



Spreading the Dirt

PMI Successfully Completes 1st Quarter By Earl Pearce

Well, It's been three months since Joe and I purchased Shure-Line's interest in this business, and I am happy to report that the 3rd quarter of this year, (PMI's 1st qtr.), will be one of our best quarters since this company was formed in April of 2000. Our monthly sales in September breaks any previous sales record by more than 20%. I would like to thank everyone for their hard work, and dedication over the past three months.

We recognize that our employees are our most valuable resource, and this will never change. For this reason, Joe and I have been working hard to add as many benefits to your compensation package as possible.

Since July 1st we have added the following for everyone's benefit:

- AFLAC Insurance
- 401K Plan
- PMI absorbed a 25% increase in health insurance premiums.
- COSTCO Memberships

We now offer one of the best benefit packages in the local construction industry.

Our goal is to retain our current employees, and attract other skilled tradesmen into joining the PMI team.

We continue our recruiting efforts, and ask everyone of you to help in recruiting quality people to join our team.

State of the Business

We have been struggling for the last two years, due to the extreme winter of 02/03, and the wet spring that followed, combined with a couple of really bad jobs, and a customer who refused to pay over a quarter of a million dollars that we were due.

Thankfully, all of this is behind us now. 04 will be a profitable year, and the outlook for 05 is even better! **Thank you all!**



Pearce & Moretto was publicly unveiled for the first time at the ABC Crab Feast in June.

Field Operations Update

By Joe Moretto

It is important that I ask everyone to take (10) ten minutes before the start of each day to visually inspect and service your heavy equipment. First, please see that all fluids are checked, and filled to the proper levels, that all fittings are

greased and that all air filters are clean. Second, please see that all equipment is operating properly. Back-up alarms, lights, brakes, hydraulics, etc. should all be in sound working order. All employees operating company

vehicles should at a minimum check engine oil at each re-fueling. At anytime should you suspect that a piece of equipment or vehicle is not operating at peak performance, please notify Dave or myself immediately. (cont. on pg. 2)

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Suggestions:

- We are looking for your suggestions and comments for the next newsletter due out on December 29, 2004. Please submit any ideas to Jeanna Hall.
- We are looking for ideas on a name for this newsletter. Please submit any ideas to Jeanna Hall. The person who comes up with the best name will receive a fifty dollar gift certificate from Costco.

Industrial Work Update By Jason Wolskee

Currently PMI has two projects in the Uniqema Plant in New Castle, DE. The first project is for Snyder, Crompton, & Associates and the second is for Shure-Line Construction. Both projects involve structural concrete. Mike Rohrer and Bill Elliott have been working together to move these projects ahead. Both projects are on tight schedules and everyone at PMI is putting forth the maximum effort.

Mark Byrd and his crew are forging ahead at the DuPont Experimental Station K Road Project. Mark and his crew have been at the Ex Station since early May and continue to impress Bancroft / DuPont. PMI has a shutdown coming up on October 1, 2004. K Road should be complete within the next month. Safety is always an issue at the Ex Station and PMI continues to get 100% on the safety audits held weekly by Bancroft.

Mike Rohrer and his crew have started another project at the Solvay Solexis Plant in Thorofare, NJ. This project involves three (3) blast walls that are 30' high. There will be plenty of rebar on this project. Also, while on site, the crew will be putting in foundations for a new Chiller on site. PMI anticipates Mike's crew will remain at Solvay almost until Christmas.

Jeff Malone and his crew have started replacing existing fire hydrants at the DuPont Chestnut Run facility. There are several hydrants and PIVs that are to be replaced. In conjunction with this work Jeff's crew will start working on the second set of Storm Inlets. We were able to procure the second phase without having to bid due to the outstanding performance on the first phase.

The Debris Pits have started once again, and this year PMI has Andy Bell running our very own Roll-Off truck. Rich Kelly from the State of Delaware estimates that there are over two hundred residential yards that need to be remediated. This work will continue into and through the upcoming winter months.

Past Work:

PMI has completed the 308 Project at the DuPont Ex. Station. There are some minor cosmetic areas to be completed but overall the project is finished.

