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Eureka 2017

A Message from your President - Tom Alberts

REMEMBERING- As we have just come through Christmas and the New Year, we seem to have the tendency to remember a lot of the memories of the past, whether good or bad. It's memories that seem to really affect our lives. In the middle of a book I like to read, it says "sorrow is better than laughter because it has an influence on us". For the most part memories can't change the past but can influence the future.

For as much as I can remember, at every board meeting since the merger, the board of directors has talked about the future and how to update the Eureka elevator. As I sat under a tree south of the Eureka elevator on the afternoon of July 30, 2018, after the explosion, the picture and memories of that day will be imbedded in my mind and heart for a very long time. It will be those thoughts and stories that will be shared with the next generations. Soon, we will have to rely on the pictures of the old elevator because most of it will be gone and replaced with new. It is the memories of how the old worked, or didn't work, that will hopefully influence the decisions of how the new is built for the betterment of all those involved.

Many times, without our consent we are forced into change by so called disasters, big or small that come out of nowhere, or the results of previous decisions. Yet, it is how a person or company recovers from these that really matters. A person has one of two choices, to sit back and harbor negative thoughts and complain, or learn and build on the knowledge gained to be better. I am often reminded that it is not the critic in the stands, but the men and women in the arena that deserves our attention. A very long time ago a person asked me the question which do you spend more time at, complaining or praying for the people or situation you're complaining about?

I just want to say thank you to all those involved in the Eureka arena for your willingness and determination to work through the results of July 30th, 2018. As you drive by, don't forget to remember all those who are using their talents and lives to take the past and build for the future.



Eureka Elevator Update

The New Year is upon us, and we would like to take a moment to reflect on last year, as well as bring our patrons up to speed on our current progress. The grain industry like other industries is one that is faced with many rewards along with challenges. On July 30th at 6:20 a.m., we suffered an explosion that crippled our operations. Thankfully, no one was hurt. Several fire departments responded and were able to get the scene under control. We would like to thank them again for their service.

The explosion started in the concrete house, traveled up the man lift and grain leg shafts, through the annex reclaim tunnel and Texas house on top of the annex, and through the tunnel to tanks 25 and 26. The house, 3,500 BPH grain dryer, and 10,000 BPH grain dryer were all deemed a total loss. Work commenced immediately to take down the house and grain dryers to make the area safe. This left us with one corn pit, one bean pit, and a 7,000 BPH dryer to work with during harvest. We had four bins in the concrete annex that we were able to use for holding wet corn. We loaded corn and bean trains at reduced speeds before and during harvest to make room for the new crop.



(October 1, 2018)



(November 1, 2018)

Harvest began, and we started to take wet corn about a week later than we were planning to. When starting the 7,000 BPH dryer we found the electrical system to be damaged. All told, it took a week to get it fixed and running. By this time, corn was rapidly drying down in the field, so we were able to run normal hours and keep up drying. We did see some grain work its way over to Secor and El Paso, which took pressure off Eureka. Our employees worked hard to make do with what we had available and harvest went smoothly, all things considered.

Plans were already in place for new receiving pits and wet storage space to be added before the fall of 2019. The explosion accelerated getting the project started, so we selected GROWMARK as the contractor and started moving dirt before harvest was finished. The original plan was to put three new dump pits in, add two 60' diameter tanks for wet storage, replace the 90' diameter bean tank, and add a 105' diameter bin for beans, while taking the four 48' diameter tanks out of service and eventually removing them.

This project is like remodeling an old house, where do you stop? We ended up not putting any new corn in tanks 25 & 26 just south of the office. We knew both tanks needed to be replaced in the near future. Rather than put any additional money into them, we decided to take them down now and put up an additional 105' diameter bin. As we continued to study the cost of fixing the annex, we finally decided it was best to take it down.

The new project will consist of the main hub being southwest of the office. It will feature three dump pits, each holding 1,100 bushels, and long enough to dump a semi in one stop. Each pit will be equipped with a 20,000 BPH receiving leg, giving us a total dumping capacity of 60,000 BPH. The dump house itself will be constructed out of concrete and support six overhead tanks on the roof. A new 12,000 BPH Zimmerman dryer will be installed west of the dump pits. The 7,000 BPH dryer that we used this past fall will be moved and placed by the new dryer giving us 19,000 BPH drying capacity. We will be adding a second scale to help move trucks through in a timely fashion. At the present time, we are planning on placing it east of the current scale, although we are not 100% decided on that. The traffic pattern will remain the same as it has been in previous years. Enclosed in this newsletter is a plan view showing the completed layout with everything removed that we are taking down, what we are adding, and bins for future storage.



