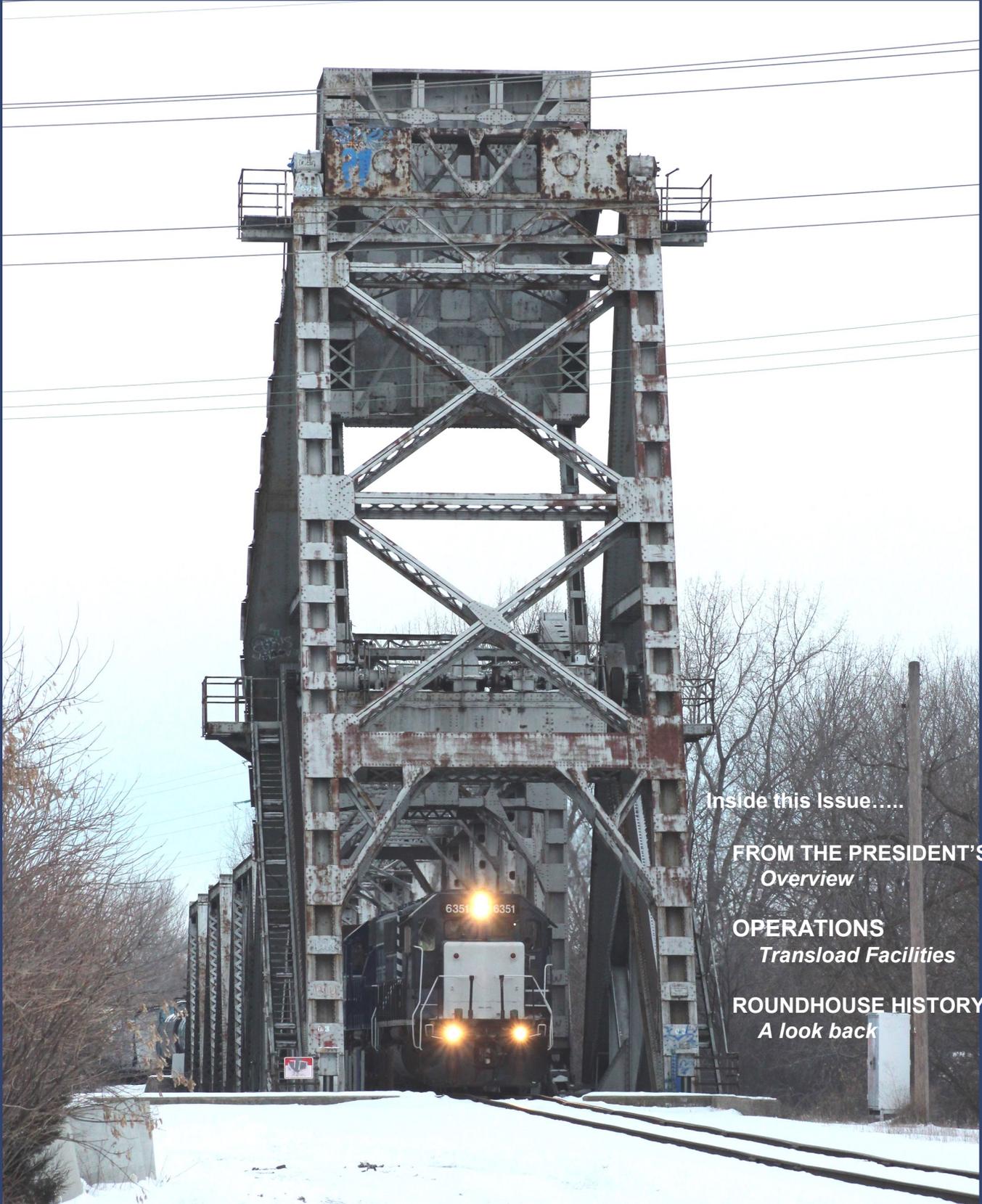


Winter 2020

Lake State Railway

The Turntable



Inside this Issue.....

FROM THE PRESIDENT'S DESK
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A look back

From the President...



