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**ESOP Communication Committee**

Doc Archambault, Chris Albright,  
Ed Anderson, Chris Weinell,  
Larry Saunders, Richard Hunziker, Jack Schaaf, Dan Crater, Ross Parker, Rick McMahon, Elise Puhala, Chris Hernandez, Ridge Wilson,  
George Norwood.

# 2016 ESOP Communication Committee

By: John "Doc" Archambault, Equipment Manager



As newly appointed Chairperson, I would like to take this opportunity to send out a special thank you to all of our outgoing ESOP Communication Committee members for all their hard work and dedication in 2014 and 2015. First up, I would like to thank Brian Janski from Tucson our

purchasing agents and with KE&G for 4 years. Also we have three new members from Sierra Vista, George Norwood, Pipe-layer, 13 years. Rick McMahon, Foreman, 5 years. Ciriaco Martinez, Concrete Finisher, 3 years. Each member has volunteered to provide 2 years of service on our Communication Committee. Last but not least, Chris Weinell our Controller has been with KE&G for 2 ½ years. Chris is our newest permanent member helping our committee with his ESOP knowledge and expertise.

outgoing 2015 Chairperson and from Sierra Vista Tammy Messer outgoing 2015 Secretary, they both did a fabulous job running our meetings and organizing all our 2015 events. Also a big thank you to outgoing members, Jeff Olejnik, Bill Miller, and Chuck Ugalde who served on our committee for the past 2 years helping with planning and preparations for our Family Day Picnic, Community Service and Charity Work.

In addition to our new members, I would also like to recognize our current committee members that will be contributing for one more year, Richard Hunziker, Jack Schaff from Tucson and Dan Crater from Sierra Vista. Also, we need to give a shout out to Ed Anderson from Tucson and Larry Saunders from Sierra Vista, who both are continuing their roles as permanent ESOP Communication Committee Members.

Next we all need to welcome our newest committee members. Ross Parker, newly appointed Co-Chairperson, is one of our superintendents working out of our Sierra Vista location; he has been with KE&G for 3 years. Elise Puhala, our newly voted secretary, she works out of our Tucson Office, she is our Contract Administrator, and she has been with the company for 8 years. Ridge Wilson, working out of the Tucson location, he is one of our

Our KE&G Communication Committee Members are already hard at work this New Year. Our first order of business is planning and preparing for our annual Family Day Picnic, which is normally our largest ESOP event of the year. This year's picnic is scheduled for March 19th between 9:00 a.m. and 1:00 p.m. at the Lions Park in Benson, AZ. It will include a barbeque; jumping castle, obstacle course, games, piñatas and lots of awesome prizes. *See ESOP Committee on page 2*

# New Paid Time-Off Policy at KE&G

by: Ed Anderson, Vice President

In January 2016 KE&G unveiled our new PTO (Paid Time Off) policy. The announcement was made to all of the employees early morning in January in the Tucson and the Sierra Vista shops. The PTO policy will allow employees to earn paid time off for vacations, illness, or personal time. KE&G employees will be able to accrue a maximum of 2 years' worth of PTO.

As a company, we were able to offer this program due to the efforts of all of the KE&G employee owners. Your dedication and commitment to



The announcement was made simultaneously in both locations and the response from all of the employees was overwhelmingly enthusiastic and very much appreciated.

KE&G is outstanding and with your continued support we can provide even more benefits in the future. Keep up the good work and thank you.

Happy Easter!



## 22nd Street and Southeast Interceptor Sewer Augmentation Projects

By: Brian Janski, Project Manager

2016 is an exciting year with some fun upcoming projects. Our hard work in 2015 translated into two great upcoming pipeline projects, the \$3 million 22nd Street Sewer Augmentation CMAR and \$16 million SEI Sewer Augmentation CMAR. 22nd Street CMAR is currently under construction, included is the upgrade of 24", 30" and 36" diameter water lines, as well as installation of 1 mile of new 12" sewer down 22nd Street between Alvernon Way and Swan Road. Once the sewer is completed, KE&G will mill/overlay the asphalt along the sewer line. The anticipated completion of that project is August. SEI Sewer

Augmentation is scheduled to get started in June of 2016 and finish up in late 2017. This project includes the installation of approximately 2.5 miles of new 48", 42", 36" and 30" diameter pipe, five concrete junction structures, 33 manholes, storm drainage upgrades, 11 Jack & Bore installations, milling/paving, and waterline relocations. Also included is the bypass pumping of the existing sewer lines with each line conveying approximately 10 million gallons of water daily. These two projects provide KE&G with stable, consistent projects and allow for us to self-perform the majority of the work for the upcoming years.



