Watco recently added one new Customer and in the process, added three new locations. ND Paper (Nine Dragons Paper Holdings) is now served at locations in Old Town and Rumford, Maine, and in Biron, Wisconsin, at the Wisconsin Rapids Railroad. ND Paper manufactures various types of high-quality pulp, paper, and paper-based packaging materials.

The team at the three locations will provide services switching commodities such as wood chips, clay, latex, corn starch, talc, logs, wood chemicals, rubber chips, and coal depending on the facility. The company, based out of China, currently operates four mills in the United States. The Biron and Rumford facilities are integrated pulp and paper facilities, and the Old Town location produces unbleached softwood kraft pulp. The fourth location in Fairmont, West Virginia, is one of only three in the world that produces air-dried, recycled pulp.

Watco Team Members had initially been in discussions with operators at the Wisconsin operations when they were approached about switching opportunities at the other two locations in Maine. Pan Am is the short line provider for the Maine locations, and the Watco Team members switch the railcars within the facility and receive and hand off the cars to Pan Am.

The Wisconsin Rapids Railroad took over operations on September 1, but didn’t begin switching railcars until the third. They did take the opportunity to go out on Labor Day and get familiar with the tracks before their first day of service.

The team currently has four team members and one Go Teamer on staff. C. Tyler Dunsworth serves as general manager and was previously with Watco’s Stillwater Central Railroad. Dan Hogan serves as an engineer and has 22 years of railroad experience. Troy Kutella and Nick Brown are new to the railroad industry and are busy learning how to be safe and efficient conductors.

Tyler said, “The start-up went off without a hitch. We took our time, learning the Customer’s needs and preferred method. A team member who works for ND Paper commented, ‘the transition was very smooth, and we’re happy to have a switcher that listens to our needs.’”

Brothers Joshua and Matthew Tarwater made the long trip from Alabama to serve as team members at the Maine locations. Joshua serves at the site manager for both Rumford and Old Town, and Matthew is the crew leader at Rumford. They were previously conductor/engineers at the Alabama Southern Railroad. Joining the brothers are, Josh Blanchard, Jeromi Corliss, Joey Feero, Ralph Jackson, Blaine Pelletier, and Michael Smith. Most of the team members are new to the railroad industry and are learning the ropes on how to provide the best service to the Customer.

The team at Rumford began switching cars for ND Paper on September 9, and the Old Town location is getting ready to begin operations shortly. The Old Town mill was shut down three years ago by previous owners, and ND Paper has been working to get everything in good order.

Joshua said, “ND has worked hard and invested in getting operations going for the long term. Our start-up went well, and the new team is working hard on building their skills.”

Keith LaCaze, Sr., senior vice president of operations, said, “I’m very proud of the effort that went into the start-up of these new locations. Watco had a concise timeline to get these locations up and going. It took a group effort from not only the local management team, but also from Go Teamers across our network.”

Watco’s newest railroad, the Wisconsin Rapids Railroad are (in the cab) Dan Hogan engineer, (on the ground l-r) Tyler Dunsworth, general manager; Nick Brown, conductor; Jonathan Roquite, Go Teamer from Mission Mountain Railroad, and Troy Kutella, conductor.
Watco Switching Services currently operates two locations in Wyoming’s Powder River Basin. They’re made up of several mines, but since the team works for two companies, they’re consolidated under only two operations. Called the Black Thunder and Peabody locations, teams load unit trains for BNSF and Union Pacific (UP) near Gillette and Wright, Wyo.

At first, the process between receiving an empty inbound train and setting a loaded outbound train out for pickup may seem straightforward and simple. However, there is more to it than merely pulling the trains through the loaders. There are several steps our teams must complete before handing trains back off, and they get started as soon as the trains arrive.

On average, the empty coal trains arriving from BNSF and UP are 135 to 150 cars long. The first thing our team does when the cars arrive is give them all an inspection. They check the gates on the hopper cars to ensure they’re closed, the brakes to make sure they’re untied, the car numbers to make sure the consist is correct, the weights on the cars to make sure the mines get the correct billing, and also do a regular railroad inspection to ensure the cars are fit to be loaded and travel to their destination. The whole inspection takes place in about 15 minutes. If a car is bad ordered and needs to be set out, our team does that as well.

“Normally, we call the Class I to come out and take a look at it. If it’s something they can’t cycle or fix on the fly, we’ll set it out or move it in the train so they can set it out further down the main line,” said Zach Leingang, assistant general manager. “It’s pretty straightforward from there. Sometimes during the winter, the mine will spray deicer before loading. Most of the time, we try to keep it moving because if the silos fill up, the haul trucks stop. We don’t want to be the weak link in the chain.”

