

**Management Message****A Year to Remember**

by Rod Henkels, President, CEO

Fiscal Year (FY) 2008 will be distinctly remembered as a year of record **Performance**. For the fifth straight year, we reduced our OSHA recordable rate and for the first time, finished the year below 5.0 by achieving a rate of 4.78. All of this occurred with our man-hours increasing from 8 million in FY 2003 to 11.5 million in FY 2008. There is no doubt that we are a much safer company today than ever before. At the same time, our company revenues more than doubled over the past five years, reaching the \$1 billion mark this year, also a first. As Paul Henkels, our Chairman, says, "Not too bad!" This is especially true when you think that Jack Henkels started the company with a thousand dollars to buy one truck and start one crew in the summer of 1923. We can be proud of our Performance in this our 85th year.

As significant as these accomplishments are, none of them would have been possible without our customers, who continue to give us the opportunity to work for them year after year. Nor would it have been possible without each of us who work here and all of those who have worked here over the past

85 years who have built our reputation for **Performance** and delivering service to our clients. Thank you!

So where are we headed in Fiscal Year 2009 and beyond? With the financial markets in turmoil and a new president for our country, there are many unknowns that we do not control. What we can control, we must. We need to be in constant communication with our customers and monitor what, if any, impact the crisis will have on their business and how it might affect the work we do for them. Currently, we have a significant backlog of work in pipeline, power transmission and distribution work; however, some distribution projects may be postponed and some budget-driven crew cuts may continue or worsen in some markets. This past year, telecom grew for the first time since 2003. With more than 5,000 people and over 6,600 pieces of equipment, we are well positioned in many of the markets we serve. Often with crisis there is opportunity, and we have seen many over our 85-year history. Each time we have come out stronger and better positioned than before.

We must continue to focus on the ba-

sics of Performance.

Safety: The safety of each and every one of us is paramount, and we must continue to strive for and achieve "Nobody gets Hurt." We have set a goal to improve our safety Performance by reducing safety incidents (Workers Comp, Auto, and General Liability) by 20% a year for the next five years.



T. Roderick Henkels

Project Management: Our investment in PM over the past five years has really taken hold, enabling the company to take on more sophisticated projects and programs which has led to our largest backlog of work ever.

Continuous Improvement: In everything we do, we must have a focus on continuous improvement. This kind of innovative and sustainable approach to our work gives us a competitive edge and provides our customers greater value for the money they spend.

We must do all of these things well to succeed and take advantage of the opportunities before us, regardless of the economy.

New, Web-based Performance Management Tool Enables Greater Alignment**Paving the Way to Greater Success**

Henkels & McCoy's success has always been a direct result of the people who work here. We take pride in the fact that a person can start at an entry-level position in the company and rise all the way to the top of the organization. Over the past decade, we have been improving the quality of our training and committing greater resources to give people the best chance for success in a very competitive work environment. Our goal is to provide the best training and career development opportunities possible. To that end, we are pleased to introduce enhancements to our Web-based Performance Management system that are easy-to-use and packed with tools that both managers and subordinates will find useful.

**Performance Management:
A Collaborative Cycle**

The process that we refer to as "Performance Management" is more than a once-a-year occurrence. Rather, it is an ongoing collaboration between managers and their subordinates that occurs throughout the year, not just at the annual review. This is one of the many ways we can demonstrate our commitment to our people for their professional growth and development. It is a win-win for the individual, our organization, and our customers.

In 2006, Henkels & McCoy introduced the new Performance Management system to management teams that allowed them to complete employee performance appraisals online and streamlined the

process by routing them through the approval process via a Web-based tool after a face-to-face meeting with their manager. But that was only the beginning. Starting with this performance management period, and after the employee has had their face-to-face review with their manager, their performance appraisal will be electronically routed to them. Automating this process step will provide each person with an opportunity to review their manager's assessment of their annual performance throughout the year, provide their own perspective on how well they have accomplished their goals, and make the performance review process simpler, more effective, and faster than before.

We are also introducing additional enhancements that will make the per-

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Thanks for a Job Well Done!

Recently, two longtime H&M employees announced their retirements: Gill Levandoski in Blue Bell, Pennsylvania and Ed Shuck in Pasadena, Texas.

Gill's career with Henkels & McCoy spanned twenty-five years. As our receptionist in the Blue Bell headquarters building, her sunny disposition ensured that a visitor's first impression of H&M was a positive one.

