



# Northern Lines

2020

## Message from Justin Chalich



News for Customers, Employees & Friends of the Northern Lines Railway



We are fortunate to be weathering the COVID era in good condition. I am grateful to everyone on the front lines who continues to work despite

the risks, including our crews.

In addition, our entire team continues to focus on our most important priority—safety. The success of our efforts is reflected in NLR receiving—for the seventh consecutive year—the prestigious ASLRRA Jake with Distinction Safety Award.

Despite the economic headwinds that have prevailed, NLR has seen continued traffic growth, in part because many of our customers produce and move essential goods. Another boost was received with the movement of 27,000 massive crane stabilization mats going to Maiers Transport.

Future traffic growth will be supported for years to come by the development of a Knife River Corporation transload

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Photo courtesy of Knife River

*The Knife River facility expansion in St. Cloud features a new three-track rail yard for transloading.*

## Rail Freight Makes a Comeback at Knife River

*When it comes to “made in America,” Knife River Corporation is literally on the ground floor. It is one of the largest materials and contracting companies, and only one of three American-owned top 10 aggregate producers in the United States.*

Knife River’s business is strong, and it continues to expand operations, including on our line in St. Cloud.

According to John Quade, president of Knife River’s North Central Region,

the expansion of the St. Cloud facility is benefitting from a move back to rail transport for the company.

“As trucking gets more difficult to use due to driver shortages, hours of service restrictions, and other factors, rail is making a comeback,” he says.

That is among the reasons the expansion project at St. Cloud will feature development of a new trans-

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facility in St. Cloud. We've been serving this customer since NLR was formed, and we look forward to significant growth in the number of cars we move for them.

Our team is growing, too. We are thrilled to welcome Kathleen Sackett as our new senior director of Sales & Marketing. Katie is already a part of the Anacostia team, and brings to our customers insights developed during a successful railroad industry career. On our operating side, we welcome a new conductor, Cliff Ovitt, who also brings valuable railroad experience.

Please continue to keep safety at the top of your mind as we all look forward to a better year to come.



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News from the  
Northern Lines Railway

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## Seventh Safety Award for NLR

***Once again, NLR has won a major safety award from the American Short Line and Regional Railroad Association (ASLRRA).***

It is the seventh straight year that NLR has received the Jake with Distinction Award from ASLRRA for achieving injury-free performance.

This most recent award covers operations throughout 2019.

Compliance Coordinator Mark Muraski credits NLR's focused and experienced crew.

"They are familiar with their territory and each other," says Muraski. "They are very dedicated to safety."

NLR President Justin Chalich agrees.

"We work on safety constantly because it is so important," says Chalich. "We have a safety program built around daily, consistent communications and briefings. We tell our crews that they operate a railroad, but it is also their job to come home safely to their families every night." ♦



Photo by Mark Muraski

## NLR Funds Grade Crossing Safety Improvements

Work is wrapping up on a safety project to significantly upgrade the railroad crossings on 10th Avenue North in Waite Park.

NLR has two parallel lines on 10th Avenue. One of the crossings in that location is getting lights, cantilevers, and safety gates. The other crossing already had gates, and upgraded lights were installed.

It is one of several projects coordinated by the Minnesota Department of Transportation's Rail Safety Office, with \$750,000 in funding from state and

federal sources. NLR contributed \$26,000 toward this Waite Park project.

Mark Muraski, NLR's compliance coordinator, says crossing safety is very important to the railroad. He says most of NLR's lines run through fairly developed areas, and there are almost 20 grade crossings.

"Safety comes first with everyone at NLR," said Muraski. "Anything we can do to reduce grade crossing collisions is a win for both the community and our railroad." ♦



*As we admire the brilliant autumn colors, I'd like to remind the logisticians of an alternate definition for "fall peak." It is the annual surge in rail shipments from October through mid-December to move product into the*

*market before the hordes assemble for the Black Friday holiday rush.*

What happened to the congestion, delay, and anxiety that used to accompany this surge in volume? Not long ago, railroads were required to present plans for handling the surge to federal regulators. Conferences focused on resources, crews, and capital projects designed to meet the demand. While intermodal traditionally saw the biggest percentage shift, extra trains usually slowed the network and cascaded into the car load side of the business.