As I reflect on 2020, it's easy to say that it was certainly one of the most challenging years that I have seen in my entire career. LSRC along with the entire railroad industry are considered to be essential service providers. This designation simply means that what we do is vital to maintaining the critical needs of the United States. The various customers that the railroad industry serves, produce products that impact virtually all aspects of daily life in the U.S. and beyond. Products transported are directly or indirectly involved in food supply, health care, construction and in protection and safety (to name a few) that are essential to our lifestyle.

During the year, LSRC spent numerous hours developing and adjusting an operating plan that allowed us to safely meet our customers needs while at the same time, trying to do everything possible to protect our employees. I'm proud of the fact that our plan was quite successful and that all of our employees did their part to stay healthy so that we could provide that essential service.

The results for the year, even with the impacts that did occur, were solid when you consider what was happening in our country. Amazingly, business development activities reached a level that I have not seen in the ten years that I have been at LSRC. Several customers began new or expanded operations in 2020 and more growth is expected to

occur in 2021 as a result of development work done in 2020.



Transportation crews following COVID protocols in place at the Harrisville Depot.

So here we are in 2021 still dealing with COVID. There is hope that the vaccines now available will do their job and bring to an end this virus that has heavily impacted all of our lives. What is still unknown is how will the economy do in the near term as things settle down. LSRC enters this new year cautiously optimistic due in large part to the business development activities mentioned above and knowing that most of our customers are doing well.

LSRC has positioned itself to handle a growing traffic base. We have done many things to improve our ability to provide safe service over our entire system to ensure our customers get the service they need and deserve. I hope all of you have a healthy and prosperous 2021.

- John Rickoff
President & CEO

Operations

Although there were some bright spots, please join me in declaring good riddance to 2020. The year of COVID brought numerous business challenges in the second quarter and persistent operational challenges. Our protocols and diligence by our field managers and employees have kept us operating and servicing customers with minimal disruptions. LSRC's marketing team has been busy this year securing new business with existing customers along with new customers. Last month, contractors finished three major customer projects, all of which are rail to truck and truck to rail transloads. The Gaylord Transload Terminal, conveniently situated in northern Michigan as the last rail station going north on the I-75 corridor, secured its second steady customer, Kiros Energy Marketing. The expansion in Gaylord added eight additional car spots, added a truck scale and moved the lumber business to a better suited track allowing access to both sides of the centerbeams. The facility now handles lumber and propane with the capacity to expand for more commodities.

Moving over to the shore of Lake Huron, the newly created Greenbush Transload Terminal has been very busy with a major anchor tenant and a couple smaller customers as well. The facility in Greenbush is now three tracks and will accommodate primarily lumber related products. The capabilities of the Greenbush Terminal and the covered cross dock terminal in Alpena allow Lake State to access many customers in Northeast Michigan that may not have direct rail access.

Last but not least, the Saginaw Transload Terminal has been expanded to five tracks. The Saginaw Terminal is now suited with sufficient capacity to handle expanded agricultural related truck to rail loading and is capable of handling agricultural commodities, plastics, lumber, building materials, bulk liquids, and others.

These new transload terminals will bring significant carload growth in 2021 and allow for more commercial opportunities with customers who may not otherwise have access to the benefits rail transportation brings to customers.

