

SPREAD SHEET

May 2000
Issue Nineteen

General Manager's Commentary

Increased Commitment to You

It has been a distinct pleasure to step in and orchestrate many of the day to day management and planning activities for the Graham's over the last year.

The standards for improvement in quality, and breadth of our products and services, that the Graham's have set before the management team are challenging. They include updating most of the equipment that has served us and our customers well for so many years. Examples are, brand new state of the art spreader trucks, computerized flow meters for the emulsion plant, online customer account access, additional customer representatives, and new time saving features designed to move customers through the plant, and to their jobs, quicker.

We have gone to great lengths this season to insure that the quality and consistency of our commercial hot mix will be better than ever before. This winter we will continue with more upgrades to the plant. We have reorganized and added new customer service and delivery capabilities for our Specialty Asphalt Products, Environmental

Products, and Geosynthetics. At the same time we have expanded our HP Inspections Division to accommodate more work and to include engineering services as well. While all of this is taking shape **Reed & Graham** has committed hundreds of thousands of dollars for implementation of new environmental safe guards that will benefit the communities around our facilities.

It is an exciting time of transition, growth and future planning here at **Reed & Graham**. I welcome your questions, comments and suggestions, and invite you to come by and share them in person with the Graham family and me.

Sincerely,

Dave Smiley
General Manager



Technology Updates

Internet Ready!!!

Reed & Graham is excited to announce the ability for customers to access their account information through the Internet. We are eager to share this new means of providing real-time and historical information in a useful and time saving format.

Customers, with access to

our secure Internet site will now have the ability to review current and past invoices, statements and scale tags in addition to other useful information. The ability to access, review and print these documents directly from the Internet will provide customers with a ready means to get account information without the inconvenience of calling **Reed & Graham**.

If you are a credit customer, you can get Internet access to your account information by:

1. Obtaining and filling out two authorization and request forms, provided by our credit department.

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Pres Sez

Curtis "Buzz" Herford retired this month from **Reed & Graham**. He had been a dedicated and hard working employee for over 25 years. His retirement brings the total to eight retirees from **Reed & Graham** in the last three years, each with an excess of 25 years of continuous employment with our company. With all the news of "Start up's" and "Dot Com" companies, I wonder if anyone would even work for the same company for 25 years in today's environment. Granted, construction companies and material suppliers do not make front page news in the Business Section of newspapers but they are still a major force in today's economy. So, what would make a person decide that this is the industry of choice for a long and fulfilling career? It's impossible to put any value on a paycheck alone in today's economic environment; so what would be the motivation? I believe there is an answer and it's an easy one: **MAKE THEM WANT TO!** Today's work force is rewriting the rules and our economy is demanding a change to mold a New World that will make ours the industry of choice. Listen, learn and react. Don't be afraid to change, it's your future too.

Thanks,

Gerry Graham, Jr.
President & CEO



RGLS

RGLS Shoots for Major New Business as Existing Activity Expands

RGLS is hot on the trail of important new business for the division. John Moehring reports that recently he and his staff completed an 85-page research proposal for Kansas Department of Transportation. KDOT is administering pooled funding for this significant project for a study for the Federal Highway Administration, several state DOT's including Caltrans and groups like the ISSA, AEMA and the Foundation for Pavement Preservation. The research study is targeted to improve slurry seal and micro-surfacing mix design procedures and ultimately prepare them to be accepted as ASTM standards.

"This is a major piece of badly needed research in the asphalt emulsion pavement maintenance cold mix industry," said Steve Gates, consultant to RGLS. "If the KDOT research study is successful it will improve the credibility of slurry seal and micro-surfacing for contractors and suppliers throughout the country".

"I'm guardedly optimistic that we will get this work," added John. "This two year project is a great opportunity which will fully

utilize our CMA (cold mix asphalt) capabilities."