In my opinion, this fall peak has not



railroad car supply and track time. Third, as supply chains have lengthened, better planning on the part of customers results in a flattening of the demand curve to a more gradual—and

manageable—rise. Fourth, east-west flows are more balanced due to use of East Coast ports for import traffic which has increased the loaded utilization of rail equipment.

Anacostia and NLR are important links in the transportation network. We rely on timely performance and information from our rail partners to handle our workload—the last mile that connects to your docks.

We thank you for your business, and we also thank our partners for elevating their performance to meet the needs of our local economies. ♦

### Anacostia 'On the Move'

*by Eric Jakubowski  
Vice President and Chief Commercial Officer*

gone away, but we are all better equipped to handle it and meet the needs of shippers.

First, network velocity has improved and scheduling has truly become more precise. Second, improvements in performance by the big railroads provide all a capacity dividend in the form of

## Knife River *Continued from Page 1*

load facility with initial capacity for 50 or more railcars in a new three-track yard expected to open by year end.

Initially, Quade expects the plant to continue handling primarily cement at a rising volume to satisfy the growing demand for the commodity in the plant's region, which covers an area within about 150 miles of the facility. Over time, he expects other commodities, such as fly ash, to be added.

"We are also in negotiations to purchase additional adjacent land to allow for future expansion," he says.

Currently the facility is served by NLR with capacity to load and unload 12–15 cars at a time.

We will continue to provide the Knife River plant with frequent service, delivering cars to the company's transload operator, Rail to Road. It will provide neutral transloading services which will

be available for use by Knife River as well as other customers for a variety of construction materials.

As president of the Knife Ridge North Central Region, Quade takes a "hands-on" approach to management.

"St. Cloud is a major project for us," he says, "and I've stayed in close touch with NLR's president, Justin Chalich, as we've worked to implement our plans."



Building on a good relationship that started some 15 years ago, Quade says, "NLR has a great team—their crews are exceptional. We talk on the phone frequently, and I know that whenever there is an issue, Justin will be available to handle it." ♦



Photos by Mark Muraski



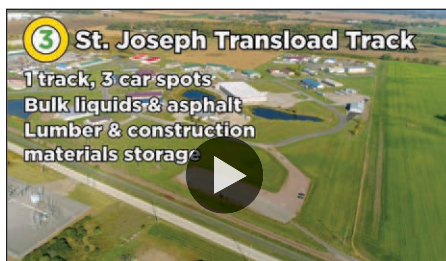
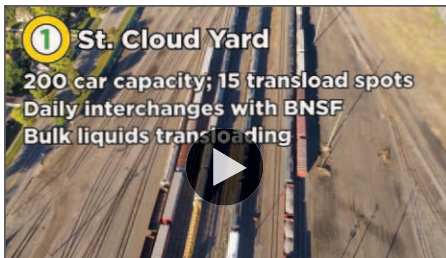
## Expansion Opportunities at Northern Lines Railroad

*There are many great opportunities to locate new plants, distribution centers, and other industrial developments on sites served by our railroad. A quick way to survey the options is by watching a new video that highlights some of the premier locations.*

The four-minute video provides an informative and engaging tour-by-drone of potential transload locations, terminals, industrial parks, manufacturing sites, and more.

Watch the video, and then contact us with any questions or ideas for your next site-selection project. ♦

<http://bit.ly/NLRvideo>



## Sackett Joins NLR to Create More High-Value Partnerships



**We are a high-value partner for both our customers and our Class I partners. We provide solutions that benefit safety, improve business performance, and protect the environment.**

*Kathleen (Katie) Sackett, Senior Director of Sales & Marketing, will be working with NLR customer and railroad stakeholders to develop new and improved supply chain results.*

"NLR is an impressive railroad that has enjoyed strong growth," Sackett says. "I'll be focused on finding new opportunities for current customers to make greater use of the safe and efficient North American rail network, and I also look forward to bringing new customers online."

She is excited to be supporting NLR's experienced professional team of busy railroaders.

"We are a high-value partner for both our customers and our Class I partners. We provide solutions that benefit safety, improve business performance, and protect the environment," she says.

Sackett plans to initially focus on three critical areas:

1. Find ways to deepen partnerships with existing customers to help them organically grow their businesses;
2. Promote NLR through economic and industrial development projects with local and state offices; and
3. Maximize multi-modal opportunities by offering creative ways for the local market to improve logistics operations with assets that may be currently underutilized.

