

Agawa Canyon Railroad - a Watco Company



RAC 2024 Shortline Conference

Wesley Logan – Director of Operations

May 7, 2024

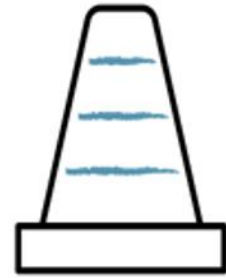
Our Foundation Principles



Value Our
Customers



Value Our
People



Safely Improve
Every Day

Who is Watco?



Watco, founded in Louisiana in 1983, is a transportation service company of approximately 5,000 team members.



Watco integrates rail, water, road and air to solve supply chain challenges.

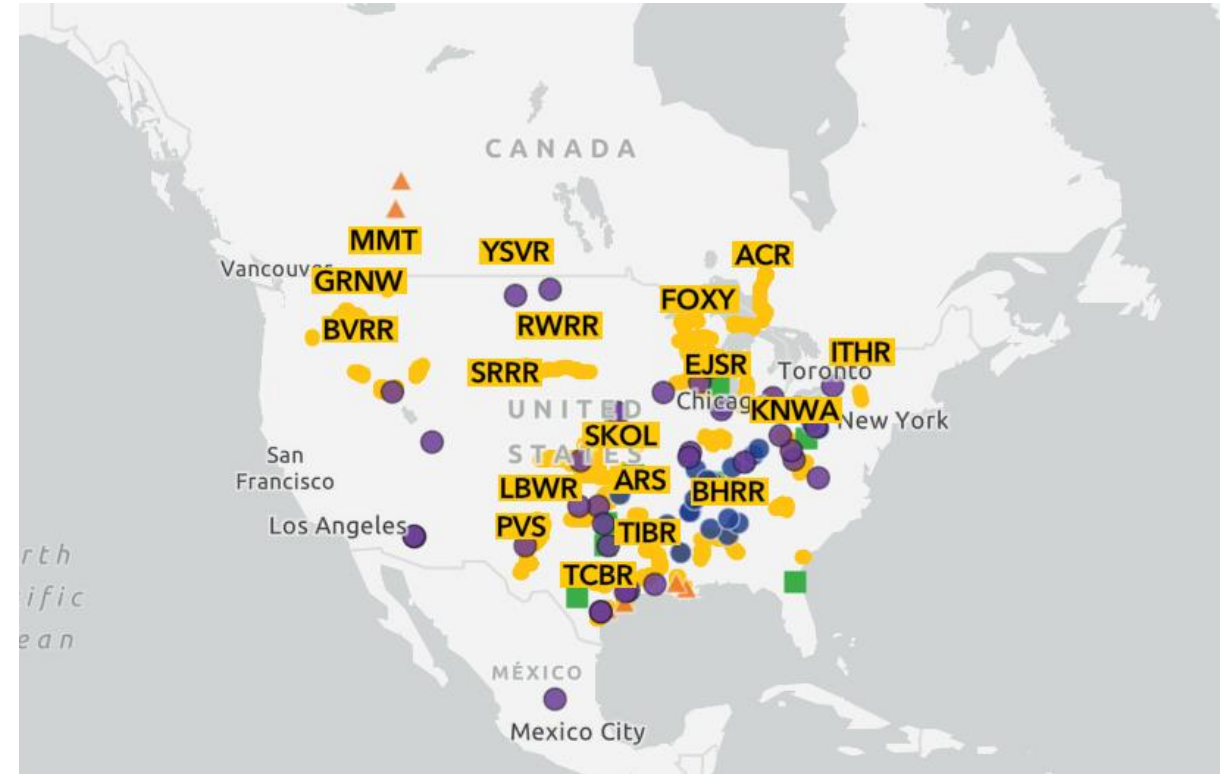


Watco provides a wide range of services, including:

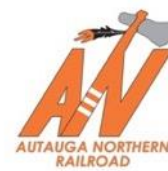
- Transportation, rail, river, highway, intermodal, ocean and air
- Material handling and storage
- Logistics
- Repair & maintenance
- Design & development



Watco owns and operates over 8,250 miles of shortline track in North America and Australia.

