

President's Message: Giving Back



Jay Baldwin

In 2008, Reliable Contracting Company will be celebrating its 80th anniversary, and it has been my privilege to represent Reliable's stockholders and employees as President for these past 6 years. We have seen a tremendous amount of growth in our company during this time and much of the credit for making that possible goes to the dedication and hard work of our more than 550 employees.

Still, with the economy slowing, we must now prepare to tighten our belt and carefully watch our expenses, but we will do everything possible to maintain our current workforce. Cutting jobs is always a last resort and we will avoid that as much as possible. With BRAC (Base Realignment and Closure) taking place in our area, this slowdown should be short lived. The new road and infrastructure improvements that need to take place for the estimated 10,000+ jobs being relocated to our area should begin to happen late in 2008. The residential and office projects that will follow will give us the work we need to sustain and grow our company into the future.

One of the most satisfying parts of my job is the opportunity to be involved with many philanthropic ventures throughout the county. From local charitable causes to working with larger organizations like our local hospitals, Reliable Contracting Company and the Baldwin family have made community giving a way of life. After all, without local business support, many of these important organizations could not exist.

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Reliable Earns Awards from ABC and NAPA

Reliable is honored to have received two Excellence in Construction awards from the Associated Builders and Contractors Chesapeake Region. The first was awarded for the sewer rehabilitation completed at the Baltimore-Washington Medical Center. The project entailed the replacement of nearly 1600 feet of dual parallel terracotta pipe with a single 12-inch ductile iron pipe. This was one of the most technically challenging projects ever undertaken by Reliable, and required custom-designed manholes as well as the development of an innovative work plan that not only saved months of work but allowed completion of the job without interrupting sewer service to the hospital buildings. Also receiving recognition was Reliable's work on the MOT road improvement project at Piscataway, described on page 4.



The National Asphalt Paving Association has presented its Diamond Achievement Commendation for Excellence in Hot-Mix Asphalt Plant/Site Operations to both the Glen Burnie and Millersville plants. The award recognizes production facilities that operate in an exemplary manner. The Millersville Plant has now received this commendation for the 9th consecutive year, while the Glen Burnie Plant has earned it for 4 straight years.

RCC President receives Entrepreneur of the Year Award

Jay Baldwin was recently honored by Ernst & Young with their 2007 regional award for Entrepreneur of the Year. The award recognizes company executives "whose ingenuity and hard work and perseverance have created and sustained successful, growing business ventures", and that describes Jay perfectly. Under his leadership, Reliable Contracting has grown to become Anne Arundel County's largest site-work contractor and has moved to the forefront in material manufacturing, recycling, and asphalt production. Jay's name has also been submitted for consideration in the national competition, and winners will be announced at the 21st annual Ernst & Young Entrepreneur of the Year National Conference in Palm Springs, California in November. Congratulations Jay and good luck at the "Nationals"!!



GREENBERG GIBBONS COMMERCIAL



This time our Customer Spotlight shines on Greenberg Gibbons Commercial. Founded in 1968, Greenberg Gibbons focuses on the acquisition, development, leasing and management of mixed-use properties and retail shopping centers in the Mid-Atlantic region. The company presently owns and manages eighteen properties totaling more than three million square feet of space.

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Project Updates

Quarterfield Crossing is due to open late in 2007, anchored by Lowe's, Wal-Mart, Kohl's and Sam's Club and also featuring a bank, restaurants and strip retail buildings. Reliable Contracting began work on this 100-acre site more than two years ago, and under the direction of grading foreman Gary Nelson, moved over 900,000 cubic yards of earth before the first cinderblock could be laid. Overseeing one of Reliable's most ambitious projects to date, Project Manager Jack Atkinson has supervised the fine grading, utility work and paving for the entire site. The paving crews are nearing completion of base and surface courses for the parking lots and will soon begin paving the Quarterfield Road entrance and internal roads throughout the site.

Under Utilities Superintendant Jeff Bennett, six Reliable utility crews and two subcontractors completed what amounted to three years worth of work in just six months, installing the entire sewer, water and storm drain infrastructure for the site. The job required digging 8558 cubic yards of infiltration trench, installing 11,499 linear feet of water pipe, 17,260 feet of storm drain, and 5,491 feet of sewer line. In addition, we installed an unprecedented 21 sand filters for the site, and constructed a new area pump station for the county. General Manager Michael Abbott would like to thank all involved for these efforts, especially the utility division: "This was, without a doubt, one of our largest undertakings and I'm extremely impressed that the aggressive deadline for this project was met. Again, thanks for all the hard work!"



