



2015 ANNUAL REPORT

Fiscal Year July 1, 2014—June 30, 2015

VISION: "The Kaskaskia Regional Port District will strive to be one of the leading Inland Port Districts in the United States."

FROM THE CHAIRMAN – GEORGE OBERNAGEL

It is not often that I have had the opportunity to serve as Chairman of an organization celebrating their 50th Anniversary. The Port was created by the State Legislature and signed by the Governor on June 22, 1965. As we began to plan for this milestone it became apparent that there have been many people who worked hard to develop the Kaskaskia River into a waterway for shipping. Well before the Kaskaskia Regional Port District was established there were groups promoting the river along with the economic benefits associated with a navigable river. To commemorate those that went before us and those that worked hard to make the Kaskaskia Regional Port District a successful organization, we thought it only fitting to create a "Yearbook" that chronicled the early efforts and the development over time of the various terminals and port facilities. Copies of the Yearbook are available for purchase by the public at the Kaskaskia Regional Port District Office.



Besides looking back over the past 50 years, the Port District is looking forward to the next 50 years with active development plans for several of our facilities. This year saw the beginning of construction of the long planned for and anticipated entrance road at Fayetteville. The Port District has always planned for a new terminal at Fayetteville. Three years ago we were successful in transferring land from IDNR to the Port District for a new terminal. Since then we have been preparing the site for a grain terminal and are now building a new entrance road. In addition to development at Fayetteville, we have begun several expansion projects at KRPD #2 (aka Stanley L. Reeble Dock Facility and Industrial Park). This site saw the installation of a new outbound conveyor in February, and was initially built for outbound frac sand, but can be used for other products as well. KRPD and its co-applicants (Village of Baldwin and Randolph County) were awarded three grants to install an 8 inch waterline from Baldwin to the Port District along with rebuilding the entrance road totaling \$708,756. The waterline project has been on the drawing board for over 15 years, but there was no catalyst to move the project forward. We were blessed with the decision by Gateway FS to expand their dry fertilizer footprint along with the development of a new liquid fertilizer and chemical distribution facility. This expansion will create 14 new jobs and provided the catalyst to secure three grants from DCEO, IDOT and EDA. This new infrastructure will allow the Port District to market the site for other businesses to locate where a water transportation connection is needed.

As we closed out the fiscal year, we learned that the Army Corps of Engineers finally updated its National Database to include the Kaskaskia Regional Port District. As a result, the Port District is now included in the report of the top 150 ports in the country. The Kaskaskia Regional Port District ranks 76th on the list. Tonnage on the Kaskaskia River has been increasing over the past several years and it is projected to continue that upward trend.

Our new Strategic Plan documents the future direction for the Port District. Our VISION STATEMENT is:

"The Kaskaskia Regional Port District will strive to be one of the leading Inland Port Districts in the United States."

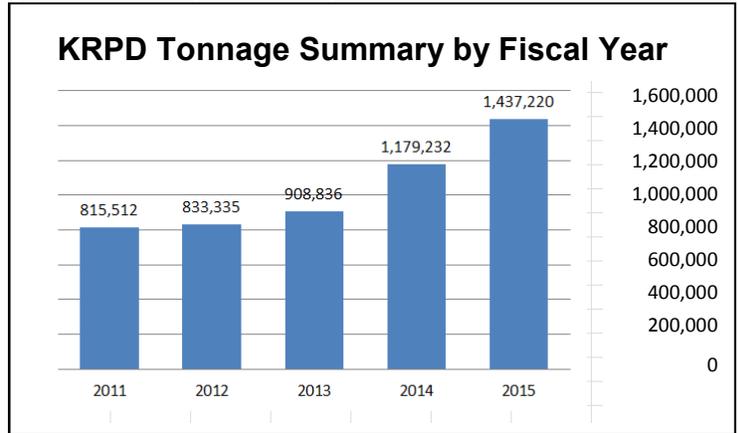
With the recent inclusion on the list of the top 150 ports in the country I can say that we are achieving our vision!

