



## Why we get involved with education

Education is a major focus area for Flint Hills Resources. Our educational system and educators face major challenges, and dealing with these challenges is a responsibility for all of us: business and business leaders, government and elected officials, as well as citizens in our community. We are all impacted by our ability to be successful in dealing with:

- new performance standards that are raising the bar for knowledge and skills of students,
- funding challenges and preventing the elimination of key programs,
- attracting and retaining quality teachers,
- aging campuses and facilities that add additional funding burdens, and
- managing the change in demographics over the next 20 years.

If we do not work in partnership and agree that this is a priority for all of us, then we are sure to experience a negative impact on the health of this country: society, business, quality of life, standard of living and our competitive advantages over other countries.

We must all work together as we face these challenges.

**Joe Coco**

Vice President Refining and Manufacturing Manager, Flint Hills Resources Corpus Christi Complex

## Demographer challenges city leaders to address critical education needs

Advancing educational proficiency among all Texans will result in higher incomes, increased consumer spending and tax revenues, as well as fewer demands on social services, said Dr. Steve H. Murdock, the state's official demographer, during a recent visit to Corpus Christi.

Murdock, director of the Texas State Data Center and professor of rural sociology at Texas A&M University, spoke at a presentation co-sponsored by the Corpus Christi Chamber of Commerce and Flint Hills Resources. In his remarks, Murdock highlighted the importance of education with his demographic data serving as a launching point for local efforts to improve education in the Coastal Bend.

Murdock said the state's population will increase dramatically in the next four decades and that increase is expected to come largely from the Hispanic population. The major challenge is elevating the educational attainment of all Texans to ensure a bright future for the state.

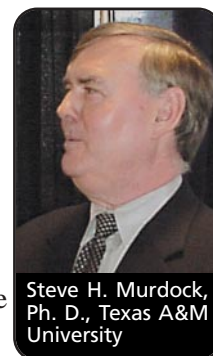
Carol A. Scott, 2003 Chamber of Commerce chair, announced after Murdock's speech that the chamber plans to start a local education fund to address ways to improve

education in the Coastal Bend.

Manuel Ugues, chief executive officer for the Coastal Bend Minority Business Council, said he left the presentation with the knowledge that local efforts are under way to address that challenge. "The local education fund is going to help address the challenges by coordinating on a regional basis the educational programs that are there to address the enhancement of education," he said.

Maria Goodloe, assistant superintendent for school services and elementary instruction at the Corpus Christi Independent School District, said she has seen a local education fund in

action in Denver. Local education funds are a joint effort between the community, business and education to focus on reform. The consequences of meeting the challenge of improving education are positive for economic development and the future of our community and the world, Goodloe said.



Steve H. Murdock, Ph. D., Texas A&M University



FHR employees volunteer as mentors at Oak Park Elementary school.



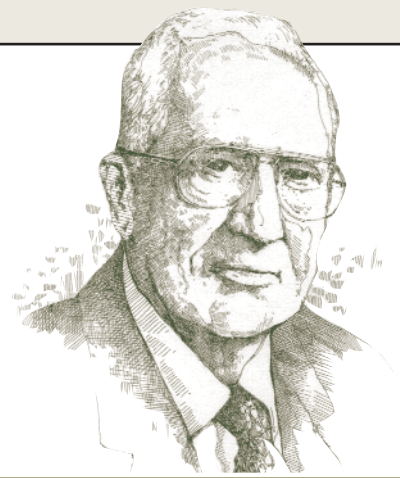
## These three names are synonymous with "achievement"

Three of Corpus Christi's most prominent and influential business leaders will be inducted into the Corpus Christi Business Hall of Fame this spring. The ceremony and banquet, scheduled for April 9, 2003 at the Omni Bayfront Hotel, and sponsored by Flint Hills Resources, will honor Sam Kane of Sam Kane Beef, Mel Klein, president of GKH Partners, and Bernard Paulson, chairman of Tor Minerals International.

All proceeds of the Corpus Christi Business Hall of Fame benefit Junior Achievement of the Coastal

Bend. This year the Junior Achievement program, which is the largest and fastest-growing business and economics education organization in the world, will reach more than 9,280 students with the help of approximately 400 classroom volunteers.

