



Underground Construction Recognized as One of the Safest Contractors in the State



(Cory Bykoski (Vice Chair/AGC-CA), Chris Lee (Deputy Chief of Industrial Relations/Cal OSHA, and George Bradshaw)

Associated General Contractors of California recently recognized Contractors in California for their Safety Performance. Underground Construction was acknowledged as one of the safest specialty construction companies in the state. On November 4, 2010, George Bradshaw accepted the Second Place Plaque for the 2009 Safety Award of Excellence for a Specialty Contractor, 200,001 to 500,000 man hours from Chris Lee, Deputy Chief of Industrial Relations for Cal OSHA. We offer our congratulations to University Marelich Mechanical, who has gone 21 months without a recordable incident and was awarded the First Place Plaque. The Safety Award of Excellence Program recognizes contractors and their commitment to safe work practices through management and employee involvement. It is sponsored by AGC-CA Safety and Health Council members and Sea Bright Insurance Company.

In 2009 Underground Construction logged over 408,000 man hours with an incident rate of 0.98. This is the second year in a row that Underground has ended the year with an incident rate if

less than 1. What a great accomplishment! Our accomplishment shows that Underground Construction and its employees consider safety the top priority in our daily lives.

Our commitment to ongoing training, not only to new employees, but also our seasoned veteran employees, continues to enhance our safety results. We strive to reinforce the philosophy that there is only one way to perform a job, and that is safely!

As a company, we celebrated 12 months without a recordable incident at the end of October. Our incident rate currently is at an all time low of 0.00. In addition, our Santa Rosa yard has over 1,350 days and our Benicia Shop over 1,100 days without a recordable incident.

This award is the result of everyone at Underground Construction making Safety the first priority on all of our work. Congratulations to all the dedicated men and women of Underground Construction that made this award possible.

Let's keep up the good work and continue to establish new milestones for safety that maintains our recognition as one of the safest contractors.

By George Bradshaw



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CONSTRUCTION

BNSF: Klamath Falls, OR



By Brian Old

2010 saw Underground Construction return to the unique railroad work offered by the BNSF Railway. The first project was a Fueling Facility Improvement Project in the Klamath Falls Oregon rail-yard. Led by Superintendent Joe Kovacich, an Underground crew headed north in late August to tackle this complicated four-month project.

The existing systems needed improvement, therefore, work began with the removal of 200 feet of track, underground piping, pumps, sidewalk, industrial waste lines and impacted soil. After the site was cleaned, a new HDPE waste line, fuel containment track pans and fuel/lube oil lines were installed in the middle of the active rail-yard. A new pump was installed in the existing pump house, along with new valves, controls, and piping. Alongside the Underground crews, our subcontractors placed concrete sidewalks, removed old lead paint, jack and bored a 24-inch steel casing under active rails, and restored the existing tanks with a new coat of white paint.

With new construction challenges, a remote location, and winter weather, the Klamath Falls project has been incident free and is on schedule, proving once again that Underground Construction does have the best people providing the best construction solutions.

Inside

- President's Column
- Safety
- Giving Back
- Project Profiles
- 2010 Golf Invitational
- Undergrounders at Work
- Anniversaries



PRESIDENT'S COLUMN

Strategic Planning 2010 Update



In our last edition of the Underground Connection, I wrote about our company's strategic planning process that we recently started. Well, six months later, we have completed our plan that will help guide our company for the next several years. We "rolled out" our plan to the entire company this past July. During the planning process, we identified four goals that are critical to the ongoing success of Underground Construction Co.

The four goals are:

1. Become the safest construction company.
2. Grow our annual revenues.
3. Develop and train (from within the company) future field supervisors.
4. Develop and formalize several new training and employee evaluation programs.

Each of our goals have several action items and strategies that are necessary to reach success on every goal. Additionally, each goal has a "champion" that will oversee the process to achieve success for each goal. Although all four goals are critical to our company's success, the goal to "become the safest construction company" is the goal that I am most proud of (certainly I'll be prouder if we attain the goal). The wording of the goal is what makes it so pronounced. We did not want to limit measuring our safety record by comparing ourselves to other companies within our market sectors, geographic regions, Associations (American General Contractors Association, Association of Building Contractors, etc.). We really want to be the safest company.