Ron Sartin and Scott Rowlands, along with their respective crews completed several difficult projects at the DuPont Chambers Works plant. PMI was under intense pressure from DuPont to complete these projects on time. Not only did we do this, but one project was

completed three days ahead of schedule. Thanks for pulling it off guys!

PMI has been able to respond to big and small jobs in the past few months. New customers are calling everyday and those that we have serviced are more than pleased with our work.

Future Work:

PMI is currently bidding work on a consistent basis for MDavis. This client will be a major asset in the near future. PMI is also looking at work for Astra-Zeneca.

PMI has been awarded a small job inside Johnson Controls in Middletown, DE. This is a plant that we have been working towards a relationship for a while.

All DuPont sites anticipate additional work to be let out this spring.

Outstanding Performance:

All PMI employees who have worked at the various DuPont sites in the past six months are to be commended. DuPont is a very difficult place to work, and PMI has done extremely well with both safety and quality of work.

Field Operations Update

(Continued from page 1)

Bottom-line, if the equipment does not operate we do not work, and if we do not work, we do not generate income. I think everyone knows where I am going with this. Furthermore, PMI cannot afford to replace equipment or vehicles that are damaged as a result of sheer neglect! Neglect will not be tolerated in this company. Just so everyone understands here are the simple facts. Replacement costs on various pieces of equipment are as follows: a 2" electric submersible pump costs approximately \$485, a gas powered generator costs approximately \$1,000, a gas powered chop saw costs approximately \$900, a gas powered plate tamp costs approximately \$1,200, a Chevrolet Crew Cab truck with Utility Body costs approximately \$30,000 and a CAT backhoe costs approximately \$85,000. All monies that would normally go towards yearly employee pay increases, along with equipment and vehicle upgrades.

In an effort to further prevent and maintain our vehicle and equipment fleet, PMI has hired John Moretto on as our shop mechanic. John brings over 20 years of diverse experience in the automotive, aviation and construction industries. John is a graduate of DelCastle Technical High School, and is a licensed aviation Airframe & Power-Plant mechanic. John's main responsibility at PMI will be to keep the fleet up and running. In doing so, John has transformed the two service bays at our main office into a full service shop complete with all the essential supplies and parts necessary to handle any size job. John will also be responsible for developing an implementing a Preventative Maintenance Program. Part of this program will include a weekly vehicle and equipment inspection report. More details will follow over the next several weeks as the program begins to develop.

Finally, I ask that everyone continue to do their best in keeping the equipment, trucks and vehicles clean and orderly. That all items being carried are properly secured, and that small tools are locked away. These actions begin from the top down leading by example. Please remember that it is all about perception, and first impressions. As the old adage goes, would you personally hire someone to do work who pulls up in your driveway with a broken down truck and tools. I think not!

Lets continue to keep up the good work, and to be safe at all time! Thanks.

Safety Tips for Winter Driving

The potential for bad weather at this time of year brings with it an increased threat of vehicle accidents. This is the most dangerous time of the year. Inclement weather is a major factor in many of the serious accidents that occur each year. The Ohio Department of Highway Safety indicated that over 30,000 vehicular accidents occurred during snowy and icy road conditions, which resulted in around 9,000 injuries. Another 58,310 crashes occurred on rainy days, which resulted in 20,546 injuries and 162 deaths.

It is important to be alert at all times when driving, but it is even more important during this time of the year. The days are shorter reducing the amount of sunlight. There is an increase in the amount of rain. Snowstorms can come up

suddenly and cold weather can cause icy conditions. The possibility of fog and sun glare also increases, making driving much more difficult and dangerous. We have little control over the weather, but we can adjust the way we drive. Always be alert and apply good driving sense.

The following is a list of safe driving tips that we can follow. Read through each area carefully and incorporate these into your winter driving behavior:

SAFETY TIPS FOR SUB-FREEZING WEATHER

Wear a complete set of outdoor winter clothing, including good boots and face mask

Check the vehicle's heater

Use freeze resistant wiper blades

Maintain proper tire pressure

Get an engine block heater if your vehicle will set outside

Have a set of good gloves, face mask, hat, ear muffs and wool blanket available

Have a cellular phone available in case of an emergency

Have other safety supplies available such as:

Warning devices Small snow shovel

Ice scraper Flashlight

Booster cables Small bag of sand

Towing chain or cable

Traction mats First Aid Kit

Jack and lug wrench



CAT 314C Excavator

Equipment Update By Earl Pearce

Since July 1st, PMI has purchased the following equipment:

- Takeuchi Mini-Excavator w/Breaker
- CAT 320C Excavator
- CAT 430D Backhoe
- John Deere 450 Dozer
- Mack Roll-off Truck

Since July 1st, PMI has purchased the following trucks:

- (2) Chevy Crew Cab Utility Body Trucks

The total amount invested in new equipment since July 1st exceeds \$ 365,000.

