



Spreading the Dirt

PMI Successfully Completes 1st Year

By Earl Pearce

On June 30th, we completed our first year as Pearce & Moretto, Inc. As a corporate entity, we have completed five years of business, and are currently working on the sixth.

We have experienced many ups and downs over the past year, but when I think about where we started from, twelve months ago, and where we are today, I am truly amazed.

From a business standpoint, we currently have enough work on the books to get us through 2006. We have completed all of the older jobs, some of which were loser jobs, which we had to spend money to complete. All of our current and upcoming work looks to be profitable, which will only strengthen

our position in the current construction market.

With our current work load, I have been focusing on building and improving our business relationships with our preferred clients, so that if work does slow down some day (in the distant future I hope), PMI will be the contractor of choice. One way that each and every employee can help in this effort is to have pride in your work. We want PMI to be known as the company that does it right, the first time! No short cuts, or cheating on project specifications. We want to give the customer a quality job, while maintaining our efficiency, and safety. Once again, I would like to thank you all, for your hard work, and loyalty.

One thing that no one wants to hear, but must be addressed, is the rising cost of health insurance. Employee contributions for health insurance have not been increased since 2000, while the monthly premiums charged by BCBS have increased each year. In 2000, a "Family Plan" cost the company \$ 375.00 per month. For the remaining part of 2005, and 2006, the cost to the company will be \$ 896.00 per month. That's a increase of 139%! We have kept the employee cost fixed at \$200.00 per month, since 2000. PMI does not intend to raise the employee contribution by 139%, but an increase will have to occur. Everyone will be provided with more detailed information, in the next few weeks.

Field Operations Update By Joe Moretto

First, I would like to thank everyone for a making the first year at Pearce & Moretto, Inc. (PMI) not only a memorable one for both Earl & I, but a successful one too! Moving forward into this year, the challenge is simple – let's just con-

tinue on with the same drive and determination, and as always never compromise on safety!

Current PMI facts and figures:

At the time of this article, PMI now has a total of 40 employees, of which 8 are

office staff, and the remaining 30 field staff, along with 2 full-time temporary workers. At the PMI management level, I want to take this opportunity to welcome both Lee Tracey and Vince Green.

(cont. on pg. 2)

Inside this issue:

| | |
|------------------------------------|---|
| Industrial Work Update | 2 |
| Equipment Update | 3 |
| Commercial/Residential Work Update | 3 |
| Safety Quarterly | 4 |
| Employee Anniversaries | 5 |
| Welcome New Employees | 5 |
| 1st Annual PMI Company Picnic | 5 |

Suggestions:

- Remember, this is your newsletter. If anyone has something that they would like to see in future newsletters, please submit your ideas to Earl Pearce. One winning idea will be worth a \$50 gift card from Lowes.

Industrial Work Update By Jason Wolskee

Dupont Ex Station:

We have completed several projects for Bancroft and Dupont within the past year. Mark Byrd just completed two projects one at the bottom of the site at Creek Road and the other was at the contractor's gate entrance. Dupont and Bancroft are very pleased with the outcome of both projects. They were so pleased that they awarded us the second phase of the K Road Steam and Condensate Replacement. Congratulations to Mark Byrd and his crew on a tremendous job. While working on the contract jobs Mark Byrd and crew have performed various Time and Material Projects for both Dupont and Bancroft.

Jeff White and his men have been working for Tom O'Brien of Dupont on various curb and sidewalk projects. Jeff has handled the Dupont atmosphere very well. Mr. O'Brien continues to call with more work for PMI.

Our newest foreman Vince Green has been assigned the tough task of constructing a retaining wall at the end of

building 241. This project has had several obstacles to overcome in the beginning but Vince and crew are pushing through to the satisfaction of Dupont and Bancroft.

Several new jobs at the Chestnut Run facility and Beech Street are out for bid and we look forward to working in these sites. More fire hydrants could be coming our way within the next month. Good news for Jeff Malone and crew.

