



## 2015 Recap *By: Brian Janski, Project Manager*

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**ESOP Communication Committee**

Brian Janski, Doc Archambault,  
Tammy Messer, Chris Albright,  
Larry Saunders, Richard Hunziker,  
Jack Schaaf, Dan Crater, Jeff Olejnik, Charles Ugalde, Bill Miller, David Tautimer, Chris Weinell,  
Ed Anderson

With December brings an end to the yearly activities that the ESOP Communication Committee is part of. This year with the entire committee's help, we had a great picnic in March, a new Adopt-A-Highway sign on Busby Drive, Stockholder's meeting in August, ESOP Fun Fridays in addition to company cookout in October, and another successful Toys for Tots drive with the help from Empire Cat, Border Traffic Safety, and the Marine Corps. As those of you who received new ESOP statements this year are aware, an ESOP is a great tool to give back to the individuals who help make it successful every day. Since KE&G is a young ESOP I cannot wait to see what the future will hold for all of us. With the company being 100% employee owned we all should work hard to heed Ben Franklin's motto of a penny saved is a penny earned. When we work together to complete projects as safe, efficient, and productive as possible it not only helps us now, but in the future during retirement also.

Serving as the chairman to the Communication Committee this year has been a fun and new experience, and I'd like to thank the ESOP Communication Committee members who will be staying (Dan Crater, Richard Hunziker, Jack Schaff, Doc Archambault, Larry Saunders, and Ed Anderson) those whose 2-year term ends (Jeff Olejnik, Tammy Messer, Chuck Ugalde, and Bill Miller.) I'd also like to welcome the new members for 2016 including Ross Parker, Rick McMahon, Elise Puhala, Chris Hernandez, Ridge Wilson, George Norwood, and Chris Weinell.



Top to Bottom: Family Day Picnic, Tucson ESOP BBQ, Tucson Team Spirit Day, Sierra Vista Hawaiian Shirt Day.



# End of Year Safety by Vince Rosales, Safety Manager



these injuries. Since we all know there is always room for improvement, we will continue to set goals in training for all our employees, safety awareness for all related tasks, and prevention also known as controls put in place to prevent identified safety hazards. With the factors listed,

Hello everyone! As we come to an end of another year, we want to wholeheartedly thank every KE&G employee on a job well-done for doing their part in safety in relation to personal injuries. With the exception of equipment/property damage incidents, to this date we have accrued only 3 personal injuries. With one pinched finger, a cut on the forehead, and a pulled back muscle, these three incidents could have been prevented very easily. Training, awareness, prevention, and supervision, are all factors that could have prevented

supervision is going to be the leading factor in preventing, reducing the number of injuries and incidents. By doing so, we as KE&G employees can easily set a goal for 2016 in reducing the number of injuries to ZERO, which can only be accomplished with everyone's continued and committed assistance in safety. To assure "EVERY" KE&G employee and as a reminder, please know that you are entitled to a safe working environment at all times, and your personal safety will never be jeopardized. Should you ever have a concern on a safety matter, you as

a KE&G employee have every right to question the concern and at no time will you ever be reprimanded by anyone within KE&G. If at any time you have a question on a safety policy, procedure, work-practices, please feel free to call me at your leisure at: (520)468-9257 or email: vrosales@kegtus.com. As your Safety Manager, I am here to assist in providing you and every KE&G employee a safe working environment, and can only successfully accomplish this with your assistance. In closing, I again want to commend everyone on a job well-done in safety, and look forward to a injury/incident free 2016. Keeping safety in mind in all that we do at work and at home, wishing all the KE&G families a Merry Christmas and a prosperous New Year!



# Harrison Greenway Multi-Use Pathway by Mark Campbell, Project Manager



This project consisted of a new 3.2 mile long, 12 foot wide asphalt multi-use pathway. The Pathway starting on the South side of Irvington at an existing crosswalk continues South across Valencia connecting to the old pathway at Mesquite Elementary School. It was a fast paced project, with limited public impact, and promises to bring a safer exercising and leisure element to the area. This segment completes the link between Pantano Rd and the 5th St Wash to Rita Ranch, and is part of an ongoing master plan designed

to provide over 130 miles of connected path linking Metro Tucson with Marana, Oro Valley, and South Tucson. This segment is full of wildlife and open range cattle so there are cattle guards located at the North and South ends, each with a paved bypass route and ADA approved gate. A special thank you goes out to Curt Rice of Pima County, Cesar Acuna, Ramon Morales, Mario Stavreff, and Kyle Shepherd of KE&G in recognition of their outstanding contributions to the design and development of the project.



## Welcome New Employees!

### Sierra Vista

- ◆ Kenneth Almodobar, *CDL Driver*
- ◆ Evan Bowen, *Laborer*

### Tucson

- ◆ Jack Harris, *Shop Laborer*
- ◆ Rita Maxwell, *Receptionist*
- ◆ Ezequiel Ugalde, *Lube Helper*



# Texas Canyon Rest Area By: Ben Carter, Project Engineer

The Texas Canyon Rest Area project is located in Cochise County along I-10 at milepost 320, approximately 15 miles east of the City of Benson. The work includes upgrading equipment in the rest rooms, pump house, ramadas, well site, and sewer system rehabilitation. Construction will include installing six new evaporation pond liners, waterline distribution replacement, micro surfacing AC pavement, signing, 3,100 linear feet of pavement markings, placing 90 tons of

mineral aggregate and 3 acres of seeding. We must install 13,000 linear feet of water line by mid-February to avoid disturbing any nesting birds in the spring. This project also takes place near an Avoidable Boundary, which is an ancient Native American site area that does not allow any motor vehicles, equipment, or ground disturbing activities. As a result, KE&G will be required to complete a 700 foot bore to install the water line in that area.