Once they know everything checks out, our team crews the trains, operating the Class I’s locomotives through the loading area. The train passes over a weigh scale as it approaches the loading chute, where each car is loaded in under a minute. It takes only about an hour and a half to load each train.

The crews pull the trains through the silos for the mines to load. As they’re pulling forward, the coal cars pass under a spray station before heading to the outbound track. There, another contractor sprays the top of the coal. The product sprayed on is a substance similar to Elmer’s glue. This prevents coal from blowing out while it’s being transported to its destination.

“A lot of the trains go through locations with environmental restrictions. We don’t want coal blowing off onto farmers’ crops and people’s homes,” said Zach. “That’s why they spray it with this chemical that makes it all stick together while it’s transported.”

Zach knows this part of the process just as well as the rest. He’s been in the basin for about five years now, and started out working for the contractor that sprays the trains. He did that for a while before becoming a switchman. He’s worked his way up from there and very recently became the assistant general manager for both operations.

As the trains move to the outbound track, the expediter begins working with the Class I’s to put the billing package together and have Class I crews deployed to pick up the outbound train.

“The expediter is kind of half mine personnel and half Watco team member. We contract them, but they do the billing packets for the utility customers, handle diversions, train traffic, moving trains around for us if we have to, to the other mines, and get trains for us. They help make us as efficient as possible,” said Zach.

Communication is key to keeping these operations moving, and our team is in frequent contact with our Customers and our Class I partners. Especially since our teams are working across the five mines and average about 21 trains per day. Each shift is 12 hours and they work in teams of eight, plus four support team members, including the expediter, making it 12 people working for our Customers around the clock, 24/7.

“We do my shift changes at 5:45 a.m. The first thing we do is check the lineups and swap out on trains. We talk to the loaders during the whole loading process. They’ll tell us to pull forward or bring it back,” said Zach. “I sit in their meetings in the morning to go over anything that we need to know.”
The Ann Arbor Railroad used to be much larger. Originally, it ran from Toledo, Ohio, to Frankfort, Michigan. It included around 294 route miles, and even had ferries that carried freight across Lake Michigan. Today, pieces of the Ann Arbor still operate under different names and different companies, except for one portion. In 2012, Watco purchased 87 miles of the old route, running from Ann Arbor, Mich., to Toledo, and retained the name.

Dana Wilkerson’s journey with the Ann Arbor started well before Watco’s. She joined the company as controller in 2003 and stayed on through the transition to Watco ownership, but the “Annie” has been part of her life since childhood.

“My grandpa’s house in Marion, Mich., was right next to the Ann Arbor Railroad. When I was a little girl and I stayed at his house, I loved walking up and down the tracks. I used to pick up all the loose spikes I could find,” Dana said. “I never knew until much later, after I was hired, that Marion was part of the Ann Arbor Railroad. I met the guys who used to drive spikes up there, and I was the one that was picking them up when they were loose. I was like, ‘Did you ever see a little blonde girl going around picking up spikes? That was me.’ My grandpa kept telling me to quit bringing them home. I know better now and should have known better then, but I think kids are fascinated by railroads.”

Today, Dana is the director of support services for the Ann Arbor Railroad, and that job title casts her favorite aspect of the job, and she tries to solve them before they become problems.

“If you fix the root cause, you don’t have a problem anymore, and I’m willing to dig. Every day is different and I never, ever lack for work. I’m never bored, not for one second. Ann Arbor’s grown so much recently that the last couple years have been a real challenge,” Dana said. “But I love new projects and I love learning new things.”

When Dana’s not helping our Customers, she enjoys spending time with her family. Her daughter is learning to drive and between that and her other activities, it keeps Dana very busy. When it’s really time to relax and have some fun, they go boating on Lobdell Lake near Argentine, Mich.
Watco’s largest customer in Australia, CBH Group, is also Australia’s largest co-operative and a leader in the Australian grain industry. They have operations extending along the value chain from grain storage, handling, transport, marketing, and processing. Its storage and handling system currently receives and exports around 90 percent of the Western Australian grain harvest and is regarded as one of the best in the world.

In February of 2019, a small group, comprised of U.S. and Australia team members, formed a task force to identify potential solutions and satisfy the primary objective of increasing grain to port transits. CBH provided the team with several objectives that included the following areas of interest:

- Need to identify terminals that are potentially significant bottlenecks. Provide operational oversight and continued focus in perpetuity.
- Need to modify shunting plans to include levels of detail that cultivate performance and continuous improvement measurements.
- Increase analysis on fleet volumes, cycle times, and overall train scheduling activity.
- Enable management to flex crew resources based on demand and activity.

