

## Message from the President

Let me begin by thanking all of the people that are Koss Construction Company for our successes of 2008. We overcame many difficulties in 2008, including a second very wet year in a row and sharp escalations in fuel and steel prices -- occurrences beyond our control. From the new employees who joined us late last year to the retired Hard Roaders that continue their involvement with the company via our board of directors and/or annual company dinners, you are all a part of a tremendous team that is Koss Construction Company. As I look ahead to 2009, I am certain it will be a year that will one day be looked back upon as a year of opportunity and change, all clearly molded by our greatest strength -- our experience. We are today beginning projects that will be completed in the year 2012, the 100<sup>th</sup> year of Koss Construction Company. A new concrete plant has just been delivered and negotiations for a new mainline paver are underway. It feels like springtime!

There is an air of confidence that exists within this company that is well founded, and is a reflection of the confidence we share in each other. I was once heard it said of our company that, "we are big enough to do what we choose to do, but small enough as to not be burdened with a grandiose management structure." This year we as a company will take on many small to large construction projects in a four or five state re-

gion, implement significant software updates in our corporate office, make several significant equipment fleet acquisitions with one of our largest capital investment budgets ever, see familiar as well as new associates rise to new challenges that build upon our confidence in them, and we will pursue other strategic initiatives that will all produce a company that will be poised for a run at another 100 years of success.

As with most years, we will again have days this year that tax our strength to do what is right for the company along with what is right for us as individuals. As always, be diligent with regards to safety and quality; all other problems are so much easier to overcome. There is no better advice when it comes to your safety than to simply be defensive about your safety and those around you. With regards to quality, your standards have value to this company and the tough decisions you make to produce products that meet your standards will be respected in this company; never be afraid to ask for assistance if you are not satisfied. And from this company, you can expect appreciation for your efforts, a company that does what it says, and steady dedication to making our association successful for you and your family, those we work for, and those who will be a part of the next hundred years of Koss Construction Company.



## TWO PROJECTS WITH LARGE VOLUMES

The Asphalt Division has two projects in Oklahoma with large volumes of work, but they are as different as night and day.

Project #930 is in Delaware County, on US-59. The project starts at the south end of Sailboat bridge and continues into town. This is a much needed widening project on a very busy section of road that is the main entrance from the north to the City of Grove and Grand Lake. The existing two lane roadway is busy enough that a left turn across traffic can seem near impossible at times. Our project includes filling in the ditches and an extensive installation of storm sewer to provide under-



ground drainage. Upon completion of the drainage, the widening will be completed. First a temporary widening on the west side, to allow for the permanent east side to be completed, then traffic moved to the new side to finish the project. Each side has lime treated subgrade and multiple lifts of Hot Mixed Asphalt. There will be plenty of concrete on the project also, as there is concrete curb and gutter as well as entrances and sidewalks along each side. In fact, the volume of this work is significant with:

- Curb and Gutter 10,091m = 33,106 linear feet (6.3 miles)
- Sidewalk – 36,331 sq m = 391,063 square feet (18.5 miles at 4' wide)

- 205 Separate PCCP entrances (most all with active businesses)
- 175 Light Poles (in the middle of the sidewalk)

Project #935 is an Interstate reconstruction project on I-35 in Kay County. The project begins just north of the Blackwell exit and is nearly 6.5 miles in length. The project begins with temporary concrete crossovers and a shoulder strengthening before switching traffic head to head on the northbound lanes. Before moving the traffic, we must deliver and set 40,000 linear feet (18,350 pieces). Then the large volume work begins in earnest:

- Fly Ash - 21,200 tons (848 truck loads)
- Aggregate Base – 150,000 tons (6,000 truck loads)
- Hot Mixed Asphalt – 200,000 tons (8,000 truck loads)

Both of these projects require careful planning to ensure that the needed materials are available when required. Once the planning is done, our field crews must produce to accomplish the work within the available time. The Oklahoma Department of Transportation is charging Site Rental on each project to ensure their timely completion.

With some decent weather to go along with our planning and production, these two large volume projects will soon be completed and will be very good improvements for the traveling public.

