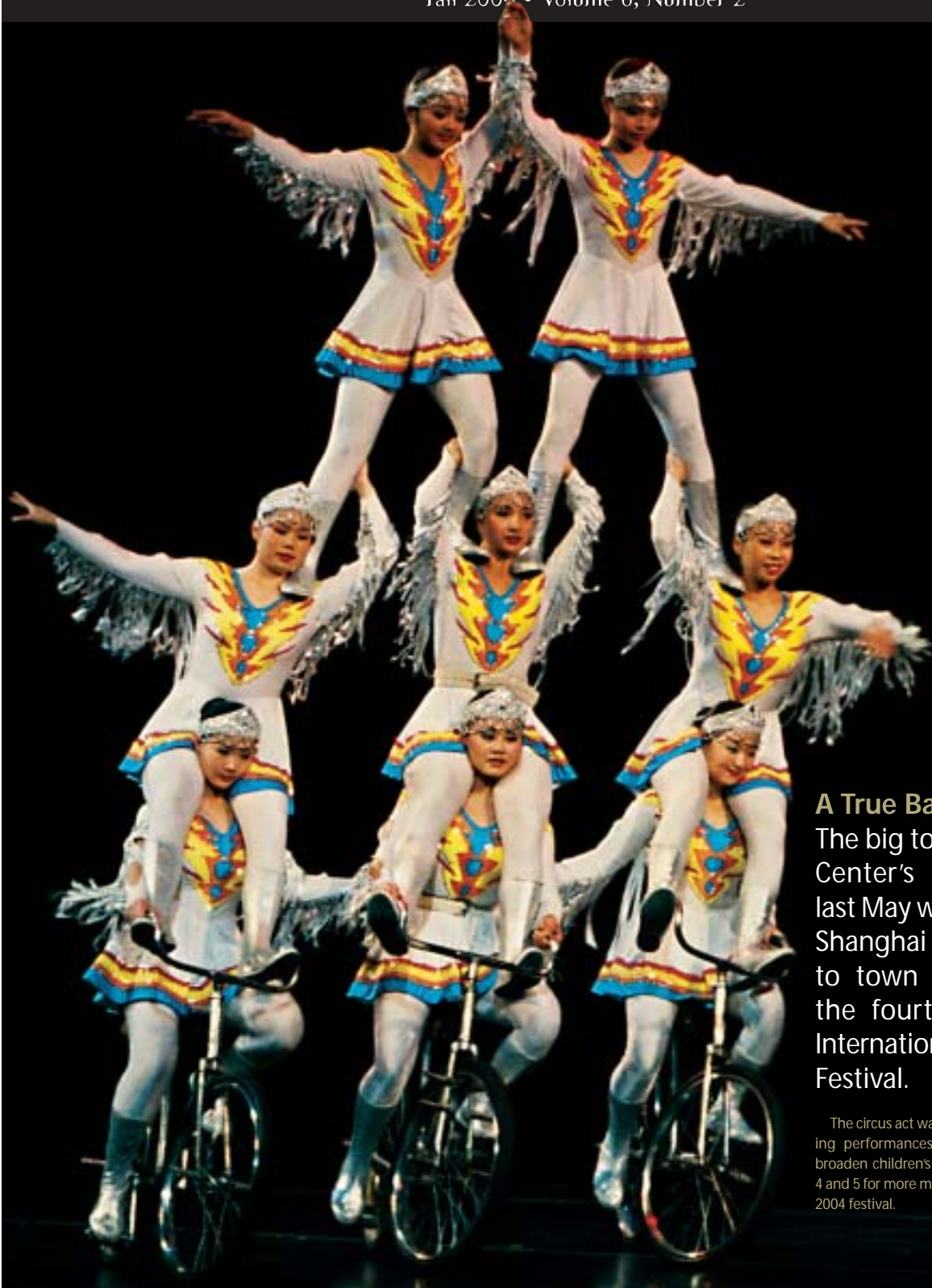


CommunityMatters

for friends and neighbors of the Pine Bend Refinery



Fall 2004 • Volume 6, Number 2



A True Balancing Act: The big top hit Ordway Center's main stage last May when the New Shanghai Circus came to town to celebrate the fourth Flint Hills International Children's Festival.

The circus act was just one of many amazing performances meant to inspire and broaden children's imaginations. See pages 4 and 5 for more magical moments from the 2004 festival.

