



Fru-Con

June 2009

News

President's Message

Infrastructure Reinvestment Creates Opportunity

By Clem Mitchell, President & Chief Executive Officer

The nation's reinvestment in infrastructure is quickly proving to be the economic jumpstart it was intended to be. The \$787 billion American Recovery and Reinvestment Act of 2009 will go a long way toward rebuilding the public works we rely upon as a nation.

The economic stimulus bill, signed into law by President Barack Obama on Feb. 15, 2009, includes \$50.8 billion for energy and water projects. The funding is expected to fast-track about \$6 billion in wastewater and water projects. Another \$30 billion is targeted for federal building infrastructure.

In addition to the water and wastewater funding under the stimulus bill, Congress approved House Resolution 1262, the Water Quality Investment Act of 2009, in March, but the bill has stalled in committee in the U.S. Senate. If passed, it will appropriate \$13.8 billion over five years for water pollution control projects, in addition to the billions of dollars funded by the stimulus legislation.



Clem Mitchell

With 20 percent of the nation's 16,000-plus municipal wastewater treatment plants suffering from deferred maintenance, Fru-Con has many opportunities to be of exceptional service during this period of intense infrastructure reinvestment. We are already seeing some "shovel ready" projects advertised in anticipation of prompt funding distribution. I am confident in our team's ability to deliver based on the excellence of our collective work today and in the past.

I recently returned from Bilfinger Berger's worldwide Oehringen Executive Conference, at which I was pleased to showcase our team's excellence with a report on Arlington 7A and the video of our Broad Run project for Loudoun County, Virginia. The presentation was well-received by the Bilfinger Berger Executive Board.

I returned to find a heartwarming letter of commendation from our design partner, a portion of which is featured on page 4. It takes the dedication of our entire team to win high praise from fellow team members and from our clients. I am grateful to each of you who make the effort daily to achieve excellence on behalf of those we serve.

Project of Excellence

Fru-Con Builds Firm Foundations for \$73 Million New Design Road Water Treatment Plant Expansion

Fru-Con is building firm foundations as it triples the capacity of a water treatment facility in Tuscarora, Maryland — literally and ecologically.

Fru-Con began work on the **New Design Road Water Treatment Plant** in January 2008 after winning a \$73 million contract award from Frederick County to expand plant capacity from 8.8 million gallons per day (MGD) to 25 MGD. The project will be delivered in phases, with the new wing of the plant slated for commissioning in

January 2010, followed by total completion on or before June 16, 2010.

The Fru-Con team is working in close collaboration with members of the Department of Engineering and Planning within **Frederick County's Division of Utilities and Solid Waste Management** to achieve the project goals. Engineering team members include

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New Design Road Plant — from page 1

Rummel, Klepper, and Kahn, LLP, of Baltimore, Maryland, in association with the Baltimore office of Hazen and Sawyer, Environmental Engineers and Scientists.

Challenging Geology

The subsurface at New Design created a challenge in three dimensions. Because groundwater tends to create voids over time, "sound" geotechnical testing and advice were critically needed.

First, before any vertical construction could commence, Fru-Con was compelled to address the unique sub-surface condition of the four-acre site. The plant rests on a "karst" geological formation one-and-one-half miles from the Potomac River. Since karsts are pocked with sinkholes, caves and underground drainage systems, the subsurface at New Design is actually beneficial in that it supports the water supply infrastructure of the plant. Conversely, its tendency to develop voids over time creates unstable terrain and routes for contaminant migration.



Five new buildings are being constructed at New Design. The expansion will nearly triple plant capacity to 25 million gallons per day.

"Following consultation with a Maryland-based geotechnical consultant, we had eight drill rigs working and an electrical resistivity crew producing 3-D models of what lurked beneath the surface," recalls Project Manager **Brad Smith**. "Ultimately, we were able to pinpoint solutions that most appropriately and cost-effectively responded to the specific geological condition found beneath the footprint of a given building."