Sharing her retirement cake, fellow employees wished her well. All agreed she will be greatly missed. Sherry Scandone, Disbursements Manager, said, "It always amazed me that Gill remembered everyone's name and something about them. She was always extremely pleasant and professional. She was an outstanding receptionist!"



We join the Pasadena office in congratulating Ed Shuck, who retired in September after forty-five years of service. Known as "Boogie" by his co-workers (after one of his favorite sayings, "Let's boogie"), Ed started out as an aerial lineman helper and went on to hold various positions over the years. He served as a general foreman on a large plow crew in South Texas for an extended period of time and performed buried and aerial work in Texas, Missouri, Illinois, and Indiana. Ed's love, however, was always the aerial work. As part of a celebration held in his honor, co-workers presented him with a lineman plaque along with a signed framed photograph that featured Ed climbing a pole just two days before his retirement (pictured at left).

Impressive agility is not the only thing about Ed Shuck that has endured the test of time. "His work ethic and dedication have remained constant and consistently high during his years with us," says John Dorman, Area Supervisor in Pasadena. "He was always ready and willing to get a job done. H&M is losing a lot of experience as Ed leaves."

For his part, Ed expresses gratitude about his career. "Henkels & McCoy has been good to me," he says warmly upon reflection. "They're a fine outfit."



In an uncharacteristically emotional moment, Gill forgets her native British stiff upper lip as she thanks the many gathered employees, led by Chairman Paul M. Henkels (left), for their warm farewell wishes.

Praise for Excellent Workmanship

The following letter was received by James Rudolph, Area Manager of the Henkels & McCoy Linden, New Jersey office.

Dear Mr. Rudolph:

It is not often enough that I take the time to acknowledge and praise the work of employees with respect to the contractors who perform work for our company. However, regardless of how much work we have in front of us on a daily basis, we must not overlook the quality and professionalism of your workers... Supervisor Tony Pinho, Work Crew: John Matos, Tony Cunha, Joe DaSilva, and Bob Neff.

Recently our company encountered a rather difficult situation with regard to the complicated task of excavating to remove a large drip pot in Pennsauken, New Jersey. This job required a special task force of people we needed to rely upon for expediency, accuracy, precision, and above all SAFETY. My manager... chose Tony Pinho and crew for this task, ensuring me that "these are the guys for this job." Tony has the respect of his subordinates and Tony respects them as well. All of us have noticed this during this project.

Tony exhibited an extremely confident approach toward planning, implementing, and supervising this project. Tony's crew displayed a unique style of professionalism... and strictly adhered to what I call a "no chatter" approach toward the planning, excavating, shoring, and safety. Never once did I notice any gaps in the way Tony communicated with these men and their response toward him.

I have been employed for thirty-eight years in the gas division, and have spent the past nineteen years in... environmental compliance... I have not seen such a display of a smooth "supervisor and work crew" operation, which showed everyone on the same level of participation and unison. You can be proud of these guys. I never had the pleasure of meeting Tony and you until a week before this project, but you can be sure that my future choice for my projects will be you.

Please forward my compliments... and again thank them for making a rather complicated situation out there much easier... Sincerely,

*Art Napurano
Sr. Environmental Analyst Gas Distribution-
Southern Division, PSE&G*

Meet Tom Henkels, Central Region's Vice President

We are pleased to announce the appointment of Mr. Thomas Henkels to the position of Regional Vice President - Central Region.

Tom has worked in the industry for more than twenty years, most recently as Chief Executive Officer of Arby Construction, a subsidiary of Quanta Services. Prior to that, he served as Vice President of Gas Operations for Quanta Services. From 1986 to 2002, he worked for Infrasource Underground, serving as CFO, then COO, and ultimately as President for ten years, building the firm formerly known as MRM from a small regional



contractor of 350 employees and \$24 million in revenues into a national contractor with 2,800 employees and \$300 million in revenues. When MRM was acquired by Infrasource in 1999, Tom became Senior Vice President and was responsible for integrating fourteen acquired companies into one organization.

Tom received a B.S. degree in Accounting from Illinois State University in 1977. He has been a member, director, and former President of the National Utility Contractors Association (NUCA). He has also been a member of The Executive Committee for the last eighteen years. Tom resides near our Batavia, Illinois office with his wife, Pat, son Peter (19), and daughter Jesse (15).

