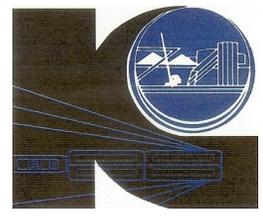


Kaskaskia Regional Port District

2013 Annual Report

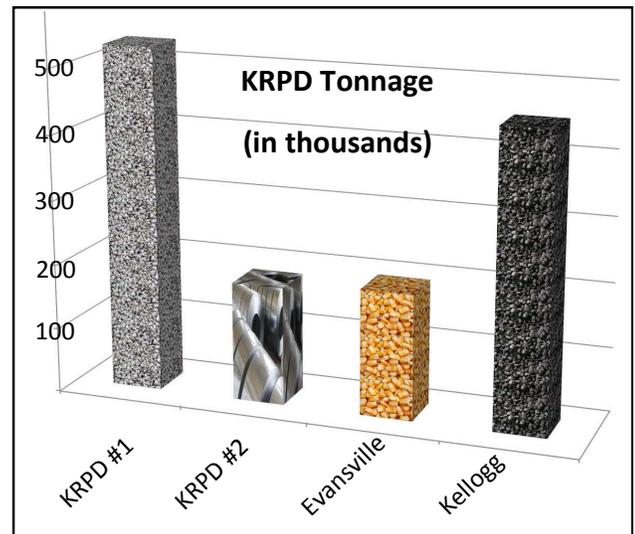
Fiscal Year July 1, 2012—June 30, 2013



A Message from the Chairman

Challenging best describes last year! Last summer the drought took hold which led to low yields and corn with aflatoxin. These two factors led to reduced grain being shipped for exports on the Kaskaskia River. Typically **19,000,000** bushels have been the norm in recent years, but last year only **7,000,000** bushels were shipped. Hopefully, this new year with its great looking crops will restore the volume of grain shipped. National news focused on the drought as it impacted the Mississippi River. Shippers were limited to shallow drafts and it greatly affected the normal movement of goods in the mid-section of the Mississippi. The Kaskaskia River sailed through the drought without any impact on shipping. The river maintained “pool” with normal runoff from tributaries and releases from Carlyle Lake. Following the drought of record, we started the spring season with heavy rains and runoff, and that led to record level floods. This flood affected all of our facilities, both on the Kaskaskia and Mississippi River. The levee gate was installed at Kellogg Dock and was not removed until July. Consequently, no coal trains were scheduled for the Kellogg Dock. The Kaskaskia River was closed due to high water. This flood was the third highest on record reaching 388.8 NGVD on June 5, 2013. Normal pool is 368.8 NGVD. The flood was **20 feet over normal pool**. Scrubber stone to Prairie State Energy Campus needs to be shipped in a timely manner. River closures can affect the movement of scrubber stone. Fortunately, enough stone was stockpiled in strategic locations that kept the stone in a constant supply to the plant. In addition, the Corps worked with SITCO to allow barge movement during a critical period.

Tons shipped through KRPD totaled **1,361,324**. Due to the drought, this was down from last year by 904,000 tons. On the Kaskaskia River tonnage shipped increased from 883,325 tons in 2012 to **909,000 tons** this year in spite of the poor crop year. The increase is attributed to the scrubber stone to Prairie State Energy Campus.



Gateway FS, recognizing the strategic benefit of their fertilizer facility at KRPD #2 at Baldwin, purchased 17.73 acres from the Port District to expand their facility for dry fertilizer.

The Port, in partnership with Randolph County, is developing a new Long Range Plan. Funded with a grant from Hurricane IKE, the Plan will address issues related to high water and future development opportunities for expansion. HeartLands Conservancy in Mascoutah has been retained to assist with the Plan. With the growing nature of the



New Office at 324 N. Main Red Bud, IL for KRPD

Port and the need for greater accessibility and visibility, the Port purchased a building at 324 N. Main. This building once housed a grocery store and will be remodeled to be the new offices for the Port. There will be two tenant spaces available for lease. This new facility will be handicap accessible and will allow for future growth of the Port.

George Obernagel, Chairman

KRPD #1—New Storage Building Constructed



KRPD #1 is located at River Mile 24.5 on the Kaskaskia. This facility is crucial to the supply chain to Prairie State Energy Campus. Up to 1,000,000 tons can be shipped to the plant. Scrubber stone is used in the plant to meet air quality standards using Illinois coal. A new storage building was completed this year that will allow for the scrubber stone to be stored and protected from the elements. This facility stores 6,000 tons. This facility, along with stone stored on barges and train cars, keeps the supply chain moving regardless of weather or other factors.

Tonnage shipped in 2013 exceeded **530,000 tons**.

KRPD #1 New Fabric Structure Building completed in 2013.