(December 1, 2018)



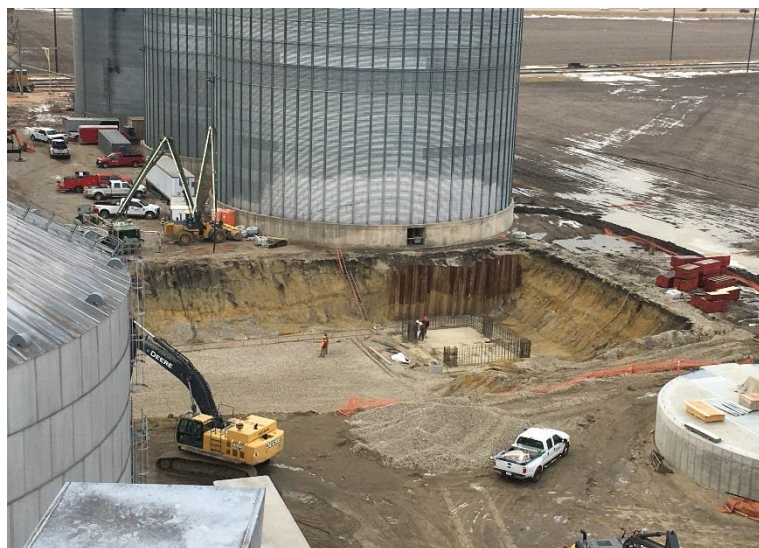
(January 1, 2019)

In the summer of 2018, we completed our rail expansion project to load 110 car unit trains. We can hit all the major railroads from the TPW, which opens the door to more marketing opportunities. Most railroads require the cars to be loaded in 15 hours or less. To meet this time demand we are installing a 60,000 BPH leg and bulk weigher to the west of the current rail tower. A 60,000 BPH belt conveyor will come from the boot pit to the new rail loading leg. This conveyor will be at grade level eliminating the need for towers.

The question about insurance coverage has been brought up often, and rightfully so. Our insurance company has stood behind us and they are good to work with. There are several components to our insurance package. We have coverage for equipment loss, grain loss, business interruption, and debris removal. We are well covered for equipment and grain loss but will come up a little short for business interruption and debris removal due to the amount of damage we sustained. The insurance company stated that we are well insured in comparison with other grain elevators.

What is the cost of the new project and how much of that will be covered by the insurance claim? The project is estimated to have a total cost of around \$25 million. The details of the insurance claim are still in the process of being worked out, but it is estimated to be around \$10 million. That leaves the project cost at \$15 million depending on final construction costs and claim amounts.

Questions have been asked about how patronage will be impacted considering the amount of money spent on improvements. Yes, we will continue to pay patronage. Our patronage is based on the amount of net income generated each fiscal year. We generate income through storage, drying, and grain merchandising. Thus, the more bushels we handle, the potential for higher income. The elevator depreciates capital expenses much like you would on your farm. Our depreciation expense will increase by a percentage of the project cost.



(February 1, 2019)

Construction is progressing and we expect to be fully operational by September 1st but the project will not be 100% complete. We appreciated your patience with us last fall and as we continue to move forward. Our staff worked hard to get through harvest and make the best of the situation. We have come a long way since the end of July, and we are excited to see this project progress. You can visit our website to see monthly updated pictures of the construction. Again, we thank you, our patrons, for your loyalty and patience during these past few months.



(February 1, 2019)

Minier Elevator Update

The world that we live in today is always changing, and that is no different for agriculture and the grain industry. Crop yields are continuing to trend higher and the pace at which the crop is harvested, seems to speed up every year. With the volume of grain handled and the pace at which it comes in, we are always looking for ways we can improve our receiving, drying, and storage capacities.

After making vast improvements at our Emden location in 2014, we started looking at how we could upgrade Minier. In the spring of 2017, we approached the city about the possibility of closing down Chicago Street and putting 3 new dump pits in that area. The city denied our request, so we went back to the drawing board.

Once the 2017 harvest wrapped up, we started the construction process with a new plan. The old elevator on the southwest corner of Chicago Street and Pennsylvania Avenue was torn down, as well as the Carter Day Dryer. Pit #2 was also removed during this time. The old dryer was replaced with a new 7,000 BPH Zimmerman dryer. The existing 4,000 BPH Zimmerman dryer stayed put, bringing our total drying capacity 11,000 BPH. Due to the fact that there is not enough natural gas supply to operate both dryers simultaneously, we put in a 30,000 gallon LP gas tank to supplement the natural gas on demand. The LP tank is located where the old elevator once stood.



A new 1,100-bushel pit was installed in Pit #2. Its length allows both hoppers of a semi to be unloaded in one stop. The receiving legs in Pit #2 and Pit #3 were both replaced with new 20,000 BPH legs. With this upgrade, it brings our total receiving capacity to 50,000 BPH, compared to the previous 30,000 BPH. We also replaced the wet and dry legs that are used to fill and unload the dryers. The old 15,000 BPH leg from Pit #3 was reused as the wet leg. A 12,000 BPH leg from our El Paso location was brought down and reused as the dry leg. Other various top and bottom conveyers were replaced to match the speeds of the new receiving legs and drying capacities. Lastly, a new PLC electrical system was installed, allowing our staff to operate most of the elevator from a computer screen.



Overall, the project went well even though it was completed a few days later than we would have liked. After a couple of days of operation, we were able to get the kinks worked out and harvest went smoothly. We saw large volume days, with very minimal wait times as the upgraded equipment made a huge difference in our handling abilities. Our future plans are to add reclaim conveyors, so we can retrieve grain from the two south 105' diameter tanks, as well as replacing additional top conveyors to improve the efficiency in the way we move grain during harvest.



We strive to keep our elevators updated to best serve you, our patrons not only for the current year, but for years to come. As we see volumes climbing and business growing, we know it is important to provide you with fast and efficient elevators to keep your harvest operation running. We hope you have a healthy and prosperous year. Thank you for your patronage.