



RGW Construction, Inc.

RGW satellites throughout Northern California

In the early 1990s, the Northern California highway construction market was exploding with opportunities: the California Department of Transportation, (Caltrans) had major long-term programs in place to build or rebuild highways 85, 87, 101, and 880.

With great vision, The Raisch Company of San Jose, and Grade-Way Construction of Fremont, joined forces in 1990 to become a formidable competitor in the heavy construction arena. Raisch's bridge-building expertise combined with Grade-Way's grading and paving expertise provided a wealth of construction experience in the public and private sectors, and RGW Construction, Inc., headquartered in Fremont, quickly became a major force in the San Francisco Bay Area.

As the local construction landscape evolved, RGW responded, moving its offices to Livermore in 2000, and expanding its geographical reach. Today, the company enjoys a strong presence in the Sacramento and Central

San Joaquin valleys as well as the Bay Area.

The 18-year journey is a story of vision, adaptability, and exceptional people.

Adaptability

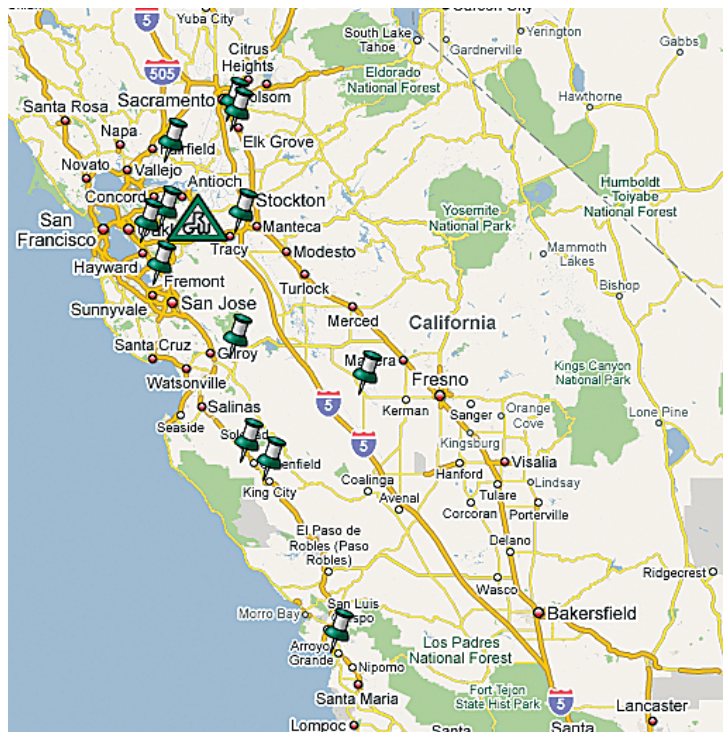
RGW has always been able to react to the marketplace quickly, says RGW Vice President Bob Purdy.

"When work in one area dries up, we shift our focus and move to other areas to keep going and keep growing. Until two or three years ago, there was a tremendous amount of work in the Bay Area; now, much of that work has been completed — and we completed a lot of it.

"To sustain our profits and growth, we have to expand our geographical range. Over the past 18 months, we've changed our focus and expanded to areas where there is work to build."

A map locating some of RGW's current projects reveals pushpins representing the scope of RGW's expansion.

"What we typically do is pick up a 'hub' project in one location," says Bob. "For instance, in Hollister, we got the 152/156



Each pushpin represents an RGW satellite office.

improvement project. We set up a trailer complex with a project manager, superintendents, project engineers, and office managers who run the project out of that office. Then we'll use that office to capture other work that complements the project in that area.

"It's like a branch office, but it's not a permanent

facility — administration, dispatching, and accounting are all still done out of Livermore." But the running of the projects, he explains, is done out of the job trailers.

"Hollister is about an hour and a half from our Livermore office; once we

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picked up the job in Hollister and set up a trailer there, we said, 'Well, Mendota is only another hour beyond that, so it's now within reach. And King City is only another hour and a half beyond that, so now that's within reach.

"We leapfrog; once we get a project on what would be considered the fringes of our geographical area, then we're open to the fact that that new satellite office makes us closer to work that's even farther away. So, we don't think of it as, 'well, it's four hours away from the main office.' It's really just an hour and a half from the other office."

RGW has eight satellite

offices from Elk Grove and Rio Vista in the north, to Mendota and Pismo Beach in the south.

EXCEPTIONAL PEOPLE

RGW's efforts to expand its geographical area have been driven by two factors: the changing marketplace and its mission to provide its employees with challenging work and opportunities for growth.

Bob speaks of the company's vision and adaptability, but most highly prized, he says, are the people.