For ticket information or further information regarding this year's Corpus Christi Business Hall of Fame, or information about how you can become a part of Junior Achievement, please call Jayne Woodall at 361-242-5243.



**Sam Kane**, a Czechoslovakian immigrant, founded a small butcher shop in Corpus Christi in 1949 with the primary objective of providing customers with high quality meats and service. Sam Kane Beef has become one of the nation's largest beef processors and is one of the last remaining independent beef packers in the country. The company pioneered the use of high-voltage electrical stimulation to increase the palatability and tenderness of beef carcasses. That innovation remains an important part of their efforts as they forge into branded beef products.

**Mel Klein** is president of GKH Partners. He has been President of JAKK Holding Corp., a General Partner of the investment partnership GKH Partners, L.P. since 1987. Klein has been an Attorney and Counselor-at-Law since 1968. He was a Founder and Principal of Questor Partners Fund, L.P. from 1995 to 1999. Klein was a member of the Advisory Committee on International Economic Policy to the U.S. Secretary of State. He also is a board member for Bayou Steel Corporation and Hanover Compressor Company.

**Bernard Paulson**, currently serving as a Corpus Christi Port commissioner, is chairman of Tor Minerals International and is a retired president from Koch Petroleum Group. Tor Minerals manufactures pigments and pigment extenders for paints, industrial coatings, and plastics. The company's customers include paint and plastics manufacturers such as Sherwin-Williams and Formosa Plastics. Paulson also serves on the Driscoll Children's Hospital Development Board, Coastal Bend Community Foundation Board of Directors and is treasurer of the Corpus Christi Regional Economic Development Corporation.

OPERATIONAL ACHIEVEMENTS

### Our first year as Flint Hills Resources

In January 2002, Flint Hills Resources introduced its new name to the Corpus Christi community. The change was the result of parent company Koch Industries' decision to operate its petrochemical division as an independent compa-

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ny. While adapting to the change from the familiar "Koch Petroleum Group" will take time, "Flint Hills Resources" is beginning to sound familiar after a year's worth of accomplishments and continued community involvement. The name, derived from the Flint Hills of Kansas, is appropriate since Koch Industries is geographically based in Wichita, Kansas. Flint Hills Resources operates refining complexes in Minnesota and Corpus Christi with a total daily processing capacity of around 600,000 barrels of crude oil. The company also is a leading producer of petrochemicals and related products and its trading offices serve markets worldwide. The company markets a full slate of petroleum products – gasoline, jet fuel, diesel, heating oil and others, including value-added fuels such as cleaner-burning gasolines and performance diesel fuels. And although the name may have changed, some things have remained the same. "Among the priorities for Flint Hills Resources is our on-going environmental, health and safety commitment," said plant manager Joe Coco.



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In 2002, the Corpus Christi plant achieved a 0.28 incident rate, which is 80% below the industry average, and has gone two years without a lost-time injury. The 2002 National Petrochemical and Refiners Association award for safety achievement will be presented to Flint Hills Resources Corpus Christi Complex for the second consecutive year during the association's annual safety awards banquet this year. A recent study showed that the Corpus Christi plant averaged 64% less pollution than its peer refineries. It also is at the forefront of developing and supplying environmentally friendly fuels to the communities it serves, and has invested \$145 million in refinery upgrades to produce lower-sulfur and cleaner-burning fuels. The company's new sulfur-processing unit is scheduled to be completed this year.



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Flint Hills Resources employees celebrate the anniversary with barbecue and birthday cake.

### Demographer,

continued from page 1

Murdock told the group another important demographic shift will occur in 30 to 40 years when one in five Texans will be 65 years old or older. As Texans age, they are less likely to approve bond issues and tax increases to pay for

improving the future. Added to that problem is the "65 freeze" mandated by state law that freezes the value of a person's home when they turn 65. That loss of increase in appraised value means fewer dollars for taxing entities, including school districts, which by 2030 will lose one out of every six

potential tax dollars to the "65 freeze."

For a copy of Murdock's presentation go to <http://txsdc.tamu.edu/presentations/> and click on the link for "1/13/03."



The life and work of Dr. James Simpson, was recently honored during Driscoll Children's Hospital's annual *Fiesta de los Niños*.

