

President's Message: Investing in the Future



Jay Baldwin

At Reliable, we spend a considerable amount of time planning for the future. One of the questions we ask ourselves during these planning sessions is; where do we want to be 1 year, 5 years, or 10 years out? This planning helps us as we make decisions in our plant and equipment purchases, the type of training we provide, the territory we want to service, or the type of jobs we want to take on. This "Charting our Course" has paid off tremendously, as our company has never been stronger.

This leads to the question; what are we doing personally to plan for our future? I ask this because the world we live in today has become so much more complicated than even 10 years earlier. We have less time to spend with our family and friends, the cost of living in our area continues to rise above the national average, health care costs are out of control, and it does not look like any positive change is in sight.

Our family and friends are our most important asset but we tend to take them for granted thinking there will always be time tomorrow. Yet this year, we have watched as a number of us lost loved ones suddenly and even tragically. This should be a wake up call to each us. We need to spend that "quality" time with those we care about.

The same thing goes for planning for our financial future. It is ironic that the two main reasons I hear that employees don't invest in the 401(k) plan are: 1) I am young and will get to it later, or 2) I am too old for it to make a difference now. Yet this

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Reliable Wins ABC Award



Reliable Contracting is the proud recipient of the Chesapeake Chapter of Associated Builders and Contractors (ABC) annual Excellence in Construction award for the Piscataway Sewer Outfall project. Michael Abbott, Mike Betts and David Smoot accepted the award for the company at the organization's yearly banquet held in May at the Radisson Hotel in Annapolis.

Now two-thirds of the way to completion, the Piscataway Sewer Outfall serves a residential development in Prince George's County. The award-winning project involved the installation of 9,231 feet of sewer main to service over 800 new homes in the Preserves at Piscataway community, near the intersection of Livingston and Floral Park Roads in Brandywine, Maryland.

The outfall project posed some distinct obstacles that we needed to overcome early-on. One of the biggest was the date that we received the Notice to Proceed, February 2nd coupled with the Maryland Department of Environment (MDE) Stream Crossing Deadline of March 1st. The MDE deadline was critical to the project because we were prohibited from impacting the stream flow during fish spawning season, March 1 through June 15. We had our preconstruction meeting on February 8th and started construction the very next day. Our crews worked seven days a week until the end of February in order to get in as many stream crossings as possible. In those 17 working days we were able to clear 6,450 feet (seven out of the ten acres) and install nine of the 11 stream crossings that were needed to be able to work the project during the MDE Stream Restrictions. Things were further complicated by poor ground conditions. The ground was so bad that the trees we cleared were cut up and used to create a log road. In some areas the log road continually sank into the soft stream bed, requiring even more trees to keep the road usable.

The next biggest obstacle was the access point into the project. The only entry was off Livingston Road, 1/2 mile from the beginning and 1.3 miles to the end of the sewer outfall. To stock the necessary materials for the project we had to utilize low ground pressure equipment. We used a crawler dump truck since it was able to operate in the miserable conditions. We worked for more than two months stocking over 6,000 tons of gravel, 32 manholes and more than 9,200 feet of 12 inch

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Glen Burnie Plant

by Dave Scrivener

New Asphalt Plant Up and Running in Glen Burnie; Spring Tonnage at Record Levels.

In mid-May, Reliable Contracting completed installation of a new 400 TPH Terex counter-flow drum plant at its Glen Burnie location. Undertaking a project of this magnitude with an aggressive construction schedule truly takes a team effort. Erection and plumbing of the plant was performed by R&C Mechanical under the supervision of Glen Burnie Plant Foreman **Rick King**. Special thanks also go to **Joe Michael** for managing the wiring and electrical hookups, **Tom Peterson** for demolition and site preparation, **Keith Pumphrey** for engineering and layout, and **Russ Bollinger and crew** for pouring the numerous concrete footings and slabs.

The new plant offers significant competitive advantages over the 1970's-era batch plant it replaces: lower operating and maintenance costs, the ability to burn waste oil, the capacity to use a higher percentage of RAP aggregates, and flexible hot mix storage in three 200-ton silos.

