

ZACHRY

Force Report

January/February 2012

The newsletter for the employees, families and friends of Zachry Holdings, Inc.

LOOK INSIDE
FOR YOUR
SPECIAL PULLOUT
2012 CALENDAR!



On the Cover:

A Liebherr 1600/2 (a 660-ton rig) and a Manitowoc 2250 Maxer (a 500-ton rig) are set up to install heat recovery steam generator (HRSG) modules at a job site in Cape Canaveral, Fla. Photo/Alissa Hollimon

James Sweet and Luis Ortiz, both iron workers, work on hanging walls for a heat recovery steam generator (HRSG) at a job site in Cape Canaveral, Fla. Photo/Alissa Hollimon

Dear Readers,

Thanks to all of our employees, customers, suppliers and the extended Zachry family for the hard work you contributed to our ongoing success in 2011.

We added major new awards in our win column, increasing our project backlog significantly, continued to enhance our engineering, procurement and construction (EPC) skills and realized steady improvement in our safety performance. Ultimately, we turned in a very strong financial year.

The New Year is expected to be filled with economic challenges both here and abroad. As has been the case during the global economic malaise of the past several years, regulatory uncertainty and continuing financial turmoil will continue to weigh heavily on our key energy markets. However, we believe that the worst is behind us.

Zachry has great market diversity, deep customer relationships, strong execution processes, a powerful brand and, most importantly, capable and talented teams of professionals that will assure our success even in a dynamic marketplace.

Looking forward, trends worthy of note include an expanding domestic market for power generation and a significant number of air quality control system (AQCS) projects. We expect positive midstream and downstream impacts from the incredible volume of hydro-carbons now being extracted from the various shale formations in the United States. Also, for the first time in more than 20 years, there are announcements of new domestic ethylene projects and other grass roots petrochemical projects, as well as ongoing demand for renewable power projects, including major solar initiatives.

Zachry is extremely well-positioned to capitalize on these opportunities with our diverse service offerings, including our EPC capability and our large Industrial Services Group footprint.

Our versatility and expertise in the energy industry are clearly on display in this issue of the *Force Report*. It highlights the collaboration between Zachry Nuclear Engineering and Zachry Nuclear Construction to retrofit a nuclear power facility, as well as another complex retrofit project at a coal-fired generating station. Additionally, you can read about Zachry's recent acquisition of a renowned nuclear analysis and software development firm that will further enhance our nuclear

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As we gain new opportunities in the coming year and beyond, we must continue to commit ourselves to delivering that “special business experience” we so often talk about.
— Keith Manning,
Executive Vice
President,
Enterprise Strategic
Development



Photo/Alissa Hollimon

engineering prowess. Finally, the cover story about our craft specialists provides a perfect capstone, illustrating how critical skills extend to every corner of the company.

As we gain new opportunities in the coming year and beyond, we must continue to commit ourselves to delivering that “special business experience” we so often talk about. Providing this experience requires upholding our corporate values, such as safety, integrity, trust, commitment and service, and demonstrating a sincere interest in the well being of our fellow employees and all of our stakeholders.

We have every reason to be confident about the road ahead. We are committed to the sustainable growth of the company, have the right skill sets, are in the right markets and have the right team to make it happen. It is a personal privilege for me to work with such a fine group of fellow Zachry employees and also some of the most competent customers and partners in the industry. I look forward to seeing what 2012 holds for all of us!

Keith



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Special Zachry
2012 Calendar

We want to hear from you



The process for submitting information for any story idea is simple. Send your Zachry Force Report story ideas, including contact information for those involved, to Zachry Force Report Editor Brian Dwyer at dwyerbw@zhi.com or 210-588-5813.

Story ideas and photos also can be submitted to members of the Zachry Force Report editorial board, listed on page 23.

An archive of all issues of the Zachry Force Report is posted online at ZHI.com and group intranet sites. If you would prefer to exclusively access the publication electronically and opt out of receiving the printed edition, simply send a note to zachryforcereport@zhi.com.

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Above: Project Safety Manager Andy Bardwell and Administrative Manager Mike Busch prepare for the crowds at the Zachry tent. Right: Larry Peine, laborer, stands in front of the train used to tour children around a part of the event. Photos/Site



Muscatine Safety Slogan winners

A safety presentation at Zachry's job site in Muscatine, Iowa included a Safety Task Assessment (STA), wherein employees assess every task for compliance with health and safety standards. Managers also highlighted a safety slogan competition. Some recent winners include:

- ▷ **Open your eyes when you're walking around, it'll keep your face from hitting the ground.**
— Chris Skidmore, Janitor
- ▷ **When zero's a factor, call in a Zachry Contractor.**
(With regard to eliminating injuries.)
— Ralph Lake II, Production Technician
- ▷ **Remove all doubt. Always lock and tag it out.**
(A reminder to cut off the breakers when doing electrical work.)
— Josh Thompson, Electrician and Rick Fordice, Electrician

Muscatine-based customer features Zachry in local events

Ask residents and Monsanto employees in Muscatine, Iowa, what Zachry stands for and they'll tell you: safety and commitment to community. Zachry employees showed why at two recent events that included a community-wide Monsanto 50th anniversary celebration and a Zachry plant-wide safety open house.

