

# A G E N D A

## FORT SMITH PORT AUTHORITY

MEETING – Thursday, October 17, 2013

Port of Fort Smith  
200 Navy Road  
Fort Smith, Arkansas

TIME: 11:30 a.m.

1. Call to order – Larry Combs, Chair
2. Roll Call
3. Approve minutes of meeting of July 25, 2013
4. Reports:
  - a. Tonnage Report, Previous Quarter Activity
  - b. Financial Report
  - c. Operator's Report: Projects, operations, customers, issues, requests, etc.
5. Unfinished Business:
  - a. Rail repair project status
  - b. Bulk storage facility status
6. New Business:
  - a. non
7. Other discussion items.
8. Next meeting: January 23, 2014
9. Adjourn

City of Fort Smith  
Port Authority Meeting  
11:30 a.m. Thursday, July 25, 2013  
City of Fort Smith Administrative Offices  
623 Garrison Avenue, Fort Smith, Arkansas

MINUTES

The Fort Smith Port Authority held its regular quarterly meeting at 11:30 a.m. on Thursday, July 25, 2013 at the City of Fort Smith's Administrative Offices, Room 326, 623 Garrison Avenue, Fort Smith, Arkansas.

The meeting was called to order by Larry Combs, Chairperson, and a quorum was noted present. Port Authority members present were Larry Combs, Eddie Norman, Bob Worley, Jeff Taake, and Dustin Collyge. Others present were Marty Shell of Five Rivers Distribution, Nicholas Huisman of the Fort Smith Regional Chamber of Commerce, Gene Higginbotham of the Arkansas Waterways Commission, Rick Pilkington of the Arkansas Economic Development Commission, John Lovett of the Southwest Times Record and Jeff Dingman of the City of Fort Smith. State Senator Jake Files joined the meeting at approximately 12:10 p.m.

Mr. Worley moved approval of the minutes of the April 22, 2013 meeting. Mr. Taake seconded and the motion carried by unanimous vote. The visitors introduced themselves and their respective representation.

Mr. Shell of Five Rivers Distribution delivered the tonnage report for the Second Quarter of 2013. Mr. Shell reviewed materials and tonnage reports for April, May and June through the Ports of Fort Smith and Van Buren as provided to the members in their meeting packet. A total of 64,347 tons of product moved through the Ports of Fort Smith and Van Buren in the Second Quarter 2013, compared to 107,593 tons during the same period last year. Mr. Taake moved acceptance of the tonnage report, Mr. Norman seconded and the motion carried by unanimous vote.

Mr. Dingman reviewed the financial report for the Second Quarter, showing the summary of tonnage indicated above and associated revenues (from rent & royalties) and expenses to date. The Port Authority received \$2,965.28 from the operator for rent and royalties for the quarter. To date, the Port Authority has unencumbered cash on hand of \$22,806.27. Mr. Dingman also reviewed the accounting of capital investment made by Five Rivers and associated reimbursement by the Port Authority. To date, Five Rivers has invested \$117,955.57 in improvements to the port facility, including the addition this quarter of repairing damage caused by lightning in May. The Port Authority has reimbursed \$38,375.72 to date, including \$988.43 for the 2Q 2013, and still owes Five Rivers \$79,579.85. Mr. Worley moved acceptance of the financial report, Mr. Collyge seconded and the motion carried unanimously.

The Chair asked Mr. Shell for the operator's report. Mr. Shell explained the lightning damage that occurred at the facility on May 21, which damaged electric utility service and a scale controller. Replacement parts were ordered as necessary, and Mr. Shell discussed the needed repairs with Mr. Dingman during the process. Electric service was restored the following day.

Mr. Shell explained that Gerdau (MacSteel) was expanding its business, thus expanding its need for public port services via rail from its facility. Gerdau's plans are doubling the facility's footprint at its current location, and the public port is already seeing an increase in business from the

facility. This increase in business via rail is highlighting the immediate need for addressing the aging & failing rail facilities on the port property. The rail on property is original to the 1970 construction of the port, and has not been regularly maintained, resulting in the current need to address repairs, especially as demand for service to local companies via rail is increasing.

Mr. Shell also reported picking up a new agricultural customer from Tulsa, as the customer's needs filled his capabilities at the Catoosa port and expanded to the public port in Fort Smith, where he is also nearing the port's capacity in being able to serve him. His needs are for bulk storage of a feed additive, and he services ag feed needs within a 400 mile radius of Fort Smith.

