

KLB Construction

25TH ANNIVERSARY

1984 - 2009

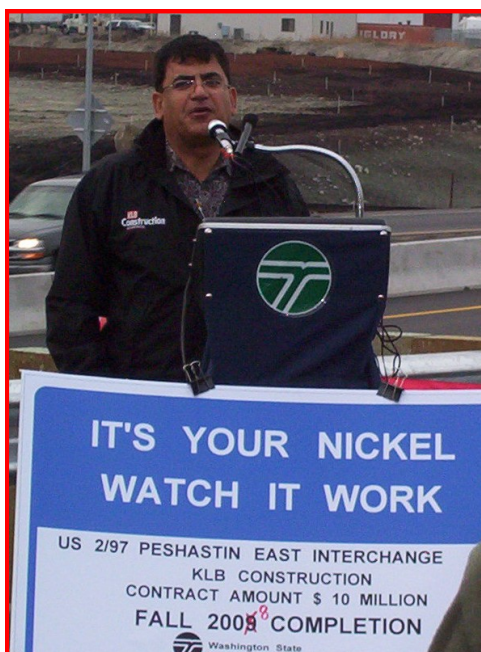
US 2/97 PESHASTIN EAST INTERCHANGE

By Ed Aguigui

Approximately 130 miles East of Seattle and 5 miles outside of the touristy town of Leavenworth lies Peshastin, which is also the site of the newly constructed Washington State Department of Transportation (WSDOT) US 2/97 Peshastin East Interchange. The project began with a groundbreaking ceremony April 3, 2008 and was officially underway April 7, 2008, just after a somewhat harsh winter season in the Wenatchee Valley, which became reason for a late start on the project.

The KLB Construction crew was led by Foreman Brad Montgomery, Superintendent Dick Wall, Project Manager Aiesh Ragih, and Project Assistant Ed Aguigui. Although spring weather conditions pushed our schedule back, the hard work and diligence of our KLB crew paid off and was soon a month ahead of schedule by mid summer 2008.

Other than our skilled work crews, there were key elements of the proposed plan that became instrumental in the success of the interchange. First off was our proposal to simultaneously construct both bridges this year and second were the easements that were obtained from local orchardists. The plan, accepted by WSDOT, allowed the interchange to be opened to traffic in 2008.



Construction of the interchange broke down into four phases. Stage 1 began construction of the temporary bypass along the North side of US 2, from the intersection of the existing US 97 approximately 4300 feet in roadway length. Stage 2 came after the completion of the temporary bypass as existing US 2 traffic was shifted onto the bypass on May 8, 2008. This became a huge milestone at this stage allowing construction of the bridge over US 97 and the bridge over Blewett Cut Off Road to be built simultaneously. All cause for celebration on May 15th bringing both Vince Bosa and BBQ002 out to celebrate the occasion. Use of the existing US 97 continued along with it a new traffic light to govern the intersection and a new 35 mph speed limit through the bypass. Ramps on the South side of US 2 were built as well as county road improvements. During Stage 3 temporary bypass traffic was shifted back onto the newly rebuilt US 2 on September 9, 2008. Traffic continued use of existing US 97 as the North ramps, Park and Ride and the new US 97 were being constructed. The last and final stage, Stage 4, began October 17, 2008. Finalization of the tie in at the old and new US 97 and the ramp off the new US 97 onto US 2 were underway.

Highlights of project quantities included: 380,890 cy of excavation, 105,360 cy of embankment and 65,000 tn of CSBC. Overall, success of the project was due to the collaboration of the KLB team, our subcontractors, vendors and WSDOT. As a local resident of a nearby small town of Cashmere, I had the privilege of hearing first hand all of the compliments towards the new interchange.

All of whom were amazed of the transformation they were able to see before their very eyes. Long prior to the interchange construction, locals called the intersection the "Big Y". The Big Y got its famous name from its original location, at the Y Junction of Highway 2 and 97, which became a meeting place for its community.

On November 19, 2008 KLB Construction, WSDOT, State Officials and local residents gathered one last time to officially open the interchange by participating in a ribbon cutting ceremony. (Notice the photo has 2009 crossed out replaced with the completion date of Fall 2008!)