She will also continue heading up the sales and marketing work at Anacostia's Louisville & Indiana Railroad, a position she has held for three years.

Sackett is motivated by what James Cash (J.C.) Penney once said: "Growth is never by mere chance: it is the result of forces working together." ♦





*In 2020, NLR moved 350 carloads of construction mats for Maiers Transport & Warehousing.*

## Going to the Mats with Maiers

***Who did Maiers Transport & Warehousing turn to when it was awarded a project to transload and transport some 27,000 crane stabilization mats? They turned to their longtime and trusted partners at NLR, of course!***

As Maiers president Mike Mueller notes, this was a big project that could not have been handled at their St. Cloud facility. Its two 500-foot tracks and modern, efficient 115,000-square-foot warehouse were already mostly occupied with other projects.

When Mueller discussed his challenge with NLR President Justin Chulich, they immediately recognized an opportunity that would benefit both parties. Room was available at NLR's main yard to receive and spot the center beam railcars that would arrive over several months loaded

with the 20-foot by 5-foot mats. Adjacent to the receiving track there was sufficient space to forklift the mats to temporary ground storage, and then to reload them onto the 1,500 trucks that would be needed to complete the haul to Northern Minnesota.

The destination was the \$2.9 billion U.S. portion of the Enbridge Line 3 pipeline replacement project. There the mats would be laid on the ground to form stable work platforms for the massive construction equipment.

"NLR was fantastic to work with, as always," says Mueller. "Complete safety training was provided by NLR to our crews, as well as all the flatbed drivers who would be working on railroad property."

Maier's crews and contractors per-

formed all the transloading work, loading and dispatching as many as 43 truckloads on one memorable day.

"That was quite an accomplishment," says Mueller.

When the center beam cars arrived, they needed to be unchained and unloaded in stages—first a group of mats from one side of the car, then a group from the other side—to keep the cars in balance. Then the mats were placed on flatbed trucks and resecured for the journey north.

The project started in February and successfully concluded in August. Overall, NLR handled 350 carloads.

Once again, NLR's dedicated team "went to the mats" with a valued customer and, together, we won the day! ♦



## Milestones

*The workforce at NLR may be small in number, but together we provide great service to our customers, protect our communities, and support advancements in the freight rail industry.*

### Employee Anniversaries

**15 Years**

Justin Chalich  
President

**14 Years**

Brian Butkowski  
Engineer

**10 Years**

Mark Muraski  
Compliance Coordinator

**8 Years**

Ted Stodola  
Engineer

**5 Years**

Joseph Kedrowski  
Track Supervisor

### Welcome

Cliff Ovitt  
Conductor

*Thanks to our employees for all you do.*



## Supporting Our First Responders

*During the first three months of the COVID pandemic, Anacostia Rail Holdings—the parent company of NLR—organized donations that went back to the communities served by Anacostia's six railroads.*

Supporting those communities has always been important to Anacostia, whether it's donating to regional social services agencies or buying uniforms for the local Little League team. Anacostia

wanted to help customers, business partners, neighbors, friends, and its own employees affected by economic and medical issues.

Each railroad coordinated relief efforts best suited to serve their local communities. For NLR, it was donating funds to purchase meals for first responders in its Central Minnesota communities. ♦

## Cliff Ovitt Welcomed to the NLR Team

The newest hire at NLR is Cliff Ovitt, a Minnesota native, Army veteran, and experienced railroader.

Ovitt entered the military right out of high school, and did a three-year tour of duty as a reconnaissance specialist. After that, he began a career in home construction but downturns in the housing market in 2012 led him to look for a good job with steady pay.

He was hired on by Union Pacific as a switchman, and then spent two years at Northern Plains Railroad.

"Railroading is like no other job you can have," said Ovitt, "and with short lines, you have a more predictable schedule, yet things are always changing and challenging."

Ovitt also likes how tight the crew is on a smaller railroad. He said it takes less time to pick up the working style of each crewmember which creates safer and more efficient operations.

He said some of the work ethic he learned in the Army is evident at NLR.

"Everyone here has a 'go out and get it done' attitude," said Ovitt. "No one shies away from work, and they make sure the customers get what they need." ♦

