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Sierra Vista Hospital *By: Ben Carter, Project Engineer*

Officials at Sierra Vista Regional Health Center have chosen JE Dunn Construction Company to be the contractor to build the new regional hospital. The new 175,000 SF hospital is expected to open the spring of 2015. This 100-bed facility is estimated to cost about \$1 million per bed, or about \$100 million.

JE Dunn is one of the Top 20 contractors nationwide (Engineering News-Record) and the 8th largest healthcare builder.

JE Dunn negotiated the site work with KE&G. Our scope includes SWPPP, earthwork, installations of water distribution system, sewer, and storm drain system. In addition, site concrete (not including building pad), asphalt paving, concrete paving, and pavement markings were also included in the project scope. KE&G was awarded the contract just before Thanksgiving, Cesar Acuna and crew proceeded with work immediately after.

The SWPPP has been installed, site has been cleared, proposed building has been over-excavated, and we are currently importing material from an adjacent borrow site. Approximately 90,000 CY of dirt will have to be imported from the borrow site.

In the field, we currently have 4 scrapers, 2 blades, a compactor, farm disc tractor, water pull, and a 4,000 gal water truck working in full production. The total of the contract awarded to KE&G was close to \$3 million. Throughout the phases of construction it is probable that all Sierra Vista employees will work on this site at one time or another.

Justin Wilson, an ASU student who has been employed with KE&G for the last 2 summers as an intern helping in the office, offered to work during his Christmas break. He was assigned the task of operating the farm disc tractor to help process water into the soil to get optimum moisture for compaction. When asked how he is enjoying his task, he said, "I am grateful for the opportunity to get some hands on experience."



Flowing Wells Siphon Upgrades *By: Brian Janski, Project Manager*



The Flowing Wells Siphon has been in operation since 2008. To operate more efficiently, an upgrade was necessary to reduce the odors and to increase ease of maintenance and safe operation. The siphon is situated in Tucson on La Cholla Blvd south of Prince Road near the "Prince of Tucson RV Park" within Pulice Construction's Prince/I-10 Interchange project. The existing structures are 20 feet wide by 23 feet long reinforced concrete boxes approximately 12.5 feet deep. The incoming pipe is 72 inches in diameter and has three 42 inch barrels going under the Flowing Wells Wash.

Under the Job Order Contract held with Pima County Regional Wastewater Reclamation Depart-

ment, KE&G was awarded the task of modifying the existing siphon structures. In October, Project Superintendent, Jeff Olejnik and crew began the siphon rehabilitation process which included the horizontal saw cutting of the existing concrete covers and removing the 45,000 lb. top slabs in sections. Bypassing the existing 72" diameter sewer main was included on the job order, this was completed with two 18-inch fused HDPE pipes and three 12-inch pumps from a manhole located approximately 600 ft. south of the structures. KE&G then proceeded modifying the structure channels to allow for a smoother transition and a new "stop-log" gate. We then proceeded with installing new 20-inch thick pre-cast concrete three piece lid from Jensen Precast on both the upstream and downstream structures. Lastly we finished by installing a 12-inch x 24-inch reinforced cut off wall around the perimeter of the structures to facilitate future removal without damaging the surrounding asphalt. The structure / bypass work finished four days ahead of schedule.

Sierra Vista

1601 Paseo San Luis #202
Sierra Vista, Arizona 85635
520.458.9594

Tucson

5100 South Alvernon Way
Tucson, Arizona 85706
520.748.0188

KE&G Gives Back

Toys for Tots

The Marine Toys for Tots Foundation, is a non-profit charity, that provides the funding and support needed for successful annual toy collection and distribution campaigns.

There are Local campaigns in over 700 communities within all 50 states, the District of Columbia and Puerto Rico.

Local toy collection campaigns begin in October and last until mid to late December. Members of the community drop new, unwrapped toys in collection boxes positioned in local businesses. At Christmas, coordinators with the assistance of local social welfare agencies, church groups, and other local community agencies, distribute the toys to the less fortunate children of the community.



This fall, KE&G participated in this honorable service. The Tucson Office had a collection box in their main office. We were able to fill a box with a ton of toys for kids of all ages, including 2 little bicycles just in time for Christmas.

Thank you to all those who donated their time to help out and who contributed towards a merrier Christmas for those less fortunate.