Second, in a case of the devil being in the details, Fru-Con found preliminary engineering studies conducted prior to its involvement were overly optimistic. They forecast that 27,000 linear feet of micro-pile would sufficiently support the five new structures destined for New Design. Fru-Con determined that 25,000 linear feet of micro-pile would be required to support just one building — albeit the largest.

"Through various soil engineer-

ing techniques — such as compaction grouting, replacement by using compacted geo-textile fabric layers and stone fill — we were able to resolve the issue of foundation integrity for the other structures to the satisfaction of the owner," Smith reports.

Solving the Lagoon Mystery

Finally, Fru-Con needed to creatively overcome above-ground challenges. To accommodate a new filtration building, a lagoon holding 1.9 million gallons of sludge needed to disappear. The customary solution is to pump off lagoon water, add lime to the sludge to make it solidify and then transport the sludge off-site for disposal. But Fru-Con's lab tests revealed a high concentration of alum, which would have negated the solidifying effects of the lime.

Fru-Con was stymied, but not for long. After investigating alternatives, Fru-Con Engineering Manager **Mike Donnini** and his team adopted an ingenious three-step plan:

Step 1. The first step was to pump a polymer into the pump stream that caused the solids to separate from the water.

Step 2. Next, with no room on the tight site for auxiliary lagoons to hold the water it needed to pump off, Fru-Con turned to geo-tubes. The giant, rod-shaped woven bags — measuring 30 feet high by 100 feet long — retained 99 percent of the polymerized sludge solids even as they allowed water to pass.

Step 3. After collection in the geo-tubes, the sludge was allowed to dry. The tubes were slit and the solids hauled away. "It took us about five weeks and eight geo-bags to convert 1.9 million gallons of sludge into 6,000 cubic yards of solids," Donnini notes.

Scale by the Numbers

All told at New Design, Fru-Con is building or installing a new pre-sedimentation basin system, rapid mixers, three flocculation basins, three new sedimentation basins, six filters, four filter effluent pumps, a UV disinfection system, a new chemical feed system and residuals building, a 1.3-million-gallon storage water tank and a new high service pumping facility. It also is upgrading the existing plant and installing a new backup power generation system.

"We are laying approximately 6,000 linear feet of large bore piping, more than 20,000 linear feet of small bore piping and pouring 23,000 cubic yards of concrete," Project Director **Joe Duffy** says. "Our team hopes to have all concrete in place by this July."

More than 200,000 man-hours have been recorded at New Design



Fru-Con developed custom soil engineering solutions to address the specific geological condition found beneath the footprint of every new building at New Design.

to date, with no lost time injuries or recordable injuries, reports **Doug Hill**, Fru-Con project safety manager. "We'll continue working to maintain our zero injuries achievement," Hill says.

Key Fru-Con project team members include Project Director **Joe Duffy**, Project Manager **Brad Smith**, Superintendent **David Geesaman**, Mechanical Superintendent **Brice Criswell**, General Foreman/Yard Piping **Ed Evans**, Assistant Superintendent **Nelson Romero**, Engineering Manager **Mike Donnini**, Commercial Manager **Elizabeth Thomas**, Project Engineer **Randy Stedman**, Process Engineer **Sian Campbell**, Mechanical/Instrumentation & Control Engineer **Khalil Elshazly**, Scheduler/Project Engineer Hao Lee, Field Surveyor **David Reid**, Engineering Assistant **Karen Jenners**, Project Safety Manager **Doug Hill**, Administrative Assistant **Abbey Horner**, and Accounts Payable Clerk **Teresa Case**.



Fru-Con is on pace to complete placement of the 23,000 cubic yards of concrete needed at New Design in July.