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## The American Recovery and Reinvestment Act of 2009

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act enacted by the 111th United States Congress. The act of Congress was based largely on proposals by President Obama and is intended to provide stimulus to the US economy in the wake of the economic downturn.

The stimulus provides for temporary tax cuts, government spending, and incentives for energy, research, and infrastructure investment. The total stimulus package represents \$787 billion dollars in Treasury outlay and loss of tax revenue.

The tax reliefs for individuals represent \$237 billion of \$787 billion to the package. What does all this mean to us? Most of us are seeing this stimulus in the reduction of federal

income tax withholding. An example is: A person earns \$700 per week claiming married and one withholding has reduced their federal withholding by \$15.39 per week. That is \$15.39 more in your pocket each week, or \$800.28 annually.

Another section of the American Recovery and Reinvestment Act of particular interest to Koss Construction is infrastructure investment section, which includes 27.5 billion dollars for highway and bridge construction projects. Our projects in Kay County and Leflore County, Oklahoma, and McPherson County, Kansas are projects that are part of the America Recovery and Reinvestment Act.

Koss Construction Company is hiring, buying trucks and equipment, and we are ready to get to work!

## PERSONNEL NEWS

**Mike Burtchett** – has joined the company as a Grade Foreman. Mike has extensive experience in completing projects from start to finish and will be involved in the Delaware and Kay County projects in Oklahoma.

**Miguel Caro** – has been promoted to Paving Foreman. Miguel joined the company in early 2008 and had brought substantial expertise in both flatwork and vertical concrete products.

**Brian Crawford** – joined the company as Assistant Project Manager on the Sunflower Division. After graduating from Kansas State University in Salina, Brian traveled the country and paved at some of the largest concrete projects in the country before returning to the Midwest.

**Debbie Daume** – was promoted to Administrative Assistant and assigned to the Asphalt Division Field Office.

**Jennifer Fleming** – was promoted to Office Manager for the corporate office. Jennifer continues to work with the Field Offices as well as completing additional office management responsibilities in Topeka.

**Bryan C. Fox** – has joined the company as a Construction Engineer. Bryan brings estimating and contract administration experience from Colorado, Nebraska, and Iowa to the company.

**Brice Goebel** – joined the company as a Project Coordinator. Brice's primary assignment will be the K-61 corridor projects in Reno and McPherson Counties, Kansas. With many years

of experience in the Marion KDOT office, Brice's background will help keep him ahead of the challenges on these three very large contracts with 20+ subcontractors.

**John Harding** - was promoted to QC Technician. John's work ethic and business background have him doing well in this new assignment.

**Kelly Heitmann** - started with the company as a Field Engineer after graduating from Kansas State University. Kelly is assigned to the Concrete Division projects on US-69 in Linn County, Kansas.

**Robert Kennedy** - has been promoted to the position of Manager, Quality & Technical Services. This new position reflects our commitment to properly manage our increasing product line and capabilities.

**Josh Moore** – started with the company as a Field Engineer after graduating from Kansas State University. Josh is assigned to the Asphalt Division project in Grove, Oklahoma and is quickly learning the lingo on a challenging project.

**Arthur "Don" Pitts** – has been promoted to Maintenance Foreman. Don has been working closely with our concrete paving equipment fleet since 2005 and now has additional fleet responsibilities.

**Brad Pohlmeier** – has been promoted to Project Manager for the Sooner Division. Brad is a 2002 graduate of the University of Nebraska at Omaha and has been a part of our recent successes as a Field Engineer and an Assistant Project Manager.

## 2008 SAFETY AWARDS



**Phil Hocher, 2009 AGC Chairman; Becky Harmon, Koss Construction; and Joe Reichmuth, AGC Safety Committee Chair.**

Koss Construction Company has been very proud of our safety records through the years. Through the diligence of our supervisory personnel and our employees, we consistently maintain a safety record for which we can be proud. 2008 was a year when we were rewarded for this diligence.

On January 28, 2009, Becky Harmon, Loss Prevention & Compliance Manager and Kelly Moore, Asphalt Division Manager, received two awards from the Association of Oklahoma General Contractors at their Annual Safety Dinner in Oklahoma City.

