearly 80 years old) with new continuous welded rail. Also, 10,000 new ties will be installed on the Mackinaw Subdivision outside of the CRISI Grant funding.

Another 9,800 ties will be installed between Saginaw and Bay City on the Bay City Subdivision. Some minor yard improvements will be done at the North Bay City Yard and significant upgrades are planned for the Grayling Yard. The improvements to the Grayling yard will help LSRC handle the growth in traffic in the Grayling and Gaylord area. Several grade crossings will also be completely rebuilt.

Multiple projects are currently underway or have been completed that will result in traffic growth for LSRC. The largest of which is the return of coal trains moving to Consumers Energy's Karn Generating Station. Several other projects are in various stages of development that we hope will result in increased traffic during 2020 and beyond.

I am pleased to announce that LSRC has expanded its Safety and Training Department with the addition of a full time Road Foreman of Engines. This position has been filled

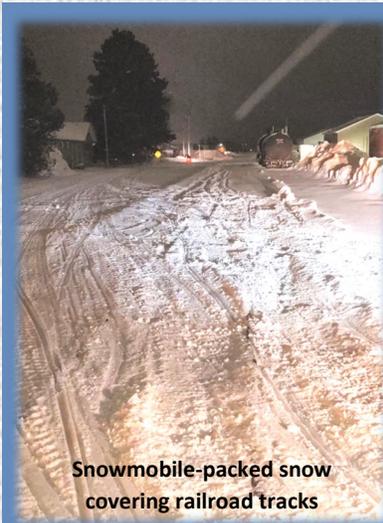
by Ryan Kregel, a very experienced railroader who brings along a great attitude and necessary desire to help improve our training program. In addition, Brian Edwards, LSRC Safety and Training Director, is making improvements to our classroom training as well as working with our other managers on improving field training and testing. Brian and Ryan, along with many other dedicated managers are working to ensure that LSRC is developing its employees across all departments to be highly skilled and knowledgeable about the jobs they perform.

Earlier this year, LSRC was reminded of the importance of maintaining our rail infrastructure at private crossings. Despite our efforts to inspect tracks and crossings (both public and private) an LSRC locomotive traveling North between Grayling and Gaylord derailed at a private snowmobile crossing. LSRC Maintenance of Way Department had inspected crossings earlier that day ahead of the train movement. Upon inspection of the crossing after the derailment, it was clear that the amount of snowmobile traffic using the crossing was significant and had caused a dramatic change in the snow pack conditions. During the investigation and rerailing of the locomotive, our employees had the opportunity to observe many snowmobiles crossing the tracks and were able to see how quickly snow conditions can change at the crossing due to snowmobile traffic. This incident has caused LSRC to take a closer look at our internal

procedures for inspection as well as having our engineers review this area for possible physical changes in order to help prevent future occurrences.

As always, I would like to thank our customers, employees, governmental officials, connecting railroads and the many other business partners and friends of LSRC that help us be successful.

**- John Rickoff
President & CEO**



Snowmobile-packed snow covering railroad tracks



Derailed locomotive at snowmobile crossing



Derailed locomotive at snowmobile crossing

Business Development

Lake State Railway



This January, Lake State Railway saw our first coal train in nearly five years from the Powder River Basin loaded for Consumers Energy Karn Plant in Essexville, near Bay City. We are appreciative of the creative and competitive options our partners at CSX put together to win this business and look forward to hauling coal into the facility for the next several years. The win is bittersweet however, as Consumers has announced that the Karn facility will be converted to natural gas for power generation by 2023. In December, Rifkin Iron and Metal loaded out their first railcars from their new facility in Saginaw. We are eager to continue to work with Rifkin to develop lanes to various receivers. In January, LSRC commenced online shipments of logs, reducing truck miles and allowing better equipment utilization for loggers. The local movement of logs allows online facilities such as Weyerhaeuser to increase their reach and improve their economics.

On the equipment side, the first new railcars in LSRC history rolled off the assembly line at Freightcar America's Cherokee, AL facility. These cars are Bulkhead Flat cars, built for dedicated service with ARUACO in Grayling. Lake State also took delivery of the first fully painted SD50-3, LSRC 6355. This unit has had substantial upgrades, including an all new control system, GPS and remote diagnostics, and setting the horsepower to be more inline with that of an SD40-2.

- Mike Stickel
EVP & COO



Log Cars



Coal Train



Bulkhead Rail car



In conjunction with the MaxAccel HOS system LSRC currently uses to record and track Transportation Hours of Service and payroll reporting, we have now implemented the MaxAccel SafeTrack feature to manage and record safety training and rules testing for all field departments.