Procter & Gamble:

Our newest site has been supervised mainly by Rich Eitel. MDavis is the GC for the work and they could not be happier. Rich started with one job at the site and four months later they are still giving us work. We have performed two larger jobs and several smaller jobs that have turned out tre-

mendously. Dewey McClanahan has been on the site as well helping out with grading of P&G's drop lots.

P&G is a very good place to work and we hope we can continue to build our business with P&G and MDavis. Good job to all who have helped at the Dover facility.

Solvay Solexis:

Solvay continues to be a steady source of work. Small concrete jobs and one larger excavation job will be coming out for bid this month. Jeff White and/or Rich Eitel have been working on site with glowing reports from the client.

Field Operations Update (Continued from page 1)

Both of these men have been hired on as Foremen, and bring to the PMI team a diversified wealth of knowledge and experience. I also want to welcome Bill Smagala. Bill has just joined the PMI team, and his roles and responsibilities here will be two-fold. First, he will wear the Estimator / Project Manager "hat" for both PMI's residential and commercial projects. Second, Bill will oversee and ensure PMI's corporate safety policies meet both today's OSHA and DuPont standards. Bill will also coordinate employee safety training and facilitate the daily operational safety needs of the company. As for the remaining employees who have recently joined the PMI family but are not mentioned here individually, I would like to welcome you and thank you for your continued hard work and dedication.

In re-evaluating PMI Operational Procedures, Russell Hines now finds himself as the new Purchasing Agent. Russel is now responsible for pricing and procuring materials and sourcing rental equipment. Russell issues and tracks all Purchase Orders. In this role, Russell has done a fantastic job. Russell also continues to support the estimating department.

As all of you are all aware, PMI has made some major equipment investments this past year. This began with the purchase of a Caterpillar 963 Track Loader and D6 Dozer. As recently as last month, PMI acquired both a Caterpillar 330CL Excavator and 930G Rubber Tire Loader. Not to mention some smaller pieces, PMI's investment over the past year in nearing one million dollars.

As I have stated in previous PMI articles, take care of this equipment as if it was your own. Please take the time to perform the daily maintenance requirements, and notify either myself or Dave Woollens in the event the equipment is not acting properly.

In closing, we have come a long way this past year. Over the next several months, I will be revamping some field operational procedures, as well as establishing both a safety and performance program to recognize and reward PMI employees who exceed at their job.

Equipment Update By Earl Pearce

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

- CAT 430D IT Backhoe



- CAT D6R XL Dozer



- CAT 963C Track Loader



- CAT 930G Wheel Loader



- CAT 330C L Excavator



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

The replacement value of PMI owned equipment now exceeds \$ 2,500.000.00.

As you can see, we are seriously investing in the future of PMI.

With this equipment, we can go after bigger and better jobs, thus opening new opportunities for PMI, which in turn, will open new opportunities for PMI employees.

It can't be said enough, take care of this equipment, and the equipment will take care of you and PMI for years to come.

Commercial/Residential Work Update By Earl Pearce

Northern View

We are well under way at Northern View as you can see from the before and current photos below.



Jeff Malone and crew have completed

the underground utilities, and have started stoning the streets. We anticipate completing phase 1 of this project this fall. Depending on home sales, phase 2 may be ready to start in the spring.

Southern View

The bulk earthwork for phase 1 has been completed, and we are currently installing underground utilities. Lee Tracey and crew have been fighting

ground water since they started the sanitary sewer, but continue to make progress.



(cont. on pg. 4)

Hazardous Communication

All employees of Pearce & Moretto, Inc. have a right to know the basic chemical properties for products that we use, handle, or come in contact with on the job. This right is legislated by OSHA 1910.1200 and now adopted for Construction in 1926.59.

All of our Foreman and Leads are equipped with a copy of our Hazard Communication Policy, and it is available to all employees upon request. Inside you will find Material Safety Data Sheets for all the chemicals that we use from the Gasoline and Diesel that powers our equipment to the non-shrink grout used in the field. These sheets outline the vital information about the products in a standard format.