"As the company grows, we're concerned with the growth and development of our people," Bob says. "Expansion creates new managerial positions; we're able to develop the talent

within our company and offer futures to the young people we're hiring today.

"Our ability to expand as we have is due solely to the level of competence and expertise we have in the field.

"The fact that we can establish satellite offices three, four hours from our

main office, and have those offices run efficiently and effectively, is due to the quality of the people we have working for us.

"From the managers to the staff and the teams we put together to build our projects, they're all outstanding. Absolutely top notch."

LOOK FOR OPPORTUNITIES

By **Bill Stewart**
President

By all indicators, our economy has hit a rough patch.

Private-home building has pretty well stopped, speculative development has disappeared, public revenue is falling, the state continues to suffer from a strategic debt problem, and the legislature is looking to borrow transportation funds to use for other expenditures.

While the volume of public work available to bid currently remains strong, competition has increased as contractors move from private to public construction.

Now, more than ever, we need to look behind every tree and under every rock for opportunity. We need to recognize risk and mitigate it before it adversely impacts us. We need to tighten our belts, minimize discretionary spending, increase our productivity and collect what we are rightfully owed.

Let's go!



RGW Construction, Inc. satellite offices

ELK GROVE

- \$33M Grant Line/Highway 99 Interchange Project (City of Elk Grove)
- \$30M Sheldon Road Interchange Project (City of Elk Grove)

RIO VISTA

- \$8M Shiloh Wind Farm Roadway Project (M. A. Mortenson Company)
- \$8.5M civil works (Kaiser Permanente Hospital located in Vacaville)
- \$500,000 Highway 4 Asphalt Overlay Project (Caltrans)

ALVISO

- \$7M Pedestrian Bridges Project (City of Sunnyvale)
- \$577,000 Asphalt Overlay Project (City of San Leandro)
- \$4M civil works (El Camino Hospital located in Mountain View)

TRACY

- \$28M Water Treatment Plant Project (California Department of Corrections)

SAN RAMON

- \$14M Gale Ranch/Dougherty Bridges Project (Shapell Homes)

HOLLISTER

- \$17M Route 152/156 Improvement Project (Santa Clara Valley Transportation Authority)
- \$9M Route 152/156 Truck Lane (Caltrans)

MENDOTA

- \$9M State Route 180 Widening Project (Caltrans)

KING CITY

- \$4M First Street Bridge Replacement Project (City of King City)
- \$6M Bridge Replacement/New Roadway Project in City of Greenfield (County of Monterey)

CASTRO VALLEY

- \$12M Route 580/Castro Valley (ACTIA)

Employee News

RGW supports Stanford master's program

RGW has a long history of supporting higher education in our industry.

Several members of RGW recently assisted Bob Tatum, professor at Stanford University, in his quest to develop a new graduate course on sustainable construction operations in the Construction Masters degree program at Stanford.

The program includes many construction management courses, but this class is the only construction-engineering course that includes heavy civil work.

The main objectives of the course are to learn more about the technical aspects of construction resources, such as equipment and field operations, and gain an understanding of how each type of project objective (cost, schedule, quality, safety, sustainability) influences the plans and operations to build the work.



Professor Tatum spent a full day at our facility talking to the real experts in construction — RGW employees.

Dane Lowry and George O'Neil went through the details of equipment acquisition and management. Field Operations were covered by Dave Kennedy and Bill Moody from an overall standpoint; Dave Hearn and Todd Jorgensen from the Superintendent's perspective; Allan

Carnesecca and Bob Purdy from the Project Management perspective; and Val Ibarra and Ron Hicks from the Project Engineer's perspective.

Mark Cohen and Rocky Trujillo reviewed safety and its importance in our operations. Dave Hearn and Todd Jorgenson provided detailed information on building the work. David Aboujadom and Bill Stewart talked about estimating.

At the end of a full day, Professor Tatum had the benefit of more than 300 years of construction experience from many different perspectives.

RGW understands the importance of providing "real world" perspective to the education process and we were honored to be asked to participate. As a follow-up, Dave Kennedy, David Aboujadom, Bill Stewart, and Dane Lowry were invited to Stanford to teach classes. The classroom presentations were great and the enthusiasm from the students was very rewarding.

RGW looks forward to reaping the benefits of enriching the education experience of the Stanford engineering program by hiring a couple of more graduates.

Three members of the RGW team have graduated from the Stanford masters program — Bill Stewart, Peter Worhunsky, and Val Ibarra.

Anniversaries

20 YEARS

Tom Minghetti, May 4, 1988; **Fred Moreno**, June 6, 1988.