Since the SafeTrack implementation, managers can now record test results and run reports electronically in real time. This is a vast improvement over manual, inconsistent and bulky paper forms and files used in the past. Now, testing and compliance records can be accessed and printed upon request. MaxAccel is currently working on developing other features to further enhance the SafeTrack program in developing useful functionality for the system. These new features will include an integrated Learning Management System (LMS), allowing users to take training and quizzes in a linked module and have the results automatically populate in the SafeTrack testing/training database. There will also soon be the option to view a dashboard of key performance indicators to help illustrate testing and safety trends.

Operational tests, in addition to being federally required, are a way for us as a Company to quickly learn where our strong and weak points are and appropriately address them in a timely manner.

The ultimate goal with this change in record keeping is to maintain consistent and accurate records and to make sure our field is properly trained, educated and in compliance with federal regulations. The electronic record keeping also helps with transparency between all members of the Lake State team in order to achieve our safety goals for 2020 and beyond.

Some of the safety initiatives the Safety and Training Department will be focusing on for 2020 include:

- Enhanced training for current and new employees.
- Increased face-to-face meetings with crews to discuss safety issues.
- Increased check rides for Transportation.
- Increased Operational Testing for all employees.

MaxAccel has been very helpful and diligent during this transition period of moving to electronic record keeping on both the HOS and the Safety side. The MaxAccel Staff has been patient and easy to work with and we look forward to a continued successful working relationship.

-Safety brings Success.

**Brian Edwards
Director Safety & Training**

Locomotives and Keeping the Bugs Out

It's been ten months since I joined the roundhouse family here at Lake State. In that time, I've been assisting on training, developing new policies and generally working the bugs out of the locomotive fleet.

During one of my off days, I was driving with my wife south of Ft. Wayne when a friend of mine called. His family owns a small short line that's northeast of Indianapolis and he was having a problem with the only locomotive on the west end of the railroad. By coincidence, I would be dropping my wife off just two blocks west of his locomotive issue so I told him I would be there shortly to help.

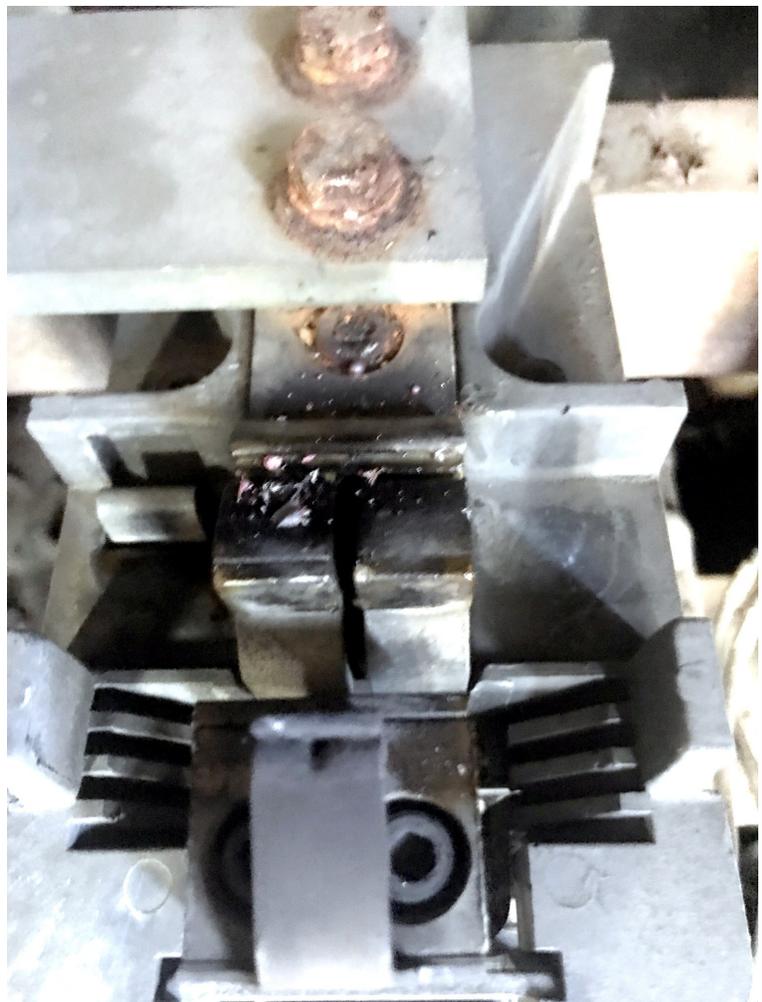
When I arrived, I found the locomotive showing a continuous wheel slip even though the wheels weren't turning, let alone slipping. He couldn't move the locomotive under its own power. After checking a few items, I pulled off the cover on one of the power contactors and noticed heavy black soot. Looking a little closer, I could see an oblong circle in the center of the contactor tip. After I removed the oblong circle, I could see a perfectly flat stink bug had taken up residence there. I cleaned up the contactor tips with a Scotch-Brite pad and found no damage had occurred. I put the cover back on the contactor and to the amazement of my friend, the locomotive was repaired and ready to get back to work.