As 2008 has come to a close we are busily calculating the year as a whole and comparing our "books" from years past. One major component of tracking that we feel must be shared with our employees are the facts and figures of damages and claims and how they effect our company. These costs are sunk costs, which we cannot recoup. Each and every day our well oiled machine combined of supervisors, foreman, engineers, mechanics, operators, laborers and office staff all contribute to this "machine" as it moves in a forward motion. In 2008 we incurred some damages and claims that

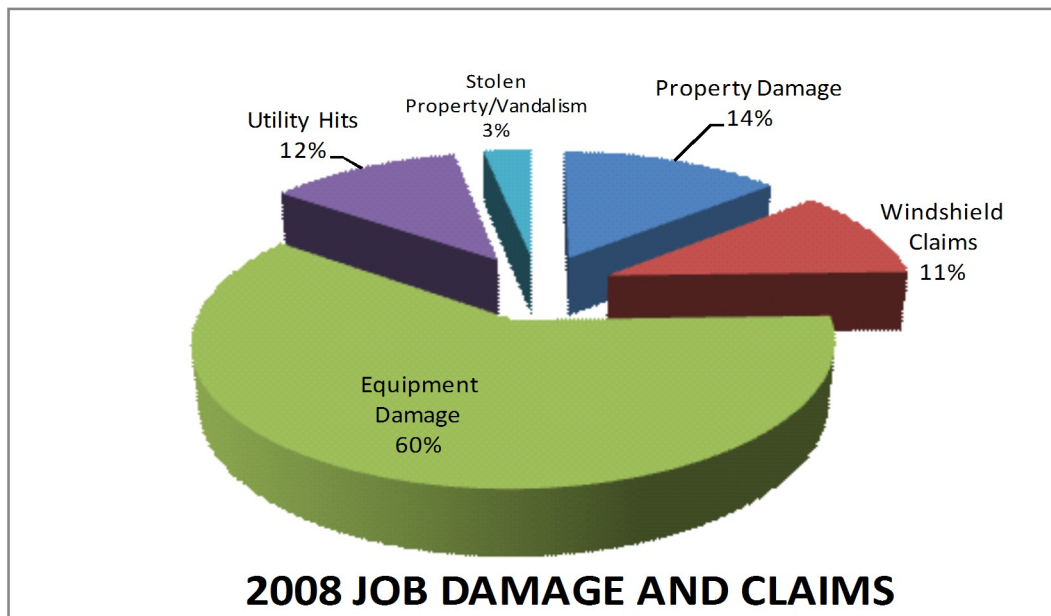
definitely caused our machine to stop in its tracks. Below you see a listing of the various types of sunk costs effecting our bottom line for 2008. This chart is broken down into percentages, however the % does not directly reflect the costs of each category. The entire dollar amount lost for 2008 was over \$150,000. Utility hits cover a 12% piece of the pie, which is one of our biggest risks. We have seen this figure considerably higher in years past and 2008 reflects good planning.

This is being shown to our employees in order to raise awareness that we are the ones who are responsible for our machine

continuing to move forward and it will take all of us to reduce (eliminate) these numbers below.

At KLB your safety is the most important element to the equation as well as those around us. Together lets make sure to always call for locates, secure our jobsites at the end of shifts, brush off side rails, and use equipment within its parameters to eliminate claims and damages.

As everyone is aware our economy has been on a bit of a roller coaster to say the least. Bidding is tight and margins are small, therefore lets all work safely together in 2009 with our work resolution being zero damages and claims!



To All,

The Scoop marks our 25 year Anniversary! It seems like only yesterday that Kelly and I were pulling the 555 on the 5th wheel to another job for the afternoon! Fortunately, back then there weren't any annual inspections and CDL's were not required.

A lot has changed in the last 25 years. We have gained a lot of knowledge and most importantly we recognize that all of us need to continue to learn and grow as a team. We have a long way to go, but the basics are still the same... it's about people, our KLB family working together for a common goal. It is during the tough times that families need to band together and understand that we all need to be thrifty and as flexible as possible to succeed. Thank you to all of our valued employees for helping make KLB a success! KLB is only as good as all of you.

There are several more roads to build and miles of pipe to be put in the ground over the next 25 years. We have every confidence that the next 25 years can be even more exciting than the past 25.

Keep up the good work and stay SAFE!

KLB and Bill

- Apple introduced the Macintosh personal computer.
- U2 released "the Unforgettable Fire"
- Ronald Reagan is elected for a second 4 year term as president.
- Cyndi Lauper receives the grammy for the best new artist.
- "Where's the beef?" is the hot catch-phrase.
- Richard Petty wins his 200th career Nascar victory at the Firecracker 400 in Daytona Beach, FL.
- The Cosby Show premieres.
- The space shuttle *Discovery* takes off on its maiden voyage.
- Dell computers is founded.
- The Olympic games were held in Los Angeles.
- A movie ticket was \$2.50!!
- A gallon of gas was \$1.10.
- **KLB CONSTRUCTION INC. WAS FOUNDED!!!!**

In 1984 KLB Construction was founded by Kelly Lynn Bosa. She was a 25 year old mother of 3 who decided to put all of her eggs in one basket. Her father was surrounded by the construction industry, which in turn assisted her with starter projects as a flagger. Each project enabled Kelly to expand her "niche" of work as a DBE business owner. Her single person crew evolved into 2, then 3, then 4 and so on. Today, KLB Construction is an industry leader in the WA Heavy Highway division and how did she get them there?