On April 3, 2009, Becky attended the Annual AGC of Missouri Convention in Branson, Missouri. 2009 AGC Chairman, Phil Hocher, presented Becky with a 2008 Zero Lost Work Day Award.

# **KOSS CONSTRUCTION COMPANY 2009 HONOR ROLL**

## **30-YEAR ASSOCIATES**

Rodney J. Stryker.....34

## **20-YEAR ASSOCIATES**

Mark A. Newlin.....27	Thomas L. Rodgers Jr. ....23	David Howard .....21
Kelly D. Moore .....26	Alfred D. Adams .....23	Vernon R. Reed .....21
G. Allen Payne .....24	Trent E. Doyle.....22	

## **15-YEAR ASSOCIATES**

Abel G. Salinas .....19	Thomas A. Breyfogle .....17	Pascual A. Ruiz .....15
Lydia Blixt .....18	Randy W. Brown .....17	Clinton R. Myers.....15
Tim W. Gerhardt .....18	Steven D. Andris .....16	Jose Q. Jaquez.....18
	Juan M. Ibarra .....16	

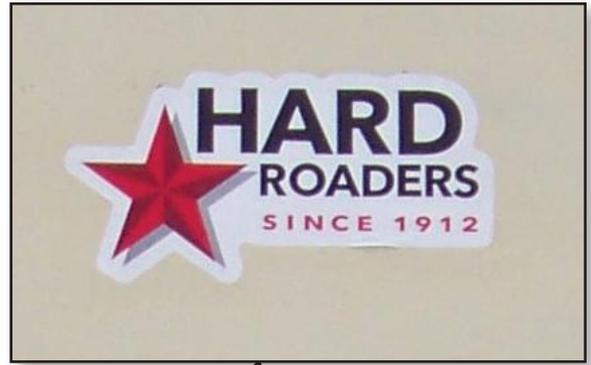
## **10-YEAR ASSOCIATES**

Mario R. Barrea .....14	Jeff L. Jay .....11	Douglas B. Hawkins .....10
Mark A. Haines .....14	Daniel L. Vestal.....11	Ronnie W. Hiser .....10
Lynn D. Maxey .....14	Dwayne H. Yearns.....11	Ray D. Lalicker .....10
Randy A. Caruthers.....13	Amador Beltran.....10	Rick D. Shelton.....10
Donald D. Hill.....13	Alejandro V. Gonzalez .....10	Wilber D. Turner .....10
Jackie Bartley.....12	Maurice R. Dunseth .....10	William S. Marquart .....12
	Jennifer J. Fleming.....10	

## **5-YEAR ASSOCIATES**

Arnulfo Garcia .....9	Arturo O. Marin .....8	Tyrone Rothchild .....6
Robert L. Kennedy.....9	David Michael Pitts.....8	Rafael Silva .....6
Pamela S. Koerth.....9	David C. Vestal.....8	Wesley Vaughn.....6
David K. Kenworthy .....9	Raul Gonzalez.....7	Steven Wall .....6
Antonio Lopez .....9	Gary Haas.....7	Larry Abram.....5
Michael S. Purkey .....9	Freda Lewis.....7	Tony Andris.....5
Jose I. Salinas.....9	Ascencion Mendoza.....7	Matthew Boyer.....5
Sandra L. Wilson.....9	Bradley J. Pohlmeier.....7	Ruben Escamilla .....5
Manuel D. Aguilar .....8	George Roberts .....7	John Guay .....5
Rodolfo F. Berrum .....8	Todd Speaker.....7	John Hart.....5
George F. Cercle .....8	Julio Aleman .....6	Michael Martin.....5
Salvador DeCasas .....8	Benjamin Carrillo.....6	Tim C. Ossman .....5
Ernesto M. Enriquez .....8	Sergio Cervantes .....6	Alan E. Peimann .....5
Ely Gardea .....8	Francisco Chavira .....6	Sergio Lechuga Ruiz.....5
Charles Heinrichs.....8	Alberto Enriquez.....6	Steven L. Smith.....5
Bruce Henderson.....8	Tyson Funk.....6	Jeffrey S. Tatman.....5
Dale Heronime.....8	Jose Garcia.....6	Victor D. Zarate .....5
Joe A. Kilburn .....8	Garry Kennedy.....6	
Jamie Lalicker.....8	Virginia Kurzen.....6	

Many of you have seen the new Company emblem affixed to equipment and vehicles. Regular readers of this publication are probably familiar with the three components of this decal. The 'Hardroader' term – coined in the 1920's as farm-to-market roads began to come out of the mud and be hard surfaced – is one that aptly applies to the men and women committed to this industry and our company that was founded by George C. Koss in 1912. And if you have been on a Koss project you have seen the red *Service Stars* on the sleeves of dedicated employees — each star represent five years of service.