15 YEARS

Jacqueline Cohen, April 6, 1993; **Chris Harris**, June 29, 1993.

10 YEARS

David Moreno, May 12, 1998; **Phong Dinh**, July 31, 1998.

5 YEARS

Mark Budiselich, February 5, 2003; **Christopher Faria**, March 31, 2003; **Ramon Quiroz**, March 31, 2003; **Misael Saucedo**, April 14, 2003; **Thomas Crow**, May 2, 2003; **Adimando Serrano**, May 14, 2003; **Gordon Saunders**, May 23, 2003; **Donald Sanders**, June 11, 2003; **Michael Betti**, June 30, 2003; **Peter Worhunsky**, July 1, 2003; **Martin Cuevas**, July 9, 2003; **Manuel Thomas**, July 9, 2003; **Zackary Cockerton**, July 29, 2003; **James Fulton**, July 29, 2003; **Jorge Olivares**, August 28, 2003.

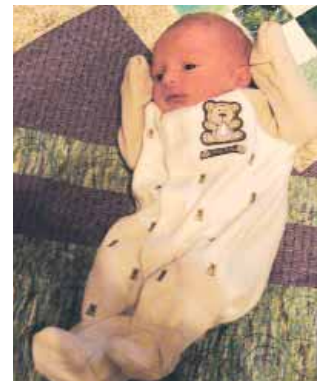
Promotions

Karrie Souza, from Accounting Manager to Chief Financial Officer.

New employees

Diane Lima, Receptionist; **Dennis Finnigan**, Business Development Estimating Manager; **Trish Mercado**, Field Payroll Clerk; **Chris Luffman**, Estimator; **Jeff Marland**, Project Engineer.

Congratulations to Area Manager **Noah Lowry** and his wife, Tanya, on the birth of their son, Wyatt, on June 22.



Safety Update

Protect your family from flying pests

Work and play outdoors can expose you and your family to the hazards of stinging insects.

The majority of stinging insects in the United States are bees, yellow jackets, hornets, and wasps. All are found throughout the country.

WHO IS AT RISK?

More than two million Americans are allergic to stinging insects. Most people are not allergic to insect stings, and most insect stings result in only local itching and swelling. Many, however, will have severe allergic reactions.

Fifty to 150 deaths occur each year from these stings, and up to a million hospital visits result from insect stings.

Since most stings occur in the summer and fall, you are at greatest risk during these months.

WHAT TYPES OF INSECT STING REACTIONS OCCUR?

Most insect sting reactions are not allergic and result in local pain, itching, swelling, and redness at the site of the sting. Local treatment is usually all that is needed for this type of reaction.

Disinfect the area, keep clean, and apply ice. If the swelling increases, antihistamines, and possibly steroids, may be needed. Occasionally, the site will become infected and antibiotics are needed.

The most serious reaction is the allergic reaction. The most serious is called anaphylaxis, and can be fatal. Severe reactions are suspected if a person experiences hives and intense itching at sites other than the sting site. Difficulty breathing, swallowing, hoarseness, swelling of the tongue, dizziness and fainting are signs of a severe allergic reaction. Prompt treatment is essential and emergency help is often needed.

HOW IS A SEVERE ALLERGIC REACTION IMMEDIATELY TREATED?

Honeybees' stingers are barbed stingers, which are left behind in the person's skin and then the bee dies. If the stinger is removed by pinching the stinger, more venom is injected into the skin. It is better to remove the stinger by gently lifting the stinger using a finger nail or knife edge to 'flick' the stinger out of the skin. Other stinging insects do not leave stingers behind and this technique does not apply.

An allergic reaction is treated with epinephrine (adrenaline). Several self-injectable devices are available by prescription. These devices are filled with the epinephrine to be injected into the subcutaneous tissue or muscle, preferably into the front of the thigh.

Venom extractors are commercially available, but they have not been demonstrated to have any benefit.

If a serious sting occurs medical attention can be necessary, even if epinephrine is used and all seems stable. The allergic reaction can subsequently progress and become more serious after epinephrine has worn off.

Sometimes epinephrine is not enough and intravenous fluids or other treatment is needed. If you are known to be seriously allergic to insects you must remember to carry epinephrine at all times, especially when out of reach of medical care (such as in the woods or even on an airplane).

If epinephrine is not available when you are stung, contact a doctor as soon as possible.

In addition to epinephrine, an oral dose of antihistamine (like Benadryl)

can reduce the symptoms of an allergic reaction. Antihistamines take effect in about one hour. Ultimately, however, it is crucial to first avoid the sting, so such treatment isn't necessary.

HOW CAN I AVOID INSECT STINGS?

