Watco Companies is more than doubling the number of terminals it operates following a recent agreement with Kinder Morgan Terminals (KMT) to purchase 31 terminal operations that span from Stockton, California, to Brooklyn, New York. Prior to the agreement, Watco’s Terminal and Port Services (WTPS) division managed 20 terminals in the United States and handled commodities such as: crude oil, frac sand, steel products (steel coils, steel beams), building materials, forest products, aluminum, lead, and grain. The new terminals include 14 traditional rail to truck transload and switching facilities, 13 operations on inland waterways servicing bulk and break-bulk Customers to and from barge, truck, and rail, 3 sites providing deepwater stevedoring with material handling activities and 1 inland river tank farm.

“Watco is excited to expand our outstanding relationship with KMT and to position operations in a manner that best benefits our mutual Customers,” said Watco President Rick Baden. “This is an expansion of Watco services that will bring several great connections between terminals, ports, and railroads.”

Watco has begun working with the locations and will transition team members to ensure uninterrupted service to the Customers. Meetings have been held, and will continue, to brief Kinder Morgan team members on the transaction and explain the process for them to transition to the Watco Team. On February first, the first set of terminals transitioned over. The eight terminals are located in: Chicago Heights, Illinois; Ypsilanti, Michigan; Elizabeth, New Jersey; Bronx and Brooklyn, New York; Cincinnati and Euclid, Ohio; and Roanoke, Virginia. The eight are a combination of both bulk and transload facilities.

Watco names Loeb Executive Vice President and Chief Marketing Officer

In a railfan’s perfect world they would be entrenched deep in a railroad organization and be part of making big things happen. Stefan Loeb is living that dream. In January, Watco named Stefan Executive Vice President and Chief Marketing Officer. His historical knowledge and connections in the rail industry gave him an advantage from the start of his career with Watco that most people would take decades to acquire. His interest in railroads started early, like many others, with a train set given to him by his parents the day after he was born. He can truly say he has had a lifelong interest in the hobby.

Stefan’s responsibilities include managing a business unit consisting of over 35 transportation marketing professionals, overseeing the growth and success of Watco’s Customers across 32 short line railroads and 28 switching locations that generate more than 380,000 annual carloads in 23 states. He will also participate in assisting with Watco’s mergers and acquisitions activity. Stefan also assists in managing Watco’s Class 1 railroad relationships and works with several state and local transportation agencies.

Prior to this role, Stefan served as Vice President of Business Development where he helped management evaluate and execute mergers and acquisitions. Since joining Watco in July of 2010, Stefan has led or participated in several acquisitions including the Wisconsin & Southern Railroad (where he serves on the Board of Managers), Birmingham Terminal Railway, Ann Arbor Railroad, Autauga Northern Railroad, and the Blue Ridge Southern Railroad.

Before joining the Watco Team, Stefan’s historical knowledge and connections in the rail industry and his business acumen and marketing acumen have given him an advantage from the start of his career with Watco. He has a master’s degree in Business Administration from The Ohio State University and has served as the President of the Ohio Railway Association. Stefan is an active member within the rail industry and has a strong focus on benchmarking.

Recently, team members from the Ann Arbor Railroad (AA) attended Chrysler’s Annual Carrier Reception, an event recognizing Chrysler’s logistics department and its automotive service providers performances over the past year.

Chris Boatman, director of automotive operations, Eric Thurlow, AA marketing manager, and Ron Chadwick, AA general manager, represented the AA at the reception. During the presentation of carrier awards for outstanding performance in 2014, Chrysler recognized two trucking firms and one railroad (from a carrier base of approximately eight railroads). Ann Arbor was the recipient of the 2014 Carrier Service Excellence Award.

AA was commended for its unwavering dedication and commitment to service, regardless of the challenges being faced by all carriers throughout the finished vehicle distribution network. As described by Chrysler, AA’s capabilities within the distribution network, were again, worthy of benchmarking.

Chadwick said, “What an honor it is to receive such recognition from the Customer. This recognition is directly attributed to the dedicated team members and service provider partners, which strive together on a daily basis to meet and exceed Customer expectations.”

Team members at the Ann Arbor are: Admin. Clerk, Tana Wagoner; Assistant Trainmaster, Allen Hasty; Car Apprentice, Bryant Boatman; Car Repairman, Daniel Duvall; Chief Engineer, John Chipila; Chief Mechanical Engineer, Michael Hayden; Clerk, Rebecca Barza; Conductors, Matthew Adams, Ryan Luet-

(Continued on page 4)
WatcoTeam: Applying for internal positions

One of Watco’s best assets is our people and when looking to fill positions within the company, an excellent place to look is within our pool of proven team members. Everyone within the organization is encouraged to review the positions posted online and apply for any that they feel they would be suited for.