This ambitious project would not have been possible without the commitment and dedication of Reliable's Crofton plant crew, led by Plant Foreman **John Dawson** and Maintenance Foreman **Chuck Linton**. While the Glen Burnie plant was off-line, the Crofton plant took up the slack in asphalt production, enabling Reliable to service its existing customer base as well as an increase in internal paving demands. Despite the new Glen Burnie plant being off line, spring asphalt tonnage through May was up nearly 70,000 tons to a record 255,000 tons, a 38% increase over 2005.

The increased production capacity at the Glen Burnie plant takes some of the burden off of Reliable's Crofton plant site, and positions the company to more effectively manage the flow of paving materials to job sites around the County and State.



Profit Sharing and 401(k) News

Due to a profitable 2005, Reliable's contribution to the Profit Sharing Plan for 2005 was 7% of pay. This is a 40% increase in the average contribution made in past years. Additionally, the investment gain for our Profit Sharing Plan was 13.2% for 2005.

For those of you participating in the 401(k) Salary Deferral Plan and contributing 4% of pay, you received an additional 1% of pay due to Reliable's employer matching contribution.

For those of you not participating in the 401(k) Salary Deferral Plan, please be aware Reliable matches 25 cents on the dollar for all 401(k) deferrals up to 4% of pay. If you are not yet participating in the 401(k) Plan please contact Beth Thompson @ 410-987-0313 for additional information and the enrollment forms.

Grading Division Report

According to Z. Meade Turner, leader of the Grading Division, there is a tremendous amount of work going on throughout the area and the good weather we've enjoyed lately has helped keep things running smoothly.

Our project at the Odenton MARC Station, which we started in the spring, is up and running, with the temporary and permanent parking lots of Phases One and Two now completed. Phase Three, which includes another large parking lot for the MD Transportation Authority, is currently underway. We are also working on the elimination of temporary sediment controls. Project Manager **Liam O'Meara** and **Mark Sewell** the Grading Foreman, expect to have the project completed by mid-summer – a full six months ahead of schedule. The team continues to do a fantastic job, and makes us all proud. Way to go!



Willow Woods in Severn, Maryland, is a small develop residential development. **Eddie Cadle** is handling the fine grading and finishing touches. Once the underbase paving is complete, they'll be ready to start selling homes.

Reliable is still moving earth at the Beech Tree development in Bowie. As you know from past reports, we've done a great deal of work in the Trade Zone, and we're happy to report that we have now completed all the road improvements to the State Highway. This includes the additional turning lanes that were necessary in order to develop Beech Tree. **Ed Imbrogulio**, our Fine Grade Forman and crew, have spent the last two years on this project, rotating in and out five or six times a year. This is a mammoth undertaking, and we hope to be involved for several years.

The mass grading of 100 acres of open land at Quarterfield Crossing in Anne Arundel County has concluded under the experienced direction of foreman **Gary Nelson**. In July, we'll start on the infrastructure. Reliable's crews moved

over 9,000,000 cubic yards of earth to make way for the development that includes Wal-Mart, Target and Sam's Club at the intersection of Route 97 and Quarterfield Road.

Baltimore Washington Medical Center is remodeling to the tune of \$70 million, and Reliable will be doing a significant amount of work there. **Dan Harris** is supervising our grading crew, now at work on the northwest corner of the property. This will allow for the expansion of the emergency room and construction of 84 new patient rooms.

Work at the south end is as busy as ever, and we're happy to report that all jobs are on schedule. This is especially significant because in fact, we have taken on many additional jobs.

At Piscataway Village in Prince George's County we've finished up on the MOT road outside the development. There have been numerous revisions, but the bypass is now operational. Our foreman on the project is **George Weber** and we foresee being on site there for several more years.

Phase Two at Summerwood, a Lennar Homes residential community, is just about ready for paving. The grading for Phase Three, under the direction of foreman **Bill Evans**, is just beginning and should take about a year to reach completion.

Reliable is also doing quite a bit of work in Charles County. Eagle's Ridge, a community of single family homes, is well on the way to completion, with the gravel and paving soon underway. We have a combination of crews on the job, with **Bill Hobbs** doing the earth work along with **Ken Rzepkowski**.

