



T&W

TWIN CITIES & WESTERN RAILROAD COMPANY

INTERCHANGE

2925 12th Street East • Glencoe, Minnesota 55336 • 320-864-7200 • www.tcwr.net • May 2009

Latest forecast shows slow grain movement until fall



By Mark Wegner, President

It is now May 2009, and we have been adjusting to the lack of grain movements. We had budgeted conservatively, because we knew the grain market would be slow in the early part of the year, but based on the latest forecasts, we need to go into summer assuming that there will be little improvement until the fall harvest. While we

hope that this assumption is incorrect, we have to plan as if it will be a slow summer for grain movements. We continue to monitor the markets to determine possibilities, but it's going to be a challenge, therefore we also need to watch our expenses.

Because of the lack of grain movements, TCW and MPL are storing in excess of 391 cars. Since this is a nationwide issue, there is no market to sub-lease the cars as we have been able to do in the past, yet we are obligated to pay the monthly leases on these cars. Railroading and customer service are built upon our customers' needs, so we do not have the flexibility to turn the leases on and off on a monthly basis; rather our car leases are multi-year commitments.

Outside of grain, we have opportunity for growth in other areas (rock, fertilizer, and transloading to/from rail to/from truck) that will help partially offset the grain shortfall. The sugar plant and ethanol plants we serve have been shipping steadily, and we continue to work with them to give them the best markets for their products.

Charles Salley arrived at TCW on March 9 as TCW/

MPL's new Chief Mechanical Officer. Charles brings with him over 15 years of locomotive maintenance experience, and managing the processes of repair. Since Charles has arrived, he has identified several troublesome parts that have been the cause of repeated locomotive failures. We share the goal of having a reliable locomotive fleet that operates 92 days in-between scheduled inspection and maintenance without unplanned failures. We extend to Charles a warm welcome!

We have been involved at the State Legislature in testifying on some policy change proposals, as well as encouraging a continued investment in the government-owned Minnesota Valley Regional Rail Authority's rail line. We are excited about a new industry choosing to build in Winthrop as a direct result of the proximity to the rail line, and other entities expressing interest with the hope that the rail line achieves a 25mph, 286K standard in the future.

This winter was a challenge with the personal injuries as a result of slip and fall type injuries, despite the safety boots. I am looking for suggestions from all of you that work in the tough conditions as to measures we should all look at to prevent these types of injuries from occurring in the future. Please utilize your safety committee process – again our goal is to have you arrive home in the same condition as when you left.

As we move into our summer season, please work safely, and consider ways to adjust and become more efficient and effective at what we do – your suggestions would be appreciated. We continue to pursue various growth opportunities with an eye to the future!

“Team track” helps businesses access rail



By Bob Henry, Vice President Marketing and Sales

In the past several months overall rail shipments across the system have dropped.

That drop can be attributed to several factors. The one factor that has remained constant and which has gained in importance is the opportunity for shippers/receivers to save on their transportation costs.

The Twin Cities & Western (TCW) and Minnesota Prairie Line (MPL) have a very unique opportunity to assist businesses in saving those transportation dollars. This savings can be achieved in not only monetary aspects but in community benefits as well; reducing emissions and highway congestion, as well as wear and tear on the nation’s roadways.

Even though a business is not located near the rail or have direct access to rail, they can still benefit from shipping by rail. A non-rail served business can utilize a designated “team track” location. A “team track” is a track which can be utilized by several different businesses for shipping or receiving goods. The goods are transloaded either from or to an identified railcar type, thus being able to reap the benefits of shipping by rail.

The TCW and MPL currently have several “team track” locations that can be used to transload everything from feed grain, fertilizer, salt, plastic resins, lumber and rock. Anything that can be transported by truck, can moved by rail. The TCW and MPL Marketing & Sales staff will be happy to assist shippers and receivers by reviewing their transportation options.