Dr. Simpson, a Corpus Christi native, worked for over three decades leading his team of mobile cardiologists to small towns to treat children of South Texas. Through his vision, the Children's Heart Institute of South Texas was formed. Starting from seven clinics, it has grown to 29 clinics serv-



ing 35 surrounding counties treating 8,000 children a year.

A colleague, Dr. James Sutherland, wrote in a letter published in the *Corpus Christi Caller-Times* that Simpson's death last October "represents the passing

of one of this country's most dedicated physicians to the care of children with heart disease."

Dr. Simpson has been honored many times for his work. Driscoll Children's Hospital named its James Simpson Cardiac Catheterization Laboratory for him and a 1997 resolution passed by the Texas senate praised him. The resolution said: "The residents of South Texas have benefited immeasurably from the care and concern of this compassionate physician."

The money raised from this year's sold out event will benefit Driscoll's cardiology program, which offers a full range of pediatric cardiac services. State-of-the-art cardiology equipment assists Driscoll's pediatric heart specialists in performing more than 4,000 diagnostic procedures and more than 200 cardiac surgeries every year.

*Fiesta de los Niños* is Driscoll Children's Hospital's annual fundraiser, bringing in more than \$1.6

million for various patient programs at the hospital since it began 11 years ago. Although it started small, the fund-raiser is now one of the most successful in the state. Each year the money

raised goes to a different part of the hospital. Last year's event brought in more than \$300,000 for the Children's Asthma Center.

"*Fiesta de los Niños* continues to be a major source of funding for our hospital," said Rick Merrill, president and CEO of Driscoll Children's Hospital. "Once again we experienced an outstanding evening of entertainment and fun, helping us advance our mission to provide vital medical services to children throughout South Texas."

Flint Hills Resources was the event's first sponsor and has contributed almost \$330,000 in the event's history, making the company the largest contributor. Approximately 10,000 people have taken part in the annual celebrations that have helped fund medical care for thousands of children.

PHOTO: Dr. Simpson at home with his grandson and dog.

## Visionarios seeks expressions of youthful vision and creativity

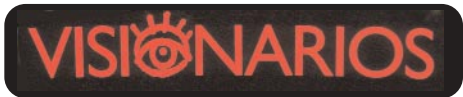
South Texas Institute for the Arts, Corpus Christi Museum of Science and History and Flint Hills Resources are sponsoring the 2003 *Visionarios* Youth Art Contest, a juried art competition open to students in grades 1 through 12. The theme for 2003 is *Discovering Tomorrow. Today.*

"This theme reflects the vital role art plays in helping us learn about ourselves and our world so we can make it a better place," said Rich Tuttle, director of regional public affairs for Flint Hills Resources. "We hope *Visionarios* will encourage young people to envision a bright

future for themselves, to set goals and to work toward those goals. After all, today's students will be tomorrow's employees, professionals, and leaders. We are counting on them to create a bright future for all of us."

Research shows that students who study the arts perform better in the classroom and on standardized tests and are less likely to drop out of school. Arts education has also been proven to help students develop the self-discipline, cooperation, and self-motivation necessary for high achievement in school and in the workplace.

Categories include photography, painting and dry media. The deadline for entries is 5 p.m. March 28. There is no entry fee. All entries will be exhibited at one of the museums, and winning students and teachers will receive cash awards and be recognized at a reception. Complete information about the competition is available online at [www.stia.org/education.html](http://www.stia.org/education.html) or by calling the Art Museum of South Texas at 825-3504.



## Livestock show helps youth reach their education goals



Clayton Laing, shown with his project, a chester pig says, "I am going to put the money I received from my pig into a college fund and pay back my parents for feed expenses. Raising, feeding, exercising and caring for my pig has been a fun experience that has taught me a lot about responsibility." Clayton is the son of FHR's Jeff Laing.

The month of January represents more than just the start of a new year. For Nueces County and San Patricio County youth, it is the culmination of all their hard work and efforts on projects that provide funding for future education.

The youth are participants in the Nueces County and San Patricio County Junior Livestock Shows. Each year, youth involved in Future Farmers of America, 4-H and Family, Career

and Community Leaders of America (FCCLA) exhibit animal projects, woodworking and welding projects and homemaking entries.

For months these young people have raised, groomed and trained horses, cattle, swine, and poultry, or demonstrated their skills in homemaking or skilled crafts as projects to be displayed, judged and sold at the annual Junior Livestock shows. During this time they use critical thinking skills and make economic decisions.