Please join us in welcoming Tom to Henkels & McCoy.

Happy 85th!

This year marks Henkels & McCoy's 85th anniversary and are we celebrating! To kick off this anniversary and in conjunction with Management Meetings, employees and their families were welcomed to a picnic near company headquarters in Blue Bell on July 19. Retiree Norris Anders captured the day's lead-off event, shooting a 32 over nine holes of golf. Norris also took first place in the closest to the pin competition.

Hamburgers, hot dogs, steamed clams, BBQ chicken, oh my! Food was a hit at the picnic. With fare ranging from funnel cake to cotton candy, everyone enjoyed themselves. The children, in particular, frolicked in swimming pools and playgrounds and rounded out the day with pony rides, clowns, face painting, caricaturists, magicians, a moon bounce, and carnival games. Keepsake items bearing a specially designed 85th anniversary logo included a set of tumblers and baseball caps for all who attended.

Many Henkels & McCoy personnel and their families participated in the annual softball games. Clad in specially designed t-shirts in light green (The Real McCoys)



and beige (The Henkels Hardhats), the teams played two games, one for the older players and one for the younger players. In the "grown up" game, the Hardhats, led by the bats of Russ Yerck and Tony Winston, jumped out to an early lead, but it didn't take long for Real McCoy ace pitcher Katie Condon to hit her stride. The tightly contested match ended with the Hardhats prevailing by a score of 14-12.

In the other game, the Henkels Hardhats, skippered by Paul Stinson, fended

off a late rally to defeat the Real McCoys and manager Dennis Condon by a score of 5-3. Clutch hitting, including a triple by Nate Hine, and strong team defense were the keys to victory. The hard fought contest resulted in a variety of bumps and bruises, fortunately all minor in nature.

Following dinner, and after a few brief remarks, President Rod Henkels cut the anniversary cake.

All in all, a great way to mark Henkels & McCoy's 85th year.

United Way Campaign Underscores Employee Generosity

Henkels & McCoy marked the beginning of its 2008 National Campaign for the United Way and the Boy Scouts of America with a kickoff barbecue on Friday, June 20 at company headquarters in Blue Bell, Pennsylvania. Under the able direction of Disbursements Manager Sherry Scandone and her team, Joanne Antrim, Chris Howard, and Joanne Tirpak, the day included remarks by Ken Silvius of the Southeast Pennsylvania Chapter of United Way and H&M President and Chief Executive Officer Rod Henkels. Personnel making donations through payroll deductions participated in a raffle for various prizes including Phillie tickets and gas cards.

H&M has participated in National Campaigns since 2006. Last year, 749 employees companywide raised \$130,415, eclipsing the \$110,000 goal. As of mid-November 2008, \$143,919 has been pledged toward this year's objective.

Anyone wishing to contribute to this year's campaign can fill out a 2008 pledge form. To obtain a form or learn more, please contact your regional United Way



Ken Silvius explains to employees how contributions are used to benefit neighbors in local communities.

Chairperson: Sherry Scandone (Corporate Headquarters); Karen Kaltenbacher, Bonnie Baer, BetteAnn Burr (East Region); Emily Schwartz (West Region); Debbie Aber (Central Region); and Katie Freind (H&M NetWorks). Thanks to the many people who have already contributed, and to everyone for your continued generosity in supporting our neighboring communities through these vital organizations.

H&M Walks the Line

On May 10, 2008, downtown Portland, Oregon was the site for the American Cancer Society's Making Strides Against Breast Cancer Walk. The theme of the walk was "Hope Starts Here...With Me!" This noncompetitive walk supports the American Cancer Society's mission to fight breast cancer through research, education, advocacy, and service programs. Their efforts to promote early detection equate to more hope than ever for those impacted by breast cancer, but there is still a tremendous need for funding.

Current and former Henkels & McCoy employees, along with friends and relatives, participated in two- or four-mile walks, raising over \$700.00. The team, who chose the name "H&M Walks the Line," was clad in company-provided shirts, caps, and jackets.

Team members included Erica Winnestorfer (H&M organizer), Liliya Bogdanov, Aimee Brakefield, Trina Johnston, Katie Parker, Emily Schwartz, Cari Stear, Julia Weinrich, Ronald Wilson, Viktor Bogdonav, Julie Frazier, and Philip Frazier.