Environmental Successes And Future Goals

This summer at Pine Bend included several important environmental performance highlights. We celebrated notable refinery milestones, and we continued to look for ways to improve our future performance including a voluntary agreement with the Environmental Protection Agency (EPA).

In June, we hosted a picnic for employees and contractors to celebrate a new record for consecutive days without flaring – 82 – and a five-year milestone for our wastewater treatment plant (see story below). Both accomplishments are the direct result of the commitment our employees make everyday to excellent environmental performance.

In August, Flint Hills Resources and the Environmental Protection Agency signed a voluntary agreement that focuses on reducing emissions during times of startup, shutdown and malfunction of refinery process units. The agreement sets several goals, including developing a policy that establishes state-of-the-art practices during startup, shutdown or malfunction to reduce emissions; providing the EPA and state regulators with information



Jeff Wilkes

that could help generate ideas for improving these practices across the entire industry; and offering the public additional information on Flint Hills Resources' performance.

The agreement will enable us to build on our flare reduction success. Operational changes we've made to reduce flaring will serve as a model to manage and reduce emissions during times of process unit startup, shutdown and malfunction.

This voluntary agreement with the EPA provides us with an opportunity to improve our performance beyond what is required. Flint Hills Resources will implement this policy at all of the company's refineries. And as we do, we will keep you posted on our progress.

Jeff Wilkes,
Refinery Manager and
Vice President of Minnesota Operations

ENVIRONMENTAL PERFORMANCE

Employees Celebrate Environmental Excellence

Pine Bend Refinery managers cooked up a well-deserved free lunch for more than 1,000 employees and contractors in June as Flint Hills Resources celebrated two environmental milestones.

First, employees set a new record by operating the refinery for 82 consecutive days without flaring – the previous record was 62 days. This focus on minimizing flaring has been a top priority at the refinery for several years as a way to improve operational and environmental performance, and it is working. In fact, the U.S. Environmental Protection Agency awarded Flint Hills a 2003 Clean Air Excellence Award for outstanding flare reduction at both its Minnesota and Texas refineries. Flint Hills has reduced refinery flare time by 95 percent in the past six years.

Second, Flint Hills celebrated five years without exceeding discharge levels in its wastewater treatment permit. Wastewater discharged from the refinery's wastewater treatment plant continues to be significantly below permit limits. The excellent performance of the refinery's wastewater treatment plant is the result of the concerted efforts of all refinery employees. In 2002, Flint Hills received an award from the Minnesota Pollution Control Agency (MPCA) for excellent management of the water released from the plant into the Mississippi River.

"We had a great time celebrating these achievements that represent a real team effort. The level of commitment and desire to improve environmental performance at all levels of our organization is phenomenal. It is the daily actions of



Employees and contractors lined up to enjoy free lunch courtesy of refinery management.

all of our employees that contribute to our goal of Clean Air, Clear Water and we just wanted to say thanks with this event," said Lucinda Legel, environmental director.

MPCA Commissioner Sheryl Corrigan also attended the celebration. She met with employees involved with the operation of the wastewater treatment plant and central control room employees who monitor flaring.

Along with lunch, employees and contractors also received a hat and low emission gas cans.

MPCA Commissioner Sheryl Corrigan meets with Flint Hills employees during a recent celebration of environmental achievements.



News in the Neighborhood



Canoe Challenge

Eleven FHR employees participated in the Mississippi River Challenge, a 44-mile, two-day canoe trek from Coon Rapids to Grey Cloud Island. All eleven employees finished the canoe challenge and raised over \$2600 for Friends of the Mississippi River, event organizer and Flint Hills philanthropy partner.

Congratulations to Flint Hills participants. They include Laura Hansen, Penny Lancaster, Deb McGovern, Todd Miron, Erin Munkeby, Romeo Perez, Scott Quamme and his sister Cammy Story, Fran Shepardson, Mike Spencer and Peg Varien.



Pine Bend Bluffs

In May and June, Pine Bend employees planted native prairie flower seeds on a portion of the Pine Bend Bluffs property the company owns. This is part of the effort to restore native plants and grasses along the river bluff. Employees raked bare areas in the Oak Savana and planted a variety of prairie flower seeds including purple prairie clover, sky-blue aster, prairie wild rose and black-eyed Susan. Last winter, non-native trees were removed from the Oak Savana in order to open the prairie up to more sunlight which should help speed up the development of the prairie.