- Mike Stickel
EVP & COO



Gaylord Transload Facility



Greenbush Transload Facility

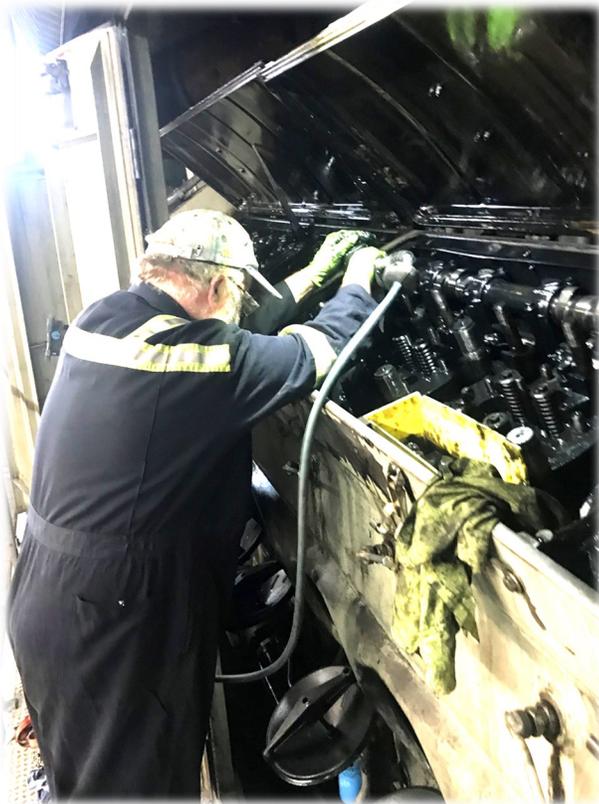
Roundhouse Report

The locomotive facility was bustling through the 4th quarter of 2020. The Huron Division surge of traffic was timed perfectly to coincide with the road slug fleet doubling. The two additional road slugs and one mother have complemented our previous three mothers and two road slugs—the equivalent of eight locomotives utilizing four prime movers.

The 1502 and 1503 received prep work for new job assignments in Grayling. This will be a tremendous improvement during the winter months with poor rail conditions due to winter weather. By replacing one 3,000 horsepower locomotive with two combined 3,000 horsepower locomotives, we increase tractive effort, and more importantly, for the hills in the area, we've doubled the braking effort when switching. Both locomotives received plug-in boiler units to keep the locomotives warm when shutdown. To fight through the

water or fuel found in the oil. The good news is that the slugs are always running perfectly as they are bloodless (no engine block). The last batch of oil samples, shows everything is running great except for small traces of water in the oil on 1166. With that report, our inspection team brought 1166 in to perform a pressure test. They found one double O-ring leaking on one head (into the oil) and five others into the airbox. With that information, the team pulled six heads and resealed them in 1166 to correct the problem—mark one potential road failure off with proper oil sample analysis.

As we roll on into 2021, we are taking on some big projects. 4303 will be receiving a rebuilt main generator, and 800 will have a new control system that will make it the first non-mother GP40 in the fleet to have an upgraded electrical system.



Ken Schramm resealing heads on the 1166.



Tom Leaman repairing the exhaust on the 1503.

northern Michigan snow, both locomotives received front snowplows. 1502 now has a crossover on the cab end of the locomotive for safe passage between the cabs. 1503 also received two rebuilt blowers and new speed probes to correct a false wheel slip indication.

Just like getting your cholesterol checked, the lifeline blood of the locomotive is its oil. Oil samples are an essential part of any locomotive maintenance program. Blood is drawn; I mean, oil samples are taken every other month to make sure everything internally is functioning as intended. This would include the indication of wear metals from bearing issues to

All of us at the Saginaw Locomotive Facility hope you and yours had a safe and enjoyable Thanksgiving, Christmas, and New Years. We all look forward to a safe and healthy 2021.

**-Be Safe,
W. Roger Fuehring
Chief Mechanical Officer**

Roundhouse History



A moment in time slipped by unnoticed on December 10th, 2020, on track 6 in the Saginaw Roundhouse. The moment's significance was the final chapter that originally led to the 98-year-old facility becoming the Lake State Railway maintenance facility's home.

In the late '80s and early '90s, the Bluewater Michigan Chapter (BMC) of the National Railway Historical Society grew rapidly. Spurred on by the Norfolk Southern steam program, the BMC was one of a handful of organizations that could assemble a complete passenger train for excursions. In 1984, the group owned one railroad passenger car, a 48 seat diner. By 1993 the group had 33 cars under their umbrella, with 27 of them being operational. About half of the cars were owned by the group, with the remaining being owned by members. In 1993 they needed a new home to maintain their growing fleet of passenger cars. The facility they used on the Grand Truck in Pontiac was no longer available. Approaching CSX regarding the locomotive facility in Saginaw, they could secure a lease for \$1.00 a year. CSX was just happy to have someone take care of the building before the roof collapsed. So now Bluewater had a home with all the fan tracks and the use of the turntable. CSX retained the ability to use the turntable when needed and park locomotives next to the building on a through track (what we call west dispatch).