We thank them for their commitment to this very worthy cause.

Applied Project Management:

Coming Together in Hawaii

ClearCom, Inc. oversees what is a history-making endeavor in Hawaii: the construction of an inter-island, undersea fiber optic network connecting the five islands of Kauai, Oahu, Molokai, Maui, and Hawai'i (the remaining island, Lanai, is to be connected via microwave). This network, known as the Paniolo Cable Network System, will be independent of any existing networks, enabling it to function as an alternative emergency communications system.

In support of this job, Henkels & McCoy (H&M) has been contracted to install

fifty-seven terrestrial miles of conduit and fiber optic cable and oversee the operations of seven horizontal directional ocean drills on the islands.

The core project team for H&M includes Mike Alvarez (Area Manager), Joel Venegas (Senior Project Manager), Brad Burks (Horizontal Directional Drilling Project Manager), Mike Bale

(Project Manager – Maui), Keola Rosario (Project Manager – Oahu, Hawai'i, Kauai), Robin Barker (Project Manager – Molokai), Christina Lopez (Project Controller), and Joe Morris (Project Superintendent). Work on the Paniolo Cable Network System was awarded in August of 2007, and H&M's commitment to Project Management Methodology (PMM) played an important role from the very beginning.

"We did very thorough project planning on the front end of the project, so the whole team understood what the project plan was about," says Paul Viggiano, Director, Project Management Office. "And then, because we understood it, we were ready to go out there and start working, and had a good, solid understanding of where we were going." Developing a sound project plan and putting it in place ensured that the H&M Project Management team and field personnel were equipped to handle the magnitude and complexities of this project. As part of the Initiation Phase, H&M also developed a resource-loaded Primavera schedule, a quality control plan, and a safety plan.

The Executing and Control processes have helped the H&M team adhere to and modify their project plan in accordance with any field

changes as they arise. The underground boring presented considerable challenges on this job, given the number of ocean bores and the uncertainty surrounding the actual conditions underground. The high-



risk nature of this portion of the project led H&M to increase its monitoring of all work from monthly reporting to semimonthly reporting.

Earned Value Management has served as another instrumental tool by forecasting the completion cost from start to finish, which helps the project team ask the right questions concerning budget, timing, and unit costs on a weekly basis. This requires a complete disregard of revenue, focusing instead on the cost of the unit, its production rates, and man-hours. Though initially unfamiliar to many on the crew, Earned Value forecasting has proven extremely worthwhile. "I feel that the up-front planning using the PMM has helped my team the most on this project," says Mike Bale. "The breakdown of the units has allowed us to track the units and quickly identify potential areas for improvement."

As of June 2008, all seven of the ocean bores have been successfully completed on each island. With the high-risk portion of the project completed, H&M is now back on a typical monthly review, implementing project reports, Earned Value forecasting, and Critical Path scheduling, which helps the team understand where they are at any given point in time on the project and assess the reasons behind any scheduling issues that may need to be resolved. The terrestrial installation work will be ongoing through H&M's scheduled end date of March 2009. "We are very pleased with the quality of work and progress made by H&M and the professionalism exemplified by

every member of their team," says Donna Kiyosaki, Project Director, ClearCom, Inc. "It has been a pleasure working with such a dedicated group."

Reflecting on how the PM Methodologies have



Project Management has played a significant role in the success of the Paniolo Cable Network System project.

contributed to this job, Joel Venegas anticipates their value for other projects down the line: "The benefits I see in using the PM Methodology in the future are coordinating and managing a project to achieve overall success. It gives us a clear picture of the project from start to finish."

"We have a long road ahead of us, and we are very excited," says Keola Rosario. "This large-scale ClearCom project is allowing us all to utilize our skills and knowledge to continue our personal growth as well as contribute to the solid growth of the H&M family here in Hawaii."