Certain precautionary measures will greatly decrease your chances of being stung. Honey bees are not aggressive and will usually not sting unless disturbed or injured.

Avoid walking barefoot on lawns where honeybees forage on succulent clover. Yellow jackets nest in the ground and in walls. Hornets and wasps often nest in bushes, trees, and under roofs. Use caution, too, in these areas and in selecting employment requiring exposure to these conditions.

Bright colors attract insects seeking nectar. Stinging insects are attracted to food and strong smells. Avoid being near open food, as in garbage cans, dumps, and open picnic areas. Do not wear perfumes, hair sprays, and colognes.

Bees find the color black very irritating, while blue is comforting to them. Remember this when selecting your summer bathing attire. If you think that insect repellent of any kind is effective in repelling these stinging insects, you are mistaken — in fact, this may attract them. Please do not use repellent except for reasons other than to avoid stinging insects.

On the job and off, these pests can cause lots of pain and anguish. Protect your family and friends whether at work or play by using common sense and being prepared.

For more information on insect allergies and related topics, go to this website: MedicineNet.com.

— RGW Safety Team



Employee News

Meet John Pitsch

On June 8 of this year Senior Estimator John Pitsch celebrated 20 years with RGW Construction, Inc.

With no construction experience, but a natural talent for math and economics, John joined Grade-Way Construction in 1988; he was a part of the merge with The Raisch Company and the formation of RGW in 1990. Today, John prepares project bids ranging from \$500,000 to \$55 million.

John spends much of his time reading plans — some numbering as many as 400 pages — and performs take-offs, that is, “itemizing and quantifying what’s going on in that plan, and then figuring out how to build it and how to price it,” says John.

After 20 years and thousands of estimates, John takes a gamer’s approach to estimating.

“I think: how do I outsmart the other companies? I have to price the job right so it’s profitable, but I want to best our competitors with the most attractive bid.”

He’s also a forecaster. Often, John is pricing and scheduling work two or three years ahead of its start date, and has to account for future variables, such as cost increases in labor and fuel, and material surcharges.

“I figure out how to build it, price it, and schedule it years ahead, so I need to forecast what equipment we’ll need,

what materials we’ll need, and the crews we’ll need.

“I have to visualize — there’s a good word — visualize the variables that will affect the bid.”

There’s no slack time. An estimator has to be on top of what’s going on today — construction costs and market competitors — to prepare realistic and profitable bids that anticipate the future.

John was born in Millbrae and reared in Manteca, “The Family City,”



John Pitsch

where he still lives with his wife of 25 years. There they

reared two sons.

When he’s not deep in numbers and paperwork, John prefers the outdoors — tinkering on cars, relaxing poolside, pitching a tent at a lakeside campsite, or swinging a club on a lush green fairway.

An avid golfer “since I was a paperboy,” John’s happiest visualizing the strategies of a different game — one that finds him teeing up and making his way around 18 holes.

Giving back to the community

RGW EEO Officer and Estimating Secretary Mary Wieckowski has spent nearly 20 years donating her time to those less fortunate than her.

LIFE ElderCare, a Fremont-based non-profit, has been the beneficiary of her kindness and generosity since 1991, when Mary got involved with the organization’s Meals on Wheels program. It’s one of many LIFE ElderCare programs that serve homebound seniors in Fremont, Newark, and Union City.

I got involved when Dan Lowry was the RGW owner; he was very involved with this organization,” says Mary, who came to work for RGW in 1989 in courier services. RGW was located in Fremont then.

“Dan was president of the LIFE ElderCare board for many, many years, more than a decade. He asked employees to deliver meals, gave us a company car, and paid us for our volunteer time. I jumped in. We’d do it between 10:30 and 12:30, right in middle of the morning. I do it every other week, on Tuesdays.”

The meals are prepared by the VA hospital in Livermore. Lowry had customized a delivery truck. A LIFE ElderCare volunteer picks up the meals in Livermore and distributes them to delivery people in Fremont. The Meals on Wheels Program delivers more than 90,000 meals per year. RGW continues to donate \$50,000 each year to LIFE ElderCare.

“I do enjoy it,” Mary says. “Unfortunately, these people are frail and homebound and they don’t stay on your route forever. They pass away. It’s sad. Sometimes we’re the only people they see all day long, and the only ones they talk to. So, at least five days a week someone is checking in on them, making sure they are OK.”



Mary Wieckowski



Women in construction

These amazing RGW women helped put on a fabulous golf tournament this summer. We would be lost without them. The event raised \$50,000 for LIFE ElderCare. See the story in this issue about Mary Wieckowski.



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