

From The President - Antin Infrastructure Partners



By now, most of you may have heard the news that Lake State Railway Company (LSRC) has become part of Antin Infrastructure Partners. Over the last several months, LSRC and Antin have been engaged in discussions and negotiations that led to the completion of this deal. Antin will be instrumental in LSRC continuing to develop and grow as a company.

So what does this mean to employees, customers, strategic partners and the communities we serve?

The first area to cover is the fact that nothing changes as far as the operation of the company goes. The management team stays in position to continue down the strategic path that has been in place for many years.

"Lake State Railway has become part of Antin Infrastructure Partners."



Second, Antin brings a strong team in to this relationship that will work closely with the entire staff here at LSRC to help facilitate and strengthen the strategic plan.

Third, it is expected that even more focus will be on building LSRC into a stronger regional railroad and company that not only grows organically but also entertains strategic inorganic growth opportunities as well.

Lastly, LSRC will be spending more effort on developing an Environmental, Social and Governance plan (ESG) as part of LSRC's ongoing efforts to develop and maintain a sustainable future. This final area is of significant importance as we become larger and grow the customer base of large corporations who are spending considerable effort on ESG planning.

In closing, I must mention the George Family. Under their ownership, LSRC has grown from the two rail lines reaching out of Bay City to Alpena and Gaylord to a system that now reaches other cities such as Midland, Saginaw, Flint, Wixom, Novi and Port Huron. Employment is nearly 140 employees which is approximately double what it was in 2010. Revenue car movements are up 50% since 2010. The number of customers served has more than doubled in that same

time frame. It goes without saying that we all owe a big thank you to the George family for taking the risk and having the vision to lead LSRC on an incredible journey over the past 30 years.

John Rickoff

President & CEO



Maintenance of Way Update - Ballast Fleet Modernization

Distribution of ballast by LSRC maintenance-of-way crews has increased substantially due to the growth in system mileage, continued replacement of jointed rail with new CWR (Continuous Welded Rail), construction of new customer sidetracks, and new-build track projects. Over the past two years LSRC has acquired 23 railcars specific to the task of unloading ballast. In 2020, LSRC acquired 13 manual discharge ballast cars from Canadian National Railway and the fleet was augmented again in 2021 with the acquisition of 10 air-controlled ballast cars.



Prior to LSRC acquiring railcars specifically designed for unloading ballast, varying types of rapid/bottom discharge railcars had been used. Early LSRC operations utilized former coal hoppers. As LSRC upgraded its open top hopper fleet to better accommodate limestone traffic, railcars specific to denser aggregate shipments became the standard. The greater slope of the aggregate cars' discharge gates enabled LSRC customers and maintenance-of-way crews' better ability to completely unload the cars, minimizing waste of residual stone.

Using rapid discharge cars for unloading ballast became a very time-consuming and labor-intensive process due to requiring Come-Alongs to secure each gate to regulate the outflow of ballast. On LSRC mainline and capital projects, this proved challenging since it led to inconsistent distribution of ballast and inefficient utilization of maintenance-of-way and transportation crews due to the frequent repositioning of those Come-Alongs.



Our new ballast car fleet offers many benefits to our crews like allowing operators to switch between distribution to the shoulders of the track structure, as well as within the gauge and tie cribs. Placement of shoulder ballast is critical to prevent lateral movement of the track structure, especially in CWR territory. The rapid discharge aggregate cars were limited to placement within the gauge and immediately adjacent to the outside of the rails, requiring more heavy reliance on use of a ballast regulator to shift ballast to the shoulders.

The ergonomic design of the manual discharge ballast cars is safer and requires even less manual force by our operators. The opening and closing of the gauge and shoulder discharge gates are pneumatic controlled and powered by pressurized air in the brake lines.

Furthermore, this allows LSRC's aggregate cars to remain in customer-only service and establishes a defined ballast car fleet for use in our current, and future, track projects.

Sean Pengelly, P.E.

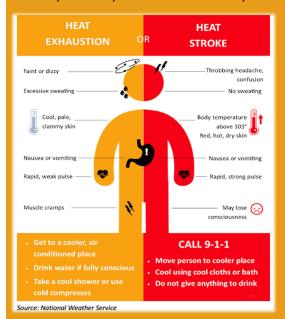
Engineer—Projects & Development

Safety - The Heat is ON!

Greetings, Lake State family! For those of you that I haven't yet had the privilege to meet as I try to make my rounds, allow me to introduce myself, and give you a brief introduction.



