Lake State Railway

The Turntable

FROM THE PRESIDENT 2023 RECAP

SAFETY
SPENDING THE DAY WITH YOU

ROUNDHOUSE REPORT
EPA EMISSIONS REGULATION





As we step into 2024, it's crucial to acknowledge the significant accomplishments and improvements that shaped LSRC in 2023. These milestones are pivotal in our journey to provide consistent and safe service, especially as we navigate a significant business setback and prepare for substantial growth. The dedication and hard work of our employees have made these achievements possible.





2023 Accomplishments and Improvements:

Safety Recognition:

- LSRC was honored to receive a Jake Award from the ASLRRA for outstanding safety performance, placing LSRC in the top tier of short line and regional railroads.
- Outstanding achievement for the Transportation, Car Repair, and Administrative Departments who operated throughout 2023 without a single reportable injury.

Training and Compliance:

- Operational Management Employees underwent comprehensive Hazardous Materials Response training facilitated by the Short Line Safety Institute.
- Engaged in extensive meetings on hazardous material handling with every county served by LSRC.
- Committed to the EPA's Smartway Program, demonstrating LSRC's dedication to environmental responsibility & sustainability.

Infrastructure and Fleet Enhancements:

- Introduced a state-of-the-art locomotive simulator at our training facility.
- Completed a radio system upgrade, ensuring seamless dispatch coverage across the entire rail system.
- Successfully completed the acquisition of six SD70m locomotives, a significant step in modernizing LSRC's locomotive fleet.
- Concluded work on the 2019 CRISI Grant and made substantial improvements to Defect Detectors, our automated train inspection equipment.
- Increased operating speeds on 28 miles of railroad, enhancing overall efficiency.

Expansion and Customer Growth:

- Executed a major expansion project at LSRC's Gaylord Transload Facility, strengthening our capacity for business.
- Welcomed 1 new customer to the LSRC family, expanding our customer base.

While these achievements represent significant milestones, it is essential to acknowledge that our success hinges on ongoing efforts to enhance performance, infrastructure, training, and safety protocols. LSRC's unwavering commitment to these principles positions us for sustained success in the long term.

In 2023, we faced a substantial, albeit anticipated, change in our business landscape. Despite its early arrival, I am confident that the diligent work of the LSRC Business Development team will lead to a swift recovery of volume and revenue, propelling us back into a growth trajectory.



Amidst these challenges, positive developments in our business landscape emerged. Two of LSRC's major customers experienced significant growth in 2023, a trend expected to continue throughout 2024. This serves as a reminder that change is constant, and our success is contingent upon maintaining focus on our long-term goals.

I extend my heartfelt gratitude to LSRC's valued customers, dedicated employees, connecting carriers, state and local government bodies, suppliers, and other business associates for your continued support and collaborative efforts. Together, let's build on our successes and navigate the future with confidence.

John Rickoff President & CEO

Track
Engineers
Report
-Completion
of FY-19
Huron SubCRISI

In October 2023, LSRC completed all work related to its FY 2019 Consolidated Rail Infrastructure & Safety Improvements (CRISI) Grant (Infrastructure Enhancement Program) for Lake State Railway's Huron Subdivision. The project was completed nearly three years ahead of schedule, which further supports upcoming increases in tonnage on the corridor resulting from new customer developments. Funding for the \$19 million project came from LSRC, FRA, and the Michigan Department of Transportation's (MDOT) Office of Rail.

The project focused on the elimination of the remaining 85AS rail sections, along with a substantial amount of various 90 lbs. rail sections. This was achieved through the installation of 30.3 miles of 115RE continuous-welded rail at strategic locations. In the areas of rail replacement, cross ties and turnouts were replaced, and the track was surfaced. Additional

components included renewal/rehabilitation of public and private grade crossing surface where rail replacement occurred and where grade crossing signal circuitry upgrades where necessary.

