

MESSAGE FROM THE PRESIDENT

(continued from page 1)

not really complete. We are complete when our engineers know the costs, in great detail, of what we have just built. This is what we choose to do; just as we have chosen to be a paver, we have chosen to know our costs and use this knowledge to better this company.

Many of you are aware that we have spent the last few years making significant changes in our cost accounting processes. I say processes because we have changed software, responsibilities, and the very goals of what we seek through this effort. Like a dependable old plant or Rotomill, we ran our accounting and job costing software about as long as we could; the old system was purchased and implemented in 1977! We have refined the very objectives of what we seek with our job costing to prioritize the needs of our estimators; we are now beginning to develop the reports that may be used by managers and superintendents to share with foreman and even lead crafts persons the detailed cost reports covering each part of what it is we do.

I know this transition has felt an awful lot like change to many key persons in this company, and change can be uncomfortable to say the least. I am very proud of our ability as a company of

people to stay focused on what it is we do as a company, because really, the more things change the more they stay the same. Yes, we are seeing changes, but our objectives remain the same. In the 1920's the company was building one of the greatest bridges ever built in this country near Minneapolis, Minnesota. And like the company has always done, from the very beginning, the tracking of the cost of this bridge was part of what the company did. Rest assured the technology was very different, as was the product, but as Koss Construction Company has always done, part of what we delivered with that project was a detailed cost report of what was required to build that structure. The display of the cost report for this 85-year old bridge hangs in Tim Gerhardt's office along with several photographs of the actual construction. It is fitting that he sees before his desk a display of pictures showing the construction of this massive bridge, the finished bridge, and the final cost report. Part of this display is shared with you in this edition of the Outlook so that you too may take pride in this aspect of our business, a part of what we do that perhaps you were unfamiliar with.

I know that many of you reading this are likely chuckling at the understatement of Koss being "just a paver." We're just a paver today about as much as Koss Construction was just a bridge builder in the 1920's and 1930's.

CARGO SECUREMENT

Koss Construction Company transports hundred of loads over thousands of miles each year as we move from project to project. The safety of these drivers, the public, and these loads of equipment is our number one priority every time a load leaves one of our yards or projects. The proper securement of each one of these loads in accordance with Federal Motor Carriers Safety Regulations Section 393.100(a) is a part of what we do.

What You Need to Know About Load Securement. Load/cargo securement is a fairly simple safety concept. There is an expectation that items transported in or on your vehicle will stay on the vehicle until ready to be removed. The concept applies to just about anyone who operates a vehicle(s) to conduct business.

Koss Construction is responsible to ensure those items are transported safely, efficiently, and free from damage. Failure to transport properly secured items may result in property damage, injury, or even a fatality. Claims from these incidents cost companies hundreds of millions of dollars annually. However, most of these incidents are preventable.

Is Cargo Securement Important? The answer to this question is obviously yes. The motoring public expects Koss Construction to protect it against the risk of becoming involved in a crash caused by shifting or falling cargo. Safe cargo handling minimizes company liability exposure and helps project a safety-conscious corporate image.

Cover the Basics of Cargo Securement. Good housekeeping practices for all fleet vehicles are important. A clean, tidy vehicle is the first step in projecting a positive corporate image to customers and the motoring public.

- Complete a thorough pre-trip vehicle inspection, including all components and accessories. A good reference for a pre-trip inspection can be found in the FMCSR 392.7 Equipment, Inspection and Use.
- Remove all debris from the vehicle bed or trailer deck. These areas can sustain a certain amount of damage from normal use; make sure they are in good repair.
- A critical precaution is securing a vehicle from movement while it is loaded.



Cargo Inspection, Securement Devices & Systems. As transporters under FMCSR regulation 392.9, companies and drivers are required to:

- Properly distribute and secure cargo.
- Secure all vehicle load securement devices (chains, straps, and tarps) and cargo.
- Ensure drivers have clear visibility on all sides of the vehicle.
- Ensure drivers have free movement of their arms and legs.
- Provide driver access to emergency equipment and easy vehicle exit.
- Inspect the load and devices to secure the load prior to beginning trip.
- Inspect the load within the first 50 miles and adjust securement devices as needed.
- Re-examine the load and securement devices during the trip, adjusting as needed.
- Re-examination intervals must occur whenever a change-of-duty status occurs and when the vehicle has been in operation more than three hours or driven 150 miles (whichever occurs first).