The project started in early December and is anticipated being complete mid-May.



# Community Involvement By: Kelly Panem, Office Manager



KE&G participates in a couple of community services projects each year. Twice a year, the ESOP Committee will organize a clean-up crew for Adopt-a-Highway. Then in December, the committee will also coordinate a toy drive for Toys for Tots.

## Adopt-a-Highway

This is our second year of commitment to clean-up the 1-mile strip along Busby Drive between 7th Street and Moorman Avenue in Sierra Vista. The ESOP committee organizes 2 clean-up sessions a year.

In March and October, KE&G employees and their families from Tucson and Sierra Vista gathered to clean up our adopted highway.

Tons of trash is picked up every year by the Adopt-a-Highway programs



participants nationwide and we are proud to be part of that positive change.

## Toys for Tots

KE&G also successfully completed it's second annual Toy Drive for Toys for Tots. Toys R Us in Tucson allowed us to park a Loader that was loaned to us by Empire CAT in their parking lot to help collect new toys for the U.S. Marine Corps' well known toy drive Toys for Tots. For 2 weekends, employees and families of KE&G spent their time at Toys R Us supporting the cause. KE&G was able to donate 3 loader buckets full of new, unwrapped toys to help keep the Christmas spirit alive in children who are less fortunate.

Dana Kepner Company provided food and refreshments, Border Traffic Safety provided the safety fence, and Empire CAT loaned us the loader.



Anderson, Eddie Anderson, Brian Janski, Cliff Klamath, Ben Carter, Mikayla Carter, Daniel Uchimura, Rudy Cordova, Tammy Messer, Luke Messer, Sampson Tariku, Tariku.

## Toys for Tots:

Adam Sedgeman, Rob Zedaker, Hanna Krause, Dannie Jordan, Grey Major, Cody Sauer, Kyle Shepherd, Kelly Panem, Cristina Bonomini, Vince Rosales, David Saunders, Troy Ballard, Memo Aguirre, Fernando Contreras, Dana Whittaker, Nick Olejnik, Doc Archambault, Eva Vasquez, Don Roberts, Cathy Roberts, Adam Rosales, Romulo Barcarse, Chris Weinell, Elise Puhala, Evan Bowen, Ross Parker, Dan Crater, Fernando Contreras, Juanita Contreras, Jack Schaaf, Jesse Grinsteiner, Aaron De la O, Larry Saunders, Rita Maxwell, Pat Maxwell, Mario Stavreff, and Troy Ballard.



## Thank You!

The ESOP Committee would like to recognize all those who helped make 2015 Community Involvement a success:

### Adopt-a-Highway:

Ross Parker, John Drake, Brett Watson, Dan Crater, Bill Miller, Rick McMahon, Jessica McMahon, Chance Cordney, Ed

# ESOP Trivia by: Chris Weinell, Controller

The trivia contest is back! Let's test your ESOP and investing understanding and give you a chance to win a \$100 gift card. To be eligible, turn in your correct answers by January 8, 2016 to either your supervisor or one of the offices. We will award a \$100 gift card to an employee who correctly answers all questions. In the event of a tie, it will be a random draw for those with all correct answers. Good luck!

Name: \_\_\_\_\_ Emp. #: \_\_\_\_\_

1. During 2014 the stock market as measured by the S&P 500 index returned approximately what annual rate of return?
  - a. 1.5%
  - b. 13.5%
  - c. 45.3%
  - d. Lost 5.2%
  
2. During 2014 the value of the stock held by the ESOP in KE&G Construction, Inc. increased by what percentage?
  - a. 8%
  - b. 28%
  - c. 68%
  - d. 98%
  
3. Since the great depression, the average rate of return for the S&P 500 index was approximately how much per year?
  - a. 5% annually
  - b. 10% annually
  - c. 20% annually
  - d. 30% annually
  
4. All other things being the same, when the ESOP buys back shares from a retired employee, the overall value of my ESOP account will
  - a. Increase
  - b. Decrease
  - c. Remain the same
  
5. As an ESOP shareholder, how much am I personally liable for KE&G's debt?
  - a. Potentially all of it
  - b. Depends on how many shares I own
  - c. Depends on if I am fully vested
  - d. None.
  
6. What will most likely cause the value of KE&G Construction, Inc.'s stock to go up the most?
  - a. Interest rates go up to 10%
  - b. There is another real estate boom
  - c. KE&G earns more money than it did last year
  - d. KE&G loses money on its jobs for the year but the real estate we own goes up by 25%

# Project Recognition



### Palominas Recharge Project

- ◆ 2015 APWA Outstanding Environmental Public Works Award Recipient - Arizona Statewide
- ◆ 2015 APWA Outstanding Environmental Public Works Award Recipient - Southern Arizona Branch
- ◆ XXIV Cemex Building Award—International Finalist in 2 categories winning 3rd place for 2015 Infrastructure & Urban International Edition
- ◆ 2015 Nature Conservatory Award



### Palominas Recharge Project

(L-R): Larry Saunders, KE&G; Robin Dodson, CEMEX; Karen Riggs; Cochise County; Cy Miller, JE Fuller  
2015 APWA Award Ceremony.



### South Rillito West Central Interceptor Rehabilitation CMAR Project

- ◆ 2015 APWA Outstanding Environmental Public Works Award Recipient - Arizona Statewide
- ◆ 2015 APWA Outstanding Environmental Public Works Award Recipient - Southern Arizona Branch