



In This Issue

- New ESOP Committee Members..... 1
- 2014 Committee Recap 1
- Wilmot/DM Overlay 2
- Slogan Contest 2
- Safety 3
- New Employees 3
- Employee Recognition..... 4

ESOP Committee Members *By: Brian Janski, Project Manager*

As the newly appointed Chairperson for the 2015 ESOP Communication Committee, I'd like to send out a thank you to the outgoing members of the ESOP Communication Committee: Thank you to Ben Carter, Travis Horner, Ray Armenta, Adam Sedgeman, and Kelly Panem. These members have spent the last two years helping items such as the Family Day Picnic, our Fill the Loader Bucket campaign, Adopt-a-Highway, the ESOP Month Barbeque become a success.

Tautimer and Dan Crater from Sierra Vista. David has been with KE&G for approximately 14 years and is currently an operator, Dan is in charge of KE&G's hot mix asphalt plant in Sierra Vista and has been with the company for approximately 5 years. From Tucson Jack has been with us for 5 years and takes care of the large commercial water meter replacements, also from Tucson is our equipment manager Doc, he has been with KE&G for over 18 years and has been appointed 2015 Committee Co-Chair.

Furthermore, Chris Albright has been serving as a permanent member of the communication committee since its inception is now stepping down from his role and is going to be replaced by Vice President Ed Anderson. Ed has been with KE&G for the past 5 years serving as Project Manager on large roadway projects until his promotion to Vice President in 2014.

In addition to our new members, I would also like to recognize our current committee members; Jeff Olejnik, Richard Hunziker, Bill Miller, Chuck Ugalde, and Tammy Messer who has been voted this year's committee secretary. Along side Ed, Larry Saunders is continuing his role as permanent ESOP Communication Member.

I would also like to welcome this year's new members to the communication committee; Jack Schaff and Doc Archambault from Tucson, David

Each member has agreed to provide two years of service on the communication committee. These current members and all past members are available to help find answers to all of your ESOP questions.

2014 Communication Committee Recap

By: Ben Carter, Project Estimator

This year the ESOP Communication Committee was busy executing and accomplishing a lot of the new ideas that our members came up with to help serve our community as well educate and communicate with our fellow employee owners about our ESOP. We had several employee appreciation luncheons, as well as community involvement events that required the help of volunteers.



Adopt-a-Highway

In March and October of 2014 KE&G made a commitment to clean up litter along Busby Drive from 7th Street to Morman Ave. There were over 25 employees and family members from Sierra Vista and Tucson volunteered at each Adopt-a-Highway event. Each year Adopt-a-Highway volunteers typically collect an estimated 63 tons of litter statewide. It is great that KE&G can contribute to that and help keep our local community litter free.

Annual Family Day Picnic

This was the biggest ESOP event of the year. It was great fun for the entire family. There were over 208 employees and family members in attendance. Games with prizes and piñatas were featured for the children. KE&G and vendors donated raffle prizes for all ages from footballs and bikes to \$100 gift cards and TVs. There were so many contributions that each employee went home with a prize.

KE&G is 100% Employee Owned

With the success of paying off the first 49% of the company and the retirement decision *continued on page 2*



2015 Projected Holiday Schedule

Please be advised, this schedule may be subject to change based on any emergency projects or deadlines that may arise.

- Memorial Day5/25/2015
- Independence Day.....4/03/2015
- Labor Day9/07/15
- Thanksgiving.....11/26/2015
11/27/2015
- Christmas.....12/25/2015
- New Year's:01/01/2016

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

2014 Recap continued from page 1



of KE&G's owners, Karol George and Ken Hoover, the ESOP was able to purchase the remaining 51% of the company. This is a huge step in our ESOP program as we are now 100% employee owned!

October ESOP Month

The ESOP Committee featured a theme for every Friday of October and asked employees to join celebration. The Festive Fridays included: Pink Ribbon Day, Camouflage Day, Sports Day, Hawaiian Shirt Day, KE&G Shirt Day. The Committee Members thank everyone who participated.

ESOP Appreciation Lunch

The Communication Committee hosted a luncheon for employees in Sierra Vista on October 17th and on October 24th in Tucson. Employees were invited for lunch and take the rest of the day off. After lunch there was a Q&A session on ESOP.

Toys for Tots Fill the Loader Bucket

This was KE&G's first Fill the Loader Campaign. We set up a donation center outside Toys R Us in Tucson for 2 weekends. Rain or shine these volunteers were able to collect over 2,000 individual toys. Huge shout out to Toys R Us for allowing us to set up our collection corner outside their store. Thank you to U of A Students for helping out, to Dana Kepner for their support as well as the refreshments and snacks to help keep our volunteers fueled throughout the day, and to Empire CAT for allowing us to utilize their Loader to fill. Thank you to the U.S. Marine Corps Toys for Tots for giving us

the opportunity to help less fortunate children experience the joys of Christmas.