Safety Zone

Keeping Fru-Con Workers Safe in 2009

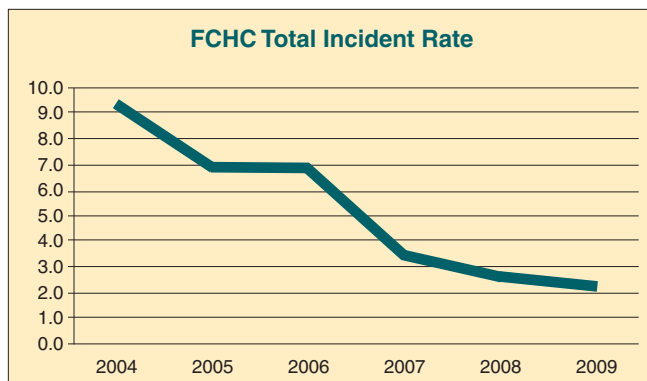
By Charlie Weeks, Vice President-Human Resources & Safety

Fru-Con is off to a great start in keeping our employees safe in 2009. During the first four months, our total injury incident rate (the number of injuries requiring medical attention per 100 employees) continued to decline compared with past years. Our Workers' Compensation claims rate (the number of medical-only injuries per 100 employees) continues a positive six-year trend and remains well below our goal for 2009.

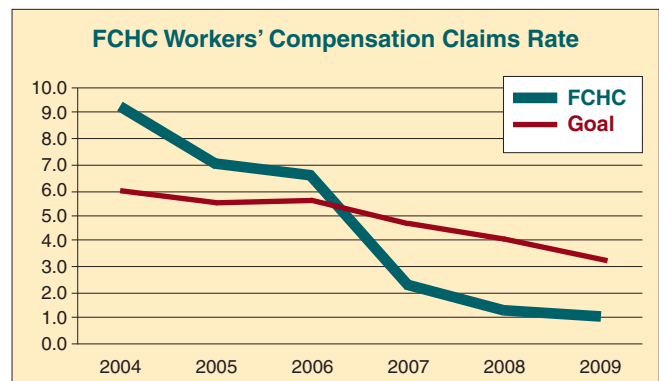
The significance of these two statistics is reflected in the Pyramid Theory. This states that employees who experience lost-time injuries will have a greater number of recordable injuries (injuries with restrictions) which will be based on an even greater number of medical-only injuries. If we reduce the number of medical-only injuries, we also will experience fewer recordable injuries and

lost-time injuries. At Fru-Con, we apply this theory to focus our effort on achieving zero lost-time injuries so we can minimize the number of recordable injuries and medical-only injuries. Our goal is zero injuries, and we know this is possible with everyone's attention, care and constant vigilance.

The **New Design** project celebrated another milestone with more than 200,000 effort hours completed without a recordable injury. This project achieved this latest milestone through the continuous efforts of its management team and the many superintendents, foremen and workers who have given their daily effort to achieving this fine record. Congratulations on this remarkable achievement!



Fru-Con Holding Company's total injury incident rate, which tracks the number of injuries requiring medical attention and work restrictions for each 100 employees, continued its welcome descent during the first four months of 2009.



Fru-Con's Workers' Compensation claims rate, which equals the number of medical-only injuries per 100 employees, continued a positive six-year trend in the first four months of 2009. It remains well below Fru-Con's team goal for 2009.

Fru-Con Team Members Promoted

Since December 2008, Fru-Con made moves with five team members at its corporate office in Woodbridge, Virginia.

Ian MacDougall was promoted to chief estimator. He originally joined former Fru-Con subsidiary H.E. Sargent as an estimator, and transferred to Fru-Con in 2001.

Corey Benner has been promoted to corporate controller for Fru-Con Holding Corporation, recently relocating from St. Louis, Missouri to Woodbridge. Benner has been a member of the Fru-Con team since May 2000, working as a project accountant for then-Fru-Con subsidiary, H.E. Sargent, and BBCI. He was cash

manager in St. Louis before his most recent promotion.

Denise Lucas, payroll manager for Fru-Con since May 2001, also has relocated from St. Louis to Woodbridge. With her continued payroll manager duties, Lucas assumes many Human Resources responsibilities.