If you have any questions regarding cargo securement, contact your supervisor. As the old adage advises, "An ounce of prevention is worth a pound of cure."

KOSS CONSTRUCTION COMPANY 2011 HONOR ROLL

30-YEAR ASSOCIATES

Rodney J. Stryker36

25-YEAR ASSOCIATES

Mark A. Newlin29
Kelly D. Moore28

G. Allen Payne26
Alfred D. Adams25

Thomas L. Rodgers Jr.25

20-YEAR ASSOCIATES

Trent E. Doyle24
David M. Howard23
Vernon R. Reed23

Abel G. Salinas21
Lydia Blixt20
Tim W. Gerhardt20

Jose Q. Jaquez20

15-YEAR ASSOCIATES

Thomas A. Breyfogle19
Randy W. Brown19
Steven D. Andris18
Juan M. Ibarra18

Pascual A. Ruiz17
Clinten R. Myers17
Mario R. Barrera16
Mark A. Haines16

Lynn D. Maxey16
Randy A. Caruthers15
Alvaro DeLeon15
Donald D. Hill15

10-YEAR ASSOCIATES

William S. Marquart14
Bruce Henderson13
Jeffrey L. Jay13
Daniel L. Vestal13
Dwayne H. Yearns13
Amador Beltran12
Maurice R. Dunseth12
Jennifer J. Fleming12
Douglas B. Hawkins12
Ronnie W. Hiser12
Ray D. Lalicker12

Rick D. Shelton12
Wilber D. Turner12
Arnulfo Garcia11
Robert L. Kennedy11
Pamela S. Koerth11
David K. Kenworthy11
Antonio Lopez11
Michael S. Purkey11
Jose I. Salinas11
Sandra L. Wilson11
Manuel D. Aguilar10

George F. Cecle10
Salvador DeCasas10
Ernesto M. Enriquez10
Ely Gardea10
Dale Heronime10
Joe A. Kilburn10
Jamie Lalicker10
Arturo Marin10
David Michael Pitts10
David C. Vestal10

5-YEAR ASSOCIATES

Raul Gonzalez9
Gary Haas9
Ascencion Mendoza9
Bradley J. Pohlmeier9
George Roberts9
Benjamin Carrillo8
Sergio Cervantes8
Francisco Chavira8
Alberto Enriquez8
Tyson Funk8
Jose I. Garcia8
Garry Kennedy8
Virginia Kurzen8

Tyronn Rothchild8
Matthew Boyer7
Tony Andris7
Ruben Escamilla7
John W. Guay7
John S. Hart7
Tim C. Ossman7
Alan E. Peimann7
Sergio Lechuga Ruiz7
Steven L. Smith7
Jeffrey S. Tatman7
Victor D. Zarate7
Greta Barton6

Juan C Deleon-Perez6
Rebecca Harmon6
Ross Olsen6
Mike L. Payne6
Edward D. Perez6
Jesse J. Stroup6
Steven Tackett6
Ray Little5
Matthew Lyman5
Alberth C. Ruiz5
Christopher Wilson5

PERSONNEL NEWS

Brian Crawford has been promoted to Project Manager. Brian joined the company in 2009 with the Sunflower Division assisting with the crew's production and scheduling.

Alvaro Deleon has been promoted to Assistant Paving Foreman. Alvaro joined the company in 1991 where he worked fourteen years as a finisher and in 2008 moved up to Stringline Foreman.

G. Allen Payne has been promoted to Human Resources & Physical Assets Manager. This change reflects a consolidation of our human resource responsibilities and an expansion of our equipment costing capabilities. Allen has an excellent staff assisting with everything from payroll and benefits to compliance and safety to tracking equipment utilization and costs.

Jason Tedder has moved to the Quality Control Department as a Technician with the Sunflower Division.

Daniel Vestal has been promoted to Superintendent. Danny joined the company in 1998 on the saw crew after growing up in Missouri, across the street from a career Koss Foreman (JD Kilburn). He was soon promoted to Saw Foreman and then on to the paving train in 2001. Danny joins a group of men that have built and maintained

the reputation of this company over many decades – Koss Paving Superintendents.