During the years BMC occupied the roundhouse, they did several crucial repairs that saved the building from complete failure. This included repairing and unclogging critical storm-water drains, ditch clearing on the building's backside, and installing a new roof. Even with the new roof, they still encountered a major collapse of a significant portion of the roof due to a clogged roof drain. Roof failures have been the demise of many buildings. Undeterred, the group put in the engineering and replaced several failed wooden beams with steel and repaired the roof.

December of 1994 brought the end to Norfolk Southern excursion trains and the group's major revenue source. They continued running trips on short lines, including on Lake State, with their last trip in 2010. In early 2020, the group was no more.

Prior to CSX selling the Saginaw Cluster of rail lines, the group was offered the option of buying the roundhouse. They turned it down based on price and available revenue. When Lake State took over in 2005 (as the Saginaw Bay Southern), they continued to work with BMC until the chapter slowly sold off or donated the remaining equipment.

On December 10th, 2020, on track 6, the last piece of former

(Continued on page 9)

FARM AND FOOD ON RAIL

Michigan Agriculture Feeding America

How agriculture moves one rail car at a time!

Did you know that one railcar of corn can feed 37,000 chickens for their lifetime?

Michigan farmers play a huge part in our daily lives. There are more than 50,000 farms averaging 195 acres within our great State. Farming nearly 10 million acres of land, agriculture and rail play a critical part in our local economy.

Lake State Railway plays a part in making Michigan Agriculture a success by not only bringing in fertilizer needed to maximize crop production, but also by working closely with local grain mills to rail harvested grain to market.

Michigan has nearly 3,600 miles of track throughout the State, with most of the network being privately owned. Outside of transportation equipment, agriculture products hold the highest rank in total outbound tons moved from our State.

As we enter the 2021 year, we are expecting to see a healthy amount of rail traffic supporting our local farmers. We have positioned ourselves to execute movement when the demand calls and stay dedicated to working closely with suppliers, partners and our valued customers!

This summer, make sure to visit your local farmers market. When you're picking up that sweet yellow corn or delicious baked goods, remember to thank a farmer and trust that the railroad is honored to play our part in bringing food to your table!

By Shasta Duffey

HOW DO WE MOVE THE AGRICULTURE INDUSTRY ONE RAIL CAR AT A TIME?

ENOUGH **WHEAT** FOR 258,000 LOAVES OF BREAD

ENOUGH **CORN** FOR 480,000 BAGS OF FRITOS®

ENOUGH **SOYBEANS** FOR 415,000 POUNDS OF TOFU

ENOUGH **BARLEY** FOR 94,000 GALLONS OF BEER

AAR.org @AAR_FreightRail ASSOCIATION OF AMERICAN RAILROADS

To: John
From: Judy

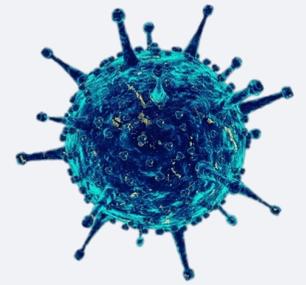
Wow John, can you believe it's been 10 years? LSRC needed a leader, and you came in and have been fearlessly leading us since.

Over the years, you have tirelessly pushed to modernize, grow and make our railroad safe. You developed a wonderful team here at LSRC, and this team, will carry us into the future. The recognition you have gained for LSRC makes me and every member of our team proud. You have become my confidante and friend.

Thank you for being an essential part of Lake State Railway's success!

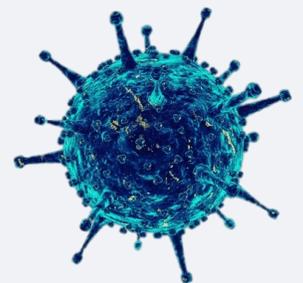
My girls and I are incredibly grateful to you John.