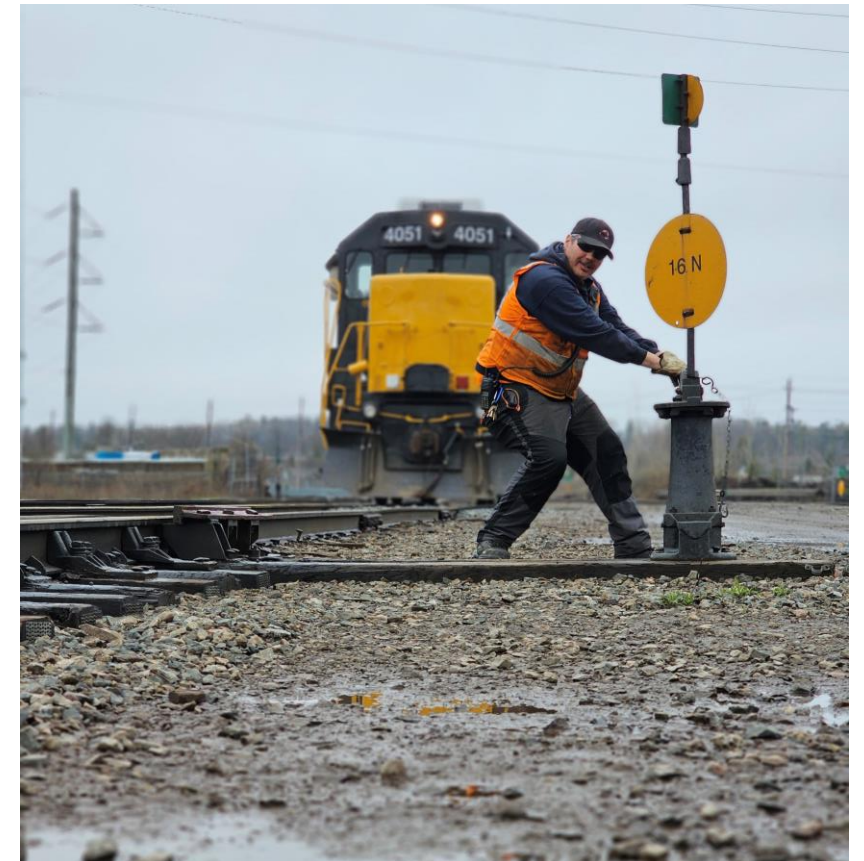


Our Diverse Family of Railroads



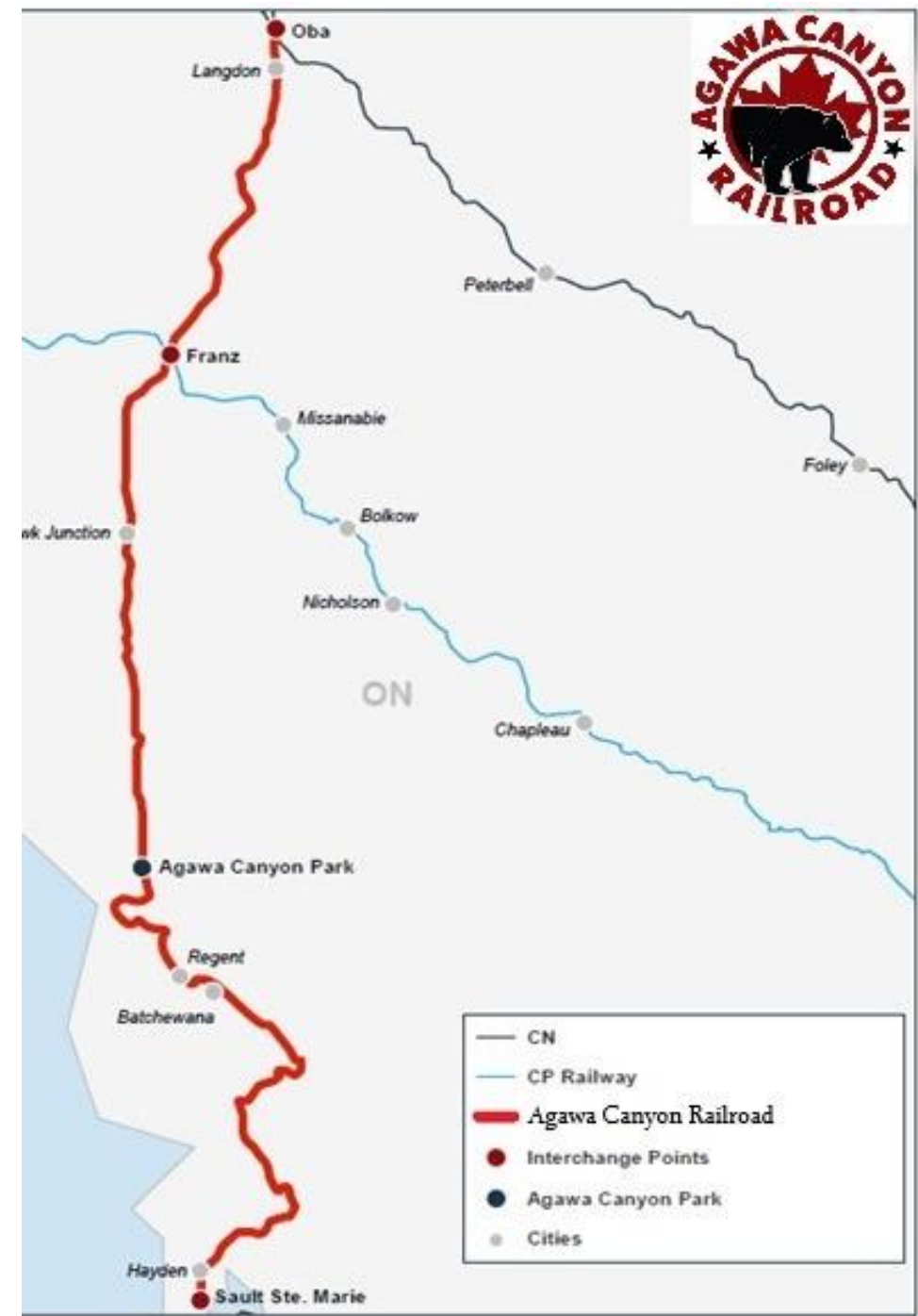
Agawa Canyon Railroad

- Took over operations from CN February 1, 2022
- 245 miles on Class 3 main line track
- Annual carloads ~33K
- 38 team members
- ~15 seasonal team members
- 6 base customers and growing
- 9 locomotives
- Interchanges with CN, CPKC and HCRY
- Seasonal tourist train operation



ACR Map

- SOO Sub – 245 miles – Sault Ste. Marie to Oba
- Interchanges with HCRY (G&W) and CN at SSM, CPKC at Franz and CN at Oba
- On-duty locations at Sault Ste. Marie and Hawk Junction