Amy Miori, director of recruiting, said, “The success of our profit centers is directly related to the success of our team members. Our focus will be geared toward ensuring our team members are always in a position that matches their skill level, which should always be evolving. As an organization we need to embrace team member transfers and advancement as this keeps our best assets from looking outside the organization for additional opportunities.”

The following steps will guide you through the process of applying for a new position. Click on the Careers/Team Members link on the home page of the Watco web site (www.watcocompanies.com). Select Join Our Team from the drop-down box. At the bottom of the page there is a link that says “Click here” for current job listings. You will be taken to a page that allows you to select a location, a category, and any other parameters you would like to search. After you have selected your choices, just hit the search button and the opportunities that meet your criteria will be listed. Review the requirements for any positions that you are interested in.

Once you have found a position that you would like to apply for let your manager know that you are applying for a new position. Make sure your resume is updated to reflect your current position and follow the previous steps and at the end of the job description that you are wanting to apply for and click on Submit your Resume/CV to this Job. Connect with a recruiter in your region if you need assistance.

South Region - Amanda Smardo
asmardo@watcocompanies.com
620-687-0244

Great Lakes Region - Rebecca Beaudry
bbeaudry@watcocompanies.com
608-438-0552

Central Region - Kylie Collier
kcollier@watcocompanies.com
620-687-7527

West Region - Susan Quanstrom
squanstrom@watcocompanies.com
620-687-7539

East Region - Tia Edwards
tiedwards@watcocompanies.com
620-687-2874

Port Birmingham Terminal receives new loaders

The Port Birmingham Terminal Team, also know as Watco Alabama Port Services (WAPS), is very appreciative of two brand new Caterpillar 990K front end loaders that were recently purchased for the Alabama port.

Michael Roberts, who has been an operator at the Port for 36 years, said, “It’s just great to have these new machines here at the Port. They’ve been a long time coming. The fuel consumption, mobility, and speed at which we can now perform our job is incredible.”

Once the purchase was approved, it took a while to get them built and delivered to the team.

Charlie Estes, twenty-five year operator, said, “It’s the nicest piece of equipment I’ve run on any job and we are very thankful for them.”

Port Operations Manager, Kelly King, added, “With the addition of these new loaders, we will be better equipped to serve our Customers by more accurate tonnage reporting thanks to LoadRite Scales. Ergonomics are greatly improved thanks to state of the art cab controls and an interior designed for operator comfort. These loaders are very much appreciated and we hope they provide many years of prosperous service.”

General Manager, Jason Ford, said, “We are dedicated to providing the best service possible to our Customers and these loaders are sure to help us maintain the level of excellence we strive for at WAPS. We appreciate our Customers and the support from Watco for making these tools available to us, giving us even more opportunity to be successful in the coming years.”

Houston Team Members clean up

Team members at the Greens Port Industrial Park take pride in their company and when they noticed their sign was looking a little grungy they took it upon themselves to get it looking back up to par. The group spent part of a Saturday cleaning up the sign so that visitors at the facility will be greeted by a sign that represents who they are.

Ernie Farrand, GPIP general manager, said, “I’m proud the team took initiative in making sure the sign looked good and visitors are given a good first impression of our facility.”

D Shift Team Members who helped clean up the GPIP sign are (l-r): Top row: Chris Stroman, Dejon Wade, Rashad Sowell, Micah Sample, Noble Moses, Brandon Fuselier, Calvin Hall, and Kelvin Jackson. Bottom row: Richard Juarez, Anthony Rodriguez, Courtney Lewis, Pat McCray, and Angel Hopkins. Inset photo: Shift supervisor Chris Brackins.
This past December first was an extraordinarily beautiful day with unseasonably warm weather in Hodge, Louisiana. However, that particular Monday turned out to be a very eventful one at Watco’s Louisiana Southern Railroad (LAS).

Engineer John Neel and Conductor Joseph Giordano came on duty in Hodge and when the two were taxied to their train to begin operations, they saw that one of the three locomotives in the consist, WAMX 4004, was engulfed in flames. The pair sprang into action, and after they determined they could safely prevent the spread of the fire to other locomotives by cutting away from the burning locomotive, they jumped on board and saved the other two locomotives from being damaged.