H&M Timeline: 1992

H&M installs 79 miles of steel gas line for Transwestern Pipeline Co. in Arizona. The \$22 million project is the largest pipeline assignment yet by H&M... Mrs. Anne Henkels celebrates her 95th Birthday... Kenneth L. Rose, Ph.D. is elected President and Chief Executive Officer... H&M's Engineering Division helps design new storage tanks for BP's Marcus Hook refinery... H&M's Industrial Division constructs foundations for four transformers, switching gear, two A-frame transmission towers and more at a new substation for Public Service Electric & Gas in Clarksville, N.J. ... H&M helps archeologists uncover almost 9,500 years of prehistory at a river crossing at the New Jersey-Pennsylvania state line... H&M engineers arrive in the Azores to begin designing an upgrade of a 30-year-old communications system at a U.S. Air Force base... Hurricane Iniki sweeps through the Hawaiian island of Kauai. The three-month-long restoration project underscores H&M's ability to restore power in emergency situations, even those that occur 6,000 miles from headquarters.

To discover over eighty-five years of company history, visit our Timeline at www.henkels.com



A Safety Culture Rooted in History

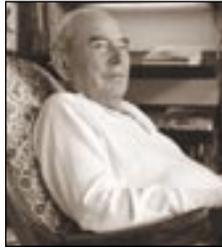
Safety is everybody's business at Henkels & McCoy. As an organization, from the CEO to a new hire on one of our crews, we all have an obligation to the safety culture of the company, upon which the safety of our employees depends. No culture can exist but for the people who make it so. What we believe and how we act upon it must be deeply rooted in conviction and carried out in our daily lives. We have to talk safety, work safely, and, above all, we have to live safely. It can't just be something we do while we are at work.

As we celebrate our 85th anniversary year, Rod Henkels has set the expectation of this culture by saying, "Nothing we do as a company is worth any injury." What we each do must be centered in that belief if safety is to be a living value at H&M.

Two generations ago, John B. Henkels Jr., our founder, had similar words of advice for the organization. As quoted from *An American Adventure*, which was published in 1966, "Jack," as he was known, eternalized the understanding of our individual responsibilities this way:

To management he gave this instruction: "Plan to control hazards by protecting against them."

To crews and foremen he had this caution: "A workman who has a preventable accident is to that extent unsuccessful on his job and his foreman unsuccessful in his foremanship."



John B. Henkels Jr.
in a 1966 photograph.

To supervisors this was his coaching: "Never walk away from an unsafe condition or act.

Reinstruct men who have developed unsafe working habits."

Jack's wife and company co-founder, Anne Henkels, when asked why they were

in business, said this: "To live, a man must breathe and a man must eat, but, essential as these acts are, their only purpose is to sustain him. His life is the most important thing, not his breath nor even his food."

From generation to generation, the industry has changed and so have we. It is a safer industry, but not yet safe enough. In this generation, we have declared that we will be a leader in safety in the industry. At our recent Safety Summit, we adopted a new phrase to define our safety culture, which also reflects the commitment to be shared by all of our employees, "Nobody Gets Hurt." This is not limited to our job sites; it is commuting to work, in the office, shop, yard, and parking lot. Nor is it limited by the position any of us holds in the company. It is both attitude and action; we must live it in order to teach it to others, so they will do the same.

Paving the Way: Performance Management Tool

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formance management experience more robust for the individual, their manager, and the organization. Goal Management, Career Development Planning, and Employee Profile are three new features that are sure to please.

align and track individual business and developmental goals.

Individual Profile

Everyone knows that the best decisions are informed decisions and are based on the most accurate and up-to-date data. With the "My Profile" tool, each person can ensure that their skills, experience, talents, and professional interests are properly identified, which will enable managers to make better talent decisions when filling key job assignments. In addition, "My Profile" contains practical information such as your physical location and photo (business-appropriate, of course), making across-the-company collaboration and networking easier.

Let Your Fingertips Lead the Way

As of this publication, you can access the new Performance Management system by logging on to H&M Central – our company intranet. Once there, proceed to the People Services section and click on "Performance Management." From there, you will be able to select what you want to do – whether it is reviewing your individual business goals (My Goals) and creating/refining your development plan (My Development), or tracking your progress to date and updating your information (My Profile).

Feeling a bit overwhelmed? Don't worry – the People Services department will provide training to help you master it all. Stay tuned for more detailed information coming soon.

In Memoriam

We pause to remember and acknowledge the following Henkels & McCoy employees.

Al Luciotti began working at Henkels & McCoy in 1992. During his sixteen-year tenure, Al worked in the East Region, Burlington, New Jersey office, most recently as Director, Chief Estimator for underground utilities. His dedication to Henkels & McCoy was readily apparent to his co-workers and others.