At Waldorf Town Center, we're working on what will eventually be a restaurant park with ten different eateries. That calls for a whole lot of parking! **James Montgomery** leads the earth moving effort, and **Duane McCoy** will be placing the final fill. The developer, St Charles Communities, LLC hopes to have it complete in August.

The same developer has another community underway nearby. Heritage II at St. Charles calls for 73 single family and 96 townhomes. Reliable has over 150,000 cubic yards of dirt to move there. **Bill Burkman** and crew are taking care of the sediment control, and then we'll continue with the utilities and paving. The plan is for the first phase to be completed by April, 2007. In total this should amount to some \$3 million in work for the company.

We're also working on the county's Talbot Street West. Phase One, due for completion by July first will be followed immediately by the second phase. Reliable's

The Year in Safety

Safety Videos Pay Dividends

Earlier this year, Reliable Contracting implemented a video-based safety training program for new employees, resulting in significantly reduced liability insurance premiums for the company and fewer safety incidents among new employees.

During the orientation process, each new employee will now watch a short video in English or Spanish which gives safety information relative to their specific job, as well as a general safety overview covering all of Reliable's work areas. Employees then take a written quiz to reinforce the information.

The video was shot and edited specifically for Reliable by Dave Scrivener, an Emmy-award-winning producer for Maryland Public Television, and shows Reliable's own employees demonstrating the do's and don'ts of safe work practices. About 60 new employees have viewed the videos so far.

2005 Safety Awards

Diligent safety procedures really paid off in 2005, as Reliable was able to give out nearly \$20,000 worth of safety awards to its employees. One big winner was Edward Barnes, who won the drawing for a big screen TV at the annual safety awards banquet earlier this year. Only those employees recognized for working the entire year without an accident or without being observed working in an unsafe manner were eligible for the drawing. Congratulations to Edward and all of Reliable's 2005 Safety Award winners, and keep up the good work.

Driver Evaluation Program Ready to Hit the Road

Traffic congestion and average speeds are on the rise, and that can mean more costly vehicle accidents. The Safety Division, working in conjunction with Zurich Insurance, is developing a new program to observe and evaluate all drivers of company vehicles with the goal of improving safety on the road. The program will include an online testing component coupled with ride-along observations and safe driving seminars. Truck drivers will be the first group to participate, but eventually all drivers of company vehicles will benefit from this valuable training.

Good Humor Man?

The Safety Division recently took delivery of a new 2006 Ford F-150 Safety Patrol and Incident Response vehicle. The white truck is clearly marked with Safety Division signage and equipped with a full complement of personal protective equipment, reflective vests, and First Aid gear to better serve the

needs of Reliable's field crews. Safety Director Bob Carrier says driving the big white truck is a little like being the Good Humor ice cream man, as he is often flagged down by workers needing hard hats or vests as soon as he enters a job site.

Words to Live By

- **Hearing protection is a sound investment.**
- **Better a thousand times careful than once dead.**
- **While on a ladder, never step back to admire your work.**
- **Chance takers are accident makers.**



Reliable Wins ABC Award

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sewer pipe.

Because of the distance from that access point and the poor ground conditions, the equipment shop could not service our equipment the usual way. Consequently, we had to service and fuel our equipment ourselves every day. We created a fuel buggy that was large enough to fuel two excavators, a dozer, a loader and all the pumps that could be hauled in the back of the crawler truck from the access point to the location of the install.

We had to control the ground water and then work our excavators off of mats. These consist of 1' x 4' x 20' blocks of wood used for support since the ground could not hold the weight. In order to move forward, we had to transfer the mats from behind to the front, leapfrog style, a very slow and tedious process. Once the install started, we worked, and at times struggled, trying to control ground water with a four inch pump located in a sump and three inch pump that we had in our excavation. Our additional standby pump was used more often than not.

Looking back, the comprehensive preconstruction planning sessions led by Foreman David Smoot and Superintendent Mike Betts are largely responsible for our success. They spent hours walking the site and looking over the plans in order to pinpoint problems and identify issues that would affect our ability to control and complete the project on time.

