

# SPREAD SHEET

Summer 2001  
Issue Twenty-One

## Pres Sez

Do you remember, not too long ago, when gas was \$0.20 per gallon and asphalt sold for \$4.25 per ton, it took a week to get "Special delivery" of packages from the East Coast and you had to "dial" a phone? It is hard not to reflect back on those times during today's energy crisis and the industries overwhelming supply of communication tools. Is it better? You bet it is.

Last week I was re-watching a 16mm film of Reed & Graham's asphalt plant in the 1950's as it was producing 25 tons per hour, and was reminded of how proud my father and grandfather were of the new production plant they had just constructed. Material could be run continuously and stored in a bunker for easy loading. No longer did the contractor have to wait so long for his six-ton load. The next set of reels showed construction and operation of a more modern plant being constructed to reflect the growing demand for asphalt products in the area.

We were fortunate to be here when it was all starting and are just as proud to be here today to build for the future. This edition of the Spread Sheet reflects those commitments.

*Gerry Graham, Jr.  
President & CEO*

OK

## R&G Hot Plant News



After this winter's scheduled shutdown the hot mix asphalt plant is back on line, stronger and healthier than ever. In addition to routine maintenance, the combustion, ventilation and emissions control systems were completely replaced.

This included a new rotary dryer, burner, two cyclones, baghouse and stack. All of this new equipment is tied together and run with a sophisticated computer system designed for reliability, improved efficiency and maximum production.

These substantial upgrades and improvements indicate a clear demonstration of Reed & Graham's long-term commitment to its customers and the community.

Other than a fresh coat of paint, the plant doesn't look much different from the outside. It's what can't be seen that is important. The dryer now runs with a new Hauck Eco-Star II combustion system. This equipment makes Reed & Graham's hot mix asphalt plant the cleanest and most environmentally friendly to air quality in the Bay Area.

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# HP Inspections and Laboratory Services

HP Inspections and Laboratory Services began the new season with many positive changes and we are looking forward to having one of our best years ever. The range of services that we offer is greatly expanded, our client base is larger than ever, and we are still growing vigorously. The engineering, field inspection and laboratory testing division of Reed & Graham, Inc. is better staffed and equipped than ever before to give our clients the best service in the industry.

Traditionally, HP Inspections has provided construction inspection and engineering consultation services to our customers. In the 6 years that we have been in business we have become well known for our unusual approach to servicing your projects. We approach our work with the idea that we are an integral part of your project team and instruct our engineers, inspectors and technicians to notice and remediate potential problems before they become critical to the project's schedule and before they cost you money. This requires significantly more investment in training and management but results in better service to our clients. To my knowledge, there is no other firm whose actions and policies stress this type of cooperation to keep your project moving and assure plan and specification compliance at the same time. We have earned our growing reputation based on this principal.

## Mission Statement

**Safeguard** life and limb by enforcing the safety standards of the Uniform Building Code.

**Manage** our business with honesty, integrity and sound, proven business practices.

**Always** treat our employees, colleagues and clients with respect, understanding and compassion.

**Supply** the most knowledgeable and professional testing, inspection and consultation services available.

## Added Laboratory Testing Depth and Scope

We are very pleased with the new directions that HP Inspections has gone this year. You may have noticed that our name has changed to reflect our growth and expansion into new arenas. HP Inspections and Laboratory Services now offers an enormous new range of available laboratory tests to our traditional testing of Portland cement concrete products. We have absorbed what was

formally known as Reed & Graham Laboratory Services, including all of the professional staff that construction materials testing clients have come to rely on for prompt, accurate test results and consultations.

Our 12,000 square foot construction materials laboratory offers full service testing for hot mix asphalt concrete, asphalt binders, asphalt emulsions, Portland cement concrete, soils and aggregates, masonry grout and mortar, and reinforcing steel. We also offer full mix design services for hot mix asphalt, Portland cement concrete and cold mix materials such as chip and slurry seals. We are fully equipped for asphalt materials testing utilizing Superpave technology, a product of the Strategic Highway Research Program (SHRP).

As a further result of our growth we have now expanded our field inspection and testing services to include a wider range of inspections for pavement construction and maintenance, such as inspections and testing of emulsion products, hot mix

asphalt concrete installation, and quality control and assurance inspection and testing for municipalities, agencies and contractors. Our experts are also available and widely used for pavement and soils design and consultation.

**Scott Pinkham**, Director of Technical Services for Reed & Graham, Inc. works closely with **Frank Rancadore**, our commercial laboratory testing manager, and **John Moehring**, who manages Reed & Graham's product quality control testing and our research and development department. These experienced experts came to our division from Reed & Graham Laboratory Services. They have done a great job facilitating the transition to a single, larger division and we all are looking forward to taking full advantage of these changes to increase and improve our ability to service our clients. We are very excited and pleased that we have acquired these individuals and abilities.