Al Hussey's contributions to Henkels & McCoy spanned seventeen years, beginning in 1991. Al performed various roles with skill and dedication and was most recently Area Manager with the Networks Division in Lewisville, Texas.

We miss them both and keep them and their families in our prayers.

Goal Management and Career Development Planning

Working together, managers and subordinates will be able to set business and professional development goals via the newly enhanced Performance Management system. Managers can "cascade" goals to their direct reports through the "My Goals" tool, thereby creating a "line of sight" between the individual's business objectives and those of the department and company. When we understand how our day-to-day work fits into the bigger picture of the overall company, we are more connected to the organization and better able to contribute to its long-term success. With Career Development Planning, the focus is on creating an environment of continuous improvement. The new "My Development" tool helps the individual and their manager identify opportunity areas and chart a course to help them develop the skills and competencies they need to succeed in their present role and beyond. "My Development" is a proactive approach to career planning that puts the individual and their manager in the driver's seat for better training and development than the company has offered in the past.

These enhancements are optional tools to help you and your managers

Regional Roundup

East Region News

The East Region is pleased to announce, effective June 1, 2008, the promotion of Ray Mancinelli to the position of East Region Fleet Manager. Ray has been with Henkels & McCoy since 1991, most recently serving as Operations Manager in the Corporate Fleet Department.

We also welcome Thomas (Tom) M. Brauchle as Senior Director of Operations. Tom spent thirty-five years with PSEG and three years as Operations Manager at Babcock & Wilcox. His hiring increases senior leadership and adds customer perspective to leverage our growth potential. Tom will be responsible for driving and fostering organizational, operational, safety, and customer service excellence consistent with H&M core values.

The East Region Power Group is teaming with the Central Region on the High Sheldon Wind Farm project located near Buffalo, New York. The project is for Invenenergy, LLC. The Central Region is building the underground electric cable collection system for 75 GE turbine generators and the East Region is engineering and building the substation for the 112 MW project.

Our Pennsylvania Telecommunications Group is working for Noble Constructors LLC, on the Wethersfield Wind Park Project in Bliss, New York. This work includes installing approximately 55 miles of 34.5 kV underground cable, and 2.5 miles of overhead cable to form a collection system and a FOC (SCADA) System for 84 GE turbines. When complete, the wind farm will generate 126 MW of power.

The General Construction Group is installing a new ASR pump station facility for United Water in New Castle, Delaware. Their scope includes the site work, a new building, well pump, associated piping, chemical systems, and electrical work. John Lewis is the Project Manager.

The Power Group recently completed the installation of twelve caisson foundations for a Public Service Electric & Gas quad 500 kV line coming out of the New

Freedom Switch Yard in Turnersville, New Jersey. These foundations are 8.5 feet in diameter and 40 feet deep.

Central Region News

Supporting Our Troops

In April, the administrators at Henkels & McCoy's Central Region Elkhart, Indiana office decided to send a care package to a Marine unit stationed in the Middle East. Everyone in the office was asked to help. Several boxes filled with food, hygiene products, and recreational items such as sporting goods and electronic games were soon on their way. Shortly after the items were shipped, Central Region Business Insurance Administrator Denise Landis received a message (excerpted below) thanking those involved:

"Hello, I am the Officer in Charge of Medical Logistics. You sent our unit some care packages and I wanted to express my sincere gratitude for your care and concern for our troops. Some of my troops come from disadvantaged families and will not receive care packages from their loved ones. Everybody gets really excited whenever we receive a care package. You truly brought us joy with the items you sent. It gives the troops some hope, especially working in this difficult environment.

"It is caring Americans like yourself and your company that make being deployed more bearable. Please know that the Lord will honor you for caring. Tell all your staff that I said thank you very much. May the Lord be with you and your staff. Also, I ask that you pray for protection for our troops."

"Trust in the Lord with all of your heart, and do not lean on your own understanding. In all of your ways acknowledge Him, and He will make your paths straight."
-- Proverbs.

West Region News

The Pipeline Division of the West Region recently conducted an open house celebration of their new office, shop, and storage facilities in Goldsby, Oklahoma. The Pipeline group moved from a nearby maintenance shop/building, which they built in 1981. As a result of sustained growth, and after nine



Ribbon-cutting ceremony at Pipeline's new HQ.

phases of remodeling, there was absolutely no more room for offices or equipment.

