



Northern Lines

2019

Message from Justin Chalich



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



Our small-yet-mighty freight railroad has continued to provide safe, great service in 2019, and we are proud of the work we do for local customers such as

Renneberg Hardwoods, Inc. In this issue they have some nice things to say about Northern Lines Railway.

Our goal is to continue maintaining and improving the railroad to meet the expectations of all our customers. A big project toward that is the introduction of two upgraded GP15 locomotives that are now providing more fuel-efficient and reliable service—and they look great in their “BN-Tribute” paint scheme.

We’ve also completed safety improvements at five grade crossings with the help of the Minnesota Department of Transportation, which we really appreciate. Maintaining safe performance is a never-ending job.

We all appreciate the community where we live and work, and we support some worthy organizations. Closest to home for NLR Track Supervisor Joe Kedrowski has been our Little League

Continued on page 2

Renewed Power Delivers Reliability and Efficiency



NLR #421 crosses the Sauk River in Waite Park, MN.

Photo by Mark J. Muraski

Two upgraded GP15 locomotives that were put into service this year will provide NLR customers with reliable service for years to come.

“The units look great,” says NLR president Justin Chalich, “and we’ve already experienced significant fuel savings compared to the power they replaced.”

The locomotives, which were completely renovated, incorporate 12-cylinder engines that consume less fuel than the 16-cylinder engines in the GP9 units they replaced. The locomotives provide higher reliability, greater crew comfort, and better service for NLR customers. To

increase efficiency in our famous northern winters, a hot-start feature was added to the units. It minimizes engine idling in frigid temperatures.

In addition to significant mechanical upgrades, the newly leased units (numbers 421 and 422) received a sharp new paint scheme, featuring “BN-Tribute” green in a nod to NRL’s heritage as a former Burlington Northern line.

These locomotives, leased from GATX, are now our mainstay power, although NLR #1610 GP16 remains available for stand-by service as needed. ♦

Inside this issue...

- P2 • Grade Crossing Improvements
- P3 • Renneberg: Above and Beyond
- P4 • Safety Honors
 - Employee Milestones
 - Watch Our New Video
 - Community Support



Message from Justin Chalich

Continued from page 1

sponsorship. His son, Michael, is on the team, and we rooted for him and all his teammates during the season.

It's true that NLR's 25-mile operation is small as compared with today's modern Class I carriers, but we serve national and regional businesses and have room for more. That's not something you can easily see at once, but we've found a way to bring it all together in a video that takes you on an aerial tour by drone. It was produced to help industrial site developers find the locations along our railroad where they can build a manufacturing or distribution facility that would benefit from our great service. If you haven't taken the flight, click <http://bit.ly/NLRvideo>.

We look forward to bringing more business to the St. Cloud area, served by safe and sustainable freight rail.

Justin Chalich
President

Northern Lines Railway

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Grade Crossing Improvements Completed This Year

As this publication is going to press, we are finishing up a significant grade crossing safety improvement project coordinated by the Minnesota Department of Transportation's Rail Safety Office, with \$750,000 in funding from state and federal sources.

Five railroad crossings were designated for improved warning devices, including new gates and lights. Work began last year and will be completed at the end of this summer.

NLR is committed to reducing grade crossing collisions along with the railroad industry. Nationally, efforts have resulted in an 80 percent reduction in grade crossing collisions between 2000 and 2017.

NLR supports engineered solutions as well as public education. Reductions in incidents benefit both the public and our employees. ♦



Recognition

Two of Anacostia's managers received awards at a July banquet in Norfolk, Virginia. I was proud to join the celebration of their achievements, earned as a result of the work they do each and every day to ensure success at their respective railroads. Though Anacostia and its people are frequently recognized with industry awards and honors, we never take them for granted. They demonstrate that we have the building blocks of a resilient organization.

Every business needs people to step up as situations arise and fill the roles of leader, creative innovator, patient caretaker, and reliable professional. Though these are not the job descriptions we normally rely on, I use them to emphasize that in the ever-changing business of transportation we need to look for these

Anacostia 'On the Move'

by Eric Jakubowski
Vice President and Chief Commercial Officer

qualities. We need employees who are ready to respond when things don't go as expected.

Recognizing those who perform in extraordinary ways is very important in nurturing careers. It allows peers to learn and aspire to receive these accolades. That is why we make the effort to acknowledge the work and approach of our team members. Pride spreads quickly and makes a strong foundation for excellent service.

We post our press releases on our website and I'd ask that you take the time to read some of them. These people are Anacostia and they represent the way we approach our commitment to serve your businesses.

Visit our company website:
<https://www.anacostia.com/news>



NLR Delivers 'Above and Beyond' Service for Renneberg Hardwoods

Cabinet makers abound in the upper Midwest, and Renneberg Hardwoods, Inc. is a trusted supplier of hardwood lumber plywood and melamine for small cabinet makers to larger commercial customers in the region.

"We distribute to a broad customer base," says Kelly May, Renneberg division manager.

Renneberg's St. Cloud distribution center is dedicated to serving these customers with the high-quality hardwood lumber and sheet goods needed. Its 66,000-square-foot facility in St. Cloud, MN has established a strong reputation during its 15 years of operation.

The company's key transportation link for hardwood lumber and sheet goods deliveries is NLR, which moves about 150 boxcars annually into and out of the 600-foot spur track on Renneberg's property.