In the quotes below you will see several employee answers to the question : **"What has enabled KLB Construction to celebrate 25 years of business?"** It is astonishing the similarity to the answers provided. It just goes to show you that a great leader and teacher gets their point across to the class by actions not necessarily words. Thank you KLB for taking the risk and enabling all of us to be apart of this organization. We cannot wait to be apart of the next 25 years!

"What has enabled KLB Construction to celebrate 25 years of business?"

Good relationships with owners (earning trust). Faithful and qualified employees and management who stay busy and get treated fairly. Bidding jobs tight and completing them safely and efficiently with high quality standards." *by Brad Montgomery*

"Establishing working relationships and being family owned and operated."
by James Bosa

"Teamwork Respect Unity Safety Timely: TRUST" by John Grady

"KLB has continued to be very loyal to vendors as well as employees. This has been a stronghold for all 25 years. There is something to be said about "what goes around, comes around."
by Roni Grady

"KLB's excellent relationship with owners, clients, their dedication and commitment to perform and deliver quality work. The hard work of KLB's owners and their employees. It is trust and respect that we all earn from the contracting agency, prime contractors or subcontractors."
by Aiesh Ragih

"The core group of KLB employees who are some of the most loyal, dedicated, innovative, hardworking people in the industry."
by Brenden Johnson

"Great upper management - Leadership decisions, Ethics, Loyalty, Having good people; office and field, CAN DO attitude."
by Vince Bosa

"In keeping with today's political event, it's both the old employees who give us a steady foundation to build from, and the new employees who bring new ideas, strength and changes to the business."
by Ed Aguigui

"Innovation and creativity, team work, good people working within their skills and up to a challenge."
by Dick Wall

"I would like to start by saying we have come a long ways in the last 25 years. I think team work, dedicated employees, and management helped get us there - Great Job!"
by John Johnson

"I think excellent cooperation from employees."
by Taylor Grady

"I think it has been a team effort from everybody involved with KLB. It has excellent leadership, pride and quality of workmanship and dedication from all employees from the top down."
By Todd Meade



Dear KLB,

Regarding your work here in the Thrasher's Corner area of Bothell.....

I very much appreciate the consideration shown to us who live here by your driver moving dirt from the project on 14th when using Grimes Road. The driver is making a great effort to be as quiet as possible and holds a safe speed for a residential area where dogs run, kids play, and people walk. He does this on every trip.

I understand the project has become more difficult and is taking longer than first planned, probably resulting in more hauling trips than originally planned. This just increases the importance to us of how your company is going about its work. It also increases my appreciation to realize that your driver maintains this consideration even though the trips are many in number.

Thanks again.

Best regards,

Phillip Shaffer - local resident

The public is ALWAYS watching. Great JOB!

ANNUAL SAFETY MEETING
MARCH 21ST

8AM-11AM (HEARING TESTS START AT 7AM)

*As always snacks and prizes provided



"Safety is understanding; it is an attitude of mind - it is not necessarily a simple following of rules and directions."
Garry Richards, author, Safety vs. Challenge

KUDO'S

Launa Ownby took it upon herself to organize a mass donation (via email) for Brenden Foster, a young boy whom she heard about on the radio that morning. His last dying wish was to organize the largest food drive in one day. In just 2 hours Launa raised over \$1200 dollars for this cause from KLB employees and purchased and delivered the canned goods with several others to make a wish come true. **Kudo's to ALL.**



UNIFIED PHONE THEORY

Welcome to the future. The KLB main office and shop have a new phone system based on IP (Internet Protocol) Telephony. This new phone system supports three times the number of simultaneous calls as the old phone network so busy signals are a thing of the past.

Plus there are lower toll costs and new features such as direct dialing of employees. In the middle of February, these new phones will even make it out to job trailers where they will be another three digit extension on the system.

Sorry, no plans for video phone calls...yet.

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**" The attitude of family is what KLB strives for among the employees and people they surround themselves with." (a small portion)
by Randy McCoy**

**" Over the years I have watched this company from a distance and have always respected their pride in quality equipment, clean job-sites, and their ability to maintain a good reputation in a very small community of contractors and project owners."
by Dalyn Randall**