Our extensive preparation paid off, and our crews had a clear vision and plan to attack the project. As a result, we exceeded expectations and completed the project well ahead of schedule. Congratulations to all involved on a job very well done indeed!

Presidents Message:

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investment may be the most important thing you can do for yourself or your family. Since what you invest is taken out of your paycheck tax free, it is like earning a 32% return on the first day. Your company then contributes an additional 25% to that amount making the investment return on the first day 80%! There is no other investment that I know of that makes that kind of return. And \$20 per week after taxes is only \$13.60 out of your paycheck. Every one of us should be investing in our 401(k) plan and our financial future. Contact Beth or Tricia to find out more or stop by the front desk for an enrollment kit. You will not regret it.

The last area we need to invest in, and every bit as important, is our health. Regardless of what other problems we may have, if we are healthy, we can get through almost anything. Being healthy does not mean going on an occasional diet or making the monthly trip to the gym. It means developing a healthy lifestyle that includes exercise, good eating habits, and getting the physical that your doctor recommends.

Planning for ourselves takes discipline. And unlike our company planning where we have many people to depend on, personal planning is always left up to ourselves. But just as it is important for our company to spend a little time each year planning for its future, we need to spend a little time ourselves deciding where we want to be 1 year, 5 years, or even 25 years out. Write it down. You will be amazed at just how easy it can be to follow that plan. In September, Reliable will be sponsoring a benefits fair. In addition to representatives from our benefit providers, several people will be on hand to help you plan for the future. This proved to be very helpful to those that attended last year.

As Reliable strives to move from a good company to a great company, I believe that its employees will dictate if it makes it there. Invest in yourselves and your family, and I have no doubt we can get there together. As you know, this 4th of July weekend, we have decided to give one additional day of vacation for the hard work and great job everyone has done this first 6 months of the year. Take the extra day and spend it with your family. Have a great holiday. Let's finish the year out strong.

Jay Baldwin

Equipment Shop Hums Along at Steady Clip



With 24 employees and a six day work week all year, the Equipment Shop is always a busy place. That's where all off-road machinery is repaired and maintained, making sure that all 320 pieces of Reliable's equipment is in peak condition.

Russell Hatfield heads the team that includes 11 mechanics and a helper, a welder, eight lube techs and two parts guys. At any given time, there are about 15 pieces of equipment in the shop, and six techs are in the field daily to provide service at the various job sites.

To give you an idea of the enormity of their responsibility, last year the cost to buy and maintain equipment was over \$8 million, with \$2.3 million going just for parts!

According to V. P. Jack Baldwin, "the Equipment Shop is vital to the heartbeat of the company." The shop and its staff have grown steadily over the years since Jack started working there under his father's direction right after he finished high school. "It was one bay, one mechanic and about 15 pieces of equipment then, and look at it now!"

The Equipment Shop does an outstanding job for Reliable, and has several of the company's longest serving employees. Picture above left to right Mechanics **Louis Schneider** and **Cliff Weston** have been there for 35 and 44 years respectively. **Victor Miller**, a lube tech has 27 years of service, welder **Carty Crawford** has 20 years, and **Russell Hatfield**, 22. Thank a mechanic next time you see one.

Grading Division Report

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Wayne Willet is not the only one overseeing this job. Since the Charles County Courthouse sits right by the parking lot, we have lots of sideline superintendents!

Our other grading foremen **Mike Temple**, **Jeff Miller**, **Howard Wood** and **Wayne Daniels** are hard at work on several miscellaneous projects all around the area. Keep up the good work, fellas!

Look for the following new projects, coming soon:

CVS at Highbridge
Progressive Claims Center
Vineyards
Oak Creek

Mount Tabor Glen
Indian Head Motor Vehicle Inspection Station
Beech Lane
Edelen Village E&D

Uniforms

By: Dave Scrivener

New Uniforms a Popular Choice with Employees

On May 22nd, Reliable began offering its crews the option of wearing uniforms supplied by G&K Team Wear, and nearly half of the work force has signed up. It's an attractive option made even more so by Reliable's decision to subsidize the program, so the cost to workers is minimal: eleven sets for \$2.73 per week or thirteen sets for \$3.85.