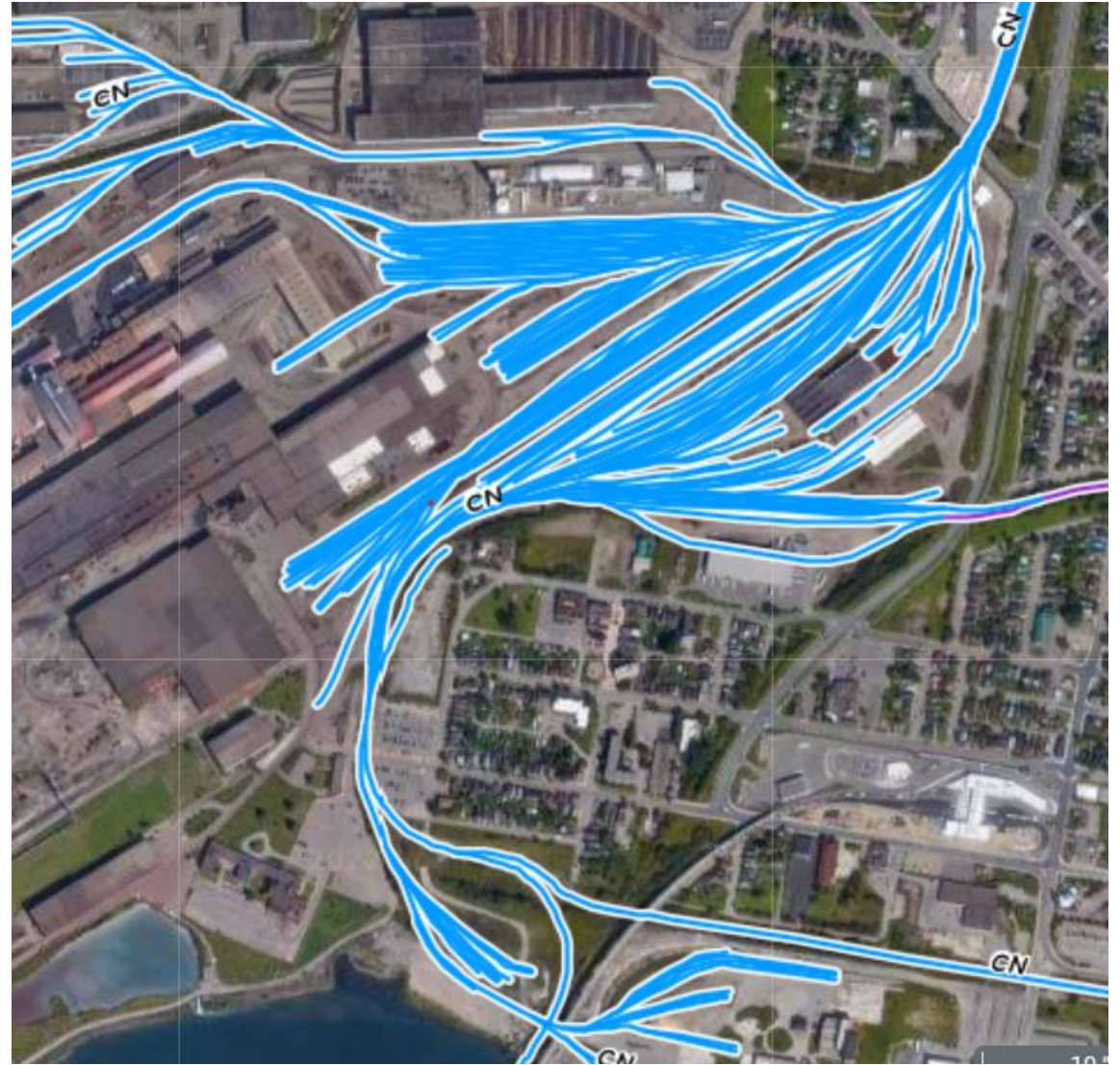
SOO Subdivision

- Over 700 culverts and bridges
- Over 800 curves
- Heavy/mountain grade at 12 locations total of 50 miles
- Runs adjacent to many rock faces, cuts, rivers & lakes
- 65 crossings
 - 25 public & 40 private
 - 23 with advanced warning device



Steelton Yard

- Located in Sault Ste. Marie, ON
- 600 car yard capacity
- Interchanges with HCRY (G&W) and CN
- CN trackage rights into Steelton yard
- HCRY trackage rights into south yard
- Algoma Steel trackage rights on north yard



Mechanical Repair

- Ability to perform all locomotive repairs
- Indoor turntable
- Inspect and repair all freight cars and passenger coaches
- Car repairs for Algoma Steel



Agawa Canyon Tour Train

- 28,364 passengers in 2023
- Operates August through October
- Departs Sault Ste Marie to Canyon Park at MP 114
- 4-hour journey each way with 90 min stop
- 7-day/week service during peak
- 3 F40 unit locomotives and 17 passenger coaches