George Obernagel, Chairman

KRPD 76th LARGEST PORT IN COUNTRY; TONNAGE ON KASKASKIA RIVER TRENDING UP

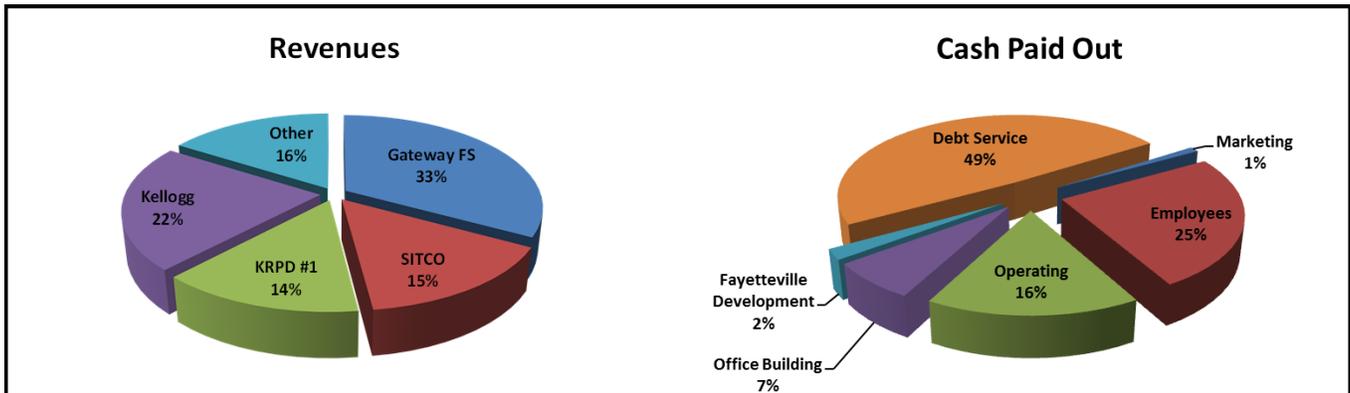
In a Port District there are publically owned docks/terminals and also privately owned docks/terminals. The Kaskaskia Regional Port District includes 71 miles of river frontage on the Mississippi River and 36 miles of channel on the Kaskaskia River. The Kaskaskia Regional Port District’s docks/terminals and the private docks/terminals in the district together shipped 5,208,066 tons, as documented in the latest report issued by the Corps of Engineers. With this total, the Kaskaskia Regional Port District ranks as the 76th largest port, by volume, in the country.

The Kaskaskia Regional Port District is part of the larger navigation industry that competes with limited Federal resources to operate and maintain the locks and dams in the country along with maintaining the navigation channel. The one basic metric that all locks and dams are measured by is tonnage shipped, be it inbound or outbound. The magic number to exceed is 1,000,000 tons. We have exceeded that benchmark for two years in a row. Tonnage on the Kaskaskia River through the Jerry F. Costello Lock and Dam has been trending upward over the past few years. This upward trend is a result of better crops, increased fertilizer sales, and increased scrubber stone shipments.



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.



Scheffel Boyle has audited the financial statements of the type business-like activities of the Kaskaskia Regional Port District for the year that ended June 30, 2015. The Audit Report is on file and available by request. The above Revenue Chart is based on total operating and non-operating revenues of \$557,317 and cash paid out totaling 534,486.

Port District Accomplishments for Fiscal Year 2015

- ☞ 66,298,588 tons shipped in the past 50 years through KRPD facilities
- ☞ 76th Largest Port District by volume in the Country
- ☞ Entrance road constructed at Fayetteville
- ☞ Gateway FS begins construction on dry fertilizer expansion
- ☞ Outbound conveyor installed at KRPD #2
- ☞ Kaskaskia Shipyard begins construction of towboats at KRPD #2

1965—Kaskaskia Regional Port District—2015

The Kaskaskia Regional Port District was created by the State Legislature and signed by the Governor on June 22, 1965. The Port District celebrated the anniversary with several activities that are based on the founding tenets of the organization. Job growth and economic development were central to the creation of the Port District. The Port District developed an anniversary T-shirt as a thank you to all the companies on the river and all of their employees. Without them the Port District would not be successful. A Yearbook was created that documented the early efforts to form a district and the development over time to establish the port locations. It also demonstrates the vitality of the Port District with new initiatives that are underway at several locations. Ninety-two members of the community have served or currently serve on the Port District Board. All members are appointed by the Governor and serve without compensation.