I can honestly say after 32 years railroading and working the bugs out of locomotives, that I literally found an actual bug in the system. It's amazing what can hold up a train.

We still have a long way to go but I assure you, the roundhouse crew is working hard at "getting the bugs out: as we improve our locomotive fleet for the current level of business and the growth of our future.

**-Be Safe and Keep the Bugs Out,
W. Roger Fuehring
Chief Mechanical Officer**

Stink Bug Trouble Maker



2019 LSRC Santa Train Benefiting Toys for Tots

On December 7th, 2019, LSRC ran it's annual Santa Train benefiting Toys for Tots. This year's stops included, Standish, West Branch, Roscommon and Grayling. The crowds were great and the children were genuinely excited to see Santa Claus. We want to thank all those who participated in volunteering to help make this event successful and for those who donated toys for the cause. We also want to thank the Towns we visited for opening their depots and welcoming us.





Darrell Collins—CAR SHOP SUPERINTENDENT

Meet Lake State Railway's Car Shop Superintendent, Darrell Collins. Darrell's presence has been a staple around LSRC in one fashion or another since the beginning. As the owner of Tri-City Railcar for 21 1/2 years, Darrell handled all of LSRC's car repairs before coming on board as an LSRC employee. His railroading days span over 3 decades starting in 1988, and with those years comes a plethora of knowledge that can only be derived from living the railroader life. Darrell has an uncanny ability to think outside the box and as a result can custom fabricate anything from miscellaneous equipment to full scale railcar modifications. When it seems impossible, Darrell can come up with a solution. He is an expert re-railer and can and will do anything to get the job done right. Darrell enjoys the fact that his job entails a different adventure every day and he tackles them all with a finely-tuned mechanical mind.

Darrell grew up in Woodhaven, MI and while attending high school, he started working in scrap yards. He graduated in 1985 and shortly thereafter joined the Service. Once Private 1st Class Collins finished with his Army days, he immediately started in the Railroad Industry repairing cars for Michigan Railcar Repair in Plymouth, MI. As a Foreman with MRR, Darrell was sent up to Lake State Railway to repair some cars, was quickly offered a job with LSRC's railcar repair contractor at the time, and his career with us began.

Darrell has been married to his wife Amy for 22 years. In 2010, they moved to West Branch, MI where they reside today. Darrell has a daughter Rachel (31) who works in the medical field in the Detroit area and a son Darrell Jr. (30) who works

as a police officer in Texas. When he's not hard at work, Darrell enjoys spending time with his Grandson, Bentley (5) and is an avid collector of classic cars. He claims he has a few prize possessions but humbly declines to divulge the details.

Minus his years in the Service, Darrell has proudly worn his mullet since the 80's and he takes the heat for it on a daily basis. We give him grief or joke with him from time to time, but we all know it's his signature and he wouldn't be the same without it. Darrell has a hard-working ethic that is second to none and has a reputation around Lake State as someone we know will get the job done right. He seems to be able to always come through in a pinch and in railroading, pinches happen often. Sometimes, as a company, we forget to acknowledge and thank those team members who go the extra mile so, we want to take this opportunity to give credit where credit is due. Here are a few quotes from Darrell's co-workers.