There was no Unfinished Business noted on the agenda.

In New Business, Mr. Combs introduced the discussion topic of the need for rail improvements and bulk storage at the Navy Road facility. Mr. Shell again introduced the invited guests, and explained that he solicited quotes on the needed rail work and for the construction of a 16,000 square foot bulk storage facility that has been suggested by the ag feed customer noted above. The rail rehab bids ranged from \$184,000 on the high end down to \$85,000 and the feeling is that the project could be completed for approximately \$85,000. The need for such rehabilitation is immediate, meaning within the next 90 days, in order to satisfy customers interested in a long term relationship with the public port, specifically Gerdau.

For the bulk storage building, price estimates including building, site work, foundation, and construction are nearly \$360,000. There is space available on existing port property. Together with the the rail work, an estimated \$450,000 of improvements have been identified for the port property at 200 Navy Road. Mr. Shell addressed the visitors with questions as to whether there might be any state funding available for such a project, as the Port Authority and the City of Fort Smith do not have funds available for these projects. Support from the Chamber of Commerce, AEDC, and the Waterways Commission would be vital in realizing any funding for these projects.

Mr. Pilkington of AEDC indicated that most programs available to them involve CDBG monies, and whereas Fort Smith is a CDBG entitlement city, those funds cannot be spent within the city limits of Fort Smith to support these projects. He did add, however, that he will take his understanding of the needs and requests and see if the projects might fit any other avenues of funding the AEDC might have available, particularly for the rail project. Mr. Pilkington said that the creation and retention of jobs would be key to securing project funding through AEDC, and Mr. Shell noted that while such improvements might garner only a few new jobs specifically, the improvements and new facilities would support the much larger expansion of Gerdau, for example. Mr. Shell asked if that relationship with Gerdau's expansion could be considered as part of the application for funding. Mr. Pilkington noted that as an area for inquiry and follow-up.

Mr. Higginbotham of the Arkansas Waterways Commission referred to a specific program sponsored by Senator Files and adopted by the state legislature to make funds available for improvements to economic development along the state's waterways. While he and Sen. Files agreed that the request would likely fit the purpose of the new program, the new program doesn't take effect until January 1, 2014 which doesn't address the immediate needs if improvements must happen before the end of the year. Mr. Shell noted that while the bulk storage facility could likely wait, the need for rail improvements is more immediate as the existing track is sinking into the ground.

Arkansas State Senator Jake Files addressed the group and the visitors, noting the support and cooperation

Mr. Worley addressed the issue of storm drainage at the port property, noting that the parking lot drained toward the rail track and the warehouse (No. 1). His point was that the project to replace or rehab the track should also include an evaluation of the drainage to ensure that any such project would not be undermined by storm drainage. He suggested that the city's engineer evaluate the property with an understanding of the needed rail improvements and offer any suggestions he might come up with regarding drainage. After some discussion on this matter, Mr. Worley moved that the city's Director of Engineering be asked to visit the port property within the next 30 days, along with Mr. Shell and any member of the Port Authority who wished to attend, to evaluate the drainage situation, its potential to impact any rail project and what might be done to mitigate that problem. Mr. Taake seconded the motion, and the vote was unanimous to approve. Mr. Dingman was asked to make the necessary arrangements and notify the members when such a visit is planned.

The next meeting of the Port Authority will be held in October, 2013, and a desire was expressed to have the meeting at the 200 Navy Road facility. There being no further business, the meeting adjourned at approximately 12:40 p.m.

Respectfully submitted,

  
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Jeff Dingman  
Deputy City Administrator  
City of Fort Smith, Arkansas