Main Entrance to Quarterfield Crossing



Lowe's at Quarterfield Crossing



Kohl's at Quarterfield Crossing

Project Updates

The utility crews recently completed work on a septic field replacement at **Lothian Elementary School** and have begun the total site development (water, sewer, storm drain) for the **Heritage at Fort Meade** housing development, working for Picerne Military Housing. Utility work has also begun at Ellendale, a townhouse and single-family home development located off of Rte. 8 on the Eastern Shore of Maryland.

The Paving Division has completed \$1,000,000 worth of parking lot improvement and repaving work at **Severna Park, Chesapeake, Northeast and Annapolis High Schools**. The company has also completed the Central and Southern road overlay contract, totaling nearly \$4,000,000 in paving and repairs and using 38,000 tons of hot mix.



Annapolis High School

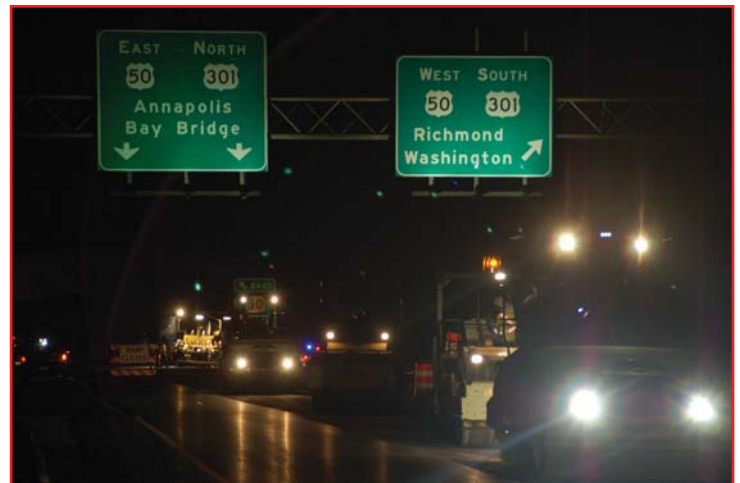


Severna Park High School

November 1st is the anticipated completion date for the \$7,000,000 **Rte. 50** milling and resurfacing project that is currently underway. Working primarily at night and on both East and Westbound lanes simultaneously to accelerate the project and minimize the impact on traffic flow, Reliable has at times managed more than 60 dump trucks, 3 sweeper trucks, 3 traffic crews, 2 striping crews and multiple grinding and paving crews to complete this complex project and minimize impact on traffic flow. When it's done, Reliable will have installed more than 20,000 feet of guardrail, 50,000 tons of hot mix asphalt and milled 450,000 square yards of roadbed. Special thanks go to jobsite personnel Joe Antoniak, George Atwater, the paving and detail crews of Dewayne Poling and Tony Odom, as well as John Dawson and the Millersville Plant crew for their great work over countless sleepless nights.



Eastbound Route 50



Night paving on Route 50

Work will begin in December on a \$3,800,000 public bid road improvement project in **Calvert County** which is expected to provide a good amount of work for all of Reliable's divisions through the winter. Reliable has also been awarded a contract to repave the portion of **Rte. 424** between Rtes. 3 and 450. This should also provide work for the winter months as well as a good start for paving projects in the spring.

Project Updates

Reliable recently completed the relocation of more than 2 miles of **Middletown Road** in Waldorf. The project involved tearing up the existing two-lane roadbed, relocating utility lines, and creating a new four-lane road. Unforeseen design changes midway through the project, coupled with the complicated nature of the utility line relocation caused lengthy delays, extending the project for nearly four years.

Work is set to begin soon on **Chesapeake Blvd.** in Calvert County. The new road will be nearly a mile in length, will contain a number of spurs for future development, and will link to Calvert High School and an existing shopping center on Fox Run Blvd.

Reliable has also completed work on the **Piscataway MOT Road and Bailey Pond**, an extensive road improvement project in Prince George's County. Paving the heavily traveled intersection of Floral Park Rd. and Piscataway Rd. proved to be extremely challenging, with asphalt wedging reaching depths of 2 feet in some areas. Numerous changes were required during the course of the project, including extensive utility pole relocation, the installation of concrete swales to handle water runoff, and a complete redesign to avoid conflicting underground gas lines. In all, Reliable installed 7,800+ feet of roadway, 5,800+ feet of hiker/biker trail and 600+ feet of sidewalk, using a combined total of 15,425 tons of asphalt for base, intermediate and surface courses.