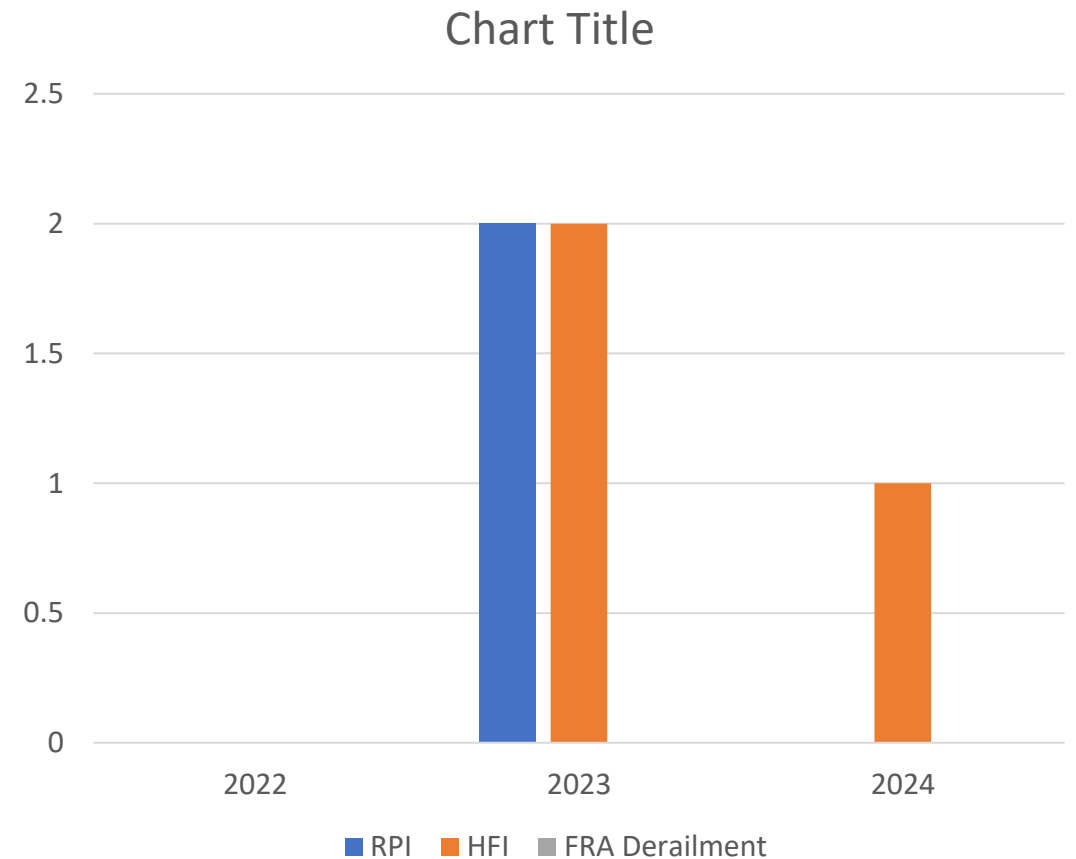


Starting up Safely

- Proper tools and equipment
- Team Member hiring and onboarding
- Creation of our SMS
- Creation of a Team Safety Improvement Committee
- Focus on training, risk assessments and coaching on working safely
- Team trained in Canadian Rail Operating Rules and Transportation of Dangerous Goods
- Track Inspectors trained in Transport Canada's Track Inspection Guidelines
- Familiarization of job sites and territory
- Job briefings

Our results

- Finished 2022 without an RPI, HFI or FRA reportable derailment
- 2023 trending well until...2 RPI in October and November
- 2 HFI involving company vehicles in 2023
- 1 human factor derailment in 2024



What did we do? Look for the root cause and determine Corrective Actions.

Agawa Canyon Railroad

Root Cause Analysis

Date of Incident:
October 26, 2023

Time of Incident:
1320

Assignment:
MOW

Location of Incident:
Mile 67.95

Injuries:
Broken right tibia, puncture wound on right shin.

Damage:
NIL

Operational Impact:
Loss of availability for extended period of time due to injury. Reportable injury to the Ministry of Labour and WSIB.