Eric Anderson has been promoted from project commercial manager to project controls manager, based in the Woodbridge office. He oversees all commercial aspects of Fru-Con's projects, from the tender phase through project execution and close-outs.

Deron Jones was promoted from project accountant to cash manager. Jones formerly worked in the Woodbridge office as an accountant before serving as project accountant on the Broad Run Water Reclamation Project.

Letters

Kudos for the Team

Two letters received this year by Fru-Con President and CEO **Clem Mitchell** highlight the positive difference made by Fru-Con team members when we work together to achieve client goals. We share excerpts here from our client and design partner on the **Broad Run Water Reclamation Facility** because the praise belongs to our entire team.

February 24, 2009

Dear Clem:

I am delighted to express my sincere appreciation for Fru-Con's successful completion of the \$100 million+ contracts 1 & 4 of Loudoun Water's state-of-the-art Broad Run Water Reclamation Facility. We accomplished something that has not been done in our region for almost 20 years: finishing a large, complicated project on time, with minimal changes and without the need for legal assistance. We did it!

I believe the partnership we developed and followed throughout the project were pivotal to the successful outcome. The level of trust that we built allowed our teams to successfully work in partnership through any obstacles along the way.

I would like to recognize Fru-Con's Vice President, Mike Fischer, and Project Director, Joe Duffy, for their contributions toward our success. They followed your lead and remained committed to our partnership through completion of punch-list and warranty items. Thanks again for a job well done.

Sincerely,
Richard C. Thoesen, P.E.
Deputy General Manager
Loudoun County, Virginia Sanitation Authority (LCSA)

May 9, 2009

Dear Clem:

I would like to congratulate Fru-Con Construction on the successful completion of the Broad Run Water Reclamation Facility. The challenges were many – multiple contracts, complex structures, specialized equipment and state-of-the-art processes. It is the first wastewater treatment plant in the world to feature synthetic membrane bioreactors, activated carbon filtration and UV disinfection. We are pleased that the plant has met all discharge standards since start-up in May of 2008 and produces one of the highest quality reclaimed waters in the world. Engineers and operators from all over the world have started to visit the plant and will continue to do so in the coming years.

We deeply appreciate your leadership and personal commitment to the partnering process designed for this project. You kept your commitments throughout the project, no matter what the challenges, and fairly worked through the issues as a true partner. That meant a lot to CH2M Hill and LCSA, and was instrumental to ensure the successful outcome that we achieved.

We look forward to the opportunity to work with Fru-Con in the future.

Richard J. Bedard, P.E.
Senior Vice President
Global Program and Construction Management Leader
CH2M Hill

Fru-Con Foresight Reduces Construction Risk on \$39 Million Flat Branch Pump Station & Force Main Project

Twenty feet may not seem like much, but it made all the difference in reducing construction risk while improving sewage capacity in burgeoning Fairfax County, Virginia. Through Fru-Con's foresight, the four-year construction of the \$39 million **Flat Branch Pump Station & Force Main Improvements** guards the structural integrity of an aging 48-inch sewer line over which the plant was initially to be built.

The project, begun in February 2009, will be completed in 2013. It will meet the needs of a growing commercial and residential area by increasing pumping capacity by 60 percent to 120 million gallons a day.

The Flat Branch project is being built for the **Upper Occoquan Service Authority (UOSA)** in Centreville, Virginia. Ninety percent of the work enlarges the capacity of the Flat Branch Pump Station. The remainder upgrades the UOSA treatment plant accepting sewage from Flat Branch. It includes construction of a new pump station, an electric building and an equipment building. Once the new pump station is completed, Fru-Con will refurbish the existing pump station with new pumps, piping and valves.