Thank you to all of our employees and their families, and all the vendors who contributed and took time out of their busy schedules to help the Committee accomplish their goals. Our new committee is already gearing up for an exciting 2015 and we look forward to implementing more of our ESOP goals. If you have any questions, concerns, or ideas that you would like to share, please contact any past or current member, or send an email to kegesop@kegtus.com.



A Chance to Win \$100!!

This year the ESOP Communication Committee agreed that having a slogan for our ESOP can help keep our employee owners motivated to continue to grow and develop as a company.



We are looking for a short, catchy, phrase or tag-line that will visually and verbally express the importance and benefits of our ESOP.

While the committee has come up with several slogan ideas, we thought that it might be fun to get all of our employee-owners involved. So, we have decided to have a contest to see what creative slogans you can come up with.

All entries will be reviewed and selected by the committee. The selection will be based on a slogan that best represents our company values and philosophies. The employee to enter the winning slogan will be awarded a \$100 gift card.

All KE&G employees may enter. You may enter as many ideas as you want before the deadline. Submit your entries by writing it down on a piece of paper and dropping them off at either office location or you can email them to [Chris Weinell](mailto:cweinell@kegtus.com) at cweinell@kegtus.com. Please include your name and the location at which you work. All entries must be received by February 27, 2015 and the winner will be announced and awarded at the 2015 Family Day Picnic.

Wilmot/Davis-Monthan Overlay by Jesse Grinsteiner, Field Engineer

The Wilmot-DM Overlay project consisted of overlaying the existing roadway on Wilmot Road from the Davis-Monthan, AFB gate, heading south towards Valencia Road. This job ties into the paving line from the large road reconstruction project on Valencia Road that KE&G is currently working on for Pima County Department of Transportation, however KE&G was awarded a separate task order under our PCDOT Job Order Contract in early

November 2014.

The overlay consists of 3" thick and 36' wide asphalt, slightly widening the existing roadway was from 24'. The project also involved adding header curb in several areas to alleviate some of the heavy flow that runs down the street during rain events. The concrete curb work was performed by Alfonso Padilla and his crew, while the grading and paving was performed by Ramon Morales and his crew.



A Safer KE&G for 2015 By: Vince Rosales, Safety Manager

Hello everyone! Along with a new year ahead of us, come new ideas as to how we can be a safer KE&G for 2015, as we all know there is always room for improvement. In an effort to reduce or prevent several of the incidents/injuries we encountered in 2014, a greater emphasis will be placed on identifying potential hazards, commonly known as "Possible Hazards", a section within your Daily Task Plan, with the concept of, "planning your work safely". As we normally talk about safety issues during our Monday's Safety Tool-Box Meetings, we will improve our process by also identifying the possible hazards on each task we are assigned, daily. This process will require the entire crew to brainstorm



together the possible hazards that are associated with that specific task, as you start your planning process, providing a solution(s) as to how to prevent such identified hazards by implementing corrective-measures/controls. Such controls include; ensure Personal Protection Equipment or additional such as respirators, hearing protection being worn, spotters for operators driving in tight-congested areas. Other controls can include instructions on mounting or dismounting (3-pt. contact) off of equipment, responsibilities discussed for Confined-Space Entries and Excavation/Trenching tasks. By assessing potential hazards as a whole, the awareness can assist in our KE&G employees being more focused as they conduct their assigned task, allowing

them to be more productive throughout their day. Overall being responsible to ensure this process takes place, supervisors will initiate the "Possible Hazards" assessment with his crew, documenting all potential hazards along with controls being discussed. As supervision being one of the key ingredients in successfully completing a task, working together as a team will ultimately provide the crew a rewarding accomplishment knowing it was completed safely and of course with top quality, as always expected by KE&G. As a reminder, "EVERYONE" within KE&G is responsible for their safe wellbeing, and the safety of their fellow co-workers, at all times. Please continue to be safe, in all that you do!

Un KE&G más seguro para el 2015

By: Vince Rosales, Safety Manager

Hola a todos! Con la llegada del Año Nuevo llegan nuevas ideas de cómo podemos hacer de KE&G una compañía más segura en el 2015. Como todos sabemos siempre hay lugar para mejorar. En un esfuerzo para reducir o prevenir algunos de los incidentes/lesiones que enfrentamos en el 2014, se pondrá en lugar un mayor énfasis para identificar peligros potenciales, comúnmente conocidos como "Posibles Peligros", una sección dentro del "Daily Task Plan", con el concepto de planear su trabajo de una manera segura. Como normalmente hablamos de cuestiones de seguridad durante nuestras reuniones de Safety Tool-Box todos los lunes, mejoraremos nuestro proceso para también identificar los posibles peligros en las tareas que se nos asignan diariamente. Este proceso requerirá que toda la cuadrilla discuta sus ideas en los posibles peligros que estén asociados con una tarea específica, al empezar el proceso de planeación proporcionando soluciones de cómo prevenir tales peligros identificados, implementando medidas y controles preventivos. Tales controles incluyen; asegurar que el equipo de protección personal sea el adecuado, vigilantes para los operadores manejando en zonas