▲ Flint Hills' employees Paul Wright and Don Fritz plant seeds for native prairie flowers on Pine Bend Bluffs property owned by Flint Hills Resources.

Employee volunteers included Paul Wright and his wife Megan, John Bowman, Don Fritz, Jack Siebenaler and Joel Mielke.

Simley students get hands-on, engineering experience

Ask any honors physics student at Simley High School and he or she can share first-hand both the challenges and rewards of being an engineer. That's because through a six-week course offered in Steve Olson's class, they experience "reality engineering" by working with mentors from Flint Hills Resources.

Class members team up to tackle a real-life engineering project that engineers at Pine Bend have worked on as well. This past school year, students were asked to redesign Flint Hills Wisconsin Pipeline. The team with the winning engineering solution was Dave Heininger, Nikki Schmidt, Jennifer Lose and Tony Ludwig.

Refinery employees Tom Church, Annie Forsberg and Laurie Vance volunteered to share their knowledge, time and team spirit with students. The team provides the technical data and background for the physics class, but it's up to the students to apply their knowledge in a real-life setting and design a plan that works.

▼ This team of physics students from Simley High School earned top honors in a hands-on, reality engineering project last spring.

Dakota County Technical College



Dr. Ron Thomas, Dakota County Technical College president (left) and Dave Robertson, Flint Hills Resources president, pictured at the Community Partners Luncheon held at the Science Museum of Minnesota.

DCTC Future Entrepreneurs Take Notes From Top Business Leaders

This school year, Dakota County Technical College (DCTC) students enrolled in the Business Entrepreneur Institute have an opportunity to learn from some of Minnesota's leading business men and women.

Top members of the local business community will participate in the new DCTC/Flint Hills Resources Entrepreneur Speakers Series scheduled to debut in December. Throughout the year, the Institute will invite successful business owners to share their acumen and first-hand experience with students and business owners who are just starting out.

"We know that small business is a great opportunity for both traditional and non-traditional aged students who are looking to broaden their career options," said Christine Pigsley, DCTC Associate Dean of Business and Entrepreneurship. "The speakers' series is a flagship effort of our program meant to help students gain a better understanding of the small business skills they need to be successful – from how to start a company to managing the day-to-day operations."

Pigsley noted the series will host experts from a variety of areas – from venture capitalists to women and minority business owners.

Flint Hills is funding the speaker series, as well as an endowed teaching chair in entrepreneurial studies, as part of the company's annual Community Partner Project announced last April. The gift marks the sixth year in a row that Flint Hills has contributed to a local Dakota County community project.

"Encouraging entrepreneurship is an important part of our company's culture," said Jim Simon, Flint Hills vice president of business planning who also serves on DCTC's Business Entrepreneur Institute advisory board. "That's why we are excited about supporting a project that will have successful entrepreneurs from our community sharing their knowledge and expertise."





Free activities – from making zany glasses and funky hats to trying on theater costumes and trying out musical instruments – kept even the busiest of kids preoccupied.



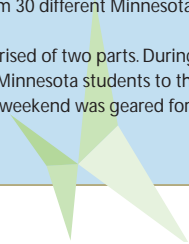
Annual Festival Broadens Children's Imagination

A magnificent sandcastle towered 20 feet over the site of the 2004 Flint Hills International Children's Festival in downtown Saint Paul this spring. While the castle served as one of the event's main attractions, it also was a friendly reminder to 40,000 festival attendees that magic was in the air.

Team Sandtastic, a crew of five sculptors, built the sandcastle using water, kitchen gadgets, dental tools and cement spreaders. It took eight days to stack, mold and transform 150 tons of sand into the final work of art.

Ordway Center for the Performing Arts arranged the fun-filled, six-day schedule that showcased magical and inspiring performances by some 276 international and local artists who traveled from as far as China and Australia to share their talents with children. In addition, a new Art Walk debuted during this year's festival. More than a dozen downtown Saint Paul businesses dressed up their windows by displaying original artwork created by students from 30 different Minnesota schools.

The fourth-annual festival was comprised of two parts. During the first four days, 227 school buses transported Minnesota students to the Ordway Center to enjoy various performances. The weekend was geared for family fun and included free activities in Rice Park.