Adopt a Highway

Adopt-A-Highway is a promotional campaign undertaken by U.S. states, provinces and territories of Canada, in addition to national governments outside North America to encourage volunteers to keep a section of highway free from litter. In exchange for regular litter removal, the organization is allowed to have its name posted on a sign in the section of the highway they maintain.

This year in March, ESOP Communication Committee Members are organizing to Adopt-a-Highway. Sierra Vista is set up to adopt Busby Highway between 7th and Moorman. We encourage you all to commit a little time to help beautify our communities. We will provide you with more information as we get closer to finalizing the event or you can contact Ben Carter in Sierra Vista for more information.



Sierra Vista

- ◆ Jesus Andrade, *Laborer*
- ◆ Darren Begay, *Pipelayer*
- ◆ Philip Hargraves, *Lube Helper*
- ◆ Wasihoun Tariku, *Laborer*
- ◆ Fausto Martin Reyes, *Operator*
- ◆ Joshua Curl, *Laborer*

Tucson

- ◆ Jose Cuevas, *Lube Helper*
- ◆ Anthony Perez, *Parts Runner*
- ◆ Gary Phillips, *Water Meter Installer*
- ◆ Michael Smith, *Operator*
- ◆ Nicholas Krause, *Operator*

What's New at KE&G

KE&G has been keeping busy bidding on new projects and have signed new contracts that were recently awarded.

Tucson:

1. KE&G was awarded more cured in place pipe (CIPP) sewer rehabilitation for Pima County Regional Wastewater Reclamation Department. These new projects will be completed on 15-inch and 8-inch sewer mains near The University of Arizona. These projects will require bypassing during the lining and will take approximately 15 days to complete.
2. KE&G was recently awarded the repair of a drainage inlet along Coachline Road. Due to erosion over time, the inlet had been exposed and was in jeopardy of failing. This project required the removal of a section of the shotcrete inlet, backfilling of the structure, construction of a new inlet and grouting of the voids under the inlet. The crews were able to complete this project in half of scheduled duration.

Sierra Vista:

1. KE&G was recently awarded the **Dart Road Waterline** project, by Arizona Water Company. This project involves removing and replacing the existing water line from the Bisbee Mine open pit to the Queen Mine tour building. It includes 620 LF of 6-inch water line with some adventures to be had. In addition, new water services to the RV park and the Queen Mine Visitor Center will be installed. Currently, the existing line has over 30 repair clamps along a 100 FT run above ground.
2. KE&G will also be gearing up to start the last phase of the **Fort Huachuca Housing Demolition**. We are expecting to demo roughly 80 existing homes. The asbestos abatement will be starting in early January with the demo of the homes starting several weeks later with final completion estimated to be March 31, 2014.

Safety in the New Year by Vince Rosales, Safety Manager

To all of our KE&G employees and their families, we want to wish everyone a Safe, Happy and Prosperous 2014 to come! We would also like to congratulate KE&G on achieving our goal of reaching 1000-days without a lost-workday incident this past year, this is truly highly desired accomplishment which is not easily obtainable in the general construction industry. Once more, this was only accomplished as a result of your dedication to safety and KE&G, and reflects our commitment to providing a safe place to work for all of our employees. As we move into the New Year, we want to ensure we continue to focus on the importance of safety, at home and work. In addition, our goal

for 2014 is being focused on reducing the main causes of accidents and injuries as we set out to complete our assigned tasks. Proper planning, identifying potential hazards, abiding by KE&G's safety policies, are just a few steps in assisting us to reach that goal. Situational awareness, attentiveness to your actions as you conduct your task is ultimately an important step in preventing accidents and injuries, and failing to do so can result in life-changing experiences in all of a split-second. Yes the occupation in construction is dangerous, but more dangerous when we fail to abide by the safety policies KE&G has put into place for all

our employees. We will continue to improve our safety program, safer work practices, training, and reducing accidents and injuries, only with the continuance of your commitment to safety. As one big KE&G family, let us all continue to be safe and successful for the New Year!



ESOP Refresher by Chris Weinell, Controller

We all know that KE&G is an ESOP but does everyone know what an ESOP really is?

Our ESOP is an employee benefit plan that invests primarily in the stock of KE&G. In other words, it's a kind of stock bonus plan, designed to pay benefits out in the form of company stock.