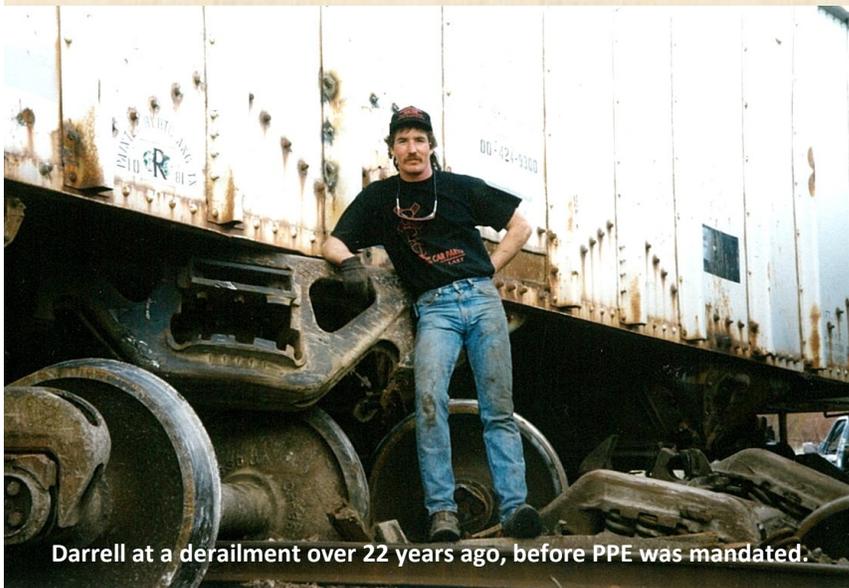
"Darrell usually has the job done before you even ask. Very dependable – is there anything he can't do?" - Trista Wolgast

"My mullet is better than his 😊." - Kevin Filarksi

"He's the ultimate team player, always willing to help and the first one to step forward to get it done." - John Rickoff

LSRC greatly depends on Darrell and we are grateful to have him and his mullet on our team 😊.

—Deanna Hennessy



Darrell at a derailment over 22 years ago, before PPE was mandated.



Darrell and wife Amy at LSRC Santa Train.



UPCOMING EVENTS

- Ground Hog Day 02/02
- Valentines Day..... 02/14
- President's Day 02/17
- Daylight Saving 03/08
- St. Patrick's Day 03/17
- Spring begins 03/19
- April Fool's Day..... 04/01
- Good Friday 04/10
- Easter Sunday 04/12
- Admin. Prof. Day..... 04/22

Does he see his shadow?



December 18, 2019

Announcement of 2019 William Fuehring Fund Recipient

The William Fuehring Fund has one purpose, that is to make it easier for younger individuals to become active in the railroad industry. The fund was created to pay 100% the cost of the recipient to travel and attend the annual RPCA conference, hotel accommodations, attendance at any of the seminars, the annual banquet, and any additional activities. The upcoming annual conference is being held in Albuquerque, New Mexico.



We are pleased to announce that Brendan Forrest from the Lake State Railway is our 2019 recipient. This is made possible through the generous donations contributed by RPCA members.



About Brendan....

Since April 2018, I have been employed by Lake State Railway, a member of the RPCA, as a locomotive machinist. Outside of my responsibilities as a mechanic, I also take an interest in the historical and mechanical significance of the railroad industry. Being a mechanical employee of Lake State provides me with the opportunity to work on and learn about the company's fleet of business passenger cars. These cars carry a lot of history on board and being able to service them and talk to the experts who come to assist with them, has been a highlight of my career. My passion for the industry extends outside of work as well. In my free time I like to travel to railway heritage sites and learn about the history of the industry. This includes museums and tourist operations such as the Steam Railroading Institute (SRI) in Owosso, Michigan. Attending this conference will allow me to experience other heritage operations outside of Michigan and beyond.

If you have a young person within your organization that would benefit from this type of experience, please visit our website at: www.rpca.com , and download an application.

Sincerely,

Ray Kammer Jr.
RPCA Fuehring Fund

Welcome

All Aboard

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

**Abram Prince—MOW
Adisson Willford—Transportation
Cody Wiseheart—Transportation**



Promotions

**Phillip Kent—Certified Conductor
Dylan Wiggins—Certified Engineer
Ryan Kregel—Road Foreman of Engines**

Congratulations! LRSC thanks you for your commitment to Excellence in Transportation!

Congratulations—Future Railroaders

Meet Emery Jade Dowdy



Jade Dowdy (Transportation) and Kayla Snyder welcomed Sweet Emery to their family on January 16th weighing in at 6 lbs. 11 ounces and 18 inches long.