Cost:
Unknown

Employee Information

MOW Team Member
Hire Date: April 05, 2022
Time on Duty: 0700

Investigative Team

Dale Schell – Supervisor of Safety/Training and TSIC Co-chair (Management).
Terry Campbell – HDM – TSIC Co-chair (employee member).
Nick Ochman – Locomotive Engineer – TSIC (employee member).
Mike Morin – Roadmaster (Management)

Investigation

Team member was participating in rail change @ mile 67.95, he was spiking some high spikes when he slipped and fell backward onto his right leg. Incident occurred at 1320 on October 26, 2023. Weather conditions were wet and rainy, the team member was assisted into the hi-rail truck immediately after the incident.

ACR Roadmaster was notified, MOW crew member then transported the injured team member to the Wabos crossing where they got off track, once in cellular range team members contacted ACR Supervisor of Safety/Training and Compliance to inform of the incident and requested to be met at the hospital. At this time the team member was transported to the Sault Area Hospital. Team member arrived at hospital at approximately, 1550.

Team member was taken to x-ray where it was determined he had a broken right tibia with a puncture wound from attempting to stand up after the initial fall, it was determined surgery would be required to repair the broken tibia. Surgery was performed on the team member on Oct 26, 2023, at approximately 1900, a rod was inserted into his right tibia, and he was admitted into the hospital overnight, and released on October 27, 2023 @ approximately 1445.



Images above are general vicinity of slip/trip and fall incident at mile 67.95.

Root Cause:

1. Slippery tie and walking conditions due to rain.
2. Team member did not ensure he had solid footing prior to attempting to drive in a spike.
3. Team member didn't fully consider potential slipping hazards from wet conditions.
4. Falling backwards.

Contributing factors:

1. Weather conditions causing slippery surfaces.

Corrective Action:

Recommended actions from team:

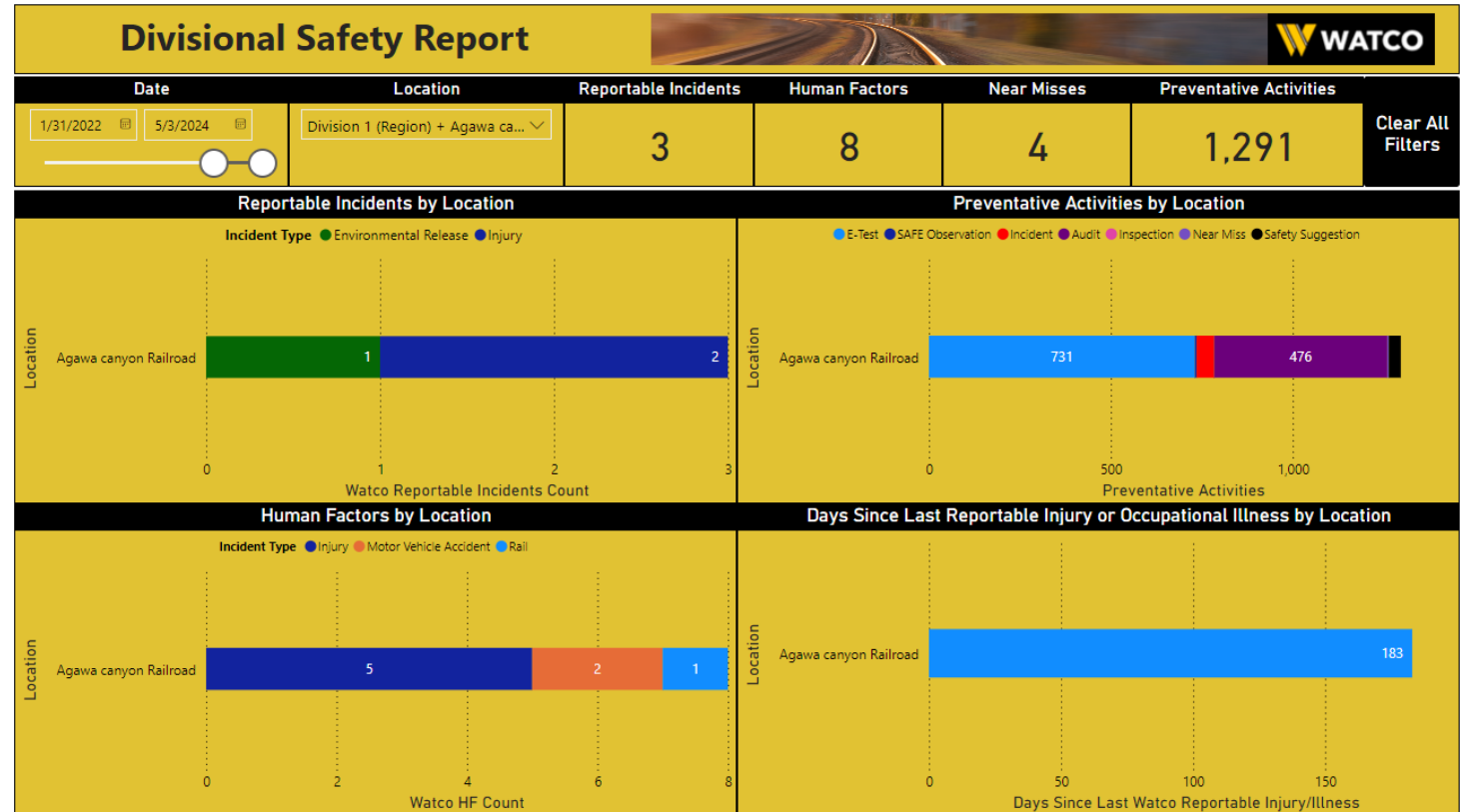
- Take the time to prepare when unexpected situations occur, do not rush.
- Ensure to do proper job briefings, stretching/warm-ups, prior to beginning work to prepare for the task at hand and help avoid possible injury.
- Communicate with team members on most effective course of action to be taken.
- Ensure to use proper body positioning, watch footing, and ensure stability when spiking.
- Wear proper footwear, have good anti-slip soles that are not critically worn out and require replacement, have a defined heel, and have boots laced to top, and tied snugly.
- Situational awareness, inspect your work area. Ensure the area is clear of debris, spikes, anchors, tie plates are free of rocks and other potential hazards when spiking.
- Complete supplementary job briefings as necessary when conditions change and to re-focus on the task.
- Process for handling critical incidents, what to do, who to contact, how to secure scene.

Long Term:

Recommended actions will be brought forth. Corrective actions will be implemented. This analysis will be shared with all ACR team members to help prevent any future occurrences.

Increase our Preventative Activities

- Efficiency testing
- Near miss reports
- Safety Suggestions
- Facility, tool, equipment inspections



Efficiency Testing

- Proper coaching on our expectations
- It's not a failure, it's an opportunity
- Reach everyone, not just the dayshift
- Focus on cardinal rules
- Test when our team sees us and when they don't
- Involve our TSIC members or other TMs
- Follow-up

Safety Suggestions / Near Misses



ACR NEAR MISS / SAFETY SUGGESTION FORM	
<i>Near Miss: A potential hazard or incident that has not/did not result in any personal injury, illness, or damage, but had the potential to do so.</i>	
Please check reason for filing this report: Near Miss <input type="checkbox"/> Safety Suggestion <input checked="" type="checkbox"/>	
Date: 3-11-2024	Time: 20:00
Location: Coach tracks 532-533 North of Hotstart disconnects	
Conditions of Event/Suggestion/Near Miss/Concern:	
<input type="checkbox"/> Unsafe Act/Behavior	<input type="checkbox"/>
<input checked="" type="checkbox"/> Unsafe Condition	<input checked="" type="checkbox"/>
<input type="checkbox"/> Unsafe Equipment	<input type="checkbox"/>
Priority Level: Low <input type="checkbox"/> Moderate <input checked="" type="checkbox"/> High <input type="checkbox"/>	
Describe Near Miss/Safety Suggestion:	
Manhole cover out of position exposing area hole creating tripping hazard.	
Recommended Corrective Action(s):	
Dig up area Reinstall manhole cover	