Fru-Con's value engineering expertise already has paid off when team members determined the planned



Fru-Con's \$39 million Flat Branch Pump Station & Force Main Improvements project includes constructing a shaft with a shoring system to facilitate a tunneling machine for installation of a 36-inch raw sewage line.

location of the new pump station would risk damaging a large 48-inch sewer line, creating a costly environmental hazard for UOSA. The firm reengineered the new facility 20 feet from the pipe and created an efficient bypass valve to connect to the new pump station. The connection is being made through a dog-house manhole on the old line.

Fru-Con is currently excavating the new pump station and jacking shafts to house underground piping and pumps, including four 10,700-gallon-per-minute (GPM) and three 6,000-GPM Flyght Wet Pit Pumps in a 40-foot-deep pump station. Fru-Con has encountered considerable rock in

its excavations and is optimizing limited space on the site for rock storage so it can be crushed and used as backfill.

Key Fru-Con project team members include Senior Project Manager **Osama Madkour**, Project Commercial Manager **Peggy Dunn**, Senior Project Engineer **Steve Kobusch**, Project Engineer **Enrique Prangner**, Project Engineer **Miguel Rivas**, Civil Superintendent **William White**, Site Superintendent **Dale Louk**, Project Safety Manager **Danny O'Neal**, Engineer Intern **Ryan Sylvia** and Administrative Assistant **Sabrina Goode**.

Bilfinger Berger News

Bilfinger Berger Announces CFO News, First Quarter Report

Dr. **Jürgen M. Schneider** announced his retirement as chief financial officer of Bilfinger Berger after 19 years of exemplary Executive Board performance and service on the Fru-Con board, effective May 7.

He is succeeded by **Joachim Müller**, who has served on the Executive Board since Nov. 1, 2008. Mr. Müller is now responsible for Accounting, Finance, Controlling, Procurement and IT Management. Like Dr. Schneider, he will serve on the Supervisory Boards of all major companies in the Bilfinger Berger Group.

Dr. Schneider played a key role in driving the company's international growth and its transformation from a construction company into a Multi Service Group, both of which now make significant contributions to earnings. He fostered close contact with capital markets while maintaining a critical distance from short-term trends,

setting in place the company's sound financial situation and healthy capital market structure. He will now spend more time on his musical and cultural activities, including honorary appointments at his alma mater, the University of Mannheim, and several Supervisory Board mandates at renowned family companies. He also plans to spend more time playing tennis, skiing and bicycling.

Strong First Quarter

Bilfinger Berger posted a strong first quarter 2009 with strong growth in output volume (up nine percent), orders received (up 22 percent), order backlog (up two percent) and operating profit, particularly in its services business. The construction business remained generally stable and an important transport project was added to the privately-financed concessions portfolio.

Centennial Launches New Sustainability Challenge

By David Carrithers, Centennial Vice President-Marketing

Centennial Contractors Enterprises celebrated Earth Day 2009 by kicking off its **President's Green Challenge**. The challenge will advance Centennial's commitment to sustainability by integrating green practices into the company's daily operations.

Centennial President **Mark Bailey** announced the program in April 2009 during the company's annual Leadership Conference in Gettysburg, Pennsylvania. "We have a huge opportunity to make an impact," he said. "We currently work in 17 states and touch 60,000 buildings, and we are growing."

Awards to Recognize Sustainability Leaders

Staff members at Centennial's regional and corporate locations are forming teams to define and implement sustainability solutions, internally and externally. An outside panel will review the practices in early 2010 based on such key criteria as:

- ability to integrate across multiple customers;
- quantifiable impact;
- ongoing and sustainable;
- creative and innovative; and
- positive impact on team building.

The top three Centennial job sites will receive awards of \$10,000, \$5,000 and \$2,500, respectively, a portion of which must be reinvested in the local community.

"Launching this President's Green Challenge will extend Earth Day to every day at Centennial," said **Debra Dowden Crockett**, sponsor of sustainability.