CHILDREN'S FESTIVAL



It took five sculptors eight days to create this magnificent sandcastle fit for fairy-tale royalty at the Children's Festival. Sculptors from Florida's Team Sandtastic transformed more than 300,000 pounds of sand into the magical structure.



◀ New to the 2004 Children's Festival, the Art Walk featured Minnesota students' masterpieces displayed in storefronts throughout downtown Saint Paul. Students served as docents during weekend Art Walk tours.

Festival attendees enjoyed this "cool" craft – decorating their own paper fan. Young artists used paints, crayons and markers in the FanFare booth sponsored by Flint Hills.



"The Flint Hills International Children's Festival is truly a highlight of Ordway Center's programming,"

said David Galligan, Ordway Center president and CEO. "This past year over 40,000 people like attended the Festival to see inimitable artists from places like Australia and China as well as our own region's talented performers. None of this would be possible without Flint Hills Resources. I am continuously grateful for their ongoing commitment to Ordway Center and the community as a whole."

stival
maginations

▶ Even booth volunteers had a fan-tastic time helping the more than 2,000 kids customize their own fan. Pictured from left are Pine Bend Refinery employees Anne and Kirk Waltzoni and Ken Coney (far right) and his wife, Julie.



◀ While performing artists from the New Shanghai Circus dazzled audiences with amazing feats – their acrobatic grace and athleticism is anything but new. The Chinese troupe carries on a tradition that dates back 2,500 years. The festival's headliner act combined acrobatics, flight, juggling and physical might to amaze audiences with one hour of circus magic.



◀ Local artists brought their hometown talents – in the way of singing, dancing and energetic performances – to entertain thousands of festival goers who gathered in front of the World Stage in Rice Park.

DARTS AWARD

DARTS Hits Bull's-Eye With National Business Award



DARTS mechanics not only keep their own organization's fleet of buses humming nicely, now they're taking in vehicles from other nonprofit groups.

Transportation is big at DARTS. The local service provider's buses logged more than 165,000 trips last year shuttling Dakota County seniors and residents to the grocery store, barber shop, doctor appointments and bridge club.

Transportation also means big business for DARTS, and the nonprofit organization was recognized nationally by the Yale School of Management and Goldman Sachs Foundation for its smart business model.

DARTS was one of four grand-prize winners out of 550 entrants and received \$100,000 at the Second National Business Plan Competition for Nonprofit Organizations awards in New York City last May. In addition to the cash prize, DARTS can access the expertise of business consultants for advice and direction on its Vehicle Maintenance Service – or VMS – venture.

In 2000, DARTS (Dakota Area Resources and Transportation for Seniors) opened the doors of its VMS garage to service cars, trucks and buses from other nonprofit organizations. Mechanics perform a variety of maintenance and repair at very competitive prices. They also work to improve vehicle safety and increase reliability.

"DARTS is a good example of a nonprofit organization that is seeking new sources of revenue in times of diminishing public funding," said Dick Graham, president of DARTS. "Our one-stop



Looking for a way to generate additional income, DARTS started its own business. Dakota Area Resources and Transportation for Seniors built this vehicle maintenance facility that currently services 400 vehicles annually for other nonprofit organizations. DARTS recently earned national recognition for its business model from the Yale School of Management and the Goldman Sachs Foundation.

vehicle repair and preventive maintenance solutions for specialized transit providers have brought about significant social return for DARTS as well as the community agencies we serve."

Currently, DARTS' VMS operates a six-car maintenance facility in West Saint Paul and services 400 vehicles from 60 different service agencies annually. Flint Hills Resources and DARTS have partnered on a variety of programs over the past 13 years, including the company's current support of DARTS' Reading Buddies literacy program.

IN GOOD COMPANY

The Best Of Spring

Flint Hills Resources' Pine Bend Refinery hosted several community events last spring, including the fifth annual Community Partners Luncheon, the 2004 International Children's Festival, and Discovery Scholarship Banquet. Below are a few memorable photographs from the fun and festivities.

A. Dave Robertson, Flint Hills president, (left) and Will Branning, Dakota County commissioner at Flint Hills' fifth annual luncheon.

B. Jim Simon, vice president for business planning, Flint Hills Resources with Eagan Mayor Pat Geagan and his wife at the Discovery Scholarship banquet.