Left to right Charles Bauer, Dennis Rodenberg, Roger Rubemeyer, Rich Guebert, Jr., Robert Myerscough, George Obernagel, Nancy Schilling, Joe Luechtefeld, Terry Liefer, Mike Conrad, Clem Esker, Bernard Heck, Jr. and Rodney Linker. Absent were Brian Funk and Virgil Becker.

Legislation Pending to Update KRPD Authority

The Port District, as part of its 50th anniversary celebration, also pursued the update to its statutes to be current with today's needs and concerns.

Since the creation of the District, there are new demands and greater attention to the diversity of the river. As such, Homeland Security, Fish and Wildlife, Recreation, Water Supply and Flooding have been added to the purposes of the Port District. The Port District generates its revenues from leases, dock fees and tonnage. KRPD acts more like a business and needs to have flexibility in how it is able to borrow money to expand infrastructure. The updated legislation allows for the Port District to borrow money from local banks with a 20 year payback versus costly bond issues. The legislation also gives greater power to the Port District to address vessels and wrecks and to seek recovery of damages and fees associated with vessels and wrecks. The bill is under consideration and soon to be on the Governor's desk.

(Photo right) Construction is underway at the new entrance road at the Fayetteville Port development. Roller compacted concrete (RCC) will be used to build this road. RCC reduced the cost of the road by 50%. Expected completion September 2015.



Monroe County

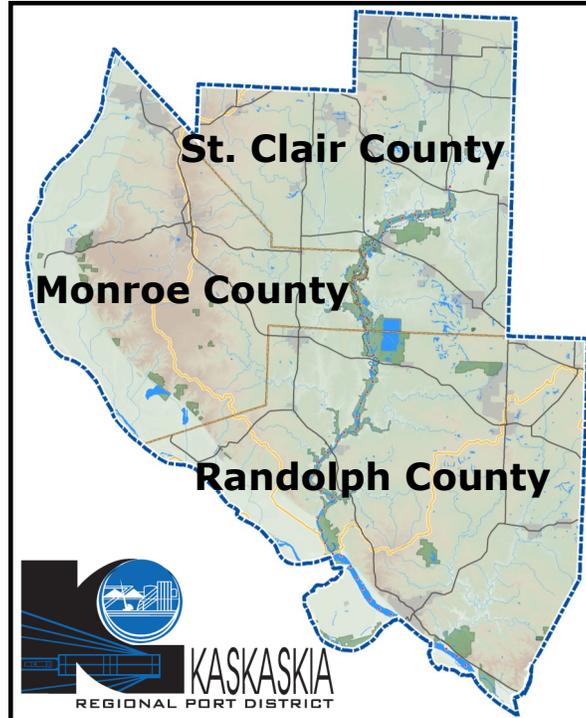
Michael Conrad (2004)
Columbia, IL
George Obernagel (2001)
Waterloo, IL
Terry Liefer (1997)
Red Bud, IL
Rodney Linker (2012)
Waterloo, IL
Dennis Rodenberg (2012)
Fults, IL

Randolph County

Richard Guebert, Jr. (2012)
Ellis Grove, IL
Bernard Heck, Jr. (2007)
Ellis Grove, IL
Robert Myerscough (2001)
Evansville, IL
Clem Esker (2004)
Red Bud, IL
Nancy Schilling (2001)
Evansville, IL

KRPD Board and Staff

www.kaskaskiport.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

KRPD Office 📍 336 N. Main St. Red Bud, IL ☎ (618) 282-3807

💻 www.kaskaskiport.com