Joint bond welding on a 36" ductile iron pipe at 22nd Street and Alvernon Way. Pictured above is Nick Zedaker, Andrew Joyal, and Angel Perez.

## ESOP Committee

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Our committee is planning on having some of the best gifts and prizes ever. Committee

members are also planning community service events again this year, we will be looking for volunteers for Adopt-a-Highway Busby Drive coming on April 23rd.

We will also be planning our 2nd Annual shareholders meeting sometime this summer. To finish off this year we will be collecting Toys for Tots this December before the Holidays.

Our purpose as committee members is to communicate and educate our entire workforce, to help them plan, purchase,

operate, and work like an owner. If anyone has any ESOP questions or concerns all the above mentioned employees will gladly answer any of your questions or find out the answers for you if they cannot answer them.



## Sulphur Springs Valley Electric Cable Replacement

By: Ben Carter, Project Engineer

In January of 2016, KE&G began the process of installing conduit for Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC). This project involves 3,516 linear feet of open cut trench, installing 6,729 linear feet of PVC conduit, 4 directional bores with a minimum depth of 52 inches, and installing new transformer bases and service pedestals. The conduits are being installed along the service allies of Cushman Drive, Buena Drive and Yaqui Street.

Construction began in late February with the project's sole subcontractor, R Directional Drilling & Underground



Technology, Inc. They completed 250 linear feet of directional boring within 2 working days. By March 1, KE&G was able to begin trenching for the installation of the PVC conduits. KE&G Project Engineer Ben Carter is diligently working

with KE&G's on-site Supervisor Chuck Ugalde to ensure this project remains on schedule and completed within budget.

The new conduit is being installed through service alleyways in an older area of Sierra Vista. These alleys contain a large amount of existing utilities which involves taking precautionary steps to avoid any incidents that may affect our safety record or cause any deterrence from our schedule and budget. Another challenge that these alley ways presents us with are the narrow area that gives us little room for equipment and materials storage. The estimated completion of this project is currently scheduled at the end of March.



## Hazards of the Sun by Vince Rosales, Safety Manager



As the months draw nearer to Tucson's hot summer days, let us keep in mind of the hazards involved while being exposed to the 110 degree heat, along with the ultraviolet (UV) rays. Though we do practice safety precautions by keeping you out of the hottest parts of the day during the summer months, other practices can assist in preventing the hazards of the sun.

### What are the dangers of sun exposure?

The immediate danger of too much sun is sunburn. If you looked at sunburned skin under a strong microscope, you would see that the cells and blood vessels have been damaged. With repeated sun damage, the skin starts to look dry, wrinkled, discolored, and leathery. Although the skin appears to be thicker, it actually has been weakened and, as a result, it will bruise more easily. However, the sun's most serious threat is that it is the major cause of skin cancer, which is now the

most common of all cancers. Doctors believe that most skin cancers can be avoided by preventing sun damage.

### How can I avoid the harmful effects of the sun?

Staying out of the sun is the best way to avoid sun damage, but most of us go outdoors regularly. So when you go outside, take these precautions:

Always wear sunscreen. Apply it on your skin every day. Make it a habit, as you do with brushing your teeth.

Avoid sun in the middle of the day, from about 10 am to 3 pm. The ultraviolet rays, which cause sunburn, are strongest during this time.

Wear protective clothing. When you do go outdoors, especially for long periods in the middle of the day. Long sleeves and slacks, as well as a wide-brimmed hat, help protect your body against the sun's harmful effects.

Wear sunglasses that filter UV light.

### What is SPF in a sunscreen?

SPF stands for sun protection factor. The SPF number tells you how well the product will protect you from UVB, the burning rays of the sun. (Most sunscreens also absorb ultraviolet "A" rays, or UVA.) The higher the SPF number, the greater the amount of protection, this is why everyone should use a sunscreen with an SPF of at least 30. If you have had a skin

cancer or pre-cancer, you should use a sunscreen with an even higher SPF. Many of the new sunscreens have SPFs of 45 or higher.

### How should sunscreens be applied?

Sunscreens are very effective when used properly. Follow these guidelines to give yourself the most protection:

Apply the sunscreen at least 20 to 30 minutes before you go outdoors, whenever you will be exposed for 30 minutes or more.

Reapply sunscreen every 2 hours while you are outdoors, even if the product is labeled "all-day." If you get wet or perspire heavily, reapply sunscreen more frequently.

Cover all exposed areas, including your ears, lips, face and back of your hands.