C. Dr. Eric Jolly, Science Museum of Minnesota president, welcomes attendees to the Science Museum at the Community Partners Luncheon.

D. Mark Colchin, Flint Hills employee, and Rita, his wife, participate in the fun as festival volunteers.

E. Saint Paul Mayor Randy Kelly (left), Allen Wright, Flint Hills Resources, and David Galligan, Ordway Center president, help kick-off the Flint Hills International Children's Festival.

F. Pictured from left: Rosemount Mayor Bill Droste, Inver Grove Heights Mayor George Tourville, Flint Hills Vice President and Pine Bend Refinery Manager Jeff Wilkes and Apple Valley Mayor Mary Hamann-Roland.



Future Leaders Earn Discovery Scholarships

Top graduating seniors from 12 area high schools took center stage and were recognized for numerous contributions and achievements to their schools and communities during the Flint Hills Resources Discovery Scholarship Banquet last June.

Students – along with their parents, teachers, school counselors and local community leaders – attended a scholarship banquet and ceremony at the Science Museum of Minnesota. Each of the 24 scholarship recipients earned \$2,500 to help fund post-secondary education expenses. They also walked away with an inspirational message from keynote speaker Maya Babu, a University of Minnesota student and 2001 Discovery Scholarship recipient.

Babu encouraged graduates to be agents of change. “No matter where your path in life may take you, sharing a leadership vision that you believe in is important. We all have a part to play in creating a better future, and all parts are important.”

The University of Minnesota junior recently received the Truman Scholarship for her efforts in public service and on-campus leadership initiatives. She founded and coordinates the University Promise Alliance and serves on the national board of directors for America's Promise.

Babu also emphasized a “we” versus “me” approach to leadership, and explained that there is power within us to initiate

change in the world. “Assuming a leadership role is a chance to advance a vision, to enlist the support of others and to create opportunities. And it requires the power of we to accomplish our goals.”

Discovery Scholarship winners achieved a variety of milestones – both individually and through their various activities. For example, among the scholarship recipients, Flint Hills recognized Josh Lucas, captain of Lakeville High School's State Championship football team; Park High School's Molly Umbreit who has been a longstanding volunteer at the St. Croix Humane Society; and Cary Anderson, Eastview High School, who founded the computer rehab organization Tech for All.

In its 13th year, the Discovery Scholarship program has awarded approximately \$360,000 to more than 220 high school graduates.



Class of 2004 Discovery Scholarship recipients include:

Sarah Gauche and John Heisel
Apple Valley High School

Claudia Liddle and Nathan Loehr
Eagan High School

Cary Anderson and Alyssa Gehlen
Eastview High School

Katie Morris and Matthew Toppin
Hastings High School

Peter Erickson and Raina Fox
Henry Sibley High School

Caitlin Beckman and Joshua Lucas
Lakeville High School

Alex Carlson and Molly Umbreit
Park High School

Erin Kopperud and Angela Ford
Rosemount High School

Allie Berger and Lisa Johnson
School of Environmental Studies

Jenny Mandell and Emily Paulson
Simley High School

Lynn Chermak and Tyler Engelke
South St. Paul High School

Jon Harrison and Krista Duffey
Woodbury High School

CLEAN AIR MINNESOTA

Clean Air Minnesota: Partnership Aimed at Reducing Emissions

Prompted by growing concern over Minnesota's air quality, a voluntary partnership of businesses, environmental groups, government agencies, and citizens formed to find ways to reduce air pollution. The partnership – known as Clean Air Minnesota (CAM) – is studying what's happening at ground level when it comes to ozone emissions. Increasing levels of ground-level ozone – or smog – could have a serious effect on health, the environment and the state's economy.

CAM At A Glance

Founded in 2002, CAM's ultimate goal is to keep Minnesota below federal limits for ground-level ozone and particulate matter. If an area exceeds air quality standards, it affects health and environmental quality, but also can impact the economy. For example, if the Twin Cities exceeds these standards, it could be designated as a “non-attainment” area which could require costly mandatory controls to reduce air pollution.