**FIVE RIVERS DISTRIBUTION - PORT OF FORT SMITH  
TONNAGE REPORT**

Date: July 2013

Pay to: City of Fort Smith

PORT	DATE RECD.	COMMODITY	RECD. VIA	LOAD WT	TONS	
<b>RECEIVED VIA TRUCKS</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	07/01-31/13	Steel	Truck	2,414,067	1,207.0335	142.19
				<b>TOTALS</b>	<b>2,414,067</b>	<b>1,207.0335</b>
<b>RECEIVED VIA TRUCKS</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	07/01-31/13	Corn	Truck	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	07/01-31/13	Steel	Rail Cars	1,224,870	612.4350	72.14
				<b>TOTALS</b>	<b>1,224,870</b>	<b>612.4350</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	07/01-31/13	Lumber	Rail Cars	460,000	230.0000	27.09
				<b>TOTALS</b>	<b>460,000</b>	<b>230.0000</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	07/01-31/13	Phosphate	Rail Cars	1,795,800	897.9000	46.87
				<b>TOTALS</b>	<b>1,795,800</b>	<b>897.9000</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	07/01-31/13	Grain Screenings	Rail Cars	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	07/01-31/13	Scrap Iron	Rail Cars	5,200,860	2,600.4300	306.33
				<b>TOTALS</b>	<b>5,200,860</b>	<b>2,600.4300</b>
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	07/01-31/13	Scrap Iron	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	07/01-31/13	Alloys	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>RECEIVED VIA TRUCK</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	07/01-31/13	Alloys	Trucks	563,380	281.6900	33.18
				<b>TOTALS</b>	<b>563,380</b>	<b>281.6900</b>
<b>RECEIVED/SHIPPED VIA RAIL/BARGE</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	07/01-31/13	Prilled Urea	Barge	567,400	283.7000	14.81
FSPT	07/01-31/13	Mag. Oxide	Barge	3,467,548	1,733.7740	90.50
FSPT	07/01-31/13	Magnachem Ore	Barge	0	0.0000	0.00
FSPT	07/01-31/13	DDG	Barge	0	0.0000	0.00
FSPT	07/01-31/13	Corn	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>4,034,948</b>	<b>2,017.4740</b>
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	07/01-31/13	Coal	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>

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07/31/13 TOTAL DUE CITY OF FORT SMITH 7,846.9625 733.12  
FOR FSPT TONNAGE

**FIVE RIVERS DISTRIBUTION - PORT OF FORT SMITH  
TONNAGE REPORT**

Date: August 2013

Pay to: City of Fort Smith

PORT	DATE RECD.	COMMODITY	RECD. VIA	LOAD WT	TONS	
<b>RECEIVED VIA TRUCKS</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	08/01-31/13	Steel	Truck	2,335,748	1,167.8740	137.58
				<b>TOTALS</b>	<b>2,335,748</b>	<b>1,167.8740</b>
<b>RECEIVED VIA TRUCKS</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	08/01-31/13	Corn	Truck	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	08/01-31/13	Steel	Rail Cars	1,703,715	851.8575	100.35
				<b>TOTALS</b>	<b>1,703,715</b>	<b>851.8575</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	08/01-31/13	Lumber	Rail Cars	115,000	57.5000	6.77
				<b>TOTALS</b>	<b>115,000</b>	<b>57.5000</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	08/01-31/13	Phosphate	Rail Cars	1,793,200	896.6000	46.80
				<b>TOTALS</b>	<b>1,793,200</b>	<b>896.6000</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	08/01-31/13	Grain Screenings	Rail Cars	221,520	110.7600	5.78
				<b>TOTALS</b>	<b>221,520</b>	<b>110.7600</b>
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	08/01-31/13	Scrap Iron	Rail Cars	4,861,560	2,430.7800	286.35
				<b>TOTALS</b>	<b>4,861,560</b>	<b>2,430.7800</b>
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	08/01-31/13	Scrap Iron	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	08/01-31/13	Alloys	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>RECEIVED VIA TRUCK</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	08/01-31/13	Alloys	Trucks	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>
<b>RECEIVED/SHIPPED VIA RAIL/BARGE</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	08/01-31/13	Prilled Urea	Barge	2,993,236	1,496.6180	78.12
FSPT	08/01-31/13	Mag. Oxide	Barge	0	0.0000	0.00
FSPT	08/01-31/13	Magnachem Ore	Barge	0	0.0000	0.00
FSPT	08/01-31/13	DDG	Barge	0	0.0000	0.00
FSPT	08/01-31/13	Corn	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>2,993,236</b>	<b>1,496.6180</b>
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	08/01-31/13	Coal	Barge	0	0.0000	0.00
				<b>TOTALS</b>	<b>0</b>	<b>0.0000</b>

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08/31/13 TOTAL DUE CITY OF FORT SMITH 7,011.9895 661.75  
FOR FSPT TONNAGE