In the HMA (hot-mix-asphalt) Department, Moehring reports the laboratory continues to contract with the Mississippi DOT for Superpave testing. The amount of work on the project should triple in size this year compared to 1999, and is expected to increase through 2001. Additionally, RGLS is participating in the development of specifications to address the problems observed at many intersections and other high stress locations. Funded by NCAPA, the laboratory has performed rut tests on conventional CalTrans mixes and new "High Stability" mixes to evaluate differences in rutting resistance. RGLS is now preparing these specimens to be tested using the SuperPave Shear Tester (SST).

Other on-going work includes SHRP binder testing and training, SuperPave mix designs, SST & fatigue beam testing of asphalt mixes, Hamburg and Georgia loaded wheel tests, and

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Community Involvement

We have had the opportunity to give back to the community by supporting many local organizations.

San Jose Historical Museum

East Valley Pentecostal Church

Common Ground Monterey County

Crisis Line for the Handicapped

American Red Cross

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TSR specification testing to evaluate moisture stripping tendencies of regionally produced HMA. RGLS will also be performing quality assurance testing for the County of Santa Clara on the upcoming resurfacing of Foothill Expressway between I-280 & Page Mill Expressway. The project will utilize an MB-5 specification asphalt binder and a Type G aggregate gradation totaling ~40,000 tons.

These new projects are just the tip of the iceberg. "All of the new projects we see indicate our continued pursuit of excellence in our technical knowledge and development of our global, national and local markets," stated Moehring. "Our facility is proficient at AASHTO accredited testing on virtually all forms of asphalt paving and we have strong R&D capabilities."



Vernon Skeen
Laboratory Manager

Vernon Skeen is a NICET certified Engineering Technician who came to work for Reed & Graham Laboratory Services this past President's Day. When determining his first day on the job, Neither he nor John realized his first day was a company holiday.

Vernon has 25 years experience in construction materials testing and inspection; most recently he was working as the

Laboratory Manager for PSI in Longview, TX. For 15 years prior to that he had been working on CALTRANS construction projects and the 2 new toll roads in Orange County, CA.

Vernon is managing the Emulsions Department and will have his hands full due to the amount of workload RGLS is taking on.



Recruiting Efforts

As Stated in the **Reed & Graham** Mission Statement:

"Customers are the focus of everything we do."

What does this mean to you? It means that we promise you will be served by some of the finest professionals in the industry and you will be the focus of everything we do.

The founding family members value **Reed & Graham** employees as the individuals who provide corporate intelligence, strength, and are the custodians of our reputation and vitality.

Our Human Resources Department is tasked with recruiting and developing the best of these people. Once they become a member of the **Reed & Graham** team, they are supported by updated equipment, technical support, and favorable pay and benefits so that they can properly serve you.

These valued employees don't grow on trees, but together with our dealers and suppliers, we think we have fielded a championship team with solid bench strength. With these professionals, your success is no game. Its our business.



George Garrison
Human Resources Manager

George Garrison joined **Reed & Graham** as Human Resources Manager in February, 2000. Prior to joining R&G, George served as Industrial Relations advisor to an oil refinery joint venture. Current assignments include: recruiting talented employees who can continue the tradition of customer service that has distinguished **Reed & Graham** for almost 75 years.

"The business of Human Resources is at the core of any business decision that involves employees and customers. The measure of success for our Human Resources function is satisfied customers."



Employment Opportunities

Oil Distributor Drivers

Receptionist

Lab Technicians

Special Inspectors

Fax or email your resume to:
Reed & Graham, Inc.
George Garrison
PO Box 5940
San Jose, CA 95126
Fax: (408) 294-3696
E-mail: george@rginc.com
Website: www.rginc.com

2. Acquire your ID Code and Password for Internet access from our credit department, after your request for this access has been approved...

3. Log on to **Reed & Graham's** web site, <http://www.rginc.com>, and select the button 'Customer Information' at the bottom of that page.

4. Enter the ID Code and Password provided by the credit department.

5. Please note that cookies will need to be enabled on your computer to allow our system to verify your identity, and that you will need 'Acrobat' to view and print .PDF documents.