Work Underway

CAM is working to reduce emissions from point sources, like power plants and manufacturing facilities; mobile sources, namely cars and trucks; and area sources, which consist of smaller facilities like printing shops and dry cleaners. Two key

pollutants, volatile organic compounds (VOCs) and nitrogen oxides (NOx), are both byproducts of combustion and react in sunlight to form ground-level ozone. To start, CAM has set VOC and NOx emission reduction goals in order to reduce ground-level ozone.

The project also is working on three emission reduction projects in two key business sectors: one focuses on reducing emissions in the printing industry; the other two target mobile sources and have identified solutions such as retrofitting diesel engines with pollution control equipment and working with fleets on emission reduction strategies, such as reduced idling.

CAM and its partners have also distributed 3,000 low-emission gasoline cans which are spill proof and help reduce emissions, particularly volatile organic compounds.

CAM Partner Participation

CAM is a program of the Minnesota Environmental Initiative. CAM is co-chaired by the Minnesota Chamber of Commerce and the Minnesota Center for Environmental Advocacy. All 51 CAM partners receive Air Pollution Alerts from the Minnesota Pollution Control Agency and encourage employees to reduce emissions

on those days. Some easy examples include: carpooling, delay mowing or using other gas-powered lawn equipment, and waiting to fill up vehicles after 8:00 p.m.



Along with Flint Hills Resources, others founding CAM members include 3M, City of Minneapolis, Ford Motor Company, Minnesota Pollution Control Agency, Target Corporation, U.S. EPA Region V, Hennepin County and Xcel Energy.

To learn more about Clean Air Minnesota, visit www.mn-ei.org/air

Clean Air Minnesota and its partners have handed out more than 3,000 low-emission gasoline cans featuring a special spill-proof design to help reduce emissions. An estimated 70 to 80 percent of gas can emissions are from evaporation and permeation from the can, the remainder is a result of spills during refueling or transport. Flint Hills gave out these cans to employees at a recent celebration lunch.

Community Advisory Council Seeking New Members

The Community Advisory Council (CAC) to Flint Hills Resources is looking for a few good men and women from seven different Dakota County communities to round-out their volunteer roster.

According to Joan Schnieder, CAC recruiting chair, there are member vacancies representing the following cities and townships that will be filled this fall:

Apple Valley	Hastings
Coates	Inver Grove Heights
Eagan	Vermillion Township
Empire Township	

Residents of these communities who are interested in applying to join the CAC can contact Michael Sutz, CAC coordinator, at (651) 429-8391. Or, visit www.pbcac.org for additional information or to print application materials.

Membership Overview

The CAC solicits new members each fall to represent the diversity of the citizens living near the Pine Bend Refinery while balancing age, gender, income, educational background, occupation, expertise and interests. The Minnesota League of Women Voters independently selected the group's first members in December 1998. The Council continues to use the process designed by the League to screen and select new members.

Twenty CAC members represent communities surrounding the refinery — Apple Valley, Coates, Eagan, Empire Township, Hastings, Inver Grove Heights, Nininger Township, Rosemount and Vermillion Township — as well as three Flint Hills Resources employees and a Minnesota Pollution Control Agency representative.

The CAC – 6 Years Strong

The CAC was founded in 1998 to develop an open dialogue between the community and the Pine Bend Refinery. Members meet monthly to review the status of activities and current issues related to Flint Hills Resources' Pine Bend Refinery that affect the local community. The public is invited to attend, and each session allows time for open comment and feedback. There are four CAC committees: Environmental; Safety; Communications/Community Activities; and Membership and Operations.

The CAC has participated in numerous community projects, such as selecting sites for air monitors around the perimeter of the refinery and hiring an independent environmental firm to interpret and report on the collected data. Other projects include overseeing Flint Hills Resources SEP (supplemental environmental projects) grants. Members also have been instrumental in researching the feasibility of developing a local Reverse 911 network to notify residents by phone in case of emergencies. Such a system would allow public safety agencies to quickly send automated messages to certain community sectors when an emergency situation occurs.

"Joining the CAC is a great opportunity for people who are concerned about the larger community as a whole and want to help make our neighborhoods a better place to live," said Lora Lambert, CAC member from Rosemount. "When I applied I thought a science or engineering background was necessary, but that's not true. Members have a wide range of backgrounds and that diversity is critical to our success."



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 Editorial Assistant: Fran Shepardson
 Editor/Writer: Kim Harbinson
 Photography: Jonette Novak
 Joe Culbertson
 Penny Lancaster
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