This courageous and selfless act has made it possible for the LAS to continue providing their Customers with safe, accurate, and timely service. Cory Smith, LAS general manager, said, "John and Joe both took action to ensure that we would be able to continue taking care of our Customers on the LAS. Our team appreciates their quick thinking and acting in such a selfless manner."

### WTPS Team joins Customers in fundraising efforts

_by Steve Sheldon_

_Watco Terminal & Port Services, West Region Marketing_

Watco Terminal and Port Services (WTPS) rejoined our good Customers, Pioneer Oil and Rockpile Energy, cooking and serving chili as a fundraiser to benefit the Dickinson, North Dakota, Volunteer Fire Departments. This year marked the second time WTPS participated in the event.

Rockpile Energy hosts the event each year. They have close ties to the Dickinson community, with a frac sand terminal there and several members of Rockpile Energy team being from the area.

Pioneer Oil, WTPS’s anchor warehouse tenant in Dore, North Dakota, also participated in the chili cook off. Pioneer provides Ceramic Propellant distribution for Rockpile through the Dore warehouse.

Steve Sheldon, WTPS West Region Marketing, said that the event has grown greatly year over year. "We are thrilled to join Pioneer Oil and Rockpile Energy in helping the Dickinson and South Heart Volunteer Fire Departments. With our terminal operations in Fryburg, ND and our new joint venture with Great Northern Project Development in South Heart, this is a great way to say thank you."

Mike Yanish, WTPS North Region Manager added his own recipe to the contest. Although it did not take home the evening’s top prize, it was one of the crowd favorites along with Pioneer Oil’s Green Chile Verde recipe.

### New Mexico joins the list of Watco served states

New Mexico just joined the ever-growing list of states served by Watco Team Members. The newest addition to the Watco Terminal and Port Services (WTPS) Family, began operations on February 2, 2015. Currently staffed with 13 team members, an additional 12 will be joining the original team very shortly.

Jeff Ecret, director of operations, South Region, said, “We had a lot of help getting the terminal up and running. Current team members combined their efforts and brought all of this online and made it a functional facility in less than three weeks. I can’t say enough how proud I am to be part of such a dedicated team.”

Amanda Smardo barely got settled in Houston as South Region Recruiter before heading to New Mexico to put forth her recruiting efforts to assemble the team members needed to operate the new site. Another huge help in the Human Resources area was Toya Bradley, WTPS human resource manager. Someone had to handle the purchasing piece of the start-up and Natalie Free’s purchasing support was endless according to Ecret.

WTPS Team Members who helped with training include Pecos, Texas, Terminal Manager, Raul Garcia and his great team; Russell Hamm, WTPS manager of operational support; and John Wieblehaus, Refugio, Texas, terminal manager, who allowed the team to steal David Elizalde and Henry Sanches away from him.

Ecret said, “Charles Teeters, WTPS North Region EHS director, even had to leave behind the cold and snow in the north and brave the heat wave in New Mexico.”

Another northerner, Dion Weichel, terminal manager, Stanley, North Dakota, provided his support and guidance in the efforts to get Loving ready to go. And, last but not least, Don Latimer, WTPS’s regional safety manager.

Ecret added, “Don’s unyielding dedication to the South Region is a key component to our success.”

Team members at the Loving, New Mexico facility are:

- First row (l-r): Don Latimer, WTPS Regional Safety; Barbara Blankenship, Customer Service Representative; David Elizalde, Terminal Manager; and Jose Ramirez, Operator.
- Second row (l-r): Aurelio Calderon, Supervisor; Ivan Johnson, Operator; Anthony Carnero, Operator; Danny Alvarez, Operator; Sarah Martinez, Customer Service Representative; Paul Blankenship, Operator; Manual Mendoza, Operator; Henry Sanchez, Supervisor; and Todd Tindol, Supervisor.
Watco U courses offered to community

by Laura Patriquin
Communications Intern

Watco is not only interested in investing in the team-building and leadership skills of its current team members, but is always looking to reach out to the community. On January 19th, a group of Pittsburg State University students were given the opportunity to learn from Watco Training Specialist, Nick Weber, in a Watco University session designed to promote communication and team cooperation. The students invited to this session consisted of seventeen leaders from PSU’s fraternities and sororities, including members of the Panhellenic and Interfraternity Council.