I urge all Undergrounders to embrace our 2010 Strategic Plan and get involved with helping us accomplish the goals that we have identified.

Chris Ronco

Anniversaries

Congratulations!



Glen Hammack
20 Years



Gustavo Elias-Cortes
20 Years



Abraham Guerra-Godinez
10 Years



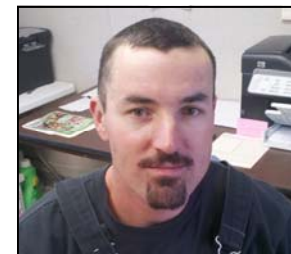
Felipe T. Perez
10 Years



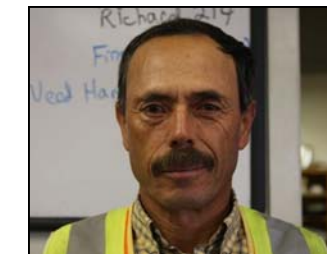
Javier Flores
10 Years



Gustavo Navarro
5 Years



David King
5 Years



Jaime Oseguera
5 Years



Jose Luis Juan
5 Years

SAFETY COMMITTEE

By George Bradshaw



The goal of the Underground Construction Safety Committee is to provide and maintain a safe environment for our employees, clients, and the public. The committee will assist management in the improvement of workplace safety, and develop solutions for safety issues. The committee meets on the fourth Thursday of every month in Benicia. They will review all near misses, first aids, incidents, JHA's (job hazard analysis), and overall safety. The committee will recommend changes to our current incentive program, policies and/or new policies to maintain a safety and healthy workplace.

Our Safety Committee provides additional opportunities for each and every employee to share concerns and experiences with the Company, so we can all learn and make our jobsites even safer. Underground Construction's safety committee is made up of Art DeLeon (Chair Person), Muzette Perry, Chris Ronco, George Bradshaw, Andrew McManus, Chris York, Ray Lemen, George Castro, and Jose Zarco.

Our goal is "Zero" incidents each and every year. Keep up the great effort that all of you have put forth this year.



2010 UNDERGROUND GOLF INVITATIONAL

Another Successful Tournament!



First Place!



Second Place!



Third Place!

It was a perfect, clear and sunny day for golf on Monday, June 28, 2010. The Underground Construction Company Invitational was once again held at the Napa Valley Country Club, where foursomes arrived eager to be the next tournament champion. Prior to a 12:30pm shotgun start, players socialized with their fellow golfers, practiced at the driving range, and enjoyed a buffet lunch in the clubhouse. Undergrounders looked especially sleek this year, wearing their red, striped Nike golf shirts. These shirts, which were embroidered with Underground's logo, were also included in the tee prize package given to each of our attendees.

Congratulations to Brian Old, Bill Stonebarger, Dan Leasure, and Clint Holsey who won the first place prize with a score of 63. Both the second and third place foursomes finished with a score of 64, but due to a tie-breaker, the second place prize went to Ray Lemen, John Aimar, Wayne Jones, and Kevin Rowe. They were followed in third place by the team of Chris Chell, Cameron Rowland, Mark Shone, and Ken Woehler.

During the tournament, a contest was held for closest to the pin and longest drive. Dave Turkington showed off his golf skills, taking home the prize for closest to the pin, while Mike Olds demonstrated pure strength, winning the longest drive competition.

After a long, yet exciting day of golf, players ventured back to the clubhouse and enjoyed dinner and drinks in the dining room. During this time, awards were presented to the longest drive and closest to the pin winners, and to each of the 1st, 2nd, and 3rd place foursomes. We also held a raffle with a fantastic array of prizes, which led to many happy prize winners!

This year's tournament was a huge success, yet again. We would like to thank the Underground personnel, clients and vendors who participated in the event and made it such a great experience. We look forward to seeing everyone next year!

By Kylie Beren



PROJECT PROFILES

Re-Cabling Project: San Francisco, CA

Over the past 14 months, Underground has had the opportunity to work on a PG&E re-cabling project in San Francisco. Our client on the project was W.A. Chester, who was hired by Black & Veatch. Underground was brought onto the project to support W.A. Chester's efforts to remove and replace old, degraded cables dating back to the 1950's. We supported Chester's operations by excavating inside of three major substations, as well as a number of dig-ups throughout the busy streets of San Francisco to repair damaged and weakened pipe.