**FIVE RIVERS DISTRIBUTION - PORT OF FORT SMITH  
TONNAGE REPORT**

Date: September 2013

Pay to: City of Fort Smith

PORT	DATE RECD.	COMMODITY	RECD. VIA	LOAD WT	TONS	
<b>RECEIVED VIA TRUCKS</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	09/01-30/13	Steel	Truck	1,953,430	976.7150	115.06
				TOTALS	1,953,430	976.7150
<b>RECEIVED VIA TRUCKS</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	09/01-30/13	Corn	Truck	0	0.0000	0.00
				TOTALS	0	0.0000
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	09/01-30/13	Steel	Rail Cars	1,159,550	579.7750	68.30
				TOTALS	1,159,550	579.7750
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	09/01-30/13	Lumber	Rail Cars	0	0.0000	0.00
				TOTALS	0	0.0000
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	09/01-30/13	Phosphate	Rail Cars	1,797,650	898.8250	46.92
				TOTALS	1,797,650	898.8250
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	09/01-30/13	Grain Screenings	Rail Cars	1,145,000	572.5000	29.88
				TOTALS	1,145,000	572.5000
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	09/01-30/13	Scrap Iron	Rail Cars	6,149,100	3,074.5500	362.18
				TOTALS	6,149,100	3,074.5500
<b>RECEIVED VIA RAIL</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	09/01-30/13	Potash	Rail Cars	198,500	99.2500	5.18
				TOTALS	198,500	99.2500
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	09/01-30/13	Scrap Iron	Barge	0	0.0000	0.00
				TOTALS	0	0.0000
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	09/01-30/13	Alloys	Barge	0	0.0000	0.00
				TOTALS	0	0.0000
<b>RECEIVED VIA BARGE</b>						<b>RATE (\$.1178 PNT)</b>
FSPT	09/01-30/13	Alloys	Barge	3,291,760	1,645.8800	193.88
				TOTALS	3,291,760	1,645.8800
<b>RECEIVED/SHIPPED VIA RAIL/BARGE</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	09/01-30/13	Prilled Urea	Barge	3,229,482	1,614.7410	84.29
FSPT	09/01-30/13	Mag. Oxide	Barge	0	0.0000	0.00
FSPT	09/01-30/13	Magnachem Ore	Barge	0	0.0000	0.00
FSPT	09/01-30/13	Prilled Urea	Barge	0	0.0000	0.00
FSPT	09/01-30/13	Corn	Barge	0	0.0000	0.00
				TOTALS	3,229,482	1,614.7410
<b>SHIPPED VIA BARGE</b>						<b>RATE (\$.0522 PNT)</b>
FSPT	09/01-30/13	Coal	Barge	0	0.0000	0.00
				TOTALS	0	0.0000