Weber has been working toward building teams and creating leaders since he was a student at Pittsburg State himself. He feels Watco U sessions like this help give back to and develop the community, drawing on the "long-term" aspect of Watco’s Customer First Foundation Principles.

The day started off with an exercise that allowed the members to both get physically moving and introduce themselves to the group. Afterwards, Weber introduced the concept of goals, discussing the process and benefits of good goal making, and allowing the students to actively participate in the conversation. The group then split into two teams for an activity that involved racing against the clock to set up and then disassemble a pyramid of cups. The teams were competing against each other, as well as trying to meet goals they set for themselves.

Following the activity and a debriefing, the students had lots of great things to say about the session so far. Some of the students had known very little about Watco Companies prior to the session, but felt that the lessons communicated through the activities would be relevant for their own academic experiences. Many commented on the vast importance of team communication, and making sure said communication was specific and focused. They said that bringing these kinds of lessons back with them would be helpful not only in their fraternities/sororities, but also for excelling in their classes and other school activities.

Watco University is a training initiative that, since its establishment in June 2010, has helped teach the “Watco way” to team members and members of the local community. The program focuses on teaching Watco’s Customer First Foundation Principles of valuing our Customers, valuing our people and safely improving everyday.

Loeb named EVP and Chief Marketing Officer

(Continued from page 1) Stefan spent nine years as a Commercial Banker at Bank of America and its predecessor LaSalle Bank, moving up from Credit Analyst to Vice President and Client Manager in the bank’s Surface Transportation Division of the Global Commercial Bank. As Client Manager, Stefan was responsible for revenue generation as well as coordinating the interface between the bank’s product partners and short line railroad clients. At the time of his departure, Stefan maintained a client base of over 25 rail related names and provided or assisted in providing over $950 million in capital during his career banking with the small railroad industry.

Stefan serves on the Business Advisory Council of the Northwestern University Transportation Center, a leading interdisciplinary education and research institution focused on serving industry, government and the public through a comprehensive research agenda, academic degree programs and executive education programs. In addition, Stefan was recently named as an Executive Committee Member of the Midwest Association of Rail Shippers and is also an active member in the American Short Line and Regional Railroad Association (ASLRRRA), Northwestern University Transportation Center Sandhouse Gang, Traffic Club of Chicago (where in the past he served on the Finance Committee), Member of the Rail Industry Work Group, and Chairman of the Consolidated Transportation Insurance Trust Fund.

Stefan holds a bachelor’s degree in business with an emphasis in finance from Indiana University in Bloomington, Indiana.

Aside from his professional ties to railroads, Stefan has had articles published in industry magazines and co-authored a book covering the history of the Chicago South Shore & South Bend Railroad published in 2008. In addition to writing, Stefan has several published photographs from his journeys across the North American rail network and belongs to several railroad historical societies.
Congratulations to the following team members celebrating their anniversaries!

1 Year:

Births

Braelyn Aria Finley
Justin and Lisa Finley are proud to announce the birth of their daughter, Braelyn Aria.
Braelyn was born on January 19, 2015, and weighed 7 lbs., 7 oz., and was 21 inches long.
Braelyn was welcomed home by her brothers Brandon, 12, and Hayden, 9, and her sister Alyssa, 10.
Justin is a trainmaster for the Kaw River Railroad in Kansas City, Kansas.

February Anniversaries

TEXAS CAREER OPPORTUNITIES

Watco Team Members:
Are you looking for an opportunity to move up in the organization or possibly looking to move to a warmer climate? Watco Terminal and Port Services and Watco Transportation Services both have several positions available in the Houston area.

To learn more about what opportunities are available go to our Watco web site (www.watcocompanies.com) and check out the job opportunities under the Careers/Team Members link. You should select the Join Our Team tab and then at the bottom of the page is the option to “Click here” for current job listings. The search function on the page will give you the option to select the Houston, Texas as your choice and you can see what opportunities are available at that particular location.
Amanda Smardo serves as the South Region recruiter and would be happy to help you if you need any assistance in applying for any of the positions. Amanda’s email address is asmardo@watcocompanies.com and her cell number is 620-687-0244.