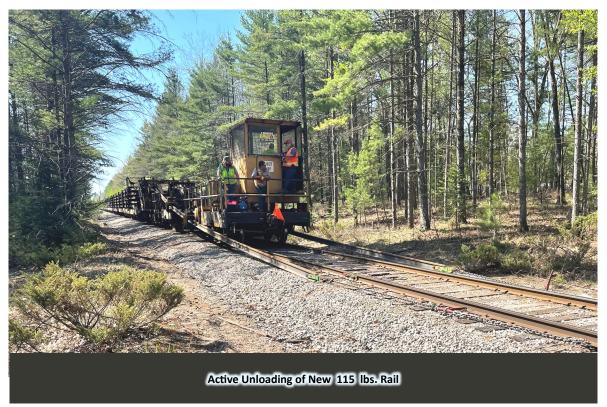
accelerated track improvement program replaced aging, obsolete rail sections and improved the track structure on a critical rail line with significant projected tonnage increases over the next several years. The project allowed LSRC to take several miles out of FRA Excepted Track status, allowing for increases in track speed from 10 MPH to 25 MPH on 23.8 miles, and from 25 MPH to 40 MPH on 6 miles. The upgrading of the Huron Subdivision accommodates heavier rail cars (an increase from 263,000 lb. rail cars to 286,000 lbs. rail cars) which allows rail transportation to be more competitive with trucking.

The scope of work on the Huron Subdivision occurred between Ossineke and Black River, and from the south side of National City to the south side of Omer. Additionally, the project also improved track infrastructure on the Pinconning





Subdivision between Kawkawlin and Linwood, which is a line that connects the Huron Subdivision with the rest of the rail network and sees the thru traffic of not only the Huron Subdivision but also LSRC's rapidly growing Mackinaw Subdivision. Improving the track on the Pinconning Subdivision ties together the benefits of both the FY19 CRISI grant on the Huron Sub and the FY18 CRISI grant project on the Mackinaw Sub.



With train traffic expected to grow significantly on the Huron Subdivision, improvements were needed to ensure LSRC can continue to operate the line safely. The CRISI program allowed LSRC to make many of the necessary improvements on a timeline that would have otherwise not been possible. Elimination of the remaining 85 AS rail and a significant portion of the 90 lbs. rail ensured the worst-condition sections of the corridor are in a condition consistent with the safe movement of the projected traffic. Addressing the track structure directly provides the public, the railroad, and the customers with reassurance

that such traffic will operate over the corridor safely and efficiently.

The project was completed without any changes to the scope, thus allowing LSRC to complete all work items from the grant application and subsequent grant obligation. LSRC views its experience with the CRISI program and FRA grant management team as very positive. The FRA grant management team was helpful and provided the resources and support needed in a timely manner to allow LSRC to complete the grant. We believe the FRA was able to view our previous grant management experiences with non-FRA programs as successful, proving that LSRC's grant management team has the resources and experience to complete the CRISI program successfully.

Sean Pengelly
Engineer—Projects & Development

Tom Klemm
Chief Engineer





SESSEFETY COUNT

In the fall of 2023, Lake State Railway and Canadian National Railway (CN) joined forces to promote rail safety at the Holly Farmer's Market in Holly, MI. The event was a tremendous success, reaching and educating hundreds of people.

The joint team from LSRC and CN provided the patrons with Operation Lifesaver pamphlets that detail the importance of safety around railroad property and crossings, as well as flashlights, tote bags, coloring books, and other items.

The team also engaged in spirited discussion with the community, answering all of the questions fielded. The event was well received, and the community members were grateful, asking that we return again in subsequent years.

Rail safety is a critical issue, and we as a railroad are working diligently to remain proactive in our efforts to educate the public.



Operation Lifesaver is a national, non-profit organization that aims to educate the public about rail safety. The organization provides free educational materials, including pamphlets, videos, and presentations, to help people understand the dangers of rail crossings and trespassing on railroad tracks. The organization also works with law enforcement agencies, railroads, and other organizations to promote rail safety.

Rail safety isn't just the responsibility of the railroads. The public can do their part to ensure their own safety, as well as the safety of others, by exercising caution at railroad crossings, staying off railroad tracks, and reporting any suspicious activity near railroad property.

I want to thank the Holly Farmer's Market for allowing us this fantastic opportunity, and CN Transportation Manager Drew Waldrup and CN Yardmaster Jonathan Quinley, for their collaboration and ideas on this event and all of their assistance to ensure it to be a great success.

It is important for everyone to remember that rail safety is everyone's responsibility, and we can ALL do our part to promote it.



Lake State Railway has been instrumental opening the lines of communication with the **Environmental Protection** Agency as a member of the American Short Line and Regional Railroad Association (ASLRRA). In July of 2022, Lake State Railway approached the ASLRRA requesting to lead in developing

compliance instructions from the EPA for upgraded-tier emission locomotives. Upgraded Tier Emission locomotives are locomotives that have received upgraded components that permit less emissions based on the upgrade package installed on the locomotive.