Don't skimp; apply a generous layer. Smooth it on rather than rub it in. A rule of thumb is that 45 ml (a shot glass) of sunscreen is needed to cover all exposed skin to attain the stated level of protection.

By following these simple safety and health practices, you're able to reduce your chances of getting skin cancer, living a healthier and longer life to enjoy. Being that Arizona is well known statistically for its high number of skin cancer patients, don't let yourself be a part of it. Stay hydrated, cover-up, use sunscreen, and enjoy your summer. Stay cool, stay safe!

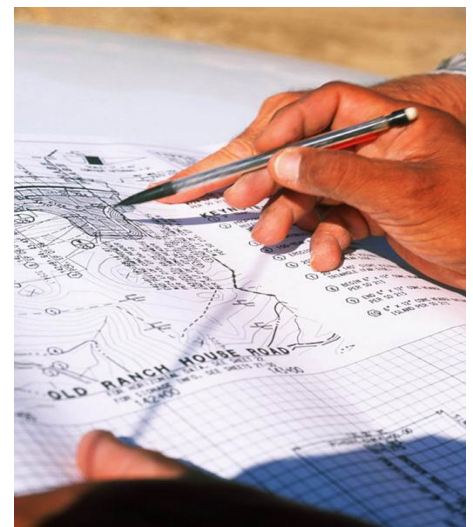
## What's New at KE&G By Mark Campbell, Project Manager/Estimator

The estimating department has been operating at full capacity. We would like to introduce a new addition to this department, Terry Marshall. Terry has a solid background in heavy estimating and take off software, along with many years of experience in Project Management.

Public and Private opportunities have picked up over the last 2 months, with a noted increase in subdivision and commercial work, including generous quantities of earthwork. This indicates that the builders are feeling less worried about the construction of larger sites. In the past, most developments were limited to small 30-60 lot phases as they attempted to control their risk in today's

housing market.

KE&G was recently awarded the Stone Ave project from Drachman to Speedway. This project is valued at 2.5 million with an 8 month project duration. Construction is expected to begin in late March. It involves the removal and realignment of Stone Ave, starting on the North side of Drachman and progressing South through the Speedway intersection to 1st Street South of Speedway. It will include a fair amount of work for underground and concrete crews, along with all of the usual requirements for earthwork crews when constructing new roadways in a city setting.





## New Additions to KE&G's Fleet By: Ridge Wilson, Purchasing Agent

In 2015 we had a great year, we finished major jobs, had very few injuries and our stock value went up about 70%. With these big accomplishments we were able to make a great investment into our fleet. We were able to add two brand new 2015 Ford, F-450 underground crew trucks and one brand new 2015 Ford F-350 crew cab concrete crew truck to our inventory. #702 is located in Tucson, driven by Ricardo Contreras, #703 is located in Sierra Vista, and driven by Cliff Klamath. #704 is also located in Sierra Vista, driven by Sergio Barrea. All three trucks were impressively

up fitted at our Tucson Shop due to the hard work of, Tim Jones, Mike Porter, Chad Moussette, Cuauhtemoc Rubio and Jack Harris. Great Job Guys!

We were also able to add four late model 420E Backhoes and one 320E Excavator to our fleet. These investments were all made possible by the hard work we all do by making wise and safe decisions and continuing to do our jobs in a productive and orderly manner. Keep up the great work and let's keep the company growing!



## Health and Fitness from: BlueCross BlueShield of Arizona

Whether your goals are physical, such as losing weight and maximizing energy, or emotional like dealing with stress and improving your mood, Healthways Fitness Your Way can help you meet your goals, on your budget and do it all on your own time. Healthways™ Fitness Your Way offers access to nearly 9,000 different fitness locations for just \$25 a month, as well as other health and well-being specialists and discounts.

### Fitness for your budget

- Only \$25 per month (plus local tax), with a 3-month commitment
- Get up to 30% off on more than 40,000

experienced health and well-being specialists including, massage therapists, personal trainers, nutrition counselors, yoga and pilates instructors and more\*

- Save on vitamins, exercise equipment, aromatherapy, organic products, and unique gifts\*

### Fitness for your time

- Visit any participating fitness location— anytime, anywhere — as often as you like
- Locations include select Anytime Fitness®, Curves for Women®, L.A. Fitness® and Snap Fitness®. A limited number of Gold's Gyms and YMCAs in

certain areas are also participating. Use the zip code finder to locate gyms near you

- 24/7 access to well-being support, health articles and online health coaching

### Flexibility to achieve your goals

- With 9,000 locations, find fitness facilities that fit you and your needs
- Easy online tools to track exercise and nutrition goals

Stay motivated with social networking, rewards and the Daily Challenge