I'm Dave Foster, and while I am the new Safety & Training Manager here at Lake State Railway, I am certainly not new to railroading. I come to you after eleven fruitful and rewarding years of service to Canadian National Railway, which boasts of itself as being "North America's Railroad." In my time there, I served in the capacities of Conductor, Locomotive Engineer, and eventually, I stepped into the role of Trainmaster, overseeing Flat Rock, Dearborn & Toledo before making my way closer to home, where I would assume the same role, but overseeing Flint, Pontiac, Port Huron, Durand, Detroit Intermodal, and Detroit.



In that time, my insatiable thirst for knowledge remained ever unquenched as I constantly sought answers and understanding for all of the "whys." One thing people often learn about me fairly quickly is that I've never been one to accept things as they are without having a proper understanding of why.

While my reputation amongst CN's network grew, gaining high level visibility thanks in part to my efforts to maintain network fluidity amidst the St. Clair/Paul M. Tellier Tunnel derailment in 2019, and my team leading Detroit Intermodal Terminal towards achieving CN's Terminal of the Year in 2021, I was eventually nominated and selected to represent all U.S. Trainmasters in monthly meetings with Chief Operating Officer & Executive Vice President Robert Reilly. In those meetings, we would discuss CN's strategic objectives, as well as the safety culture.

While I felt a lot of pride in regards to what we were able to accomplish at CN, pioneering E. Hunter Harrison's Precision Scheduled Railroading, a controversial operational paradigm being emulated by many of the Class 1 railroads these days. We had also put immense focus on processes that would lead towards CN becoming the most fuel-efficient railroad in North America. Unfortunately, CN's vision for my career within their organization and my own vision failed to align. Having been offered promotion opportunities that would've required me to uproot my family, I said thanks, but no thanks, as I've never desired to put my career aspirations ahead of my family's happiness and well-being.

Roman philosopher Seneca once proclaimed, "Luck is when preparation meets opportunity," and I couldn't agree more, as I find myself immensely lucky to have had, and seized, an opportunity to join the Lake State family.



Water Consumption Table Easy Work Moderate Work Hard Work Heat WBGT Index, Water Intake Water Intake Water Intake Category ٥F (Quart/Hour) (Quart/Hour) (Quart/Hour) 78° - 81.9° 3/4 1 1/2 3/4 82° - 84.9° 1/2 3/4 1 2 3 85° - 87.9° 3/4 3/4 1 3/4 4 88° - 89.9° 3/4 > 90°

So, with all of that said, let's talk safety-

The heat is on- With the summer months upon us, it is critical that we all remember to take the proper precautions to keep ourselves and our co-workers safe, especially since heat related illnesses, such as heat-stress, heat-exhaustion and worse, heat-stroke can manifest with little to no warning.

The U.S. Department of Labor offers a few suggestions to help keep employees safe amidst the harmful rays of the sun, which are most intense between 10:00 and 16:00.

- Cover up. Wear loose-fitting, long-sleeved shirts and long pants, preferably breathable and light in color.
- Use sunscreen with an SPF of at least 30, and be sure to follow the application directions on the bottle or tube, reapplying as necessary.
- Wear a hat. A wide brim hat, not a baseball cap, works best because it protects the neck, ears, eyes, forehead, nose and scalp.
- Wear UV-absorbent sunglasses (PPE)
- Drink small amounts of water, frequently.
- Take frequent short breaks in cool shade, when able.
- Eat smaller meals before work activity.
- Avoid caffeine, alcohol, or large amounts of sugar (pop, energy drinks, etc...)

One critical aspect for surviving the heat is to ensure you remain sufficiently hydrated. While monitoring this can be achieved via a few methods, the U.S.

TOTAL SAFETY ARE YOU **DEHYDRATED?** P-CHART SEVERELY DEHYDRATED DARK Drink a large bottle of water YELLOW immediately DEHYDRATED BRIGHT Drinking more water now will make YELLOW MODERATELY DEHYDRATED You lose fluid on a regular basis YELLOW throughout the day. Drink more water to get hydrated. ALMOST FULLY HYDRATED LIGHT Continue to drink water throughout YELLOW **HYDRATED** CLEAR Stay hydrated by drinking at least 8-12 large glasses of water. CAFFEINATED, SUGARY DRINKS AND ALCOHOL DEHYDRATE *Vitamins can change the color of your urine

Army has issued a bulletin that helps visually correlate your level of hydration to the color of your urine. It also provides some pertinent guidance for how much water the average individual should consume, and at what rate, based on work load.

Keep in mind, while they're a known staple within the railroading subculture, drinks that are high in caffeine, such as coffee, energy drinks, and tea, are also diuretics, which means that they will actually serve to further dehydrate you by increasing your urine output.

With all of that considered, the summer months also present a great opportunity to spend time with family and friends, but we must always remember to do so responsibly. Don't drink and drive, and never report for duty while intoxicated.