Judy



Virus Busters

Lake State Railway is utilizing the latest technology in fighting the Covid-19 virus. In addition to the train crews keeping the locomotive cabs sanitized, each locomotive that gets serviced in the Saginaw yard, receives an electrostatic spray of virus-killing mist in the cabs and short hood area. This is the same process and equipment utilized in our local schools, buses, and hospitals. This is part of Lake State Railway's commitment to keeping our employees and their families safe during these trying times. - **Fuel Pad Crew**



LSRC SAFETY REALLY COUNT

Our Safety culture here at Lake State has remained diligent in 2020 considering all the challenges we as a company have faced. We have improved in both reportable injuries and human factor incidents. These improvements are a testament to everyone on this team as we continue to improve daily. Lake States' commitment to being #1 in Safety is very evident. How do we get to #1 you may ask? Well, it's a mindset. It's a culture focused on working by the rules 100% of the time, taking no shortcuts and taking the time necessary to complete the task. Some of our incidents this year were a direct result of simply being in a hurry so we must take our time and do the job safely and efficiently. Although I've stated that we have improved, we must never accept where we are

in regards to safety. We must always look to progress and push forward. In order to achieve this, we need to do it as a team. I am excited to report that our new LSRC Operating, Safety, ABTH rule books and Timetable will be introduced sometime in the first quarter of 2021. This new rule book will be easy to use and very informative. I want to personally thank each and everyone of you for doing your part to work safe. Let's make a difference in 2021.

**-Brian Edwards
Director—Safety & Training**

"Safety isn't expensive, it's priceless"

Roundhouse History cont.....

(Continued from page 5)

BMC equipment was pulled out of the roundhouse after coming in a few days earlier for work to prepare the car for shipment to Canada. With that last movement, the final former Bluewater Michigan Chapter car left the roundhouse. How does this story play into our history at Lake State Railway? Without BMC taking on the building in 1993, would the building be worth saving in 2005? Unlikely.

That brings us up to the continued improvements to the building in 2020. Recent improvements have included some of the windows being replaced, new heaters on tracks 6-10, a total of 14 new roll-up doors, new concrete, new overhead crane and a new rubber roof. In December, several original windows overlooking track 2 were replaced and a newly constructed stairway was built to access the roof for inspections and maintenance.

The functionality and productivity of a modernized roundhouse with a turntable just can't be beaten. If a move needs to be made, ten individual projects can be worked on without disrupting the other work in progress. As we approach the 100-year anniversary of the roundhouse in 2022, we will continue to modernize, upgrade, and repair the facility turning our very own Saginaw roundhouse into a top-notch facility.

**-Stay Safe,
W. Roger Fuehring , CMO**



The last former Bluewater car in the Roundhouse for work.

Alec McLennan—Lead Railcar Mechanic

Alec McLennan joined the Lake State team just 4 short years ago as a Railcar Mechanic and has proven to be a valuable asset, getting promoted recently to Lead Railcar Mechanic and Inspector.



Alec was born and raised in the small town of Crump, MI as the youngest of 5. He spent most of his high school years attending Pinconning High School until his family moved a bit north to the Augres area where he attended and graduated from AuGres Sims High School.

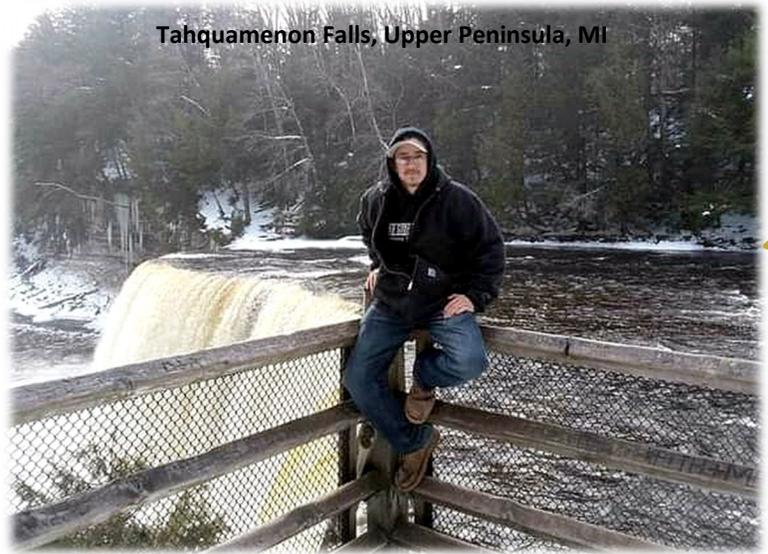
Alec learned his great work ethic from growing up farming where

he still spends time, outside of the carshop, fixing tractors, hay rakes, and working on hydraulics. With 2 family farms, Alec says he finds himself welding “A LOT” of farm equipment. A great skill useful on the railroad.