TCW & MPL achieve the Jake Award for 2008

By Bob Suko, General Manager, Operations

First and foremost congratulations is again in order this year for achieving the Jake Award for 2008 on both the TCW and the MPL. This is a great honor, and our third in the past four years!

However, and you knew there would be a however, it has been a very difficult start to 2009. As of now we have a total of three FRA reportable injuries, all of which are related to slip/trip/fall injuries. Please continue your diligence on trying to work safely, be rule compliant, and aware of

your surroundings. One of the things we intend to do as a safety committee is to do facility audits next fall prior to snow fall in order to both check out the safety of our elevators and outlying location, but to educate our customers on winter safety expectations. If you have any thoughts or input on locations that should be audited or any additional suggestions please inform your safety rep.

As most of you are aware the TCWR 2300 and 2301 have finally arrived on property and the timing couldn’t be better. These are both 2300 hp GP39-2

locomotives that the railroad purchased mid-year 2008. As a result we have finally been able to implement our new operating plan that includes a second job in the St. Paul area to service UP/ MNRR and most importantly we added a west end switch job to handle Granite Falls Energy, Montevideo, and SMBSC. Both jobs have immediately paid dividends in overtime reduction and trains making it over the road in their hours of service. Both jobs continue to be a work in progress, and we appreciate input from both employees and customers.

Remembering our Board Member and Co-Founder Chuck Clay



By Mark Wegner, President

I thought it would be appropriate to write a few thoughts and memories, from my perspective. Before I assumed the leadership position at TCW/MPL, I was in the accounting area where we were involved in developing contracts with various

governmental entities and lease agreements with customers, with Chuck as our guide. We also looked to Chuck for guidance on federal railroad law (he had a significant memory not only of federal railroad law, but great perspective on why the laws were created).

Chuck would explain why certain contracts needed to be worded a certain way, and was always patient and cheerful to those of us that were new to railroading. One of my favorite memories was after **Holli Schafer** became our administrator of property leases. The department might be having one of those ho-hum' days, when Chuck would call for Holli. Instantly the mood would change as we all became cheerful, after hearing Holli say "Hi Chuck!" cheerfully.

Chuck was instrumental as our contract formation person during the period in which the TCW was in the process of acquiring the Savage Bridge. His famous line, when asked when the transaction would be complete was "It will be done by Christmas." When Christmas came and went, and the deal was not yet

finalized, Chuck said "Well, I didn't say WHICH Christmas!" This is an example of how Chuck brought a sense of humor into otherwise ordinary situations.

Chuck had an intense interest in how the railroad was performing on a daily basis. No matter what the reason for calling, he would always start the conversation with the question, "How are the carloads doing?" It also was very evident that he had a passion for ensuring our legal agreements made sense – he very reluctantly retired from the Head Seifert & Vander Weide law firm.

Chuck didn't relay much about his other activities outside of the railroad – it was only within the last five years that I found out he had served in the Navy aboard a destroyer during World War II, and that he had a passion for poetry. While I knew that Chuck was involved in politics, it was only after reading his obituary that I found out he was a forefather of the Met Council, served on the Edina School Board and a member of the Citizens League.

I think the best memory we all can share are the Company picnics and Holiday parties where Chuck met and remembered people and was always interested in how they were doing.

We extend our condolences to his wife Audrey and children Sheldon, Janis and Steven, and their families. Chuck's spirit of cheerfulness and quiet vision will live on here at the TCW and MPL.

Our organization suffered a great loss with Chuck Clay passing away on March 1.



Profile STATION

By Robin Bergeron, Director of Sales

Seneca Foods is the world's leading producer and distributor of canned vegetables and fruits. The Twin Cities & Western (TCW) and Minnesota Prairie Line (MPL) provide daily rail service to two Seneca plants.