Crew uniforms feature a dark grey work pant with a lighter grey button-down shirt, while foremen are distinguished by a white and grey striped shirt. All shirts carry the Reliable Contracting logo along with the worker's name or nickname, if appropriate. Most have opted for a polyester blend, but cotton is available.

Veteran employees and new hires alike praise the convenience and value of having G&K provide clean uniforms for them, and Rob Scrivener, Reliable's Asphalt General Manager, likes the image the uniforms provide for the company. "Having our field crews in uniform is a win-win situation for Reliable. The employees don't have the worry or expense of work clothes to deal with, and the uniform presents a professional image to the community and our customers."

Janice Gaskill worked closely with G&K for months to set up the program, take all of the measurements and order nearly 250 sets of uniforms so far. She reports that despite a few early bugs, the transition has been fairly smooth: "They're really easy to work with and have been attentive to any problems that our workers have had."



Welcome to Reliable

Please welcome a few of our new employees:



Frankie Norris
Equipment Operator



Wayne Willett
Southern's Yard &
Shop Manager



Frank Vito
Utility Estimator

Reliable Salutes Our Employees Who Served our Country

EMPLOYEE	BRANCH	RANK	YEARS SERVED	CONFLICTS/WARS
Mike Albrecht	Army	Specialist	1970-1973	
George Attwater	Army	1st Sergeant	1962-1985	Korea
Tom Baldwin	Navy	Seaman 1st Class	1944-1946	World War II
Jimmy Ben				Granada
Russ Bollinger	Army Helicopter Co.	Back Sergeant	1966-1967	Vietnam
Bill Burkman	Army	Private	1966-1968	Vietnam
Patrick Burkman	Marines	2nd Lieutenant	1998-2002	
Kenny Butler	Army	Private	1982-1985	
Christopher Bruno	Army		2002-2006	Iraq
Jack Carleton	Army	Specialist	1958-1962	
Brian Conde	Marines	Corporal	1996-2000	
Calvin Curtis	Army			Vietnam
John Elliott	Air Force	Airman 1st Class	1957-1961	
Robert Gilbertson	Army	Private 1st Class	1969-1970	Vietnam
Kenneth Gilleland	Navy	Seaman	1970-1972	Vietnam
Samson Gray	Marines	2nd Lieutenant	1973-1976	
Robert Heffler	Army	Sergeant	1977-1980	
Jeff Holland	Army	Corporal	1972-1974	Vietnam
David Jackson	Marines	Sergeant	1973-1975	
K.C. Johnson	Marines	Corporal	1975-1979	
Roland Kelly	Army	Private E-4	1986-1989	
Joe Lavonture	Navy	2nd Class Petty Officer	1979-1983	
Dan Pyle	Army Aviation Crew	Chief	1967-1970	Vietnam
Joseph Michael	Army	Sergeant	1965-1968	Vietnam
Rodney Miles				
Fred Mouery, Jr.	Army	Sergeant	1968-1971	Vietnam
Dennis Reavis	Army			
Sid Ripple	Marines		1966-1968	Vietnam
Robert Smoot, Jr.	Army			
James Stubbs	Air Cavalry	Sergeant	1969-1971	Vietnam
Marion Tindell	National Guard	E-3	1974-1978	
George Via	Army	Corporal E-4	1969-1971	Vietnam
Jorma Wagnon	Army	Sergeant	1989-1995	Iraq, Haiti, Panama, Somalia
Ken Watts	Army	SSG E-6	1966-1968	Vietnam
George White	Army	Specialist	1968-1972	Vietnam
Eric Wilhelm	Navy	Submarine Service	1980-1984	
Nelson Woolford	Army	Specialist	1965-1969	Korea
Joe Zdrojewski	Air Force	Airman 1st Class	1963-1967	Vietnam

***Special Thanks to Sid Ripple who received two Purple Hearts during his service.
Thank you, Sid, and all those who served!***