Before joining Lake State, Alec drove a 20-ton off-road dump truck for a mining company for a few years. He was also seasonally-employed by Michigan Sugar Company as a Beet Piler Operator. Those who live in the Michigan Tri-City area are quite familiar with the sugar beet factory where they process beet sugar under the brand names found in grocery stores across the country, Big Chief and Pioneer.

Currently, Alec resides in Pinconning, MI and in his free time, like many other Michiganders, he enjoys camping, hunting

Tahquamenon Falls, Upper Peninsula, MI



and fishing. You can also find him occasionally out on the water, kayaking or canoeing.

We are certainly proud to have Alec on our team here at Lake State, and want to thank him for his hard work and dedication.

—Deanna Hennessy
A/R & Newsletter Editor

“Alec! What more can you say—he’s a great asset! It’s hard to find good people who understand railroading and put their heart and soul into it! Congratulations Alec, you deserve it buddy.” —Darrell Collins

“You can always count on Alec. He has a positive attitude and seems to really enjoy what he does.” —Michael Davis



**Celebrating
a
Milestone**



Lake State Railway Company would like to take this opportunity to recognize and thank the following employees for their years of service. The LSRC team appreciates your loyalty and hard work.

Team Member	Years of Service	Department
Lloyd Douglas	15	Transportation
Gregg Campbell	15	Transportation
Joshua Johnson	15	Transportation
Troy Mott	15	Transportation
Steve Rainey	15	Transportation
Joe Vongrey	15	Transportation
Louie Tremble	15	MOW
Rick Krajniak	15	MOW
Jack Laurin	15	MOE
Chris Copp	10	MOE
James Reed	5	Dispatch
Brandan Pennington	5	Transportation

2021 1st Qtr. Work Anniversaries

- Kevin Mitrzyk.....28 years
- Kenny Suszek25 years
- Kevin Filarski.....22 years
- Corey Vioelette22 years
- Jeremy Johnson18 years
- Elliot Hubbard10 years
- Ken Schramm10 years
- John Bolesky10 years
- Daniel Heimberger9 years
- Melissa Podgorski7 years
- Keith Jammer5 years
- Zachary Valeck5 years
- Deanna Hennessy.....4 years
- Devin Kern4 years
- Tony Kolnowski.....3 years
- Mike Ewing3 years
- Michael Milkowski2 years
- Jordan Norman2 years
- Brent Keeler2 years
- Logan Schupp2 years
- Peter Ruesch2 years
- James Brown.....2 years
- Wade Arnold.....2 years
- Nick Pickett2 years
- Brain Edwards2 years
- Roger Fuehring.....2 years
- Marc Ballard2 years
- Tom Scott.....2 years
- Ryan Kerngel.....2 years
- Scott Brown2 years
- Ryan Curbey.....2 years
- Jeremie Hascall2 years
- Alex Nikora2 years
- Thomas Wagner1 year
- Travis Vongrey1 year
- Dustin Tomczak.....1 year
- Janine Denay.....1 year

UPCOMING EVENTS

- MLK Jr. Day.....01/18
- Groundhog Day.....02/02
- Valentines Day.....02/14
- President’s Day.....02/15
- Daylight Savings.....03/14
- St. Patrick’s Day03/17
- Spring begins03/20
- Palm Sunday03/28
- April Fool’s Day.....04/01
- Good Friday04/02
- Easter04/04

Welcome

We want to give a warm welcome to our newest team members who joined Lake State October-December 2020. Welcome aboard! We look forward to all the great knowledge and workmanship you will bring to Lake State Railway.

**Johnathan Marhesic—Car Repair
Forrest Mahan Jr.—Car Repair**

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

Lake State Railway Company

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PLEASE
PLACE
STAMP
HERE



Mailing Address Line 1
Mailing Address Line 2
Mailing Address Line 3
Mailing Address Line 4
Mailing Address Line 5

Replacement of original windows in the 99-year old Roundhouse.