The replacement value of PMI owned equipment now exceeds \$ 2,000,000.

We will begin a rental/purchase agreement in October for a new CAT 314C Excavator. This excavator has a zero swing radius, and a power off-set boom to handle the tightest working conditions.

As we continue to expand our fleet, proper care and maintenance become more and more important. I ask everyone to take care of PMI equipment as you would take care of your own. Thanks!

Commercial Work Update By Dan Wiant

I am pleased to report that both our Porter Chevrolet and Delaware Air Park projects got off to a good start this past month. The Porter Chevrolet project is being managed by Snyder, Crompton & Associates. At present, Rod Reynolds and crew have bulk excavated and relocated underground utilities for the proposed building addition. As soon as wood piles are driven by others, PMI will return to the site to commence cast-in-place concrete pile caps and grade beams, with remaining site work to be completed as scheduled.

Our Delaware Airpark project is located in Cheswold, DE. This work is being performed for the DRBA, and construction managed by

EDIS. The purpose of this project is to construct a new Terminal Building. PMI was awarded the Sitework package. To dated, Tom Cochran and crew have established E&S controls, commenced site clearing and have begun preparing the building pad for subgrade fill.

Last month, Tom Cochran and crew found themselves in St. Michael's, MD preparing the site infrastructure for five single family units. Work is currently 85% complete.

All of these projects will continue through fall and will be complete in early Spring.

Past Work:

Over the next month, PMI will complete the Sitework for the much anticipated renovations at Rockwood Park. Sitework will also be complete at Milton Library.

Future Work:

Bid invitations are plentiful and promising, as they have been throughout the year. We are looking again to procure work with Artesian Water, and currently have our sights set on Minker Construction as a new client. PMI is also in the process of establishing work at the University of Delaware, and with one of their prominent construction managers, Whiting-Turner Construction.



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Civil/Site Contractors

Welcome Aboard!!

Please take a few minutes to welcome the following employees who have joined PMI since July 1st

- Andrew Bell
- Brian Brothers
- Michael Cavendar
- Richard Eitel
- William F. Elliot
- William E. Elliot
- Francis Fromal
- Steven Howard
- John Moretto
- Rosco Wright

www.pearce-moretto.com

Safety Quizzes

Please be advised that each month you should be receiving Safety Quizzes from your supervisor. These quizzes are intended to enforce Pearce and Moretto, Inc.'s Safety Policy. It is very important that you return these quizzes into the Office as soon as possible. Each quiz is reviewed and then placed into a file in the event we ever get audited or need to show proof of our Safety Policy to a customer, such as DuPont. Please note if you do not receive a quiz from your supervisor, please stop by the office and pick one up. As an added incentive there will be a prize given away at the end of the year to the employee who has completed all the safety quizzes with a combined score of 90 or higher. If you have safety quizzes that you know have not been turned in or if you need copies of any of the previous safety quizzes please see Jeanna as soon as possible.



Paperwork!

Please remember to turn in packing slips, tickets, and receipts at the end of each week for any purchases you may have made during the week. If you notice on the packing slip, ticket, or receipt that the purchase order number you were issued is not listed, please hand write the purchase order number on the packing slip, ticket, or receipt.



HAPPY ANNIVERSARY

to the following PMI employees...

July

- Scott Rowlands – One year
- Ed Snovel – One year

September

- Brandon Crane – One year
- Richard Dollard – Four years

October

- Joe Godfrey – One year
- Christyn Small – One year
- John Swan – Four years

November

- John Lamotta – One year

December

- Joe Moretto—One year
- Dan Wiant – Three years

Congratulations and thank you all for your hard work and dedication