Summer Interns – We have two Kansas State University Civil Engineering students working this summer. Luke McIntosh with the Sooner Division and Joe Harrington with the Sunflower Division. Good luck this summer Luke and Joe.

IN MEMORY

James Daniel "J.D." Kilburn, 74, of Niangua, Missouri passed away unexpectedly on March 25, 2011. J.D. had 36 years of service with Koss Construction Company when he retired in 1998. He held the position of Saw Foreman for many years before his retirement. Many of his past coworkers were at the funeral service to honor his life. His Koss shirt and hardhat were also proudly displayed.



J.D. took great pride in his work and the also the appearance of the equipment he was assigned. His pickup was always clean and he would put a new coat of wax on every chance available. He was a true asset to Koss Construction Company and a true Hard Roder.

Better Than a Poke with a Sharp Stick

*We **Hard Roaders** are a diverse group, each with their own passions and unique skills. But we do share many common values, we all enjoy good humor, and we all appreciate sincere efforts to recognize a job well done. Late last year the following letter received in our office framed these common values well; it is as the late Hard Roader Ray Collins used to say, "Better than a poke with a sharp stick."*

November 20, 2010

Koss Construction Company
% David M Howard, CEO
5830 SW Drury Lane
Topeka, KS 66604-2262

Dear Mr. Howard,

My name is Charlus Bishop. I am a City Commissioner in Kingman, KS, I'm a 20 year veteran Farm Bureau Insurance Agent, I'm an oil and gas operator, I also own 2 Laundromats in Pratt, KS, I own a Car Wash in Cunningham, KS and a multitude of commercial properties including an RV park in Kingman, KS.

I've dealt with people in literally all levels of society from the lowest form of scumbags to the executives on the 27th floor of the Epic Center in Wichita, KS. It's probably not an understatement to say, I've pretty much either seen it all, or been involved in it all, on some level, during the past 20 years.

Recently, I had occasion to have 11 of your associates staying in my RV Park in Kingman, KS. I would be remiss not to tell you that although I have seen it all, this bunch really took the cake.

The guys started showing up in the park about August 1st this year and continued to move in till all 11 of them were settled. They left before daybreak and returned after dark every day of the week. They were polite, courteous and respectful of my other park guests. They picked up their trash, they paid their rent on time, and they were an absolute joy to have at the park.

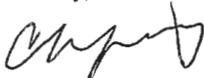
One of the reasons I felt compelled to write you this letter is because I think it's very important for you as the CEO to recognize that each one of the following individuals are an asset to your company. They give your company character and a stellar reputation.

Although you and I don't know each other, and most likely never will, I would consider it a personal favor if you would personally thank each of these guys for being "good people" and commend them for helping make your company, Koss Construction, a Class Act! They are truly great folks!

The following list of persons deserves your accolades:

Brad Pohlmeier, Brian Crawford, Blake Shaw, Danny Vestal, Dallas Yow, Oscar Martinez and 2 with him, Randy Caruthers, Tim McKibben, Mario Ruiz and 2 with him, Ray Courter, and Steve Coester (Subcontractor with Eagles Nest)

Sincerely,



Charlus J. Bishop, Owner
Kingman RV Park
(316) 772-3613

EQUIPMENT ACQUISITION

The Company has ordered another new RexCon Model S Portable Batch Plant for delivery in early June. The plant is very similar to the other three Rex plants currently in the fleet that produce consistent concrete in large volumes to keep our paving crews moving down the road.

The plant will be equipped with the RexCon RC3 controls, a twelve cubic yard drum, 750 barrel cement Silo, four compartment aggregate bin and 36" aggregate conveyors. It will

also have the most modern and efficient dust collection system available. The plant is completely portable and can be set-up and ready for production in short order.

This investment in the fleet will provide for increased capacity and efficiency in one of the most important aspects of our company – production of concrete. Look for the Koss emblem on the new silo in McPherson County, Kansas this summer.