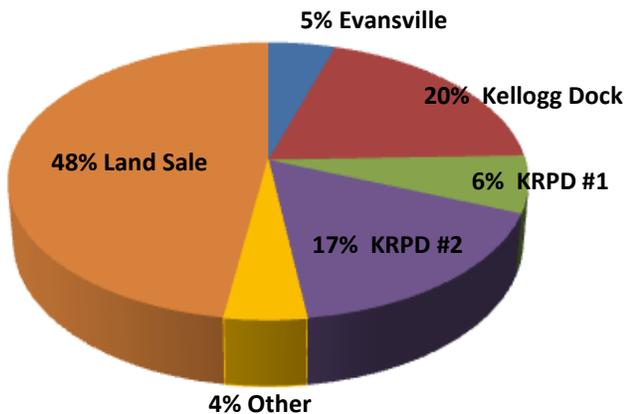
Kellogg Dock (On the Mississippi River)

Kellogg Dock, located on the Mississippi River at River Mile 125.5, had a most challenging year. The drought of 2012 limited shipment on the Mississippi River and the Flood of 2013 caused the facility to be under water and out of operation. Despite those setbacks, over **450,000 tons of coal** were shipped through this facility.

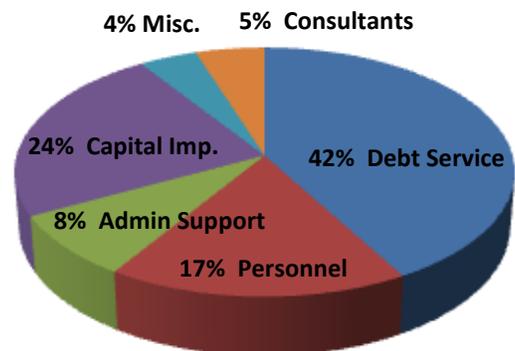
FINANCIAL

The Kaskaskia Regional Port District is a unit of government created by the State legislature in 1965. The purpose of the District is to provide and support economic development along the waterways within the District, which includes both the Kaskaskia and Mississippi Rivers. Revenues are generated from leases, operator agreements, and throughput charges.

Total Revenues



Total Expenses



J.W. Boyle & Co., LTD. has audited the financial statements of the business-type activities of the Kaskaskia Regional Port District for the year that ended June 30, 2013. The Audit Report is on file and available by request. The above Revenue Chart is based on total revenues \$924,000 and expenses of \$650,000.

KRPD #2—Gateway FS Plans to Expand



KRPD #2 is located at River Mile 19. It is a rail, river, and road facility that handles steel, general cargo and bulk products.

Gateway FS purchased 17.73 acres from the Port. The land purchase will add to the current Gateway FS presence at the KRPD #2 Dock and will expand the bulk fertilizer operation. Future plans call for the con-

struction of a large storage warehouse for fertilizer and increasing the volume of fertilizer handled at the facility. “The Kaskaskia River brings value to our company and our customers as we look forward to developing this site as a full retail Agronomy Hub,” said Carl Tebbe, Gateway FS General Manager. “This site should provide efficient product sourcing opportunities for our customers in the entire Gateway FS trade area.”

Tonnage shipped through this terminal for the fiscal year exceeded **183,000 tons**.

Evansville



At River Mile 10.5 (Evansville) Gateway FS operates a grain terminal. Around 7 million bushels of grain were shipped through this terminal. The peak was 20 million bushels in 2011. The severe drought in the region reduced yields significantly, and corn that was harvested often contained high levels of aflatoxin that limited its sale and marketability for exports. 2013 is shaping up to be a great crop year.

Tonnage shipped through this terminal exceeded **194,766 tons**.

Other Port News

After years of hope and patience, the Port determined that the MV Blankenship was not going to be used as an excursion boat on the Kaskaskia. The MV Blankenship was “on loan” to the Port from the Federal Surplus Property Program. GSA sold the MV Blankenship, and the new buyers are preparing the vessel for its journey to its new home.

The Kaskaskia Watershed Association and LKS have been two great supporters of the Kaskaskia River. These two groups work hard to raise the awareness of the Kaskaskia and volunteer time to hold clean-up days and educational programs. The Port is grateful for this grassroots teamwork to champion the river.

The third Eagle Trek was held on the first Saturday in February. The weather was FANTASTIC and the public enjoyed eagle viewing and the activities at the Kaskaskia Lock and Dam.

Monroe County

Michael Conrad (2004)
Columbia, IL
George Obernagel (2001)
Waterloo, IL
Terry Liefer (1997)
Red Bud, IL
Rodney Linker (2012)
Waterloo, IL
Dennis Rodenberg (2012)
Fults, IL

Randolph County

Richard Guebert, Jr. (2012)
Ellis Grove, IL
Bernard Heck, Jr. (2007)
Ellis Grove, IL
Robert Myerscough (2001)
Evansville, IL
Robert Pautler (2012)
Evansville, IL
Nancy Schilling (2001)
Evansville, IL

KRPD Board and Staff

www.kaskaskiaport.com



Leadership

George Obernagel, Chairman
Terry Liefer, Vice-Chairman
Robert Myerscough, Treasurer

St. Clair County

Charles Bauer (2001)
Smithton, IL
Virgil Becker (1992)
Smithton, IL
Brian Funk (2012)
Fayetteville, IL
Joe Luechtefeld (2012)
Marissa, IL
Roger Rubemeyer (1995)
Freeburg, IL

Staff

Ed Weilbacher, Gen. Manager
Donna Gariglietti, Secretary
George Andres, Consultant

KRPD Office 📍 154 S. Main St. Red Bud, IL ☎ (618) 282-3807 💻 www.kaskaskiaport.com