09/30/13 TOTAL DUE CITY OF FORT SMITH 9,462.2360 905.69  
FOR FSPT TONNAGE

# FIVE RIVERS DISTRIBUTION - VAN BUREN TONNAGE REPORT

Date: July 01-31, 2013

Pay to: City of Fort Smith

PORT	DATE RECD.	COMMODITY	RECD. VIA	LOAD WT	TONS	PAY
<b>RECEIVED VIA TRUCKS (Rate \$.1178 PNT)</b>						
VB	07/01-31/13	Electrical Coils	Trucks	714,431	357.2155	42.08
VB	07/01-31/13	Steel Coils	Trucks	0	0.0000	0.00
VB	07/01-31/13	Tinplate Coils	Trucks	0	0.0000	0.00
VB	07/01-31/13	Wire Rods	Trucks	0	0.0000	0.00
VB	07/01-31/13	Proppants	Trucks	0	0.0000	0.00
TOTALS				714,431	357.2155	42.08
<b>RECEIVED VIA RAIL (Rate \$.1178 PNT)</b>						
VB	07/01-31/13	Lumber	Rail Cars	0	0.0000	0.00
VB	07/01-31/13	Ingots	Rail Cars	731,215	365.6075	43.07
VB	07/01-31/13	Tinplate Coils	Rail Cars	1,230,100	615.0500	72.45
VB	07/01-31/13	Wire Rods	Rail Cars	0	0.0000	0.00
TOTALS				1,961,315	980.6575	115.52
<b>RECEIVED VIA RAIL (Rate \$.0522 PNT)</b>						
VB	07/01-31/13	Oxane	Rail Cars	0	0.0000	0.00
VB	07/01-31/13	Sand	Rail Cars	0	0.0000	0.00
TOTALS				0	0.0000	0.00
<b>RECEIVED VIA BARGE (Rate \$.1178 PNT)</b>						
VB	07/01-31/13	Wire Rods	Barges	26,852,443	13,426.2215	1,581.61
VB	07/01-31/13	Tinplate	Barges	0	0.0000	0.00
VB	07/01-31/13	Steel Coils	Barges	0	0.0000	0.00
TOTALS				26,852,443	13,426.2215	1,581.61
<b>RECEIVED VIA BARGE (Rate \$.0522 PNT)</b>						
VB	07/01-31/13	Wheat	Barges	0	0.0000	0.00
VB	07/01-31/13	Feed Pellets	Barges	0	0.0000	0.00
VB	07/01-31/13	Phosphate	Barges	0	0.0000	0.00
VB	07/01-31/13	Magnachem Ore	Barges	0	0.0000	0.00
VB	07/01-31/13	Magnesium	Barges	0	0.0000	0.00
TOTALS				0	0.0000	0.00
<b>RECEIVED VIA TRUCK (Rate \$.0522 PNT)</b>						
VB	07/01-31/13	Cotton Seed	Trucks	0	0.0000	0.00
				0	0.0000	0.00
<b>SHIPPED VIA BARGE (Rate \$.0522 PNT)</b>						
VB	07/01-31/13	Phosphate	Barges	0	0.0000	0.00
TOTALS				0	0.0000	0.00

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07/31/13 TOTAL DUE CITY OF FORT SMITH FOR VB TONNAGE 14,764.0945 1,739.21



# FIVE RIVERS DISTRIBUTION - VAN BUREN TONNAGE REPORT

Date: August 01-31, 2013

Pay to: City of Fort Smith

PORT	DATE RECD.	COMMODITY	RECD. VIA	LOAD WT	TONS	PAY
<b>RECEIVED VIA TRUCKS (Rate \$.1178 PNT)</b>						
VB	08/01-31/13	Electrical Coils	Trucks	983,720	491.8600	57.94
VB	08/01-31/13	Steel Coils	Trucks	0	0.0000	0.00
VB	08/01-31/13	Tinplate Coils	Trucks	0	0.0000	0.00
VB	08/01-31/13	Wire Rods	Trucks	0	0.0000	0.00
VB	08/01-31/13	Proppants	Trucks	0	0.0000	0.00
TOTALS				983,720	491.8600	57.94
<b>RECEIVED VIA RAIL (Rate \$.1178 PNT)</b>						
VB	08/01-31/13	Lumber	Rail Cars	0	0.0000	0.00
VB	08/01-31/13	Ingots	Rail Cars	359,363	179.6815	21.17
VB	08/01-31/13	Tinplate Coils	Rail Cars	1,190,818	595.4090	70.14
VB	08/01-31/13	Wire Rods	Rail Cars	0	0.0000	0.00
TOTALS				1,550,181	775.0905	91.31
<b>RECEIVED VIA RAIL (Rate \$.0522 PNT)</b>						
VB	08/01-31/13	Oxane	Rail Cars	0	0.0000	0.00
VB	08/01-31/13	Sand	Rail Cars	0	0.0000	0.00
TOTALS				0	0.0000	0.00
<b>RECEIVED VIA BARGE (Rate \$.1178 PNT)</b>						
VB	08/01-31/13	Wire Rods	Barges	21,584,560	10,792.2800	1,271.33
VB	08/01-31/13	Tinplate	Barges	0	0.0000	0.00
VB	08/01-31/13	Steel Coils	Barges	0	0.0000	0.00
TOTALS				21,584,560	10,792.2800	1,271.33
<b>RECEIVED VIA BARGE (Rate \$.0522 PNT)</b>						
VB	08/01-31/13	Wheat	Barges	0	0.0000	0.00
VB	08/01-31/13	Feed Pellets	Barges	0	0.0000	0.00
VB	08/01-31/13	Phosphate	Barges	0	0.0000	0.00
VB	08/01-31/13	Magnachem Ore	Barges	0	0.0000	0.00
VB	08/01-31/13	Magnesium	Barges	0	0.0000	0.00
TOTALS				0	0.0000	0.00
<b>RECEIVED VIA TRUCK (Rate \$.0522 PNT)</b>						
VB	08/01-31/13	Cotton Seed	Trucks	0	0.0000	0.00
				0	0.0000	0.00
<b>SHIPPED VIA BARGE (Rate \$.0522 PNT)</b>						
VB	08/01-31/13	Phosphate	Barges	0	0.0000	0.00
TOTALS				0	0.0000	0.00