The youth learn responsibility and accountability as they manage their projects. They also demonstrate writing skills as they maintain daily reports on their projects.

Shawna Smith, a senior member of the Calallen FFA and daughter of FHR's Mark and Pam Raska, says it best, "I am looking forward to show time.



Jenna Seago, shows her goat, Duke. Jenna, a 6th grader at Calallen Middle School, is the daughter of FHR's Jimmy Seago.

I have learned a lot and found new ways to improve my project," (broilers). "I also realized the opportunities the livestock show offers the youth in our community," she adds. "This program provides a great learning experience and an opportunity to acquire real life skills. I have learned how hard work, dedication and commitment can make an impact in the quality of a show project."

Flint Hills Resources is committed to providing educational opportunities for youth. The company has been a proud supporter of the Nueces County and San Patricio County Junior Livestock shows for many years by participating as a buyer in the Livestock Show and Sale which concludes the annual event. Money youth raise from the sale is used toward their college funds. The company also sponsors awards to the winners of the welding contest to demonstrate the importance of this skilled trade in industry. The livestock shows give "leaders of tomorrow" an opportunity to learn about responsibility, accountability, competition, sportsmanship and recognition for a job well done.

### EMPLOYEE SPOTLIGHT

## Amateur radio operator puts skills to use for NASA

An interest in emergency communications and a desire to help others caused Steve Hampton to become involved in amateur radio communications back in 1993. It was the same reason he answered NASA's call for volunteers in the search for the debris of the Columbia space shuttle and her crew.

Steve, a Flint Hills Resources Information Technology Architect who provides IT support for the company's capital projects, received an e-mail notification from the regional amateur operators association extending the call to radio operators throughout Texas. NASA was in need of skilled amateur radio operators to assist in the extensive

shuttle search and recovery efforts in East Texas.

Steve Hampton traveled to the small community of San Augustine, Texas, February 11-13, assigned to work with Team Lima, a group representing various governmental agencies. Each day from sunrise to sunset, team members fanned out, trekking over rugged terrain including dense forest, thick brush and briar patches. Other volunteers worked to feed and support the search teams.

On Wednesday, Team Lima found a 9x9 piece of circuit board and a hose coupling. These items were positively identified as parts from the Columbia spacecraft. It was an emotional experience for Steve as he held the small

piece of computer circuitry in his hand.

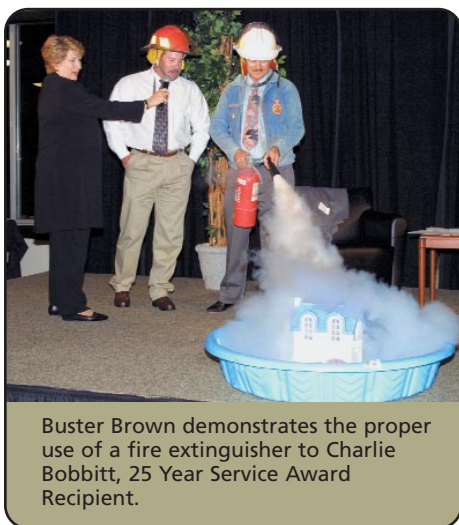
Steve described the search as the most memorable and moving volunteer effort he has participated in since becoming an amateur radio operator.

One of 90 members in Corpus Christi's amateur radio club, Steve also assists the City of Corpus Christi with its EOC operations and planning in the event of a weather emergency or other disaster. He has been an FHR employee for 16 years.



## Employees celebrated for service

Flint Hills Resources recognized some very special employees for years of service and dedication at the annual Service Awards banquet on December 3. Over 200 employees and their guests were treated to an evening of food, entertainment and fun at the Solomon P. Ortiz International Center.



Buster Brown demonstrates the proper use of a fire extinguisher to Charlie Bobbitt, 25 Year Service Award Recipient.

Kathryn Childers, formerly of KIII-TV 3, served as the emcee for the evening's entertainment, which featured a *This is Your Life* format. An employee selected from each five-year category shared information about their life and participated in hilarious skits based on a prearranged biography. Recognized on stage were: Susan Pizana (5 years), Robert Russell (10 years), Allen Rogers (15 years), Rod Rothlisberger (20 years), Charlie Bobbitt (25 years), Diane Tamez (30 years), and Don Spittler (35 years).