## EQUIPMENT ACQUISITIONS

In 2009, Koss Construction has made a significant acquisition of equipment, making work in the field more productive. Two Ford F-750 mechanic trucks were purchased with new tool beds, one is assigned to Kansas division trucking department, and the other one is at the Asphalt Milling division job in Atoka, Oklahoma. These trucks are being well utilized in the field today.

Mike Pitts and Tom Rodgers accumulated several miles, driving and flying, looking for used tractors to purchase. They ended up purchasing six used road tractors to be used in various ways to update the Koss Construction truck hauling fleet. We have also purchased two material trailers, one is a 2006 Hiltbilt (22') which is going to wet batch haul, the other is a new 2009 Hiltbilt (26') scheduled to haul hot mix in Oklahoma.

Koss Materials Company also purchased a new RexCon model S central mix plant. This plant is to be delivered May 15, 2009 and to be on job 56 at Ottawa, Kansas. The plant is very similar to equipment numbers 241 and 242 RexCon plants that Koss already owns with quite a few updates Rex-Con has implemented in new plants. The control shack is to be elevated eight feet in the air for better visibility and safety.

Lastly, our budget for new equipment has just been increased to accommodate the purchase of a new paver for the Sunflower Paving Division. Can we pave more in a day with this new paver? No. Can we pave with fewer personnel with this new paver? No. Can we pave an even smoother highway with this new paver? Yes, we believe we can and this is the reason we will soon see this latest investment at work on US-59 in Franklin County, Kansas.

## DOT PHYSICAL REQUIREMENTS

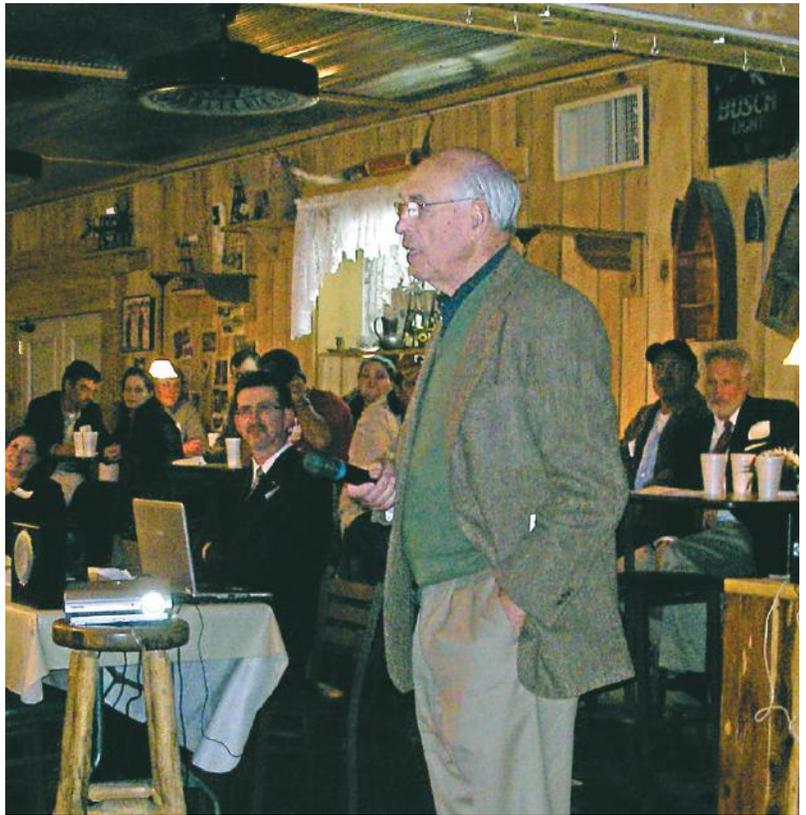
Reminder **all** Koss employees who drive a vehicle that has a GVWR over 10,001 pounds or combination of truck and trailer GVWR equals 10,001 pounds combined is required by law to have a current DOT physical card. The physical cards expire every 2 years. In this 10,001 pound GVWR, the driver is driving a commercial motor vehicle which means all the rules of a CDL driver apply, DOT physical, log book or duty status (hours on duty for past 8 days). Have your office manager schedule a DOT physical or contact Mike Pitts or Tommy Rodgers at the Pauline shop.