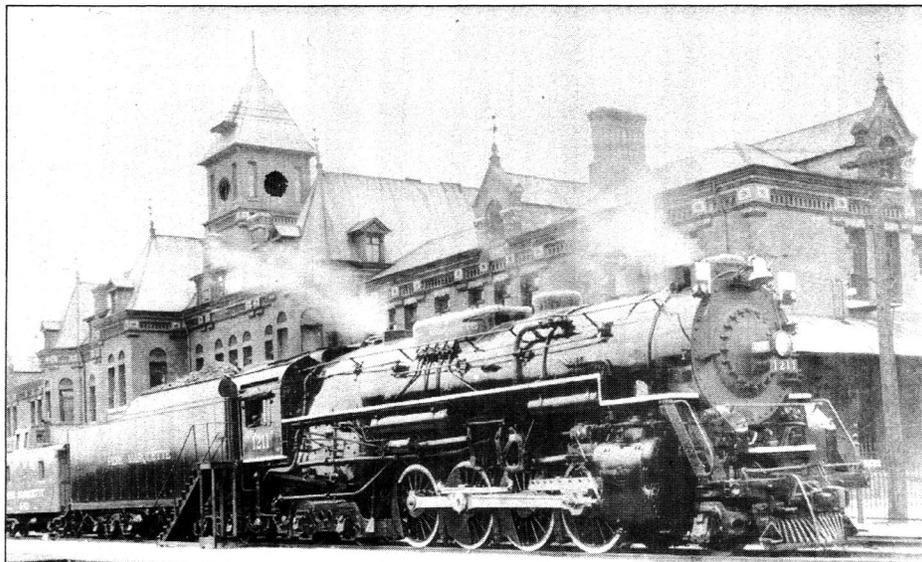


Meet Charlotte Joan Podgorski



Melissa Podgorski (Customer Service) and her husband Dennis welcomed sweet Charlotte to their family on January 16th weighing it at 7 lbs. 13 ounces and 19 3/4 inches long.





The Pere Marquette Engine No. 1211, awaiting visitors at the Potter Street Union Station, c. 1940.

Potter Street Station located adjacent to LSRC's Saginaw Yard was once a bustling depot running passengers. Built in 1881, The station is 285 feet by 40 feet with 2½ stories and still today is Michigan's second largest depot. Passenger train service here ceased in 1964, and the station finally closed for good in 1986. It is currently vacant and owned by a non-profit organization, The Saginaw Depot Preservation Corporation (SDPC). Unfortunately, on April 16th, 1991 the station was the target of an arson fire that did a considerable amount of damage, especially to the roof. Most of the incredible wood work, like the grand staircases was sadly damaged or destroyed. The SDPC was able to obtain a grant from MDOT to have the roof repaired in 1993, however, the repairs did not happen until 1998. The old Victorian-

style depot remains a staple outside of LSRC's corporate headquarters and you can still see the beauty and luster it once had. The SDPC continues to apply for grants to stabilize and preserve the station but it remains to be seen if this part of Saginaw, Michigan history can be saved. Lack of funding and the decaying structure make it a massive undertaking. The station was added to the National Register of Historic Places on November 29, 1996. Hopefully, we will someday see this neglected beauty brought back to life.

https://en.wikipedia.org/wiki/Flint_and_Pere_Marquette_Railroad_East_Saginaw_Depot

<https://steemit.com/life/@northernpicker/my-visit-to-the-1881-potter-street-station>



2020 1st Qtr. Work Anniversaries

Kevin Mitrzyk.....	27 years
Kenneth Suszek.....	24 years
Kevin Filarski.....	21 years
Corey Violette.....	21 years
Jeremy Johnson.....	17 years
Randal Bessey.....	15 years
Elliot Hubbard.....	9 years
Ken Schramm.....	9 years
John Bolesky.....	9 years
Dan Heimberger.....	8 years
Melissa Podgorski.....	6 years
Keith Jammer.....	4 years
Zach Valeck.....	4 years
Deanna Hennessy.....	3 years
Devin Kern.....	3 years
Tony Kolnowski.....	2 years
Mike Ewing.....	2 years
Michael Milkowski.....	1 year
Jordan Norman.....	1 year
Brent Keeler.....	1 year
Logan Schupp.....	1 year
Pete Ruesch.....	1 year
James Brown.....	1 year
Wade Arnold.....	1 year
Nick Pickett.....	1 year
Brian Edwards.....	1 year
Roger Fuehring.....	1 year
Tom Scott.....	1 year
Marc Ballard.....	1 year
Ryan Kregel.....	1 year
Scott Brown.....	1 year
Ryan Curbey.....	1 year
Jeremie Hascall.....	1 year
Alex Nikora.....	1 year

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

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LAKE STATE RAILWAY’S NEWEST ADDITION TO THE LOCOMOTIVE FLEET (SD50-3)