Please visit our website at <http://www.kossconstruction.com>

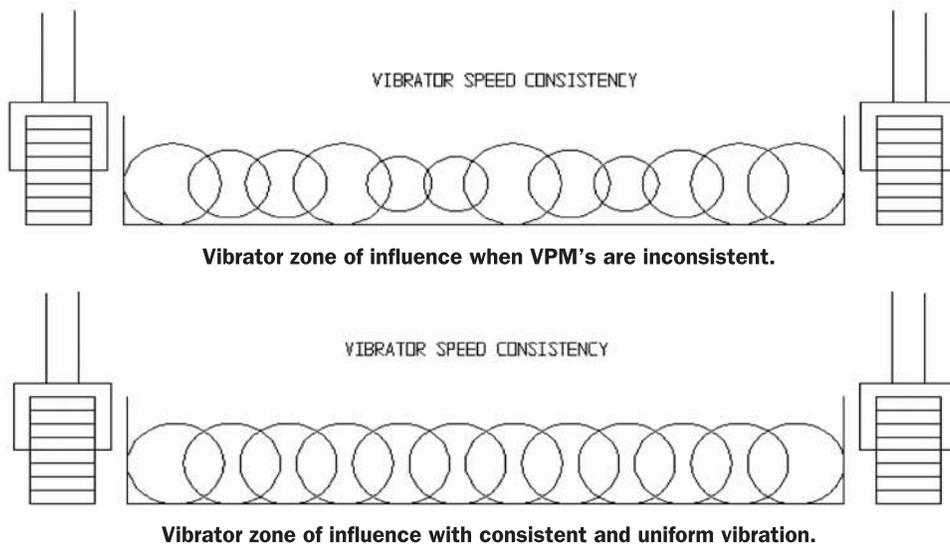
CONCRETE CONSOLIDATION

Fresh concrete must be properly consolidated so that once hardened, its strength and durability are maximized. Consolidation is usually achieved by vibration of the plastic concrete. Vibration reduces the friction between the solid particles allowing the entrapped air to escape and the particles to become tightly packed. This packing makes the concrete denser, increasing strength and lowering permeability. Various studies have shown that concrete strengths are reduced by 20-30 percent for every 5 percent decrease in consolidation.

Vibration also helps the adhesion of concrete to any reinforcing steel. Without adequate consolidation around dowel bars proper load transfer cannot be achieved and premature joint failure will likely occur.

When consolidating concrete it is important not to over vibrate. Over vibration may damage or eliminate the entrained air void structure in the concrete reducing its ability to resist freeze-thaw damage. Over vibration will also segregate the aggregates leaving grout trails that may be susceptible to longitudinal cracking.

Koss Construction Company uses the Minnich Auto Vibe III monitoring system on all of our Mainline and Ramp Pavers. This system continually monitors each individual vibrator and automatically adjusts them to a predetermined VPM. This monitoring system insures that the entire slab gets the exact same effort of consolidation. At the start of each paving project our technician and slipform operator will compare readings from the Autovibe monitor with actual digital tachometer readings to insure the performance and accuracy of the Autovibe system.



Smaller formed pours are also consolidated using hand held vibrators. Vibrators should be placed in the plastic concrete approximately every 24" depending on the slump of the plastic concrete. The vibrator should be drawn out of the concrete slowly allowing any air pockets to close. Care should be taken not use the vibrator as a tool to move the concrete as over vibration may occur.

Paying close attention to consolidation during construction we will help obtain the maximum performance and service life from our concrete pavements.

PAVING AWARDS

As reported in the fall edition, the Sunflower Division secured a National American Concrete Pavement Association (ACPA) Gold award for exceptional pavements constructed in 2009. In the Reliever and General Aviation Airports category, the reconstruction of runway 17/35 and new entrance pavement at Scott City Municipal Airport (Koss #52) was rated the best in the Country. Brad Pohlmeier, Division Manager, attended the annual ACPA convention in November to receive the award on behalf of the Division.



For the first time in memory, the same company secured the Smoothest Day's Paving Award in both states. Clint Myers, Paving Superintendent, attended to receive the awards for the Sooner Division for the Dallas County, MO (Koss #53) and McPherson County, KS (K#60) projects. The Sunflower crew won the Divided Highways (Rural), Kansas, category for the Franklin County, US-59 (K#56) project. This project is an exceptionally good riding pavement built in a very wet year.