What does that mean, what is stock?

Simply put, stock is a way to represent how much of a company a person owns. Each share of stock represents an equal portion of the company's total ownership. For example, if a company has 100 shares

of stock, each share represents 1% ownership of the company.

Will I have to pay for the stock?

That is the best part, the answer is NO. As a rule, employees do not buy shares in an ESOP, the company buys them for you. How much the company can buy for you depend on the financial success of the company which each of us contributes to each and every day by doing the best job possible, remember it is our company and we need to continue to treat it as such.

How will the ESOP benefit me?

The ESOP generally serves as an additional retirement plan benefit that provides a meaningful equity stake in the future success and growth of KE&G. With the ESOP, you have a tremendous opportunity to build a substantial nest egg. Best of all, you and your fellow employee owners can directly help that nest egg grow - by doing things to improve the performance of the company. Continue to do the best job you can and make suggestions to improve the company if you see inefficiencies. These things will benefit all of us down the road by making KE&G more profitable.

This Year, Resolve to Follow Through Brought to you by: Lovitt & Touché

In an effort to make the new year better than the last, many people make New Year's resolutions. While it's easy to make resolutions, they are often difficult to keep after the first few weeks. A little planning will help you succeed.

Start by making a resolution that is significant to you. If spending less time on your phone is important because you want to play with your kids, you're more likely to stick with it than if you decide to lose 10 pounds because everyone else in the office wants to.

Next, plan how you will make it happen. For example, if you decide to eat healthier,

choose which junk foods you will give up and what you will replace them with.

Resolutions are not kept through willpower alone. When it gets tough, you need help. Try writing a reminder, such as a sticky note at your desk. Also, telling a friend who can encourage you will help a lot when it gets harder to stick to your resolution.

Finally, don't give up. If you ate a family-sized bag of potato chips by yourself, you haven't ruined your resolution. Just start the next day as if you never faltered, and keep working on it - remember, new habits take time.



ESOP Trivia

Congratulations to **Andrew Weigand** in Tucson and **Ramon Morales** in Sierra Vista for winning last quarter's ESOP Trivia drawing. They each won a \$50 gift card to Wal-Mart.

If you want a chance to win, correctly answer all the questions in the form below, and turn these in to your supervisor or to the main office in Sierra

Vista and Tucson, no later than **February 28, 2014**.

If you correctly answer all of the questions, you will be entered in next quarter's drawing for a chance to win a \$50 gift card. We will be awarding a card for both Sierra Vista and Tucson. Good Luck!



Employee Name: _____

Sierra Vista Tucson

Turn in by: February 28, 2014

Multiple choice. Circle the correct answer for each question.

1. Albert was hired at KE&G as a full-time hourly employee on April 12, 2012 and works 1,500 hours during 2012. When does he enter KE&G's plan as a participant?
 - a. April 12, 2012 b. January 1, 2013 c. April 12, 2013 d. January 1, 2014
2. During Plan Year 2013, George worked 1,500 hours at KE&G and then retired at age 60 on August 15, 2013. Will George receive a contribution for Plan Year 2013?
 - a. Yes, because he met the 1000 hour service requirement to receive a contribution.
 - b. Yes, because an employee automatically receives a contribution for the plan year in which the employee retires.
 - c. No, because he was not employed on the last day of the plan year.
 - d. No, because he did not meet the full-time hour requirement to receive a contribution.
3. When will plan year 2013 statements normally be released to participants?
 - a. December 31, 2013 b. Spring, 2014 c. Summer, 2014 d. End of 2014
4. Margaret is 60% vested and her ESOP account balance is \$35,000 when she leaves KE&G at age 45 on 11/01/13. What amount will be paid to Margaret from her ESOP account during 2014?
 - a. \$0 because Margaret left KE&G before she reached retirement age and she forfeited her entire account balance to other employees.
 - b. \$21,000
 - c. \$35,000
 - d. \$0 because she hasn't fulfilled the minimum waiting period for distributions.
5. Mario receives his distribution from the KE&G plan and does not roll it into another retirement plan. Will Mario pay taxes on his distribution?
 - a. Yes, but only on the earnings and not on the contributions.
 - b. Yes, on the total distribution.
 - c. No, the ESOP is a tax-free plan.
 - d. No, taxes were withheld while he was a participant in the plan.