Instructions to enable cookies and download the Acrobat viewer are available on our website.

The Internet continues to create opportunities for companies to provide useful information to their customers and to others that visit their sites. We believe by continuing to take advantage of internet opportunities and new technology we will have the ability to provide additional benefits to our customers in the future.

Our Internet access to customer account information has only been available for a short time, and we are anxious to get feedback from you on ways to improve the site.

To get additional information about our Internet access for your account, please contact Roseanne Scardina, **Reed & Graham's** Credit Manager.

OverKote Upgrades

Support for Seal Coat Contractors

Our customers who bid on seal coat jobs not only need a quality product at a competitive price, but the best in service and support in order to be successful in today's market as a seal coat contractor. **Reed & Graham's** OverKote Pavement Sealer has long been known as the industry leader because of its consistency and outstanding performance.

In order to service you even better than ever, we recently streamlined our operations in San Jose and Sacramento by adding new equipment and employees.

We have increased the size of our OverKote support staff, which includes an employee well known in the industry for his positive attitude and expertise, Rene Lopez. Rene is now in charge of OverKote production, loading of customer's trucks and tanks, job-site tankers maintenance and customer service in the field. We are confident he will be able to support an aggressive, well informed OverKote team.

Also, in the past year we have made modifications and updates to our plants which have increased our production capabilities. We have also increased the number of units for rent by adding three new 6,000 gal job site tankers (trailers with pumps and agitators) and two new slide-in



tanks with power agitators. The slide in tanks, 500 gal. and 1500 gal., will be secured to your equipment which allows you to service more than one job site without having to revisit our plant for refills.

In order for customers with large yard storage tanks to maintain high stocking volumes **Reed & Graham** has expanded our capabilities by providing services for bulk deliveries.

In addition to the strong staff we already have in Sacramento, we have added a new sales representative, Cliff Clowers. Cliff, originally dispatcher in San Jose, has moved to Sacramento and brought his people skills and OverKote expertise with him. We are glad to have been able to keep such a valuable employee with us.



Rene Lopez
SJ OverKote Supervisor

It seems Rene just can't get enough of us. Rene began at **Reed & Graham** in 1983. He was a great asset to our team until 1990 when he left to go to another company in the industry. Luckily for us, Rene returned to **Reed & Graham** last year in May. We are pleased to be able to reap the benefits of Rene's experience in the OverKote field.



Technical Report

The Wet Track Abrasion Test Doesn't Work on Cookies

While providing technical support to clients in the slurry industry, I am often asked whether the Wet Track Abrasion Test ("WTAT" for short) is an effective tool for determining the field performance of slurry seal. My short answer to the question is "not today". Understandably, that doesn't end the discussion, which then proceeds down a winding road that starts in the laboratory, passes by a lot of technical information, and ends up with a bag of chocolate chip cookies.

First, it's important to understand what the Wet Track Abrasion Test is used for in the laboratory and why it is effective in that environment. The WTAT is a laboratory test method used in developing mix design recommendations. In the laboratory, the WTAT is performed on slurry seal materials to aid in optimizing the emulsion content of the slurry seal mix. The test is performed using detailed and rigorous test methods that dictate how the sample is fabricated and handled. Each specimen tested in the laboratory must be fabricated using the same methods and handled in the same way. Any variation may lead to inconsistent and invalid results. When performed properly and reliably in the laboratory, WTAT helps assure that the resultant mix design can be followed to produce a consistent product that meets quality specifications for a particular job.

In short, a key to WTAT's effectiveness as a testing tool is found in the laboratory conditions designed to assure that results are reproducible and reliable.