Coming Soon: Waugh Chapel South

Reliable looks forward to commencing site work in the Spring of 2008 at **Waugh Chapel South**, an 80-acre development fronting Rte. 3 South and adjacent to the company's Millersville plant location. Planning for the project has been underway for more than a decade, and has included re-zoning the property and engineering a stable, permanent cap to the existing ash reclamation site. Waugh Chapel South will feature a number of high-end retail outlets, anchored by Wegman's Food Market, Target and a movie theatre.



Waugh Chapel South Concept Drawings

Safety Division

This spring, Reliable assisted the Anne Arundel County Fire Department Special Operations Collapse Rescue Unit with a training session held at Reliable’s Millersville plant location. Reliable provided equipment and personnel and prepared a simulated utility trench so that members of the Collapse Rescue Unit could learn and practice extraction techniques before they would be needed in an actual emergency situation.



Reliable also provided a dump truck to the Maryland State Police for a recent exercise in accident reconstruction. Police officers learned how to determine what factors may have caused an accident, how to interpret skid marks and other evidence left by an accident, and how to properly process an accident scene.

Large groups of Reliable’s drivers have been spotted at Our Lady of the Fields church on recent mornings, but not to attend daily mass... As part of our commitment to driver training, the Safety Division has been using the church hall to conduct a series of driver safety training seminars in conjunction with PMA, our new insurance carrier. PMA has also provided glove box-sized accident kits for each company vehicle. The packets include a disposable camera and preprinted forms on which to record details of the incident and information about other drivers.



- After an Auto Accident:**
- 1) Turn off ignition
 - 2) Protect the accident scene and control traffic
 - 3) Assist the injured
 - 4) Notify Police and Fire Dept.
 - 5) Obtain names and addresses of witnesses
 - 6) Call Reliable office or Safety Director
 - 7) Take photographs of the scene and all vehicles, record details of the incident
- Do NOT:**
- 1) Discuss the accident, admit or assign blame to anyone
 - 2) Sign any statements or reports other than those required by Police, PMA Insurance or Reliable Contracting

President's Message Continued (from page 1)

I encourage each of you to do what you can to support your local charitable organizations with your time or financial aid. Both are equally important and make our county a better place to live.

This winter, Reliable will be breaking ground on a 72 lot subdivision project known as Holladay Park in Gambrills for its affiliate company, Reliable Development LLC. This project is an environmental showcase being done in cooperation with the Department of Public Works and the Anne Arundel Soil Conservation District. It will eliminate much of the standard storm drain pipe and ponds in favor of a groundwater recharging system that should be maintenance free going forward. This new system, which we hope will be implemented countywide, will cost less to install, be more environmentally friendly, and will save taxpayers money in maintenance costs. Most importantly, it is a major step toward saving our Bay. Taking the lead on new and innovative ideas such as this is what makes Reliable a leader in the industry, and will give us valuable knowledge to use when bidding on the many stream and outfall restoration projects that should be generated by this new concept.

Customer Spotlight Continued (from page 1)

Greenberg Gibbons Commercial is noted for developing upscale neighborhood-style retail centers, including the Village at Waugh Chapel and Edgewater Village Center locally and the Hunt Valley Towne Center in Baltimore County; the site of Maryland's first Wegman's Food Market.

Reliable Contracting was chosen by Greenberg Gibbons to perform site work and infrastructure installation for the soon-to-open Annapolis Towne Center at Parole. That job included grading and paving of parking lots, and road improvements to Riva Road, Forest Drive and Rte. 2 bordering the site. Along with BBSS, Reliable will again partner with Greenberg Gibbons in developing Waugh Chapel South.

The Greenberg Gibbons team enjoys a well-deserved reputation for exceptional attention to detail and a commitment to superior design, workmanship and quality materials. These qualities mirror Reliable Contracting's own standards of excellence and make them a great partner to help Reliable grow and thrive.

President/CEO Brian Gibbons concurs, saying: "Reliable Contracting's reputation for quality is second to none. We have been extremely pleased with the knowledge, integrity and professionalism of the entire staff at Reliable throughout the years and look forward to working with them on our future projects. In particular, we are very excited to work with the Reliable team at Waugh Chapel South to create one of the premier mixed use projects in the country ; one that will make our respective companies and the entire community proud."