One hurdle has been a misunderstanding of the EPA regulations on locomotives that previous railroads had upgraded to Tier locomotives and then sold. In some cases, the issue was a case of semantics based on industry terms and EPA terminology. With Lake State Railway's commitment to lowering our emissions, we needed guidance from the EPA on proper compliance of our Tier fleet. We learned other railroads were having the same issue, so we volunteered to take the lead on working with the EPA since we were close to the EPA Emission Compliance Engineers in Ann Arbor.

In January 2023, we finally had an approved document that Lake State Railway drafted with the EPA on compliance guidance for upgraded Tier locomotives. After all parties received approval, the document was released to all member railroads of the ASLRRA and, subsequently, all railroads in the

United States. Lake State Railway staff also participated with the EPA on a webinar for emission compliance and guidance a few months later, in addition to teaching at the national conference of the ASLRRA in April 2023.

EPA staff from Ann Arbor approached Lake State Railway in March about a meeting with the "Rail Study Team" regarding how to address air pollutant emissions from the locomotive sector and potential regulatory changes. They requested information on locomotives, parts, how railroads handle traffic, etc. We contacted the ASLRRA with plans to organize several meetings with the EPA Rail Study Team, including site visits to various small railroads. The first site visit was held at our Lake State Railway facility earlier this year. We had three site visits

with the team and one at their facility/testing center in Ann Arbor. Our final site meeting was on January 11th, 2024, at the Adrian & Blissfield Railroad.

The EPA is still determining the outcome of future regulations. The Rail Study Team was very complimentary of our time together as it will help them with their suggestions to the EPA Administrator on reasonable regulations if they update current regulations. The rail industry is considered, by all data, to be the "greenest" form of shipping. Our friends at EPA came out of our four meetings with a new appreciation of how we can all work together to keep our industry strong for a cleaner tomorrow.

Thank you to all staff who have assisted with the meetings at the Lake State facility and those who attended meetings in Ann Arbor at the EPA offices. also, a big thanks to the Indiana Northeastern Railroad and Adrian & Blissfield Railroad for their



on our final meeting January 11th, 2024.

hospitality with hosting visits of the team.

The compliance guidance and the meetings with the EPA were a result of the leadership of the American Short Line and Regional Railroad Association. Lake State Railway was honored to work on both projects not only for our own benefit, but the benefit for all railroads, and the customers/communities we serve.

> Be Safe. W. Roger Fuehring **Chief Mechanical Officer**

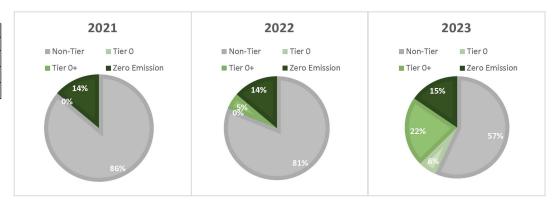


GREENER DAYS AHEAD



Lake State Railway Reduction in Locomotive Emissions Years 2021-2023

		Legend
No	n-Tier	No EPA regulations
Tie	r 0	Upgraded to 1998 EPA Regulations
Tie	r 0+	Upgraded to 2008 EPA Regulations
Zei Em	o ission	Emissions Goal



Average Locomotives In Service

2021

22 Locomotives Used

3 were Zero Emission

2022

23 Locomotives Used

4 were Zero Emission or Reduced Emission 2023

23 Locomotives Used

10 were Zero Emission or Reduced Emission

Little Note from our AHS Friends

You may remember from the 2023-1st issue of "The Turntable" that LSRC had officially deeded the Harrison, MI Train Depot to the Alcona Historical Society on January 17, 2023. If you missed the article, you can catch it again via the link below. Last December, The Alcona Historical Society had completed enough preservation to open part of the Depot to the public for the first time since it was closed in 1951.

Harrisville Train Depot Gifted to Alcona Historical Society – WBKB 11

December 9, 2023—Harrisville, MI

Happy Holidays from the Harrisville Train Depot!

We opened a portion of the building this afternoon for the kids and community. Santa visited with 40+ littles, while many others just popped in to snoop and take a peek. It's wonderful to be able to show people what we're fighting for, especially when so few have ever had the opportunity to see the interior. We are all grateful for your gift!