# HP Inspections and Laboratory Services

## Engineering Consultation Services

HP Inspections and Laboratory Services has also expanded its engineering design and consultation services. We have added to our staff **Basil Amso**, a 25-year veteran geotechnical and environmental engineer. The extra depth and experience gained through Mr. Amso has enabled us to greatly expand our geotechnical, environmental and pavement design and consultation services.

In 2000, we doubled the amount of engineering work that we performed in 1999. It looks as if we will do this again in 2001. This extra dimension to our depth will also enable us to provide more complete, knowledgeable services to our clients.

## Construction Inspection and Testing Services

Finally, we have improved and expanded our traditional role of providing economic, quality construction inspection and testing services. HP has a staff of 26 (and growing) prepared to give inspection services in reinforced concrete, post-tensioned and pre-stressed concrete, structural steel and welding, structural masonry, spray applied fireproofing, epoxy bolts and dowels, tension load testing of anchors and dowels, and torque testing of high strength bolts.

Under our new Division Manager, **Dave Pinkham**, we are expanding and improving our traditional services as well. We now have 4 ultrasonic test machines for non-destructive testing of welds and have capacity for magnetic particle and dye penetrant testing as well. We perform earthwork inspection and testing with 5 nuclear soils and asphalt testing gauges. We provide roofing, shotcrete, gunite, pile driving and installation, paving, coring, and other specialty inspection and testing services.

## Growing Industry and Regulatory Acceptance

HP Inspections and Laboratory Services has been approved by the Department of the State Architect for work on state school project and is recognized by the East Bay, Peninsula, Monterey Bay and Central Coast Chapters of the International Conference of Building Officials (ICBO).

Our laboratory is accredited by AASHTO for the testing of asphalt materials and participates in the Proficiency Testing Program nationwide. Our laboratory technicians are certified by Caltrans, AASHTO and NICET.

Our engineers are registered in California and other states. Our managers are certified in the same categories as their staff. Our concrete laboratory is inspected by the Cement and Concrete Reference Laboratory of the National Bureau of Standards.

Our inspectors are certified by ICBO, the American Concrete Institute (ACI), the American Welding Society (AWS), the Department of the State Architect/Office of Regulatory Services (DSA/ORS), the National Institute for Certification of Engineering Technicians (NICET) and by the Department of Health Services (DHS) for use of the nuclear density gauge.

## Growth and Expansion

We are very pleased with our new services and prospects for future growth. Our management team (remember, ALL of our technical managers are also certified inspectors and/or registered engineers who spend time out in the field and in the lab performing production work!) is currently reviewing many new ideas and projects designed to further expand the services that we can provide our ever expanding client base.

HP Inspections and Laboratory Services is poised to become an industry leader in providing professional construction consulting, inspection and consultation services.

Our goal is to become the company, and have Reed & Graham, Inc. become the name, that the industry thinks of first and foremost when they need help with their earthwork, building and pavement projects. This goal is within our reach.



Visit us online at  
<http://www.rginc.com>

# Emulsion Division

## Go With the Flow

Reed & Graham has recently made significant improvements to the emulsion division's distribution system. A hot oil flow meter for SS1-H and SS1-50% products will allow customers to make quicker purchases without having to drive through the scale (returns will still require scale passage).

The new meter is the first in the United States to be certified for hot oil flow. Fisher Rosement, the meter manufacturer, worked closely with Reed & Graham and the California Department of Weights and Measures to test and certify this specific type of flow meter with hot oils used by Reed & Graham.

A Santa Clara County Weights and Measures inspector was present and participated in the final testing and approval of this meter at Reed & Graham. It was certified for operational use April, 2001.



## Safety First



As the 2000 season ended, Reed & Graham took a good hard look at other ways to improve customer service, focusing on safety. Several eyewash stations and safety showers have been installed in and around the emulsion plant in case materials are splashed during loading and unloading. Communications have also been improved with new signage and brightly painted and labeled pipelines.

# OverKote Update

We are ready for the 2001 OverKote season! Reed & Graham has made several physical improvements to the San Jose OverKote production plant, while maintaining its experienced, reliable staff.

**Rene Lopez**, who is well known in the industry for his cooperative attitude and expertise will supervise manufacturing and customer service in the 2001 season. **Walter Beltramo** is the primary sales representative.

The 2001 physical improvements will

improve production, quality control, safety and environmental compliance.



They include additional bulk storage tanks, larger and faster transfer

pumps, improved lighting for night loading, eye wash stations and secondary containment walls.

Annual maintenance of all job site trailers has also been performed which includes interior chipping and cleaning, motor service, new paint/signage, inspection and repair of all trailer components.

Again in 2001 we are ready to provide quality products and outstanding service at competitive rates to all of our OverKote customers.

# Reed & Graham News

## The People of Reed & Graham, Inc.

Nobody needs to tell you how busy you are. And we know it too, because we have been serving you! We no longer have space for photographs but we would like to introduce you to 25 new people that we've hired to help us meet your customer requirements.