Underground's efforts to perform the job in a safe, effective and cost effective way led us to work with W.A. Chester again on the second phase of the project. This time Underground was not only responsible for the small excavations inside the three substations, but also for setting a large manhole inside the active Martin Substation. The challenge presented in these substations was that we were not allowed to use any type of machine excavation; 100% hand digging was required. This did not faze Underground's crew in the slightest. We showed up to dig day after day, and actually ended up completing the tedious task in half the time projected.

Through challenging conditions and tough milestones, under the leadership of Bob Roberts and Ron James, Underground's crews have completed both projects for W.A. Chester ahead of schedule and under budget. We look forward to the next one.

By Scott Smith

UC Berkeley Joint Trench & Underground Utility Supply Project



In the middle of October, Underground Construction began work on the "Channing Way Underground Conversion and Power/Data/Voice Supply to Anna Head" project for the University of California, Berkeley. The first part of the project includes converting overhead utility lines in the 2500 block of Channing Way in downtown Berkeley by installing joint trench to accommodate PG&E, Comcast, AT&T, and City of Berkeley street lighting conduits. The second portion of the project will provide power, data, and voice supply to the new Anna Head student housing building for the University.

The building contractor for the new student housing also began work in October, therefore, a lot of the challenges on this project have come from coordinating with their fast-paced schedule and working alongside each other. For example, Underground was given a deadline of the end of October to complete the joint trench portion so that utility owners could convert their overhead lines in time for the building contractor's tower crane to be placed. Another challenge that Underground is facing is working in downtown Berkeley. As in most downtown areas, there is a constant stream of traffic and pedestrians that need to be redirected and protected from the job site.

Underground's crews are being led in the field by Superintendent Gustavo Elias-Cortes, with management and engineering support from Rick McLaughlin and Tina Daup. The success of this project depends highly on the skill and determination of our people out in the field. That skill will help Underground complete the project by the end of the year deadline.

By Tina Daup



COMMUNITY FOCUS

Supporting the Community One Event at a Time

Over the past year, Underground Construction and our employees increased efforts to support the community.

Relay for Life:

In May, Undergrounders laced-up their walking shoes and supported the American Cancer Society Relay for Life event at Benicia High School. Employees, along with their family members and friends, took turns and walked or ran around the track during the 24-hour event. We raised over \$7,200 to help fight against cancer and promote awareness.



Backpack Giveaway:

Undergrounders supported Mission Solano for the Back to School Resource Fair, which was held on August 4th. We donated 68 backpacks, filled with school supplies, to the fair. A grand total of 1,049 backpacks were distributed to ensure that children in need get a successful start to the school year!

Community Food Drive:

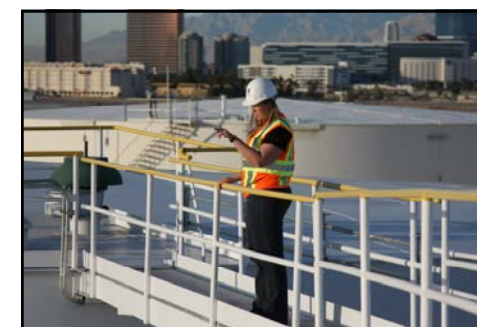
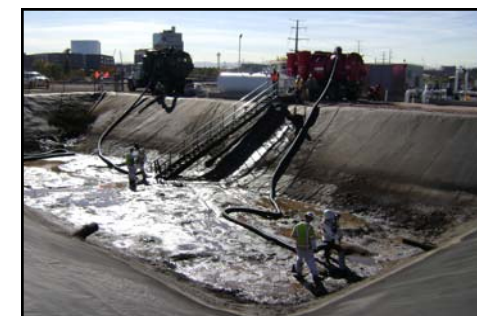
With the economy hurting and food costs rising, we held a food drive to support local food banks. Employees donated food and participated in the Buy-A-Bag Program. For every financial donation received, their name was added to our "Wall of Fame" and displayed in our office lobby area. Every \$1 we collected provided three nutritious meals for our neighbors in need. We are proud to announce that employee donations were up 63 percent compared to last year.



By: Muzette Perry

UNDERGROUNDERS AT WORK!

Featured Photograph: Sent in by Brian Klatt Project: McCarran Airport Fuel Storage



Thank you Undergrounders for continuing to help and serve the community!