Employee Spotlight

Helen Huneycutt

Retired Property, Environmental & Risk Manager



This employee spotlight is a little different from previous newsletter spotlights in that at the same time we introduce you to Helen Huneycutt we immediately have to say good bye. Helen affectionately known as Hellie (a nickname coined by the late Jim George) spread her wings and flew the coop on February 5th after 17 years with Lake State Railway embracing the next chapter of her life in retirement.

Helen grew up in Ovid, Michigan just outside of Owosso as the 3rd from the youngest child among 7 sisters and lots of half siblings totaling 15 altogether.

As a youngster, Helen excelled in school, skipping 2nd grade and finding herself on the board in Algebra earning the label as the math genius. When Helen was 22, she moved a short distance away to Owosso, Mi to work for



Walmart where her exceptional performance led to promotions and soon found herself in Tennessee where she spent about 9 years as a District Invoice Clerk covering 8 surrounding stores. However, Michigan started calling her home so she packed her kids up and settled a little further north in Houghton Lake, MI where she spent another year with Walmart in the Human Resources Department. When Helen left Walmart, she spent the next 5 years as an Independent Title Abstractor for 5 Michigan counties.

In 2006, Helen came to work for Lake State Railway Helen was hired at LSRC starting out in accounts payable, a position she held for 8 years until she was promoted to Property, Environmental & Risk Manager where she finished out her career with us. She wore many hats in her role at LSRC and had to handle some tough cases while keeping a smile on her face. You didn't find Helen



Abby , Helen, Lisa & Little Rose Petal

to be in a bad mood very often if ever. Her quick wit and infectious laugh were a staple in the office. She has a kind and jovial nature and still had a knack for standing her ground without aggression or judgment.

Helen always felt the most important aspect of her position with LSRC was helping protect the company from all types of liability. She took pride in building relationships with contractors, consultants and brokers. She also wanted to emphasize how much she loves her co-workers.

Helen is the proud mom of 2 sweet daughters, Abby (42), Lisa (41) and a loyal son Wade (35). She has 8 wonderful grandchildren that keep her entertained and laughing every day. She loves to entertain and cook for crowds and with her brood, some of which live close by, she gets to enjoy entertaining often.



Helen has always been a huge lover of animals and all of God's creatures. She's had pets of many species over the years from skunks to horses to birds (Quaker, Cockatiel, and parakeet). She and her son Wade, at one time, collected reptiles such as lizards,

exotic frogs and even a few snakes. She loves all creatures so much she won't even kill the stink bugs that would sneak in the crevices of our office building and fly around annoying the rest of us. Not Helen though, she lets any bug fly around her head and even land on her, Then she talks to them like their her babies and laughs at us when we roll our eyes. Currently, she shares her home and property with her 5 dogs—3 Smooth Coat Collies and 2 Minpin/Yorkie mix).



Helen's most recent interest in the non-human form begins with the purchase of a 120-gallon discus tank. She's spent some time and energy bringing this new hobby of raising tropical fish to light. Currently, her gigantic aquarium is home to 9 Discus, several Angel fish along with a few other tropical species. Another thing about Helen is when she takes on a new interest or hobby, she researches it thoroughly basically becoming an expert in whatever she takes on.

Those close to Helen know about her long struggle with hearing loss, but many of you are probably unaware that she is clinically

(Continued on page 9)

Employee Spotlight Helen Huneycutt

Continued

(Continued from page 8)

deaf in both ears. When she was in her 30's, Helen's first ear went silent. During that time, she learned to carry on her daily routines as usual with the full function of the other ear. However, about 10 years later, she woke up one morning and had discovered she had completely lost the hearing in her other ear and found herself in total silence. A very frightening experience for anyone in her shoes. The silence was suffocating, isolating—a stark contrast to the vibrant world she once knew.

Over the next few years, Helen would travel to several States, from Michigan to Tennessee, Texas and California to try and get help for her baffling condition diagnosed as "Unexplained Sudden Hearing Loss". At the University of Michigan Medical Center and other auditory facilities, she had been fitted for several expensive hearing aids that did not provide any help. She also flew to California 3 times and underwent a couple of unsuccessful and brutal surgeries. Her account of her experiences throughout this ordeal is very difficult to hear as most people who suffer from this condition today would not have to go to such great lengths just to get the right attention.