With that said, I look forward to meeting you all, and working together towards creating the safest environment possible for our railroad.

Respectfully,

Dave Foster Manager, Training & Safety



JACK LAURIN - SUPERINTENDENT OF MECHANICAL

Jack Laurin, Superintendent of Mechanical, started his career here at Lake State Railway in 2005 and has worn many hats in those 17 years. His job requires extensive time in our 100-year old roundhouse, repairing and maintaining LSRC's fleet of locomotives. Occasionally, you may catch him in the railyard plowing snow, spraying weeds or doing any number of things that may require attention. Along with locomotive repairs and routine maintenance, Jack is responsible for coordinating locomotive inspections. This is no easy task, considering that Lake State has 30 locomotives that require both daily and quarterly inspections. Jack is also responsible for ordering parts and maintaining inventory control as well as shipping and receiving. Environmental compliance is another one of Jack's many responsibilities. The list goes on and on so let's just simply say that Jack does A LOT!

Jack feels one of the most important aspects of his job is to ensure that the locomotives are running properly to keep the trains moving. When asked what he enjoys most about his job, he jokingly responds, "going home" (LOL). In all seriousness though, Jack truly enjoys working with the people in his department. They are a great group of guys who work very hard every day and respect Jack because he wouldn't ask them to do anything that he wouldn't be willing to do himself.

Jack was born and raised in Flint, MI where he attended Powers Catholic High School. After graduation, he began working for Tawas Tool in Tawas, MI before joining the Marine Corp in 2002 and heading off to boot camp at MCRD (Marine Corps Recruit Depot) in San Diego. Jack spent the next 6 years in the Marine Corps in different capacities ranging from prisoner and supply convoys to security detail to advanced motor team mechanic. He spent time at Camp Pendleton located about 60 miles north of MCRD and at Camp Lejeune in Jacksonville, NC.

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BARBARIAIS

From 2003 to 2005 Jack served in Operation Iraqi Freedom. Lake State is very proud of Jack's military background and his service to our country.

When time allows, Jack enjoys hunting, riding his Harley Road King and spending time with his family exploring the great outdoors. Jack and his lovely wife Darcy married in 2004 and have a sweet 6-year old daughter named Hadley who keeps them busy with her schooling and traveling dance competitions.

Wouldn't it be nice if every company had their own Jack? Or even 2 or 3 of them? Unfortunately, there is only one and we are very blessed to have him on our team.



"Character is who you are when no one is looking. Jack is full of character and a pleasure to work with. One of the first in, and the last to leave. Truly dedicated to his job." – Roger Fuehring.

"Jack is one of our leaders. He is always available to lead his people or contribute to the overall performance of LSRC. A real team player." – John Rickoff "Jack – always so appreciative, helpful and patient". – Dora Fitzgerald

Deanna Hennessy
HOS Compliance Manager/AR

Roundhouse Report

Generational Locomotives and a Legacy for Future Growth

Lake State Railway debuted the first of our new SD70M fleet on June 9th, 2022. Except for one minor repair issue, the locomotives have worked flawlessly and, to date, have exceeded all expectations. The Lake State SD70M fleet with our sharp-looking paint scheme adds to our commitment level of "Excellence in Transportation." In addition to pulling our trains in style, other advantages are; improved emission standards, more horsepower, improved tractive effort, and no short time ratting on the traction motors as the locomotive will cut the power back before damaging electrical equipment. We also will see better fuel economy per ton mile. That helps with higher fuel prices and less carbon footprint that older locomotives would produce to pull the same tonnage. In addition, our train crews have a

better work environment with year-round climate control and quieter cabs than the older locomotives.

History has a way of repeating itself. The original EMD six-axle fleet that still serves Lake State with distinction is the SD40-2s. Interestingly, four Lake State SD40-2s were built as SD40s and utilized by the Union Pacific (or its predecessors that were absorbed into the UP). Our SD70Ms were built in 2001 for the UP to replace several locomotives that had aged out. A leasing company had already acquired our SD40s long before delivering the SD70Ms to UP. During their leasing career, they were upgraded to SD40-2s and rebuilt entirely before being purchased by Lake State Railway. Our SD40-2s ran the rails of the Union Pacific system that our new SD70Ms would run starting in 2001. With over 1400 SD70Ms built for UP, these loco-



motives replaced the aging fleet of GE and EMDs that UP had purchased many years early, along with the inheritance of other railroad fleets that UP took over during mergers. So from one generational locomotive to the next, we at Lake State Railroad continue to take advantage of opportunities when they arise. Like the SD40-2 fleet acquisition that had been rebuilt just before we purchased them, the SD70M fleet has similar parallels with maintenance. Most have new wheels with recently rebuilt traction motors. Prime movers have had significant overhauls within the last ten years, and the locomotives were maintained as if UP was keeping them for many more years of service.