David Anderson, HP Inspector  
Francisco Bello, Oil Distribution Spreader Truck Driver  
Elizabeth Bonney, Accountant  
Paul Brager, Bottom Dump Driver  
Kornsamuth Chotanont, Lab Technician  
Nicole Coleman, Accounts Receivable  
Eugene Cook, HP Inspector in Training  
Beatrice Galan, Executive Secretary  
Richard Galloway, HP Inspector in Training  
Michael Gooch, GEO Warehouse Supervisor (Sacramento)  
Victor Guzman, Payroll  
Artis Lewis, Lab Technician  
Sue Lindh, GEO Warehouse Facilities (Sacramento)  
Rhonda Matulewicz, Lab Technician in Training  
Marc Nelson, Oil Distribution Spreader Truck Driver in Training  
Candie Nguyen, Inventory Control  
Anna Rivera, Administrative Assistant  
Angelica Rosales, Receptionist  
Guihai Ruan, Lab Technician in Training  
Francisco Solis, Lab Technician in Training  
Carl Springer, GEO Inside Sales (Sacramento)  
Diana Tamez, Credit Assistant  
Christopher Tewksbury, GEO Warehouse  
Jason Waugh, HP Inspector in Training  
Alonso Zarate, Lab Technician

## Sacramento Focus

Reed & Graham's Sacramento oil division has changed its focus to producing sealcoats exclusively. In 2001, emulsions will no longer be manufactured or sold by the Sacramento facility. It will continue to be a market leader in producing and distributing OverKote, the choice of most contractors, in Northern California, Oregon and Nevada.

Additional asphalt products available at Reed & Graham, Sacramento include:

- Hot Pour Crack Fillers (Henry's and Crafcro)
- OverKote Crackfiller, Bumper Adhesive, Cold Loopfiller, Oil Spot Seal
- QPR 2000 Permanent Bag Asphalt (50 lb)
- Asphalt and Sealcoat tools, Sealcoat tank rentals

OverKote Division Manager: **Jack Dougherty**  
OverKote Plant Sales: **Cliff Clowers**  
Transportation Coordinator: **Jenny Bolles**

## Corporate Announcement

At their Annual Meeting in June, the Stockholders and Board of Directors of Reed & Graham, Inc. elected the following as new officers of the Corporation:

**Dave Smiley**  
Vice President, General Manager

**Aldo Branch**  
Corporate Secretary

**Sam Carter**  
Chief Financial Officer

**Congratulations to all!**

## A Sweet Deal



Late one afternoon a swarm of bees, led by their wayward queen, decided to get cozy on a 55 gallon drum of OverKote. The following morning a bee keeper was called in to safely remove and relocate the 12,000 travelers.

## Employment Opportunities

For immediate consideration, fax or email your resume to Human Resources:

Reed & Graham, Inc.  
George Garrison  
P.O. Box 5940  
San Jose, CA 95126

Fax: (408) 294-3696  
Email: [george@rginc.com](mailto:george@rginc.com)

# Reed & Graham and the California Energy Crisis

The summer months may bring blackouts to the Bay Area. The California power supply, commonly called "the grid" normally supplies 38,000-43,000 megawatts. This year's state peak summer usage, however, is expected to reach 45,000 megawatts. Additional power may not be available for several reasons including environmental constraints, natural gas price increases and the cap placed on consumer prices (suppliers can sell out of state for a better price).

Most of the state demand is considered "essential services", and is exempt from blackouts. Reed & Graham falls in the 10,500 megawatt user group that is not exempt. This group is divided into 14 blocks which may be subject to blackouts. Blackouts will rotate through the blocks sequentially lasting 60-90 minutes each. Depending on the duration of the shortage, there could be a rotation through all 14 blocks in one day and start over again the next morning.

There are three stages of warnings prior to blackouts based on the balance of the "reserve" in the grid or difference between the supply and demand. When the demand reaches 92.3% of supply, that leaves 7.7% reserve, designated as a Stage 1 Alert. 5% is a Stage 2 and 3% is a Stage 3. At Stage 3, one hour warnings are issued to consumers. Up to the minute information on the energy situation is available at <http://www.caiso.com>.

Reed & Graham has not experienced a blackout yet, however on July 3, we and the rest of the state came very close. To date, the Governor has purchased power from other states, as needed, to prevent blackouts. The 5000 megawatts necessary to cover a shortage can cost the state \$1.6 million dollars per hour. Four new power plants are expected to be complete by the end of September, but this may be too late to help us through the summer's hottest months.

To prepare for power outages, we have installed a generator to backup the offices, including telephones and computer systems. A second generator will allow dispensing of products from the Emulsion and OverKote Divisions. There will not be enough power to sustain normal manufacturing operations, including hot mix asphalt. When blackouts occur, customers with open hot mix orders will be telephoned and advised of the situation as soon as possible. We will continue to operate to the best of our abilities, and look forward to your understanding and cooperation.

**REED &  
GRAHAM  
INC.**

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