After months of research, the team was able to create a new rail operations plan, along with exposing key business intelligence metrics that enable field crews to manage day-to-day operations more effectively and efficiently. Some of the challenges CBH faced were direct results of simply not knowing the following key metrics of their daily activity including rail network volume and how to maximize, train cycle times and how they can be reduced/improved, and crew planning and how to avoid unwanted wait-time.

Solving these shortfalls by exposing trustworthy, decision-making information was accomplished by consolidating multi-system data. These consolidation efforts facilitated the creation of multiple online, interactive dashboards and reports, which can be directly accessed by the Customer and Watco Team Members. Two key dashboards that satisfied the Customer’s immediate needs included:

**Cycle Times**
- Interactive dashboard that allows users to visualize key cycle (round-trip) metrics
- Visuals include empty cycle and loaded transport times along with actual loading and discharging times by many different views and filters

**Train Tracker**
- Interactive dashboard that allows users to visualize status of current and planned trains

The real-world benefits, realized by our Customer, was a direct result of several team members exemplifying our core foundation principles and accomplishing a common goal. They saw a customer loyalty opportunity, pulled together and executed a solution that will not only strengthen our relationship, but provides a standard in which we can drive towards with future opportunities.

There are truly too many team members to thank individually. The effort was an exemplary exercise that proved how a cross-section of many teams pulled together to provide real-world solutions. With that being said, a big thank you goes out to key members, within the following teams, that went above and beyond to deliver value to our Customer. Those assisting include IT - Applications Team, IT - Enterprise Information Management Team, Commercial Team, Accounting Team, and the Western Australia Team.

The dashboards above provide the Watco and CBH Group teams in Western Australia the information that they need in order to find out not only where issues are occurring but they provide a solution to the issues as well. In addition, they help the teams plan trips to better utilize assets and improve grain-to-port activity.
Watco's STAT Center hosts Birmingham first responders

by Tracie VanBecelaere
Managing Editor

The last week of September has been declared Rail Safety Week by the organization Operation Lifesaver. While the group is constantly pushing the rail safety message, the special week hits the messaging hard with the goal of ending deaths and injuries due to trespassing and collisions on the tracks.

Not only is it essential to educate the public about rail safety, but it’s also necessary to teach those who respond to accidents on how to safely perform their duties. With that goal in mind, the team at Watco’s STAT Center in Birmingham, Alabama, agreed to host Operation Lifesaver Training at the center when they were contacted by Alabama Operation Lifesaver Executive Director Nancy Hudson.

Members of the Birmingham Fire Department and local law enforcement officers visited the center for the specialized training. BNFT Senior Special Agent Bryan Schaffer, Hudson, and Travis Herod, Watco’s senior vice president of safety and training, each spent time speaking to the group on safety issues. Following the presentation, they divided into two groups to allow the attendees to get hands-on experience with the locomotive simulators. By using the simulators, they could experience what engineers experience as they are driving the locomotives and get a better understanding of how long it takes to stop a train.

The responders also had the opportunity to look at the STAT Center locomotive, and the STAT trainers showed them the location of fuel cut-offs and explained the challenges that could be faced with emergency extraction from a locomotive.

"I appreciate the Watco Team sharing the facility and assisting with the training," said Hudson. "It’s so much more effective for the responders to get to see the actual locomotives and get to experience using the simulators. It’s something that many of the officers might not have had the opportunity to experience, and it may save someone’s life."

BNFT Special Agent Bryan Schaffer was one of three presenters at the Operation Lifesaver Training. Other presenters included OL Executive Director Nancy Hudson and Watco’s Travis Herod.

Wellness requirements waived

Once again, the Benefits Team has chosen to waive all wellness requirements for the 2020 benefit year. What does this mean for you?

Team members will not have to complete a wellness exam in 2019 for 2020 to receive the incentive. Spouses enrolled in your coverage will also not need to meet the wellness requirement.

All team members on the HRA plan will receive their HRA dollars day one (previously the first $500 in deductible had to be met before receiving funds). All team members on the H.S.A. plan will receive the full Watco contribution in their H.S.A. account (previously funds were not provided if wellness was not met).

However, Watco strongly recommends all team members still have a wellness exam completed. Your health is always changing, routine blood work, and yearly physicals can help lower your risk of future health issues when caught early.