estrechas/congestionadas. Otros controles pueden incluir instrucciones en montar o desmontar (3-pt. Contact) el equipo, discutir responsabilidades para las entradas con espacio estrecho y tareas de excavación/zanjas. Asignando peligros potenciales como un hoyo, la toma de conciencia puede asistir en que los empleados de KE&G estén más atentos al realizar sus tareas asignadas, ayudándolos a ser más productivos durante el día. En general siendo responsables para asegurar que este proceso se lleve a cabo, los supervisores iniciaran la valoración de los "Posibles Peligros" con su cuadrilla, documentando todos los posibles peligros, además de ser discutidos los controles. Con la supervisión siendo uno de los ingredientes claves en completar una tarea satisfactoriamente, trabajando juntos como equipo proveerá a la cuadrilla un logro gratificante, sabiendo que la tarea fue completada de una manera segura y por supuesto con la más alta calidad, como se espera de KE&G. Como un recordatorio "TODOS" dentro de KE&G son responsables de su seguridad y bienestar y el de sus compañeros a toda hora. Por favor continúen trabajando con seguridad en todo lo que hacen!



Sierra Vista

- ◆ Francisco Campos, *Carpenter*
- ◆ Mario Durazo, *Laborer*
- ◆ Francisco Mungarro, *Concrete Finisher*
- ◆ Jesus Rembao, *Laborer*

Tucson

- ◆ David Archulet, *Laborer*
- ◆ Steven Carey, *Truck Driver*
- ◆ Ricardo Contreras, Jr., *Laborer*
- ◆ Mario Espinoza, *Laborer*
- ◆ Gilbert Gamez, *Meter Installer*
- ◆ Fernando Garcia, *Operator*
- ◆ Daniel Godoy, *Meter Installer*
- ◆ Jude Lopez, *Lube Truck Driver*
- ◆ Heriberto Meranza Islava, *Operator*
- ◆ Santiago Orozco, *Operator*
- ◆ Arnold Ramon, *Meter Installer*
- ◆ Raul Rodriguez, *Operator*
- ◆ Luis Santa Maria, *Laborer*
- ◆ Kyle Shepherd, *Field Engineer*
- ◆ Javier Zatarain, *Operator*

Employee Recognition

KE&G has received a number of employee and team recognition for a job well done on some of our recent projects. KE&G Executives and The ESOP Communication Committee would like to acknowledge these employees. It is performances like these that help increase the value of our ESOP.

As employee stock owners, we need to continue to plan our work, reduce costs, and work together to grow our company. Your dedication to these principles will help each of us contribute to the growth of KE&G. Small changes can make a big difference, so we ask everyone to think

about what they can do personally to reduce cost every day.

Congratulations to all who were contributors in these projects, for leading by example, and for paving the way to future successes.



**Rick McMahon, KE&G Supervisor
Coronado Tanks Project**

"I must commend you for your hard work, conscientiousness and communication in the late stages of the project. Your diligence and success in completing the punch list items was outstanding ! Thank you for your hard work."

Brandley Jordan, PE
Senior Project Manager
Liberty Utilities, Sierra Vista

**South Rillito Interceptor Project Team
PCRWRD, KE&G, Kaneen**

"I wanted to take a moment to thank Pima County Regional Wastewater Reclamation Department, its contractor, KE&G Construction and the rest of the Team for the special attention they paid to our facility, during the work on the South Rillito Interceptor Rehabilitation Project.

The Humane Society of Southern Arizona (HSSA) is a private, non-profit animal welfare organization...It was paramount to us that the public was able to access our facility during the construction and improvements of the sewer lines that run along the streets in our neighborhood.

Prior to construction beginning...We were able to devise a plan that worked for both the contractor and HSSA. Special mapping was created and directional signs were placed at key locations to show alternate access to our facility. Additionally, when construction obstructed a regular path used twice a day by the volunteer dog walkers, KE&G negotiated with a neighboring business to provide special access through their private property for our volunteer dog walkers. We thought this was amazing!

And finally, when construction was complete, KE&G Construction made a generous donation to our organization.

We just can't say enough about how your project Team kept us informed every step of the way and did as much as they could to make a difficult situation more bearable. This is a perfect model of the way all projects should be handled."

Pat Hubbard
Community Liaison Director
Humane Society of Southern Arizona

**Fernando Contreras, KE&G Supervisor
Liberty Utilities Miscellaneous Repairs**

"I want to make sure you are aware of the extra lengths that your guys went to help us out recently. Fernando and his guys have proven that they know what they're doing and will work quickly to get the job done right the first time.

The main reason for the note today is to point out how they went above and beyond to help with the recent sewer force main repair that started Monday afternoon...

...The following day, Fernando and Frank discussed options for making repairs... I really appreciate that your crew is willing to think outside the box for the best and safest way to make the repair. When I arrived on-site at 6:00 am today they had already completed the tie-in of the replacement section of pipe and were ready to start backfilling. The repair was completed before most people were even heading to their offices so traffic was hardly impacted.

I am impressed with the quality of work and the attitude of the crew."

Dara Mora
Operations Manager
Liberty Utilities , Rio Rico