The competition for awards for the 2011 season is in full swing - the paving at Garden City has already had several very smooth days. Many projects will be finished this year for submittal in the competition, and our pride in our work will show in these competitions.

The Missouri / Kansas chapter of the ACPA held their annual workshop and Awards lunch during the first week of March.

HEAT STRESS & DEHYDRATION

It's early in the construction season, but it will not be long before the temperatures on the jobsites will be in the 90s or 100s. If the temperature alone is not hot enough for construction workers, there is the added exposure of the "heat index". This is where the temperature plus the humidity together feel higher than the actual temperature on the thermometer.



Construction workers are at risk for heat stress illnesses due to working outdoors during high temperatures and usually with very little shade. The Centers for Disease Control and Prevention (CDC) have identified additional risks for those people who work outdoors. These workers include individuals who are 65 years of age or older, persons who are overweight, those who have heart disease or high blood pressure, or workers who take medications that may be affected by extreme heat. Other conditions are dehydration, poor circulation, sunburn, and alcohol use.

People suffer from heat related illnesses when their bodies are unable to properly cool themselves. The body normally cools itself down by sweating. If there are conditions present such as high humidity, sweat will not evaporate very fast which prevents the body from releasing heat quickly. Even healthy individuals can suffer from heat if they are participating in a strenuous activity.

Prevention is important and workers need to be aware of steps that they can take to avoid heat stress illnesses. One of the key factors is hydration. The body needs to balance the output of water (sweat) with the body's intake. If a person waits until they are thirsty, they are already dehydrated. Drinking plain water is all that's needed, but there are other juices such as Gatorade or sports drinks that help replace electrolytes and salts, too. Caffeinated drinks such as coffee, tea, and soda will actually aid in dehydration rather than hydration.

If an associate has any of the following symptoms, they need to get medical treatment immediately. These symptoms are: not sweating, having chills, throbbing headache, high body temperature above 103 degrees, confusion or dizziness, muscle cramps, nausea, pale or flushed complexion, and extreme weakness or fatigue. Untreated heat stress can escalate to heat stroke which can cause death or permanent disability if emergency treatment is not given.

Heat stress illnesses should be taken seriously. Employees should dress appropriately in loose fitting light colored clothing and bring a supply of water or Gatorade for the day. Failure to take the correct precautions or be aware of symptoms could be dangerous to your health.

DEFENSIVE DRIVING CLASSES

Koss Construction Company maintains a large fleet of on-road vehicles. This results in significant exposure for the company. To take a pro-active approach to addressing vehicle accidents, Koss' goal for this construction season is to have all company drivers complete a defensive driving course.

Defensive driving isn't just listening to an instructor telling drivers what they should or should not do. Koss drivers are finding out that there is a lot more to defensive driving than not speeding, not hitting anything, and wearing a seatbelt. They are learning the meaning of driving defensively and not trusting the other drivers on the road with their safety.



It takes keen awareness from our drivers to watch out for other drivers who may be distracted and understanding how they should respond when encountering these drivers. They also discuss situations that are inherent to construction jobsites and the problems they encounter there. Real life situations and accidents are discussed. It's not always a "crystal clear" decision on what to do. It takes an educated driver to know how to handle their vehicle so that any incident can be minimized as much as possible and injuries can be avoided.

In conjunction with defensive driving instruction, Koss employees are also educated in hazardous material awareness and security training. Awareness training provides employees skills to assess security risks associated with hazardous material transportation and method designed to enhance transportation security. Security training educates employees how to recognize and respond to potential threats related to hazardous material security.

Becky Harmon, Loss Prevention & Safety Compliance Officer, is providing classes that are being conducted at various jobsites for Koss employees who drive material haul trucks, boom trucks, mechanic trucks, as well as other miscellaneous vehicles. They are interactive classes and you won't fall asleep in this one!

LATE BREAKING NEWS!!

Just in time for the Spring Edition of the Hard Roaders Outlook – Koss Construction Company is awarded over one hundred million dollars worth of construction contracts on a single day! Our three newest Kansas contracts involve two projects we will soon be paving. One project is the expansion of almost 5 ½ miles of K-18 in Riley County just west of Manhattan. The other involves the reconstruction of I-70 from the Colorado state line easterly for almost 13 miles. Cheers to all on this 1,000,000 square yard day!