It was a great opportunity for everyone to share experiences and learn more about their talented co-workers. Eddie Olivarez and his jazz band provided music throughout the evening.

Jim Mahoney, executive vp-operations of Flint Hills Resources,

### 35 YEARS

Wayne Alexander  
Don Spittler  
Roger TenNapel

### 30 YEARS

Hector Cantu  
Jerry Champion  
Gilbert Gonzales

Henry Herrera  
Mike Johnson  
Diane Tamez  
Eddie Ramirez  
Dean Vickers

### 25 YEARS

Charlie Bobbitt  
Butch Bookout  
Mickey Brown  
Steve Crockett  
Lino DeLeon  
Ricardo Garcia

Robert Halbrook  
Chris Hale  
Wayne Jackson  
Arnold Mendoza

Gary Ralston  
Keith Wells

### 20 YEARS

Mike Aaron  
Allison Arnold  
Judy Benedict  
David Davila

Manuel DeLeon  
Gil Farias  
Richard Gidrey  
Dora Gusman  
Monty Hughes  
Matt Kline

Leonard Lewis  
Wendell Lovely  
Rip Riebschlaeger  
Rod Rothlisberger  
Danny Smith  
Randy Smith  
Tony Story  
Dan Sullivan  
Lee Tuttle

Joe Villarreal  
Larry Weigelt  
Rick Whaley  
John Williams

### 15 YEARS

Buster Brown  
Patti Carrell  
Bob Coon  
Joe Drennan  
Ruben Gomez  
Joe Gonzalez  
Ruben Herrera  
Jerry Hoefling  
Jeff Langelhennig  
Frank LeBlanc  
Dennis Litton

Cheri McCormick  
Bob Miller  
Tim Nicol  
Jeff O'Neal  
Charles Patrick  
Allen Rogers  
Ronnie Segovia

Gery Valle  
Mike Walker  
Lynn Williams  
John Williamson  
**10 YEARS**  
Tom Atkinson  
Andy Banda  
Leo Bazan

J. P. Bednorz  
Henry Benavides  
Mark Blevins  
Chuck Bockholt  
Lee Brooks  
Steve Byers  
Eliseo Cantu  
Jeff Cheatham  
Mike Clevenger  
Tony Coberley  
Armando Cortez



30 Year Service Award Recipient, Diane Tamez, modeled the latest biker gear.

Joe Cruz  
Dennis Duke  
David Escobedo  
Rick Falcon  
Mark Flores  
Joel Garcia  
Mike Garcia  
Gabe Gatica  
Bobby Gawlik  
Kelly Goldston  
Darrell Green  
Rick Higerd  
Don Linsteadt  
Roland Longoria  
Rick Lozano  
Paul McCown, Jr.  
Edlyn Menezes  
Olan Moore  
Jimmie Moretich

represented the corporate office in Wichita, Kansas and distributed the awards to employees as they were recognized. He was assisted by Joe Coco, vice president refining and manufacturing manager of the Corpus Christi complex.



Don Spittler, 35 Year Service Award Recipient, and Joe Coco stole the show with a grocery sacker race.

- |                   |                   |                 |                  |
|-------------------|-------------------|-----------------|------------------|
| Brad Peeples      | Peter Staneland   | Chris Zepeda    | Mike Lovett      |
| Pete Pena         | David Stone       | <b>5 YEARS</b>  | Oswaldo Medellin |
| Paul Pieper       | Ken Tavares       | Mike Adams      | Dan Norris       |
| Ron Porter        | Pat Terpening     | Bart Aupperle   | Hector Perez     |
| Ralph Rabke       | Henry Trueba      | Chris Brooks    | Susan Pizana     |
| Kevin Robertson   | Victor Valadez    | Andy Cunningham | Austin Prather   |
| Martin Rodriguez  | Carlos Vasquez    | Sean Curry      | Rick Salazar     |
| Richard Rodriguez | Buddy Veliz       | Debbie Harris   | Jenni Sliter     |
| Robert Russell    | Rick Wilson       | Craig Jones     | Randy Villarreal |
| Oscar Saenz       | Billy Worthington | Kelly Jones     |                  |
| Troy Sample       | James Young       | Johnny Kiser    |                  |