Annapolis Towne Center at Parole



Hunt Valley Towne Centre

BBSS Coal Ash Update

The well-being of our employees and our community is Reliable's first priority, so to keep you informed on issues affecting our company and community, we'd like to share with you a few facts about coal ash and allow our partner company, BBSS, to bring you up to date on the status of our Millersville pit reclamation project:

Coal ash (sometimes referred to as "fly ash") is a fine inorganic mineral residue resulting from the combustion of coal, and is captured via filters from the exhaust gases of electric generating plants. This ash consists mostly of silicon dioxide, aluminum oxide and iron oxide, but may also contain minute traces of several heavy metals. Though these elements are found in extremely low concentrations, their mere presence has prompted some to sound an alarm. Still, the U.S. EPA confirms that coal ash does not need to be regulated as a hazardous waste, and in fact the EPA's headquarters building in Washington, D.C. is constructed with concrete containing coal ash. Studies by the U.S. Geological Survey and others conclude that the composition of coal ash compares with common soils or rocks and should not be the source of alarm.

In 1994, the Anne Arundel County legislature passed bill 60-94 encouraging coal ash as a beneficial use in sand and gravel pit reclamation. Since 1995 our partner company, Constellation Power Supply Group, adhering to permit requirements and strict state and county guidelines for safe handling and disposal of these materials, has been using coal ash to reclaim gravel pits at our Millersville Materials Production Facility. The coal ash is placed in a controlled fill by Constellation and a thick clay barrier is added to the top to safely contain the ash and leave the site suitable for development. When properly sealed off, coal ash has proven to be a solid and stable material on which to construct new commercial developments, and many such projects have already been undertaken in Anne Arundel County and nationwide.

Recently, elevated levels of material found in coal ash were identified in nearby sources of drinking water. This discovery prompted us to reevaluate how ash is contained both above and below ground at the Millersville site. As a result, BBSS is working closely with the Maryland Department of Environment (MDE), the Anne Arundel County Department of Health, and Constellation Energy to ensure that the reclamation project is completed in a safe and legal manner, that nearby residents whose water sources were affected have access to clean water, and that air quality on the site remains safe and appropriately monitored.

Reliable Contracting has been a mainstay in this community for nearly eighty years. Our company's well-being is tied to the well-being of our community, and we are deeply committed to working with our partners in business and government to ensure that our community – our neighbors and our friends – are protected as the Waugh Chapel South property is developed. Look for updates on this issue in future editions of Reliable Report.



New Faces



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Alfredo Ortiz Ruiz
 Francis Hall Chaney 2
 David Wilson
 William L. Hoffman
 Daniel Melgarejo
 Terry Barnette
 James Dean
 Brian Anderson
 Jawn K. Nelson
 Derrick Shaw, Jr.
 Richard Szabo 7
 John Porter, Jr.
 Thomas Whittington 5
 Corey Hayes
 Larry N. Dobson, Jr.
 Oseas Valle
 Luis Valle
 Nathaniel Pierce 11
 Robert W. Vaughan
 Eric Neal 1
 Richard Savoy, Jr.
 Michael Rich
 Veronica Serrano 6
 Jeremiah Maurice Lee
 Lesley M. Elliott, Sr.

William Savoy, Jr.
 William M. Collins
 John Russell 3
 Gregory Siskoe 10
 David Holmes
 Kevin Lee Brown
 Franklin Pack, Jr.
 Shawn Hutchinson
 David Reeves 9
 Christopher Waters
 Terry Alton, Jr. 8
 Oscar E. Saavedra-Perez
 Michael Conner
 Nathan C. Scheufele
 Christopher Gardiner
 Charles W. Endley, Jr.
 David C. Dawson, II
 Carl Thomas
 Julia Major 4
 Robert Carlson, Jr.
 Troy Sedgwick
 Tyrell Halloway
 James Franklin
 Troy Hayes
 John Redmiles, Jr.



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Congratulations to these employees who have recently earned promotions:

Terry Barnette	1	Promoted to Roller Operator
Larry Dobson	2	Promoted to Flagger
Raymond Dyson		Promoted to Lute Man
Corey Hayes	3	Promoted to Flagger
Tommy Porter	4	Promoted to Patch Foreman
Bryan Scrivener	5	Promoted to Grading Foreman



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