These conditions don't

translate to the field inspection environment. A wide variety of factors, such as changing ambient temperatures and sunny conditions, varying sampling techniques, undefined sampling times during placement, and varying specimen preparation locations, may affect the material as it is captured, fabricated and cured at the job site and transported back to the lab. The test method doesn't account for these variables and can't be adapted to correct for the field conditions. The WTAT method assumes that the specimen has been fabricated and maintained in a particular way. In the laboratory, the technician is in control from start to finish. They know that if the specimen has been fabricated and maintained in accord with the standardized test methods they can be confident of the test result. By contrast, there are no standardized methods for capturing, fabricating, curing and transporting slurry seal from the job site. Accordingly, field inspectors do not have a uniform set of standards for conducting these activities. Consequently, there is no way to assure the repeatability or reliability of the results of tests conducted on materials captured in the field. This is nobody's "fault"; it's simply a reflection of the state of the art (it ain't there, yet).

Which brings me to chocolate chip cookies. Let's say the RGLS elves have created a recipe and cooking method, based on extensive testing, that should produce 2" cookies with a dozen chocolate chips each. If the folks in the cookie factory use the right ingredients in the right proportions, mix them and cook them according to the method, you can pretty much be assured that any cookie tested at random before packing and shipping will meet the specifications. In these circum-

stances, the "grab one from the production line" test method is pretty reliable.

But now let's pack all those perfect cookies in a bag, put the bag in a box with other bags, put the box on a truck, and drive them to a store where the bags are unpacked and placed on a shelf. If you open the bag and reach down to the bottom to grab a cookie, can you be sure that every other cookie you pull out of the bag will be the same? Probably not. The packing, shipping, shelving and storage have introduced random and uncontrolled elements that didn't exist in the factory, which in turn increases the prospect of variability.

Sound farfetched? Not really. Remember, for both WTAT and the cookie testing method to be reliable any specimen or sample tested must be representative of the whole batch. The test methods that promote this result in the laboratory exist; they have yet to be developed or validated for the field.

Which is why I tell folks "not today" when they ask me if WTAT is an effective tool for field inspection. As Reed & Graham Laboratory Services prepares to expand its services to field inspection of slurry seals in 2001, we will be working to develop better ways to measure the field performance of these materials. We believe that our experience with laboratory testing methods and discipline will contribute to the quality of these services to better serve our clients.

And we'll keep trying chocolate chip cookies until we perfect our methods for testing their field performance.

Carol Goldman
RGLS



Amy Carpenter
Environmental Compliance & Risk Manager

Amy graduated from UC Santa Barbara with an Environmental Studies degree. In addition to the 6 years of field working and volunteering for both industry and government agencies, most of her experience comes from a 5000 acre diatomite mining and processing facility (the world's largest). There she worked as part of a team of environmental professionals managing projects related to air, water, solid waste, hazardous waste, chemical

safety (both lab and industrial), and employee safety (OSHA and MSHA - Mine Safety and Health Administration). She also headed up the mining reclamation efforts including revegetation (coastal scrub seed collection/planting and tree planting), erosion control, wildlife and botanical survey, and weed abatement.

Reed & Graham hired Amy as Environmental Compliance and Risk Manager in March. At a facility of this scale, which doesn't need a large environmental/safety staff, it is critical we have a person who has such a diverse background as Amy. She was the obvious choice.

"I am very excited about my move to San Jose and the opportunity to help Reed & Graham, Inc., the oldest asphalt plant in the area, become the safest and most environmentally friendly plant."



Chris Clark
Geosynthetic Sales Rep.

Chris joined us in March 1998 as Warehouse Manager for the Sacramento and San Jose Geosynthetic offices. Recently he was promoted to Outside Sales position within our GEO Division. He currently supports North Coast, Solano, Stanislaus and San Joaquin counties.

"I view my goal as a problem-solver. By helping my customers work through job-site problems with quality products and premium service, I hope to build relationships for the future."

SPREAD SHEET - SEPTEMBER 2000

HP Inspections - Growth Expansion

Geosynthetics - New Faces/Upgrades

Environmental/Safety - Safety Standards

Corporate - Internal Changes

Emulsions - Improvements

Profiles

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