## Welcome New Employees

Flint Hills Resources – Corpus Christi would like to welcome new employees:



**Kenneth Ray Sharp**  
PSR–Level 3  
Instrument Tech  
Nov 18, 2002



**Mike Hallgarth**  
Environmental  
Advisor  
Koch Pipeline  
Transfer  
Dec 16, 2002



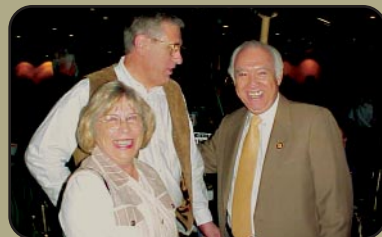
**Vicente Villarreal**  
Production  
Specialist –  
Intern  
Jan 6, 2003

## On Location: Fiesta De Los Niños



ABOVE: Corpus Christi City Councilman Henry Garrett and his wife, Nancy, sit down for a delicious barbecue meal.

BELOW: Roger and Sandra TenNapel of Flint Hills Resources welcome U.S. Congressman Solomon P. Ortiz, a guest of FHR at the Driscoll Children's Hospital event on February 21.



RIGHT: Louis and Rose Garza take a look at silent auction items. Louis is with American Bank and is the chairman of the Corpus Christi Hispanic Chamber of Commerce board of directors.



BELOW: Employee volunteers from Flint Hills Resources sit back and enjoy the entertainment of Jerry Jeff Walker.



ABOVE: FHR volunteers, members of the employee recreation club, posed for the camera during a break in the food serving line. The employees prepared the barbecue beef dinner with all the trimmings.

RIGHT: Amy and Bruce Tylock of Flint Hills Resources participate in the silent auction.



## Calendar of FHR Events

Visionarios Deadline	Mar 28
Egg Hunt	Apr 5
Visionarios Exhibit	Apr 8-27
Junior Achievement	
Hall of Fame Banquet	Apr 9
March of Dimes Walk	Apr 12
Earth Day / Bay Day	Apr 12
Visionarios Awards	Apr 22
Adopt-a-Beach Cleanup	Apr 26
Halo Flight Golf	
Tournament	May 5
Beach to Bay Marathon	May 17
Relay for Life	May 17
Picnic	May 17
Operation Paintbrush	May 31

## InSight Spring Preview

*InSight* is one of the tools we use to share information with the community. In the next issue look for news on:

- Community partnership for Education: the Tuloso-Midway Independent School District
- Completion of FHR's new high tech low sulfur fuel processing unit
- Low flare technology
- Safety achievements
- Flint Hills Resources Community Advisory Council nature tourism alliance project

### SAFETY REPORT



## Refinery achieves best-ever safety record

### *No Lost Time Injuries in 2002*

Flint Hills Resources employees at the company's Corpus Christi refining complex completed 2002 with their lowest-ever health and safety incident rate and zero lost-time injuries.

- At 0.28, their 2002 Occupational Safety and Health Administration (OSHA) recordable-incident rate was the lowest in plant history.
- This compares to an 8.1 rate for all U.S. manufacturing facilities and a 1.4 rate for the petroleum refining industry.
- The facility achieved an incident rate 96 percent lower than the broader industry average and 80 percent lower (or five times better) than the average among U.S. refiners.
- The Corpus Christi employees surpassed two years without a significant workplace injury.
- They have gone more than 4 million work-hours and safely processed more than 185 million barrels (nearly 8 billion gallons) of crude oil without a lost-time incident.

These accomplishments place Flint Hills Resources among the nation's safest refining operators, according to National Petrochemical & Refiners Association statistics and demonstrates the company's strong commitment to operating in a manner which protects the health and safety of employees, contractors and the community.

"An injury free workplace is a top priority for us," says Joe Coco, FHR vice president refining and manufacturing manager at the Corpus Christi facility. "Our employees daily demonstrate their commitment to maintaining the highest safety standards. With a facility as large and complex as we have, this achievement is outstanding, and we'll continue to exhibit the dedication and vigilance needed to keep this record going."

FHR's safety record reflects employees' active participation in programs to promote on-the-job safety. The facility has earned "Star Status" in the OSHA's Voluntary Protection Program – a designation earned by only the top 11 percent of refining facilities for workplace safety.



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