TCW serves the Glencoe, MN plant. Built in 1948 by the Green Giant Co., their first production was in 1949. Purchased by Seneca in 1995, it is one of their largest plants. Throughout its years of existence there have been numerous updates and improvements made to the plant. The plant is located

on more than 40 acres with a total of 614,000 square feet of on-site buildings. The buildings are for production and dry and cold storage. Additionally, they manage over 200,000 square feet of off-site dry warehouse. Over 11 million cases of the basic product sweet corn and green peas are processed annually. This plant has 147 full-time employees. During the fresh processing season it employs as many as 850 temporary seasonal workers with on-site housing for over 500 seasonal workers.

MPL serves the Arlington, MN plant. The oldest of the two plants, it was built in 1905 and at one time was known as the "Arlington Canning Factory". In 1919 it was sold to Big Stone Canning and remained Big Stone Canning until 1989 when it was sold to Dean Foods. In 1999 the plant was

purchased by Seneca Foods. In 1973 the plant was almost totally destroyed by fire. A new plant was built and running in time for the 1974 corn season. In 1976 pea production was added. The plant is approximately 225,000 square feet, of which 173,000 square feet is warehouse. Over 3.9 million cases of their basic product peas and corn are produced annually. This plant has 48 full-time employees and during the fresh processing season employs as many as 160 temporary seasonal workers.

All the raw produce comes from within a 70 mile distance of each plant. The majority of the 500+ growers who supply the produce have been growing for the Glencoe and Arlington plants for many years.



Seneca Foods Corporation
**ALWAYS IN
SEASON**



How often does this happen?
TCW's Transportation Specialist, Doug Newman, is one example of a 6 generation family.

In the picture: (bottom row from left to right) – Doug's daughter Jodi Curry, Doug's grandmother (celebrating her 100th birthday in September 2008) Fern VanSteenwick, Doug's great granddaughter Kathran Curry (born in July 2008), Doug's mother Leonora McMillan. (back row from left to right) – Doug's grandson Tony Curry and Doug Newman.

TCW Annual Golf Outing

TCW's annual customer golf outing will be held on Friday, July 17.

LOOK WHO'S COOKING BREAKFAST



Black Hill's Gold "Egg Bake"

- ½ cup sliced mushrooms
- ½ cup chopped green pepper
- ¼ cup butter, cubed
- 10 eggs
- ½ cup all-purpose flour
- ¼ teaspoon salt
- 1 teaspoon baking soda
- 1 (16 ounce) container small curd cottage cheese
- 2 cups shredded Cheddar cheese
- 2 cups shredded Monterey Jack cheese
- ½ pound bulk pork sausage, cooked and drained
- 6 bacon strips, cooked and crumbled
- 1 (2.25 ounce) can sliced ripe olives (drained)
- Hot Sauce (optional)

*From Carrie Ahlbrecht
 Staff Accountant*

This recipe was discovered last summer at a little restaurant outside Cheyenne Crossing in South Dakota

In a skillet, sauté mushrooms and green pepper in butter until tender. In a mixing bowl combine eggs, flour, baking powder and salt if desired; mix well. Add mushroom mixture. Stir in remaining ingredients, mix well.

Pour into a greased 13-in x 9-in x 2-in baking dish. Bake uncovered. At 400 degrees F for about 15 min. Reduce heat to 350 degrees F and bake an additional 25-35 minutes longer or until a knife inserted near the center comes clean. Let rest for about 5 minutes cut and ENJOY !!!

Robin's Best Banana Bread

- 1 cup sugar (½ brown and ½ white)
- 2 eggs
- 1 stick of margarine or butter
- 1 teaspoon vanilla
- 2 cups all-purpose flour
- 1 teaspoon baking soda
- Pinch of salt
- 3 bananas (mashed)



*From Robin Bergeron
 Director of Sales*

1. Pre-heat oven 325 degrees, lightly grease and flour bread pan.
2. Cream sugar, eggs, margarine (butter), salt and vanilla. Add flour and soda then add bananas.
3. Bake for approximately 1 hour or until toothpick pulls out clean.