About 10 percent of Centennial's staff members now are accredited as LEED® (Leadership in Energy and

Environmental Design) professionals by the U.S. Green Building Council, and the number is growing. Centennial has worked on many sustainable construction projects around the country, including the Ft. Bragg Courthouse in North Carolina and for two clients in the state of Washington: Lake Washington School District and the Ft. Lewis JOC program.

"We are weaving sustainability into the tapestry of our culture, just as we have done with safety," Bailey said. "We need to do what it takes to do the right thing for our families, for our company, for our customers and for our country." By driving forward thinking, training and solutions focused on sustainability, Bailey believes Centennial will raise awareness and action among employees, subcontractors and clients.

In addition to the President's Green Challenge, Centennial has launched three related efforts:

1. Appointed a **Green Council** from cross-functional teams within Centennial.
2. Named **Sustainability Program Officers** at every Centennial site.
3. Begun developing an **internal web-based tool** for sharing sustainable solutions, information and best practices.

Bailey added, "Sustainability is our long-term commitment. It starts at the planning stage of every project we support and continues throughout implementation of our client solutions to our final client deliverables. Today marks the starting point for this focused energy around sustainable green thinking and practices."

On Earth Day 2009, Centennial launched a new **Sustainability Mission Statement**.

Centennial's Sustainability Mission is to plan, manage and execute our daily activities in ways that:

- **Efficiently use** the earth's natural resources,
- **Encourage reuse** of existing materials,
- **Reduce solid waste** being sent to landfills,
- **Minimize emissions** and other pollutants being contributed to our atmosphere, and
- **Promote environmental sustainability** through our actions.

Centennial wants to set the standard of environmental excellence and serve as a steward of sustainable best practices and a trusted advisor to our customers.

Through forward thinking and partnerships, Centennial will take action and create solutions for our customers and ourselves, both at work and at home.

Centennial will measure our success by our ability to implement cost-effective solutions that preserve and improve the earth's resources.



The Discipline of Leadership

By Michael R. Fischer, Fru-Con Vice President

Construction is not for the faint of heart. An extraordinary level of resolve is needed to cope with the daily variables we encounter. If managed incorrectly, these variables can lead to lost profits or missed deadlines. Even worse, injury or loss of life can result.

The ability of teams to react seamlessly and safely to the variables of change is the key difference between successful and mediocre performance. We must navigate the challenges of weather, differing site conditions, under-performing suppliers or subcontractors, problematic plans and specifications and, at times, onerous terms and conditions. Despite these challenges, we must keep our eyes on our goal of excellence and exercise the discipline of leadership.

In our world of construction, please ponder these points as you engage in your daily activities.

- ✓ **Lead with a Plan.** There is not one person in our business possessing all the knowledge and skill necessary to pull off a major element of work alone. It's always a team effort. And it takes planning to tap the best from your teammates.
- ✓ **Gain Consensus, then Communicate to All.** Be open to opinions and listen to all suggestions. Don't assume the team knows what you are thinking. The key is to communicate the plan to all participants so all are moving in the same direction.
- ✓ **Follow Up.** Monitor progress, measure its success, look reality in the eye and come to terms with what it means. Then act promptly on what you and others see. Failure to follow up can kill even the best of plans.
- ✓ **Hold Yourself and Others Accountable.** No plan will succeed without commitment, individually and



Michael R. Fischer

collectively. Holding ourselves and others accountable brings out the best in our team and builds the confidence that accompanies goal achievement.

- ✓ **Change the Plan when Necessary.** Admit when you may have been wrong in your assumptions. All plans require modification. There are too many unpredictable variables. In fact, identifying as many variables or risks as you can, as early as possible, along with your steps for dealing with them, will lead to greater success down the road. Respond with humility to the accumulation of negative events that affect the success of the plan and re-plan accordingly.
- ✓ **Review the plan upon completion.** What could we have done better? With your team, identify what went well and what could be improved so you can learn together. Display the courage to review your work and learn from mistakes, for the team will surely face a similar situation again. Repetition is the motor of learning.