Antonio Green, Martin Mandujano, Matthew Morrison, Daniel Nielson, Drew Otto, Albert Perez, Tanner Pugh, Chad Shaffer, Timothy Sharitt, Cory Smith, Matt Spade, Tyler Stapleton, April Summitt, Chris Wright

4 Years:
Scott Russell Adams, Dennis Cain, Keith Cameron, Josh Gwillim, Sean Jamerson, George McMahon, Christopher Miller, Derek Moe, Scott Reeves, Michael Schaffer, Monica Simpson, Joseph Smith, Michael Vaughan, Willis Whitaker

5 Years:
Jeffrey Hilliard, Joe Marshall, Scott Shorb

6 Years:
Gerald Carter, Jim Gees, Mark Leicht, Ronald Whitewater

7 Years:
Timothy Ainsworth, Ben Coward, Brian Ezell, Ty Furgason, Joseph Patalano, Walter Robinson, Robert Smith

8 Years:
Robert Balzer, Albert Glenn, Andres Lachino, Al Mee, Derek Nyman

9 Years:
Michael Lewis, Richard Polk, Daniel Reeves, Joseph Reid, Warren Sanderson, John Scheehle, Carla Wilson

10 Years:
Douglas Fleming, Matthew Hinojosa, Charles Houlton, Gregory Lovelace

11 Years:
Terry Gilbert, Michael Janke, George Villa

12 Years:
Scott Adams, Tammy Arbuckle, James George, Gary Goodwin, James Taylor

13 Years:
Sara Hanson

14 Years:
Gregory Andersen, Serafin Contreas, Bob Cunningham, Kevin Schoenhofer

15 Years:
James Andrews, John Clark, Michael Rock, Dale Thomas

18 Years:
Jeff Adams, Robert Williams

19 Years:
Chad Rose, Troy Tracy

29 Years:
Arthur Bradford, Kerry Lloyd

37 Years:
Mariena LePior

This section is dedicated to the Watco Team Members to give you a chance to share what’s happening in your corner of the Watco World.

Births

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Braelyn was born on January 19, 2015, and weighed 7 lbs., 7 oz., and was 21 inches long.
Braelyn was welcomed home by her brothers Brandon, 12, and Hayden, 9, and her sister Alyssa, 10.
Justin is a trainmaster for the Kaw River Railroad in Kansas City, Kansas.
Changes in Australian Rail Legislation

by Russell Griffiths
Operations Zone Manager, Kwinana Narrow Gauge

Changes in Australian Rail Legislation has lead Watco WA Rail (WWAR) to partner up with The Centre for Excellence in Rail Training (CERT) to deliver current qualifications to their locomotive engineers. Among the first people to attain the new qualifications were WWAR Team Members Fleur Robertson-Crewe and Mark Tryo, both based in the Northam Depot of WWAR. Fleur and Mark both earned the updated and Nationally recognized Certificate IV in Train Driving and a Certificate IV in Transport and Logistics (Rail Operations).

There are a further 50 team members from the Northam depot still to go through the process and a further 80 across five other WWAR depots. CERT National Manager Mark Haigh, CERT Trainer/Assessor Jeff Nickson and WWAR OZM (Kwinana Narrow Gauge) - Russell Griffiths were all on hand to present Fleur and Mark with their certificates just before Christmas.

Haigh said, "There are 29 specific skills team members must have to attain the National Standard, ranging from safety, rail driving skills, the environment and general rail knowledge. The qualifications, themselves, take anywhere between six months to two years to achieve, however, there is also a lifetime of learning behind it too. WWAR has been proactive in ensuring their employees were meeting the new Nationally Accredited Standards."

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315 W. Third Street
Pittsburg, KS 66762
www.watcocompanies.com

Blue Ridge Southern Railroad Team tracks down broken rail

Although engineers can often tell if there’s something wrong with the track by the way the train feels, it takes an extra observant one to notice a bad track when they’re beside it. One January 24th, Blue Ridge Southern Railroad (BLU) Engineer Thomas Nicholson noticed what appeared to be a broken rail on a track adjacent to the track on which he was operating a locomotive. Thomas stopped the engine and asked the conductor, Aaron Sexton, to walk up and look at the suspected track defect with him. Thomas’ suspicions not only turned out to be correct, they also provided an opportunity to improve safety in the future.

Thomas and Aaron reported the defect to their supervisor, Brent Reed, who reported the event to Roadmaster Brian Carnes. When Brian went to inspect the broken rail, which was a track owned and maintained by a Customer, it was determined the break occurred due to an improperly repaired broken rail. Brian was able to contact the Customer’s track maintenance department and work with them on how to repair the track to avoid another break in the future.

These team members’ decision to take a little extra time and be safe not only averted immediate risk, but it also helped provide some education that will possibly help avert additional risk to our Customers in the future.

Thanks to all involved for a job well done!