Please Note: Tobacco compliance will still be a requirement for 2020. In order to pay lower premiums, all tobacco users will need to begin the Tobacco Cessation Program by November 30, 2019. To enroll in the program, please contact Quit-4-Life at (866)-784-8454.

All team members will still need to log onto www.watco-health.com to select Yes or No regarding tobacco use. If the option Yes is selected, the team member will also have the option to confirm enrollment in the Tobacco Cessation Program.

For any questions or concerns, please email benefits@watco-companies.com.

Watco partner visits AWRR

The Watco Team wouldn’t be able to fulfill its mission of providing the best service possible to our Customers without the help of our partners behind the scenes. One of those partners is Bill Thomson, managing director at BMO Harris Bank. His son attends the University of Texas-Austin, and Bill took the chance to see the Watco Team in action on the Austin Western Railroad while he was visiting.
Texas Teams rally around injured team member

by Tracie VanBecelaere
Managing Editor

When Fred Porter woke up and realized his home was on fire, he had just enough time to pull on a pair of pants and get out, and they weren’t even his; they belong to his brother, who lives with him. The painter at the Scottsville, Texas, mechanical shop suffered second degree burns to his head, neck, and shoulders in the fire that burnt his house down in late September. Fred made his escape without any shoes, wearing pants that were three sizes too large; he literally lost everything.

Not only did his teammates at the Scottsville shop rally around him, but the nearby Zwolle, Louisiana, team has stepped up to help as well. They started immediately by replacing his clothing and donations are still coming in.

The Scottsville Team Safety & Improvement Committee organized a pancake breakfast and are planning a workday at his house to help get all the debris cleaned up.

The mechanical team at the nearby Zwolle shop organized a barbecue lunch fundraiser to benefit Fred and his brother LC, who had worked at the Scottsville shop for a couple of years in the early 80’s.

Scottsville, Texas, team member Fred Porter (left) and his brother LC stopped by the shop on September 27, 2019, to partake in a pancake feed organized by the TS&IC to help raise funds for the two brothers who lost their home and belongings recently.

The TS&IC and office staff from the Zwolle, Louisiana, mechanical shop stepped up to assist in fundraising to help Scottsville teammate Fred Porter. The team held a barbecue lunch fundraiser and donated the proceeds to Porter, who lost everything in the fire.

Fred and his brother LC, who had worked at the Scottsville shop for a couple of years in the early 80’s.

Louisiana Southern Team Member relays message of rail safety

The last week of September was Rail Safety Week, and Operation Lifesaver groups from all across the country were busy spreading the message. Watco has several team members who are involved in the group and some of them are authorized volunteers. Authorized volunteers undergo specialized training to ensure they are spreading the correct message in the most effective manner.

Louisiana Southern Railroad’s Bobby Baker Jr., visited students at Webster Junior High School in Minden, Louisiana, to teach them about safety around railroad tracks and grade crossings.

Although a trip to an exotic island might have made for a great getaway, the team at the Coffeyville shop had a different destination when performing the "Blind Stepping Stones" exercise. Their destination was "Safety Island," and their goal was to help the team understand the importance of trust, communication, and team effort.

Coffeyville Shop Wreck Barn Supervisor Mike Chew initiated the team-building exercises with the objective being to make the team stronger and more successful.

Coffeyville, Kansas, mechanical shop, lead man, Buckey Wright led fellow team members in an exercise called “Safety Island” designed to help with team building.

Louisiana Southern Team Member relays message of rail safety

3 Focus Areas to Finish the Year Strong

1. Win Today
2. Know What Matters
   - Customers
   - Safety
   - Service
3. Fix What Needs Fixed

“Our business is more robust, more diverse, more efficient, and well positioned than it has ever been.”

Dan Smith, Watco CEO
Year to Date Business Review, Sept. 30, 2019
Congratulations to the following Team Members
celebrating anniversaries this month


3 YEARS: Daniel Casey, Jennifer Fore, Jack Gandy, Calvin Jonas, Vance Kirkpatrick, Robert Lawrence, Margaret Miles, Brian Mills, Joe Percival, Samuel Radzak, Joseph Riley, Ethan Sailor, Carissa Summers, Carlos Torrez, Joshua Walker, Kenneth Womble, Mitch Wortman


6 YEARS: Clint Allen, Amber Brown, Nicholas Burnham, James Burris, Kyle Clutter, William Coleman, Rosalio Collazo, Kylie Collier, Vanessa Espitia, Rebecca Garza, Credrick Gray, Daniel Lester, Robert Llewelyn, Eduardo Morales, Clint Pavlicek, Rocio Perez, Tommy Terrell, Ricky Vidrine