By the end of this year, we will have an additional 25,800 horsepower, which is lower emission and better tractive effort than the four 4-axles rated at 12000 horsepower that we plan to replace. Based on upgrades needed to those locomotives, we are offsetting significant repairs and upgrades on our aging fleet with a better balance of capital expenditure (more bang for the buck).

In July, three members of our locomotive shop spent a week training with a former Union Pacific electrician on the new technology of the SD70Ms to better serve our customers with top-notch, reliable locomotives.

Moving trains is a team effort that requires good leadership, the tools to do that job, and most importantly, good people of character. As those pieces have been brought together here at Lake State Railway with the original foundation and vision of Jim George, the SD70M additions are another tool provided to our employees of good character to accomplish our daily goal of "Excellence in Transportation."

W. Roger Fuering Chief Mechanical Officer

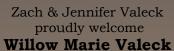




WELCOME ABOARD!









Travis & Ashley VonGrey proudly welcome

Emma Noreen VonGrey

Nov 6, 2021





Devlyn & Nicole Kalinowski proudly welcome **Ellison William Kalinowski**

Nov 23, 2021



PLEASE WELCOME THE NEWEST MEMBERS OF OUR LAKE STATE FAMILY!



Thomas & Nicole Scott proudly welcome

Callie Jean Scott June 11, 2022



proudly welcome

James Richard Scott Ruse
Feb 5, 2022



NEW HIRES

We'd like to give a warm welcome to our newest Lake State Railway team members!

Q4, 2021

Hamel, Madison **LOCOMOTIVE**

Roberts, Dale **TRANSPORTATION**

PROPERTIES MAINTENANCE Shankel, Daniel

Q1, 2022

Anders, Joseph **TRANSPORTATION**

Greer, Cameron TRANSPORTATION

Huff, William MOW

Stakolosa, Richard CAR SHOP

Q2, 2022

Foster, David **SAFETY ADMINISTRATION**

Hess, Richard **TRANSPORTATION**

Krieger, Joshua TRANSPORTATION ADMINISTRATION

LaGreca, Robert **TRANSPORTATION** Ryan, Michael **TRANSPORTATION**

PROMOTIONS

Q4, 2021

Brent Keeler TRAINMASTER

Q1. 2022

Adisson Willford ASSISTANT TRAINMASTER **Kelsey Fetters** CONTROLLER Rebecca Krabbe REVENUE MANAGER

Congratulations!

REMINDERS

LAKE STATE RAILWAY SUNDAY, AUG 14th 1:05pm



2022 ANNIVERSARIES

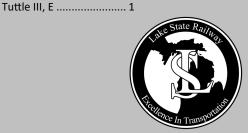
QUARTER 1
EMPLOYEE YEARS
Mitrzyk, K29
Suszek, K 26
Filarski, K 23
Violette, C23
Johnson, J 19
Hubbard, E11
Bolesky, J 11
Heimberger, D10
Podgorski, M 8
Jammer, K 6
Valeck, Z 6
Hennessy, D5
Kern, D5
Kolnowski, T4
Ewing, M 4
Milkowski, M3
Norman, J 3
Keeler, B 3
Ruesch, P3
Brown, J 3
Arnold, W 3
Fuehring, W 3
Scott, T 3
Krengel, R 3
Brown, S 3
Curbey, R 3
Hascall, J 3
Nikora IV, A3
Wagner, T 2
VonGrey, T 2
Tomczak, D 2
Denay, J 2
Jones, J 1
Bradley II, M 1
Klemm, T 1
Billings, R 1
Chadwick, R 1
Loomis, J 1
Kane, J 1
Maxon, C 1
McCloud, K 1
Serna, A 1

QUARTER 1

QUANTENZ	
EMPLOYEE	YEARS
Benson, B	23
Baker, S	21
Hanson, R	16
Hasty, D	15
Wolgast, T	15
Agnew, J	11
Kent, K	10
Pennell, M	10
Eickholt, M	8
Joles, R	8
Davis, M	5
Pengelly, S	5
Esseltine, A	4
Forrest, B	4
Bailey, P	4
Smith, T	4
Leaman, T	3
Sweet, N	3
Dault, B	3
Kalinowski, D	3
Adams P	1

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Lake State Railway appreciates our loyal and dedicated employees! Through your diligence, we continue to prove that we are the premier regional railroad of Michigan by providing Excellence in **Transportation!**



Lake State Railway

"The Turntable" - Lake State Railway Company's Official Newsletter

Lake State Railway Company

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