The new facilities are situated on 18 acres and include an 8,400-square-foot single story office building with a tornado resistant safe room. A 10,000-square-foot heavy equipment maintenance shop equipped with two 10-ton overhead cranes is behind the building. Various other storage facilities reside on the property.

Vice President Bob Johnston, Pipeline Division Manager and current President of the Pipe Line Contractor's Association (PLCA), began the concerted efforts to obtain the much-needed larger facilities for the division. Under the guidance of George Davis, Director of Facilities, the actual design, contracting, and construction of the facilities began. Carl Branton, Pipeline Division Chief Engineer and Chief Estimator, was the local point man for the project.

Initial sketches of floor plans for the project began in January 2006. Ground-breaking took place in March 2007, and substantial completion was achieved a year later in March 2008. Construction delays were the result of 2007 being the fifth-wettest season in Oklahoma since 1891. An open house ribbon-cutting ceremony, held in May 2008, was attended by President and CEO Rod Henkels and West Region Vice President Jim Dillahunt, along with Henkels & McCoy key managers, major customers, and suppliers.



Marines in Iraq sent this photo to Central Region. We thank YOU!



Engineering News

Engineering is currently providing detailed design for wind farm substation, transmission, and collection systems. We also furnish wind farm developers with engineering for route evaluation and project feasibility.

To respond to this increase in demand and combat the shortage of experienced engineers and

designers, we have started an in-house training program to cross-train existing staff. Training in substation, power transmission, and communication engineering consists of weekly sessions followed by hands-on, one-on-one training.

Our experienced staff is developing the next generation of engineers and designers. The use of design software has streamlined our efforts in foundation design, tower analysis, and aerial and underground power transmission. Additional design software is being evaluated.

East Region Engineering is now working with utilities in Pennsylvania, New Jersey, Maryland, Delaware, and Washington, D.C. West Region Engineering is working in Hawaii, California, and Arizona.



H&M NetWorks News

Henkels & McCoy NetWorks was recently awarded a major contract to fulfill the Sherman Independent School District's (SISD) pledge to hard wire every student to the Internet. This project, located in Sherman, Texas, spans ten buildings and includes cabling, security camera installation, Wireless Application Protocol (WAP), and moving and rehabbing closets.

The SISD project is truly a story of relationship building over time. H&M NetWorks enjoys a close working association with Henkels & McCoy's Outside Plant group in Lewisville, Texas, who in turn has had a history of positive dealings with Verizon's non-regulated side. This connection led to an initial unrelated WAP opportunity for H&M NetWorks. After successfully performing this project, we were invited to team on the SISD's scope of work. Subsequently, the Team was directly awarded the project, which is scheduled for completion by the end of 2008.

For more information regarding H&M NetWorks' capabilities, visit our Web site at www.HenkelsNetWorks.com.



Corporate News

Henkels & McCoy recently welcomed James Aberant as the Scheduling Manager/Project Manager in our Company Project Management Office (PMO). James has nearly twenty years of experience in project management. Prior to joining Henkels & McCoy, he worked with Primavera Systems Inc. in project management consultancy and training roles.

James will be responsible for taking H&M scheduling capabilities to the next level and will conduct scheduling training. He will also manage projects as a resource to the regions, working in a matrix organization reporting to the project sponsor on a specific project and the Company PMO.

James has a Bachelor of Science degree in Accounting from Penn State University. He is also a certified Project Management Professional (PMP) with the Project Management Institute.

He lives in King of Prussia, Pennsylvania with wife Karen and one-year-old son Roman.

Congratulations to Al Pasquarelli of Henkels & McCoy's Accounting Department for successfully passing all four parts of the Uniform Certified Public Accounting Examination on his first try. This is an especially outstanding accomplishment given that each component has an annual passing rate of less than fifty percent. Al joined the accounting group in 2006 as a Financial Analyst after working in the Fleet Department. He holds a Bachelor of Science degree in Accounting from Villanova University.

Al, we salute you for your hard work and determination.

Just Awarded

Public Service Electric & Gas of New Jersey Fossil SMD (Systems Maintenance Division) Contract – H&M was awarded a three-year, T&M maintenance contract with the option for (2) one-year extensions. This agreement is to provide services for the Mercer, Burlington, Linden, Sewaren, and Hudson facilities, all located in New Jersey. The first major project is to repair/replace broken fan units at the Hudson facility that currently prevent the unit from running at full capacity.