"Everyone on the railroad is great to work with, and they are focused on supporting the reliable supply we provide to our customers," May says.

The loads primarily originate in Montana and Oregon, moving by rail to St. Cloud where NLR completes the all-important last mile.

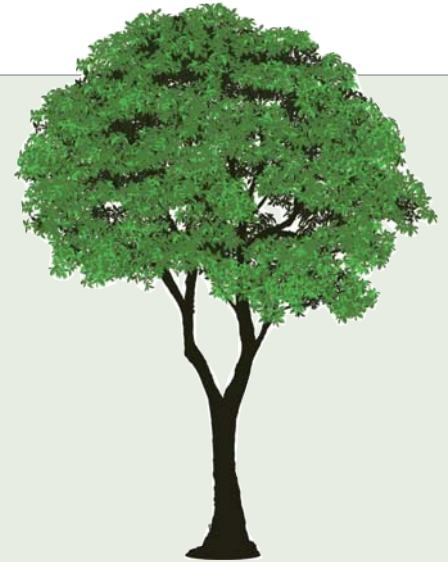
Visibility into his rail supply chain is provided to May by daily reports that help him determine when product is expected to arrive for unloading. Arriving cars are spotted by NLR, and Renneberg can usually unload and release the cars electronically within about 24 hours.

Rail deliveries are generally reliable and routine, says May, but when exceptions arise the railroad is quick to act.

"Our winter weather can create challenges when ice and snow interfere with our operations," May says. "If needed, the railroad will come onto our property with a skid-steer loader to clear our track, and they'll even drop salt to keep things moving."

Renneberg's facility has the capacity to accommodate future growth, so May is focused on keeping things running smoothly with any anticipated volume changes. They may need to upgrade the rail spur in the future, as they expect to utilize the spur for many years to come.

"The railroad goes above and beyond to provide great rail service," he says. "NLR has been fabulous to work with." ♦



Renneberg Hardwoods has a Reputation for Excellence

Founded in 1980 by Wes Renneberg, Renneberg Hardwoods began as a sawmill and logging operation. He opened with a small team of six.

In 1984, the first kiln was built, and it was the start of Renneberg Hardwoods becoming the No. 1 distributor of top-quality, kiln-dried lumber in the Midwest. By 1990, the company had perfected the process and grew into a team of 25 employees distributing mainly to cabinet shops and furniture makers. Renneberg expanded once again in 1994 by adding the Dimensions shop for the production of high-quality moldings.

Renneberg Hardwoods prides itself on its intensely monitored kiln drying process, ensuring nothing but perfection in their end product. It has grown into a 75-person operation and maintains its roots by supporting sawmills both locally and throughout the country. ♦





American Short Line and Regional Railroad Association

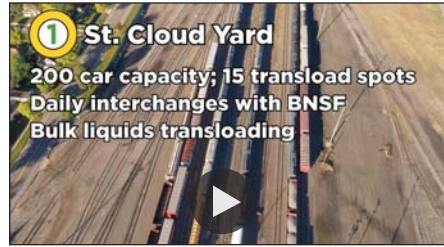
NLR Wins Top Safety Honor for Sixth Straight Year

NLR was one of three Anacostia railroads to win a major safety award from the American Short Line and Regional Railroad Association (ASLRRRA) this year.

NLR received the “Jake with Distinction Award” for achieving injury-free performance in year 2018.

“This is the sixth year in a row we have won this prestigious award,” said NLR President Justin Chalich. “The credit goes to the high level of safety performance that NLR employees achieve each day they come to work.”

The Jake Awards will be presented at each of ASLRRRA’s Regional Meetings in the fall. ♦



1 St. Cloud Yard
200 car capacity; 15 transload spots
Daily interchanges with BNSF
Bulk liquids transloading



3 St. Joseph Transload Track
1 track, 3 car spots
Bulk liquids & asphalt
Lumber & construction materials storage



8 NLR Project Cargo Site
1 track, 15-car spots

Grow Your Business with NLR

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>



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

14 Years

Justin Chalich, President

13 Years

Brian Butkowski, Engineer

9 Years

Mark Muraski, Compliance Coordinator

7 Years

Ted Stodola, Engineer

4 Years

Joseph Kedrowski, Track Supervisor

2 Years

Alec Rognstad, Conductor

Thanks to our employees for all you do.

Supporting Our Community and Active Military

We are proud to serve our local community through charitable donations, including our sponsorship of a local Little League baseball team. We cheer for the entire team, including star infielder Michael Kedrowski, son of NLR track supervisor Joseph Kedrowski. Michael's pitching skills have also earned him a position on the Waite Park traveling team.

As in the past, NLR’s outreach continues to focus on helping the Minnesota National Guard Association, the Fisher House, and St. Joseph’s Church of Waite Park.

The National Guard Association of Minnesota advocates for improved

equipment, training, benefits, and support for Minnesota National Guardsmen and their families.

The Fisher House Foundation builds comfort homes where families of active-duty military and veterans can stay free of charge while a loved one is in the hospital. These homes are located at military and VA medical centers around the world. Our local giving supports the Fisher House at the Minneapolis VA Health Care System in Minneapolis.

St. Joseph’s church and school have served the Waite Park area for 100 years. ♦