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08/31/13 TOTAL DUE CITY OF FORT SMITH FOR VB TONNAGE 12,059.2305 1,420.58

# FIVE RIVERS DISTRIBUTION - VAN BUREN TONNAGE REPORT

Date: September 01-30, 2013

Pay to: City of Fort Smith

PORT	DATE RECD.	COMMODITY	RECD. VIA	LOAD WT	TONS	PAY
<b>RECEIVED VIA TRUCKS (Rate \$.1178 PNT)</b>						
VB	09/01-30/13	Electrical Coils	Trucks	934,061	467.0305	55.02
VB	09/01-30/13	Steel Coils	Trucks	0	0.0000	0.00
VB	09/01-30/13	Tinplate Coils	Trucks	0	0.0000	0.00
VB	09/01-30/13	Wire Rods	Trucks	0	0.0000	0.00
VB	09/01-30/13	Proppants	Trucks	0	0.0000	0.00
TOTALS				934,061	467.0305	55.02
<b>RECEIVED VIA RAIL (Rate \$.1178 PNT)</b>						
VB	09/01-30/13	Lumber	Rail Cars	0	0.0000	0.00
VB	09/01-30/13	Ingots	Rail Cars	365,896	182.9480	21.55
VB	09/01-30/13	Tinplate Coils	Rail Cars	1,437,860	718.9300	84.69
VB	09/01-30/13	Wire Rods	Rail Cars	0	0.0000	0.00
TOTALS				1,803,756	901.8780	106.24
<b>RECEIVED VIA RAIL (Rate \$.0522 PNT)</b>						
VB	09/01-30/13	Oxane	Rail Cars	0	0.0000	0.00
VB	09/01-30/13	Sand	Rail Cars	0	0.0000	0.00
TOTALS				0	0.0000	0.00
<b>RECEIVED VIA BARGE (Rate \$.1178 PNT)</b>						
VB	09/01-30/13	Wire Rods	Barges	20,920,992	10,460.4960	1,232.25
VB	09/01-30/13	Tinplate	Barges		0.0000	0.00
VB	09/01-30/13	Steel Coils	Barges	2,010,016	1,005.0080	118.39
TOTALS				22,931,008	11,465.5040	1,350.64
<b>RECEIVED VIA BARGE (Rate \$.0522 PNT)</b>						
VB	09/01-30/13	Wheat	Barges	0	0.0000	0.00
VB	09/01-30/13	Feed Pellets	Barges	0	0.0000	0.00
VB	09/01-30/13	Phosphate	Barges	0	0.0000	0.00
VB	09/01-30/13	Magnachem Ore	Barges	0	0.0000	0.00
VB	09/01-30/13	Magnesium	Barges	0	0.0000	0.00
TOTALS				0	0.0000	0.00
<b>RECEIVED VIA TRUCK (Rate \$.0522 PNT)</b>						
VB	09/01-30/13	Cotton Seed	Trucks	0	0.0000	0.00
				0	0.0000	0.00
<b>SHIPPED VIA BARGE (Rate \$.0522 PNT)</b>						
VB	09/01-30/13	Phosphate	Barges	0	0.0000	0.00
TOTALS				0	0.0000	0.00

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09/30/13 TOTAL DUE CITY OF FORT SMITH FOR VB TONNAGE 12,834.4125 1,511.89