The sound of triumph came when Helen finally found the right doctors and received the attention she needed. At the Henry Ford Hospital in the Detroit area Helen was fitted for Cochlear Implants 6 months apart. At last, sound was restored. She has been told that she was a baffling and unusual case, but was the perfect candidate for Cochlears, even baffling the doctors further on how well she adjusted to them. During this long ordeal, Helen continued to work with the help of coworkers and family and if you didn't know her story and met her today, you probably wouldn't even guess she was hearing impaired She still functions at the highest level as she always had.

None of the Lake State staff was excited about her retiring, but we were happy to be able to throw her a good bye party. To know Helen is to know she does not like to draw attention to herself, but she had to suck it up for a few hours while we celebrated her and her next chapter in life with a great lunch a few parting gifts. We all love you Helen and your presence in the office will be truly missed, but at least the salt shaker will not disappear from the lunch room anymore! LOL

Deanna Hennessy HOS Compliance Manager/AR Newsletter Editor



"Helen always worked to keep the company in a good place. Her dedication to details and the ability to take a stand on issues has helped LSRC establish itself as a leader in the industry. " - John Rickoff

"Helen has been a huge asset to the Lake State team and will always be part of the Lake State family. She will be missed." - Kevin Mitrzyk

"Helen has been a wonderful person to work with. She has been so helpful over the years on a multitude of projects and has been an amazing resource for knowledge and information. Most importantly, she is kind, thoughtful, and has always been available to help or provide advice when I've encountered a challenge." -Sean Pengelly



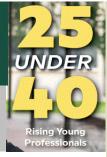
"My mom... there aren't enough adjectives to describe her or express in words how much she means to my family and I. She's loyal, compassionate, beautiful, sincere, generous and brilliant (pretty sure that's where I get it from, not sure what happened to my brother (a). The most important thing in her world is her family. Her only annoying trait is her ability to remain youthful while the rest of us are rapidly aging. I can't tell you the number of times my mom has been carded and not us kids. I am so proud of all she has accomplished and so happy for her to be embracing the

next phase in her journey. She knows how blessed she was to be a part of the railway all these years and I'm certain she was an irreplaceable employee, colleague and friend to those who had the privilege of working with her. My mom is my best friend and I pray I turn out just like her (but not the crazy dog and fish lady part). "- Abby



RAILWAYAGE.COM SERVING THE RAILWAY INDUSTRY SINCE 1856

Congratulations to Sean Pengelly for being recognized as one of the top 25 under 40 Rising Young Professionals by Railway Age.

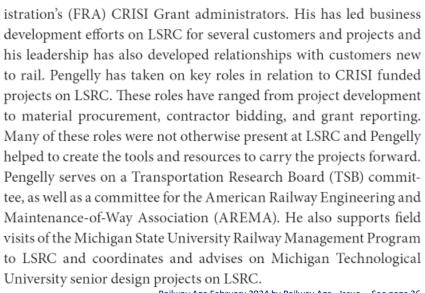


SEAN PENGELLY

Engineer – Projects & Development

Lake State Railway Company

Pengelly has become the leader in maintaining Lake State Railway Company's (LSRC) relationships with the Michigan Department of Transportation (MDOT) Office of Rail, and the Federal Railroad Admin-



Railway Age February 2024 by Railway Age - Issue See page 26

WELCOME ABOARD!





Bill & Kelsey Fetters and big sister Jordyn welcome

Nathan Lee Fetters

1/3/24
8lbs. 9oz.—21.5 in. long

LSRC 2023 Christmas Party









Feb 19—President's Day



Mar 17—St. Patrick's Day





Mar 19—First Day of Spring

Mar 29—Good Friday





Mar 31—Easter Sunday

Apr 1—April Fool's Day





April 15—TAX DAY



Updates for Lake State Mates

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!





2024 ANNIVERSARIES

QUARTER 1

YFARS

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Steffen, Noah1
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Greanya, Brian1

WE WANT TO HEAR FROM YOU....

If you have any interesting railroad facts, stories, pictures, or exciting news to share, please submit an article (with corresponding pictures if possible) for a chance at having your story published in LSRC's "The Turntable".

EMAIL SUBMISSIONS TO: hennessyd@lsrc.com

*Please note, not all submissions will be accepted and those that are approved for publishing will be subject to editing.

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

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LOOKING FORWARD TO 2024



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