7 YEARS: Peter Christy, Tyler Crawford, Javan Exum, Michael Galligan, Jesus Garcia, David Lawson, Larkland Linton, Carlel Maxie, Brian Morgan, Rodney Pickett, Richard Wheeler, John White

8 YEARS: Peter Bercier, Jeffrey Buck, Lonnie Evans, Douglas Frazier, Milton Gray, McKenzie Green, Joseph Hartley, Travis Ivy, Trenton Jones, Brian Manning, Erik Mitchell, Arturo Perez, Salvador Sanchez, Michael Sepulveda, Michael Tucker, Jeremy Veley

9 YEARS: Corey Black, Timothy Dykes, Mark Maddox, William Sorensen

10 YEARS: Merlin Bridge, William Hill, Elvis Johns, Todd Johnson, Erik Krebel, Brian Pitt, Jeremy Sepulveda, Michael Toler

11 YEARS: Sherrie Bayowski, Mark Bowen, Lucas Conrad, James Culbertson, Cleveland Garth, Michael Harris, Leslie Heasley, Albert Perez, Justin Ray, James Shoop

12 YEARS: Russell Antonucci, Jana Austerman, Donald Byrd, Ryan Gordon, Roger Howard, Elizabeth Newberry, Amanda Santana, Misael Santos, Jason Seger

13 YEARS: Robert Graham, Teri Kinyon, Karl Meyer, Matthew Stover

14 YEARS: Jeffery Hoagland, Scotty Presley, Jose Saavedra, Diana Scheffel, Thomas Scherzer, Delia Winegarner

15 YEARS: Sheri Escobar, Bo Fox, Travis Herod, Efren Llanas, Phyllis Wyatt

16 YEARS: Marvin Albrighton, Jeffrey Baum, Kyle Kozman, Charles McGinn

17 YEARS: William Czapla

18 YEARS: Scott Lina, Michael Sturm, James Wren

20 YEARS: Randy Hartley

21 YEARS: Scott King, Norman Neal

22 YEARS: Donald Brau, Heath Morgan

23 YEARS: Ivan Ferrin, Silvio Gomez, Raymond Higgins, Phillip Lee, Edward Moore

24 YEARS: Rodney Daugherty, Steven Korell

25 YEARS: Matthew Davis, Shannon Downen, Marcus Kuhlman, Lori Magee, Clay Quillman, Kevin Smith

26 YEARS: Cirilo Bueno

27 YEARS: Brian Daentl, Bruce Hueter, Craig Stansbury

28 YEARS: Anthony Clark, Jamie Swanyos

30 YEARS: Eddie Bennett, Kelvin Matthews

31 YEARS: Michael Allen, Robin Doom

32 YEARS: Ralph Ferreebe, Earl Holt, Michael Nos, Michael Tappy

33 YEARS: James Moore

34 YEARS: Keith Lacaze

35 YEARS: Clarence Parrie, Mark Turner

36 YEARS: Phillip Penner

38 YEARS: Lonnie Joyce

39 YEARS: Kimberly Bourgeois

42 YEARS: Mario Marghella

43 YEARS: Medric Hayes

BIRTHS

Nash Conway Miesner

Gunnar and Shayla Miesner are proud to announce the birth of a son, Nash Conway.

Nash was born on September 13, 2019. He weighed 8 lbs., 5 oz., and was 20 inches long.

Nash was welcomed home by his twin brothers Waylon and Walker.

Gunnar is an inbound inspector at the Neodesha, Kansas, mechanical shop.
SCOTTVILLE COUPLE BECOMES A "TEAM"

Robert McKinnon and Shannan (Penrod) McKinnon were united in marriage on August 31, 2019.

The couple were married in their home surrounded by close family and friends.

Shannan and Robert met at the Watco Mechanical Shop in Scottsville, Texas, where Shannan serves as the lead environmental health and safety manager and Robert serves in the role of quality assurance manager.

FOUNDATIONS OF LEADERSHIP GRADUATES

Congratulations to another group of Watco team members who completed Watco University’s Foundations of Leadership. The training was held during September in Charleston, West Virginia.

These team members represent a broad range of Watco locations, including the Kanawha River Railroad (KNWA), Blue Ridge Southern Railroad (BLU), Ithaca Central Railroad (ITHR), Green River, Wyoming Switching, and the Brooklyn Junction, W. Va., Terminal.