Five River Distribution, LLC  
Repair Reserve - Fort Smith Port

	2012		
6/25/2008 Riverside furniture (rail stop)		\$	500.00
8/1/2008 American Track Generations (rail track repairs)			2,500.00
7/1/2008 Modern Fence (fence repairs)			11,142.49
10/30/2008 Arkoma Services (rebuild rail bridge)			38,660.00 X
2009 Hang Tin WH 1			4,698.37 X
2009 Pant & Thinner for WH 1			1,130.71 X
2009 Hang Tin WH 2			1,587.41 X
2/5/2010 Home Depot (supplies for new office floor)			48.18 X
2/7/2010 Home Depot (supplies for new office floor)			5.42 X
2/11/2010 Alford's House of Carpets (floor for office)			2,773.73 X
2/15/2010 Yeagers (supplies for new office floor)			16.87 X
9/13/2010 American Track Generations (rail track repairs)			1,516.64 X
9/28/2010 American Track Generations (rail track repairs)			4,365.77 X
3/14/2011 American Track Generations (rail bridge repairs)			5,277.00 X
7/21/2011 PA approved office improvements			11,410.97 X
10/20/2011 PA approved warehouse door/floor improvements			9,572.12 X
1/19/2012 Masonry Repair to NW corner wall, WH 2			2,350.00 X
1/19/2012 Tube City IMS (hauled slag)			1,018.35 X
1/19/2012 Larry Osborne (hauled slag)			1,050.00 X
5/16/2012 Grace Railroad Contractors (rail track repairs)	rotten ties		3,896.00 X
6/13/2012 Grace Railroad Contractors (rail track repairs)	replace add'l rotten ties		4,296.00 X
6/19/2013 APAC (rail track repairs)			363.55
6/19/2013 APAC (rail track repairs)			392.55
8/20/2012 Replace Air Conditioner in Port Office			3,795.00 X
10/4/2012 Remove/install new DLM dock leveler			2,500.73 X
5/22/2013 Sooner Scale Inc.	Replace component due to lightning strike		2,027.05 X
6/5/2013 Matlock Electric	Replaced disconnect/meter base - lightning		1,613.16 X
			<u>118,508.07</u>
5/6/2010 City reimbursement (for floor expense)	From unencumbered Port cash	2,844.20	
1/12/2011 For 4Q 2010	25% deduct from Qtrly royalty payment	1,675.16	
1/12/2011 City reimbursement	From unencumbered Port cash	671.82	
7/20/2011 City reimbursement	From unencumbered Port cash	1,967.94	
7/20/2011 For 1Q 2011 - Corrective adjustment	\$750 kept by Port	750.00	
7/20/2011 For 2Q 2011 - Corrective adjustment	\$750 kept by Port	750.00	
9/8/2011 City reimbursement (office improvements)	From unencumbered Port cash	11,410.97	
10/18/2011 For 3Q 2011	25% deduct from Qtrly royalty payment	753.91	
12/22/2011 City reimbursement (warehouse floor)	From unencumbered Port cash	3,500.00	
1/19/2012 For 4Q 2011	25% deduct from Qtrly royalty payment	578.45	(corrected)
1/6/2012 City reimbursement (overhead door replacement)	From unencumbered Port cash	4,521.00	
1/6/2012 City reimbursement (overhead door repairs)	From unencumbered Port cash	1,551.12	
4/18/2012 For 1Q 2012	25% deduct from Qtrly royalty payment	935.02	
7/26/2012 For 2Q 2012	25% deduct from Qtrly royalty payment	1,752.14	
10/18/2012 For 3Q 2012	25% deduct from Qtrly royalty payment	881.11	
1/17/2013 For 4Q 2012	25% deduct from Qtrly royalty payment	959.11	
4/22/2013 For 1Q 2013	25% deduct from Qtrly royalty payment	1,885.34	
7/25/2013 For 2Q 2013	25% deduct from Qtrly royalty payment	988.43	
10/17/2013 For 3Q 2013	25% deduct from Qtrly royalty payment	986.29	

Port Has Reimbursed Five Rivers	<u>39,362.01</u>	
Port Still Owes Five Rivers, as of:		<u>79,146.06</u>

In contract signed in 2008, Five Rivers agreed to spend \$60,000 on improvements the first five years of the lease.

10/15/2013

X Mitzi Kimbrough and/or Jeff Dingman examined invoice and agree with amount.