The staff here at Twin Cities and Western have the pleasure of this scrumptious treat on a regular basis thanks to Robin !!



Fast Tracks SPOTLIGHT

By Sue Bombeck, Office Manager

Spring is here.

Are you all as happy as I am to see old man winter gone??

The TCW/MPL has been gearing up for the work season. The MOW did their annual rules class the first week of April and have started their tie installation on April 6. With the work season kicking off, we have been in the hiring mode for Seasonal help. I'd like to welcome the Seasonal MOW laborers to the TCW family:

Brad Wanous — Apr. 1, 2009
Glencoe Section – returning from previous summers

Erik Dack — Apr. 1, 2009
Montevideo Section

Travis Lawrence — Apr. 1, 2009
Glencoe Section

Alan Juenemann — May 1, 2009
Morton Section (MPL)

Tim Degn — May 1, 2009
Glencoe Section

TCW also brought **Charles Salley**, into the family as our new Chief Mechanical Officer (CMO) on March 9, 2009. Charles comes to Minnesota from Mississippi, bringing with him vast knowledge; experience and innovative thinking which will help improve our locomotive availability and reliability. TCW is thrilled to have Charles with us.

To recap the last couple of months:

March 18, 2009 - CPR/AED training occurred at the Pizza Ranch in Glencoe. The monthly safety committee meeting was scheduled for 10:00 AM, lunch at 11:30 AM, and CPR/AED training at 12:30 PM. This is a voluntary training and we have always had a fantastic response from our employees. The training is performed by Direct Ed out of Renville, MN by Mike and Jean Hennen. Mike and Jean have done an outstanding job for us and the employees seem to like their approach on training.

April 3, 2009 – Medical Insurance Renewal meeting with our brokers Associated Financial Group (AFG) took place in Glencoe. Mark and I met with AFG to discuss our renewal rates and options. We look forward to sharing the information with you at the AEM.

Upcoming events:

May 11, 2009 – Spring All Employee Meeting (AEM) will be held in Hutchinson, at the Hutchinson Event Center. This meeting is crucial to all employees, as we will be sharing our benefit renewal information and how this impacts you, completing our annual distribution of gloves, and presenting the ELB awards. Mark your calendars for May 11, 2009 – start time 0700 for MOW, Transportation Specialists, and Locomotive Department. 0730 for the rest of the employees.

July 12 – 15, 2009 – Minnesota Regional Rail Association (MRRRA) will be having their annual gathering. TCW invites a number of its employees to participate in this conference to assist in providing an awareness of what is happening in the rail

industry. This year's event will be held in Grand Rapids, MN at Ruttger's Sugar Lake Lodge. Invitations to selected employees will be made via phone within the month.

July 15 -17, 2009 – ASLRRRA Liability Conference is being held in Boston, MA this year. This conference is a great benefit to the TCW, in that we have an opportunity to discuss with our insurance carriers, attorneys, claims agents and fellow railroads our experiences in claims and best practices.

July 25, 2009 – TCW's Annual Employee Picnic will be held in Glencoe at Oak Leaf Park. The committee this year is **Tina Lueth, Ed Dostal, Geri Dellwo (Mike Dellwo's wife)** and I. Planning has started and should be great fun for the whole family. Be sure to mark your calendars and expect invitations to be out towards the end of the month or beginning of June!

December 14, 2009 – Winter All Employee Meeting (AEM) – details to come, as the agenda has not yet been finalized. But save the date!!! We will be gathering to discuss the year and all of its happenings.

January 23, 2010 –TCW's Annual Employee Holiday Party will be held at Treasure Island Resort and Casino in Red Wing, MN. The committee has formed and preparations have already started. I'd like to thank **Alan Godel, Gaylen Johnson, Carrie Ahlbrecht** and **Tina Lueth** for committing themselves to this committee and the hard work that comes along with planning such an event.

Moving into the summer months, we wish everyone a happy, healthy and safe season.