Section 1 Identification-*Chemical Name, Manufacturer, Emergency Phone Number*

Section 2 Hazardous Ingredients-*Chemical Identity, Exposure Limits*

Section 3 Chemical Properties-*Physical Properties, Boiling Point, etc.*

Section 4 Fire and Explosion Hazard Data-*Degree of Hazard, How to Extinguish*

Section 5 Reactivity Data-*The chemical stability of a material*

Section 6 Health Hazard Data-*How the chemical may enter the body*

Section 7 Precautions for Safe Handling and Use-*Personal Protective Equipment*

Section 8 Control Measures-*Special Handling and Emergency Response*

An important thing to remember when using a chemical product is what Personal Protective Equipment may be used to limit any exposure to you. By this I mean if the substance could burn your

eyes, use safety glasses, goggles, or a face shield when using the product. Also your supervisor should consider if any less hazardous products would be better suited to the application. If the substance is flammable at your current temperature, it's a good idea not to smoke when using that substance. This is the common sense information that is sitting in the binder in your foreman's truck.

Materials/Chemicals that we are unfamiliar with need to come to the jobsite with the MSDS attached. Material suppliers are familiar with HazCom, and will have no problem sending the MSDS with the packing slip, or faxed to the office.

Our company performs work in many industrial process facilities. In these areas you have the same federally mandated right-to-know what chemicals you may be exposed to in the work area. Any chemical hazards should be identified in the pre-construction meeting, or safety analysis at the start of the job. Remember to ask your supervisor if you have any questions regarding client processing chemicals, they will know the proper channels to provide the MSDS.

If a chemical enters your eye, is ingested, or injected, take the MSDS sheet to the hospital or clinic so the attending physician will know exactly what the chemical properties are. I have had this happen with an asphalt worker in the past who had gotten RC tack in his eye, the folks at the facility had ready access to the information they needed to treat the injury.

As the Safety Lead here at Pearce & Moretto, I am responsible for making sure that this program is up to date, and effective, please contact me if there are any questions about our HazCom Program.

Commercial/Residential Work Update (Continued from page 3)

Southern View

The developer has already requested pricing for phase 2 of this project. With the current rate of home sales in this development, it looks like we will continue onto phase 2 without delay.

Verizon Wireless

We were recently awarded the Site-work contract for a new switch gear facility, located off Boulden Blvd. This project consists of placing more than 10,000 tons of off-site borrow to prepare the building pad. The project also

has two large underground storm water containment facilities.

We have a preconstruction meeting setup for this week, with the project starting later this month.



PEARCE & MORETTO, INC.

314 Baywest Blvd.
PO Box 272
New Castle, DE 19720
Phone: 302.326.0707
Fax: 302.326.0789
E-mail: info@pearce-moretto.com

Civil/Site Contractors

Welcome Aboard!!

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

July 2004

Michael Cavendar
Rosco Wright

August 2004

Andrew Bell
John Moretto

September 2004

Bryan Brothers

October 2004

Richard Eitel

November 2004

Debbie Holmes
Josh Marryott

January 2005

Matt Fonseca

May 2005

Charles Stackhouse

June 2005

Bill Smagala
Bruce Wisk
Edgar Nichols
Harvey Snow
Lee Tracey
Tim Barkhurst
Vince Green

HAPPY ANNIVERSARY

to the following PMI employees...

1st Annual PMI Company Picnic

February

Jeff Malone – 4 years

March

Russell Hines – 2 years

Dave Woollens – 4 years

April

Earl Pearce - 5 years

Jason Wolskee – 3 years

May

Eric Austin – 5 years

Dewey McClanahan – 2 years

John McCormick – 1 year

Ron Sartin – 4 years

June

Tom Cochran – 2 years

Jeff White – 1 year

July

Michael Cavendar - 1 year

Ed Snovel - 2 years

August

Joe Moretto - 1 year

September

Mark Byrd – 2 years

Richard Dollard - 5 years

Michael Krasulak - 3 years

***Congratulations and thank you all for
your hard work and dedication
throughout the year!***

Mark your calendars! We are planning a company picnic for Saturday, September 17th, at Blue Diamond Amusement Park.

In addition to food, the picnic will include an All Day Ride Pass, and Mini-Golf for everyone interested.

You will be seeing more information on the picnic in the next few weeks.