Daily Practice

In his book, **QBQ** (The Question Behind the Question, Putnam 2004), John G. Miller says, "Leadership, more than anything else, is about the way we think. It's a moment to moment disciplining of our thoughts. It's about practicing personal accountability and choosing to make a positive contribution, no matter what our role or level."

Anyone can lead from any position in our company. I encourage you to find your influence point and lead from it.

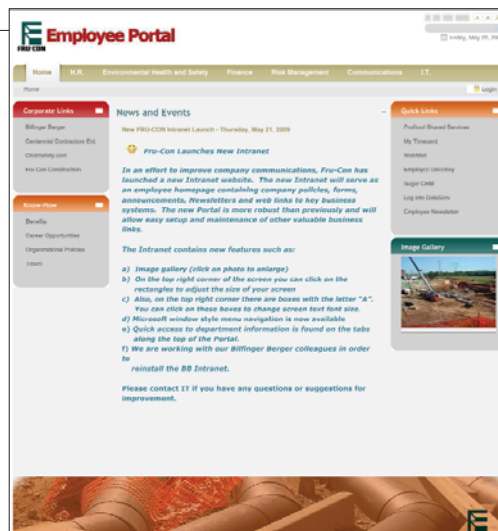
Whether you develop bids, work in the field, or support total team efforts from the home office, we each have a critical role to play in ensuring our team's success for our clients and for our company. So play it with energy, humility and passion, remembering the decisions you make, the plans you develop and your response to challenges will impact the outcome of our projects and, ultimately, the overall success of the team.

Thank you for exercising the discipline it takes to lead, knowing our entire organization and our clients benefit from your positive contributions.

Intranet Gets Better, Stays Easy

An improved version of the Fru-Con Intranet site, developed exclusively for Fru-Con employees, launched in late May. The site at <https://www.intranet.frucon.local> has a new look, easy navigation and dynamic graphics drawn from Fru-Con projects and people.

"Steve Dixon and his IT team did a great job with giving our



internal website a clean, energetic look. They've also streamlined access to information so users can find what they need quickly," says **Charlie Weeks**, vice president-human resources & safety.

A link to the **Bilfinger Berger Intranet** site is coming soon.

Fru-Con's new intranet site makes it easier for employees to find the information they need while also seeing the latest project photos.

Welcome to New Fru-Con Staff Members

Fru-Con is pleased to welcome our 47 new team members who joined the firm between December 2008 and April 2009.

Arlington VA

Timothy Tuel,
superintendent
Kevin Wilson, intern
Daniel Schroyer,
intern

Flat Branch

Peggy Dunn, project
commercial manager
Steve Kobusch,
project engineer
Danny O'Neal, project
safety manager

Ryan Sylvia, intern

New Design

Brice Criswell,
superintendent
Elizabeth Thomas,
project commercial
manager
Brian Bodle, intern

Woodbridge Office

Stephen Dixon,
IT director

Jessilyn Joyner,
executive assistant
Diana Simpler, senior
corporate accountant
Anthony Sklanka,
senior estimator &
procurement manager
Joel Patierno, intern

Carpenters

Kevin McDonald
Adam Platter
James Carden, Jr.

Jaime Espitia Cabrera
Amilcar Funes
Martin Garcia
Douglas Solorzano
Jorge Bonilla Amaya
Matthew Briegel
Rick Jordan
Darrell Vanmeter
Jose Castillo
Mario Flores Aldana
Jose Romero Marquez
Elvis Sales Melendez

Cement Finishers

Ysidro Bautista
Jose Chicas
Jorge Alfaro
Martinez Alvarenga

Laborers

Alvarado Quintanilla
Karen Jenners
Christopher Veysey
Alvarado Canenguez
Jose Rivas
Jeremy Geesaman
Scott Baker
Orin Denn
Ryan Vanover

Pipefitters

Matthew Blevins,
foreman
Brian Wisner
Jesse Morgan
Michael Morgan

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