## 2008 SERVICE AWARDS

Every year at the Koss Construction Safety & Awards Dinners, employees are recognized and honored for their longevity with the company. The 2008 dinners were no exception and there was one award that was particularly special. Ray Michel, former President and CEO of Koss, attended the Sooner Division Dinner, where he addressed the attendees and relayed his undertaking the recruitment and hiring of a young engineer from Iowa State University 21 years ago. With ability and dedication to the company, this young engineer worked his way up through the ranks and is today President of the company. Ray was very articulate in conveying his immense pride in seeing the company's current successes and it was with a smile on his face that he presented the 20 year gold watch to David Howard.

The Asphalt Division Dinner also recognized Kelly Moore, Asphalt Division Manager, with his 25-year award. He received a leather coat with the company logo embroidered on it.

Additionally, the company has added service awards for 30 and 35 years to our program. The 30 year award is a portrait of the employee to be displayed at the Pauline facilities and a framed portrait for the employee. The 35 year award is a Koss Company ring.



**Ray Michel former President and CEO of Koss Construction.**

## BREAKING NEWS

**Steve Tackett** got the chance to spend his winter break in Albuquerque, New Mexico visiting his 7 year old daughter Ashley. They sure grow up fast.

**David Vestal** and his wife Heather traveled to my favorite city, Daytona Beach, Florida. They attended the Daytona 500 NASCAR race. David has always been a big fan of NASCAR racing.

Speaking of race cars, **Mark Newlin** attended an opening-day stock car race for his nephew Dustin. Dustin Newlin has worked for Koss off and on over the years and now in his spare time racing a car in memory of his father Martin. He had a rough start at the beginning of the race but is confident the year will be a good one.

We can now officially call **Debbie Daume** "Nana". She is the proud grandmother to Samantha Marie Dishaman born October 15<sup>th</sup>, 2008 in Nuremberg, Germany where her daughter Marie and E-4 specialist husband Josh are stationed. Debbie finally had the opportunity to see her first grand child over the Easter Weekend. Congratulations Debbie!

On the other hand, **Charles Heinrichs** became a grandfather again this year for the 23rd time! Cooper Wesley Rohr born January 21 weighed 4 lbs. 13oz. and was 6 weeks early. Charles thought he came early because he could not wait to join his 22 cousins and 4 second cousins in the annual Easter barbeque and egg hunt.

**Ronnie Hiser** and his wife Jennifer went to the big gambling city of Tunica, Mississippi. Sounds like Ronnie should have tried his hand at shooting sporting clays while he was there to give him a better chance of breaking even.

Rumor has it **Brad Pohlmeier** is going to tie the knot to his fiancé Brandi Bright in July of this year. Congratulations Bradley!

**Greta Barton, Jamie Lalicker**, mother Roayne and other sister Rita went on a mother & daughter outing to Eureka Springs, Arkansas. Greta and Jamie even explored an old Motel/Hospital hunting for a ghost. Lucky for them they didn't find any.

**Richard** and **Randy Brown, Bruce Henderson** and **Bill Marquart** played the March Madness golf scramble at Colbert Hills golf course in Manhattan. Bruce won a coupon book for being the closet to the pin. Sounds like they had a lot of fun.

**Ray Lalicker** had to take off early last year for lower back surgery. The surgery was right before Thanksgiving which made him happy because he didn't have to eat turkey. The surgery went great and Ray is up and running again.

**If you have some Breaking News, contact Jennifer Fleming at the corporate office.**