City of Fort Smith - Port Authority  
Five Rivers Distribution, LLC

	January	February	March	1st Qtr Total		April	May	June	2nd Qtr Total		July	August	September	3rd Qtr Total	
				2013	2012				2013	2012				2013	2012
<b>Steel/other</b>															
Van Buren	12,830.44	15,422.61	21,872.75	50,125.81	40,722.79	14,227.91	6,875.80	19,792.93	40,896.64	45,174.53	14,764.09	12,059.23	12,834.41	39,657.74	29,527.31
Fort Smith	5,630.77	1,594.96	7,074.98	14,300.71	14,666.21	4,903.83	5,692.90	3,939.94	14,536.67	21,779.83	4,701.59	4,508.01	6,276.92	15,486.52	14,056.78
subtotal	18,461.21	17,017.57	28,947.73	64,426.52	55,389.00	19,131.74	12,568.70	23,732.87	55,433.31	66,954.36	19,465.68	16,567.24	19,111.33	55,144.26	43,584.09
Rate	0.1178	0.1178	0.1178			0.1178	0.1178	0.1178			0.1178	0.1178	0.1178		
	2,174.73	2,004.67	3,410.04			2,253.72	1,480.59	2,795.73			2,293.06	1,951.62	2,251.31		
<b>Coal or sand</b>															
Van Buren	110.68	20,768.16	2,981.88	23,860.72	1,733.30	235.08	-	1,514.97	1,750.05	34,033.18	-	-	-	-	22,495.60
Fort Smith	1,228.85	25,895.76	5,564.91	32,689.51	2,390.38	2,818.74	1,136.37	2,411.10	6,366.20	6,605.70	2,915.37	2,503.98	3,185.32	8,604.67	4,137.16
subtotal	1,339.53	46,663.92	8,546.78	56,550.23	4,123.68	3,053.82	1,136.37	3,926.07	8,116.25	40,638.88	2,915.37	2,503.98	3,185.32	8,604.67	26,632.76
Rate	0.0522	0.0522	0.0522			0.0522	0.0522	0.0522			0.0522	0.0522	0.0522		
	69.92	2,435.86	446.14			159.41	59.32	204.94			152.18	130.71	166.27		
total	2,244.65	4,440.53	3,856.18			2,413.13	1,539.91	3,000.67			2,445.24	2,082.33	2,417.59		
Monthly Rent (covers ins/adv costs in City budget)	1,000.00	1,000.00	1,000.00			1,000.00	1,000.00	1,000.00			1,000.00	1,000.00	1,000.00		
				120,976.75	59,512.68				63,549.57	107,593.24				63,748.93	70,216.85
Excess Rent due (divided operator/Port for improvements)	1,244.65	3,440.53	2,856.18			1,413.13	539.91	2,000.67			1,445.24	1,082.33	1,417.59		
Total minimum rent			3,000.00					3,000.00					3,000.00		
Total excess rent			7,541.37					3,953.71					3,945.16		
Total Royalty Due			10,541.37					6,953.71					6,945.16		
<b>25%</b>															
of excess rent paid to operator by agreement	311.16	860.13	714.05			353.28	134.98	500.17			361.31	270.58	354.40		
Total earned by Operator this period			1,885.34					988.43					986.29		
<b>50%</b>															
of excess rent held by Port Auth for improvements (a)	622.33	1,720.26	1,428.09			706.56	269.96	1,000.34			722.62	541.16	708.79		
<b>25%</b>															
of excess rent available to reimb Port Auth (a)	311.16	860.13	714.05			353.28	134.98	500.17			361.31	270.58	354.40		
<b>75% paid to Port Auth by agreement sum (a)</b>															
Total Earned by Port Authority this period	933.49	2,580.40	2,142.14			1,059.85	404.93	1,500.50			1,083.93	811.75	1,063.19		
		(b)	5,656.02					2,965.28					2,958.87		
Additional to be kept by operator			-					-					-		
Unencumbered Reserve (from previous quarter)		(b)	14,184.96					19,840.99					22,806.27		
Reserve for spending current quarter		sum (b)	19,840.99					22,806.27					25,765.14		
Expended from Reserve															
Unencumbered Reserve				19,840.99					22,806.27					25,765.14	

# Track Services, Inc

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PO BOX 4134, Bartonville, IL 61607 | ph. 309-246-2256 fax 855-834-4596 | mhacker@tntrackservices.com

October 14, 2013

Attn: Marty Shell

RE: Railroad track inspection report

Note pictures sent by Larry from AR&MO RR and as a Road Master of the Railroad, his track inspection report requires a total tear-out, rebuild with new ties, he also requires different rail, due to the fact that it has been buried in mud for several years. Track Services, Inc is not responsible to supply for plates, bars, bolts and rail, if they're needed.

**Sincerely,**

**Matthew Hacker  
Supervisor  
Track Services, Inc  
PO BOX 4134  
Bartonville, IL 61607**