Preventative Action(s) Taken:	
Corrective Action(s) Taken:	
Dug up dirt in area to properly reinstall manhole cover	
Form Completed by: Kyle Ailing Date: 3-11-2024	
Suggestion, Hazard, or Near Miss Addressed: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Issue Resolved: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Corrective actions completed by: Kyle Ailing Date: 3-11-2024	
Acknowledged by Supervisor: Phil Pierce Date: 3-12-24	
Signature:	
Please scan and email a completed copy of this form to your Supervisor and Supervisor of Safety/Training & Compliance @ dale.schell@watco.com . You may also email a copy to your TSIC representative.	

- Identify hazards
- Bring forth ideas
- Empower our people
- Take ownership
- Watch for trends

TSIC – Team Safety Improvement Committee

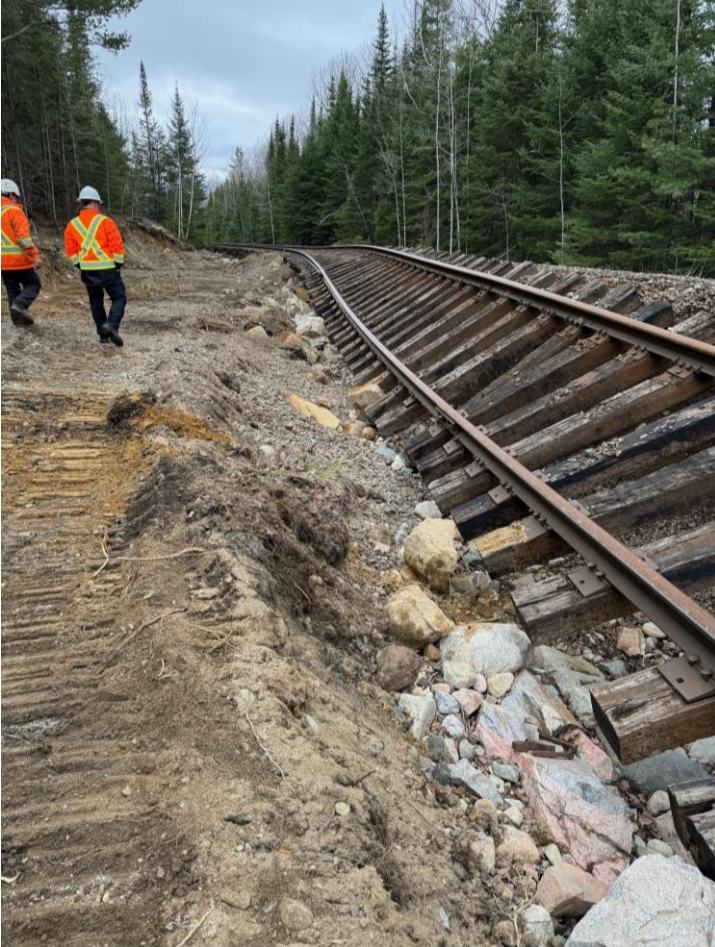
- Similar to JOHSC
- Representatives from each craft
- Member driven
- Each monthly meeting includes a facility audit at a key point
- Review incident reports
- Special meetings arranged for risk assessments and SMS review and audits
- Members voluntarily receive leadership skills, training and tools to give the team a voice
- Is an idea generator
- Builds a strong safety culture and better workplace



Infrastructure Maintenance

- Scheduled visual inspections of our track weekly and daily in front of our tour train
- Ultrasonic rail flaw and geometry testing performed annually
- Inspected by Transport Canada at least annually
 - Any defect is corrected or protected
- Capex focused on replacement of cross ties, surfacing, bridge and yard maintenance due to deferred maintenance
 - Over 30,000 ties replaced since purchase
 - 4 miles of rail replaced
 - Upgraded switches

Sustainability Initiatives



- Installation of 10 flood monitors
 - R-CCAP – Rail Climate Change Adaptation Program
- Washout repair and improvement
- Install culverts for 100-year storm
 - RSIP – Rail Safety Improvement Program



Thank you