PECO Energy (an Exelon Company) – H&M was awarded a three-year blanket unit contract to repave small holes in streets throughout five counties, including Bucks, Montgomery, Chester, Delaware, and Philadelphia, all within the state of Pennsylvania.

Electric Boat Corporation – The scope is to provide supplemental cathodic protection to a new steel sheet pile wall around Graving Docks 1 and 2 at Electric Boat Corporation in Groton, Connecticut. The custom-designed power supplies allow onboard systems to be dominant when a ship is docked and grounded. This operation assures compliance with Navy requirements as numerous types of naval vessels utilize this facility for maintenance and repairs.

Lippincott & Lippincott – The Gas and Underground Group was awarded a water main project at Roosevelt Manor in Camden, New Jersey. The project consists of installing 4,920 feet of 8-inch DIP pipe with 43 valves, and the installation of 230 one-inch services, from the main to the curb.



Outside Line Safety Partnership Having Impact

Outside linemen, the men and women who set poles, string line, and repair transmission and distribution equipment, have traditionally held one of the most dangerous jobs in the country.

The hazards that come from working in the electrical industry are many: fatal electrocutions, burns, and high falls, just to name a few. In the industry, more than six hundred line workers have been killed or injured on the job in the last decade alone.

Four years ago, Henkels & McCoy joined with other leading power line contractors, the International Brotherhood of Electrical Workers, the Occupational Safety and Health Administration (OSHA), the National Electrical Contractors Association, and Edison Electric Institute (an association of utilities), to form a unique partnership to reduce the number of deaths and injuries in the industry.



Power crews in Southern California attend a safety job briefing before beginning their day's work.

The OSHA Electric Transmission and Distribution Safety Partnership, thanks to its emphasis on joint labor-management collaboration and safety education, has helped reduce accidents at participating companies by nearly half, with 2008 expected to see the largest drop to date. Partnership representatives study injury and fatality data to determine the most common causes of accidents. They then recommend new work rules, procedures, and best practices. These practices, which in many cases

go beyond OSHA-mandated safety rules, are adopted by each of the companies as official policy.

The Partnership also developed two OSHA-accredited training courses (10 and 20 hours in length). These have been extensively administered by participating companies and are available industrywide.

"The OSHA 10-hour and 20-hour curriculums are based on risks faced daily by outside linemen. By training to the risks, injuries will be reduced. The OSHA 20-hour course trains not only to the risks of the job, but incorporates leadership skills vital to the industry," states Bryan Ellis, Director - Power, Henkels & McCoy East Region. September 2008 marked the second renewal of the Partnership agreement.

For more information, visit www.powerlinesafety.org

H&M Tradeshow 2008-09

We invite you to stop by and see us at these great events!

December 3-4, 2008
27th Annual MTA Showcase
Holiday Inn Grand Montana
5500 Midland Road, Billings, MT

February 11-12, 2009
NACE
Philadelphia Liberty Bell Course
Horsham, PA

February 10-12, 2009
21st Annual Pipeline Pigging and Integrity Management Conference and Exhibition
Houston Marriot Westchase Hotel, Houston, TX



IN THIS ISSUE

Management Message: A Year to Remember

Fiscal Year 2008 will be distinctly remembered as a year of record Performance. President and CEO Rod Henkels reflects on the year just past and looks forward to the years ahead.

FEATURES

- New Web-based Performance Management Tool unveiled
- Meet Tom Henkels, Central Region RVP
- Happy 85th Anniversary: We celebrate with a grand picnic
- Applied Project Management in Hawaii

DEPARTMENTS

Safety Message, Regional Roundup, Customer Letter

PLUS...

- Outside Line Safety Partnership Having Impact
- Timeline: 1992
- Trade Show Schedule, Just Awarded, In Memoriam

MUCH MORE!

Equal Opportunity Employment

It is the policy of Henkels & McCoy to ensure equal employment opportunity and a work environment free from discrimination and harassment, and where employees are treated with respect and dignity. The company strongly encourages employees to report to the company any conduct they believe is prohibited by this policy, by reporting the matter to the company's EEO Officer Jack Newby (215-283-7680), your Region's Assistant EEO Officer, or any manager. Please refer to H&M Discrimination & Harassment Policy (Policy 105) for additional information.

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Merry Christmas and Happy New Year