Approximately 80 Zachry craft and production employees work at the Monsanto site, which produces herbicide. Zachry performs mechanical and civil work, provides scaffolding, insulation, electrical and janitorial services and has a group of production technicians at the facility. Zachry was invited to sponsor its own booth at the daylong anniversary gala that Monsanto hosted for Muscatine.

"This event was a great opportunity for us to show how we are willing to go the extra mile to get things done," said **Andy Bardwell**, project safety manager. "Janitorial and other staff came in on their days off to get things ready and support this event." Attracting 2,500 attendees from the local community, the celebration featured tours of the plant,

test gardens, inflatable bounce houses for kids and safety demonstrations.

The next week, Zachry employees served up 200 hot dogs and showcased their safety ethic to fellow plant employees at the safety open house. "As the largest on-site contractor, we were proud to show all the Monsanto people who we are and what we do," explained Bardwell. •

Benefits program launch and 401(k) Day recognition

Because Zachry believes that employee health is a priceless asset, the company wants employees to invest some time in five online learning modules to enrich their wellness savvy.

The modules recently became available as part of an educational offering called "My Benefits Coach." They address a variety of topics, including Partnering with Your Provider, Searching in the Right Places, Preventing Serious Health Issues, Understanding Your Consumer Plan and Managing Stress.

"One of the goals is that employees will make informed decisions about their health plans and preventative care,"

said Benefits Communications Manager **John Rodrigue**. "Given the downturn in the economy, these modules inform people of ways to save money with things like in-network providers, generic drugs and mail-order pharmacy options."

Benefits Manager **Oscar Martinez** added that each session takes 20 to 30 minutes to complete and counts toward Zachry's annual continuing education requirement. Employees can access the training at home or work through Zachry's internal Learning Management System (LMS).

Another effort to inform employees of benefits recently won recognition from The Profit Sharing Council of America. Last year's 401(k) Day event led to a 3.7 percent increase in participation, which earned the council's prestigious Gold Signature Award.

"We set a goal several years ago to win this, mostly because of what it would mean to our employees," said **Cynda Reznicek**, director of compensation and benefits. "Hopefully, the real winners are employees who can turn their retirement dreams into reality through 401(k) savings." •

Charlotte office supports Purple Heart Homes

A small project can sometimes make a big impact, especially when it comes to supporting a deserving organization. A modest team of three employees from the Charlotte office realized that when they contributed to a fundraiser for Purple Heart Homes, a North Carolina-based nonprofit organization that provides housing solutions for war veterans.

The team, including Proposal Coordinator **Shelley Richardson**, Accounting Clerk **Carmen Montgomery** and Project Manager **Cory Smith**, took aim at the organization's Corn Hole Tournament. Participants competed to toss beanbags through a set of boards placed 30 feet apart. Zachry's team scored enough points to earn fourth place out of 18 teams and beat out its fiercest, though friendly, competitor, Shaw. The biggest winner of the day, though, was Purple Heart Homes. The agency raised more than \$10,000 in the effort.

"It was something so simple and the money raised helped them keep operating through the end of the year," said Richardson.

Two Iraq War veterans, **Dale Beatty** and **John Gallina**, founded Purple Heart Homes in 2008. Both joined the North Carolina National Guard in 1996 and were severely wounded

Benefits modules are on the Zachry intranet now.



in 2004 while on duty in Iraq. They have been featured in *Time* and on *CNN* for their work to assist new and aging veterans to buy and maintain homes, or modify their current homes to accommodate injury-specific needs if they are disabled.

The Zachry team looks forward to building a lasting relationship with Purple Heart Homes by volunteering to modify and help build homes so returning veterans can live in barrier-free environments. •

Zachry Nuclear Engineering makes the right move

Zachry Nuclear Engineering (ZNE) has made a significant move, in more ways than one. ZNE relocated to a modern office building near the ocean in Stonington, Conn. Beyond the new location, the move has provided employees with an office layout that is conducive to greater collaboration and promotes a better working environment.

"The big plus here is that all the engineers and designers sit together," said Director of Engineering **Paul Colette**. "It's going to be a great benefit to us and our customers."

Director of Business Services **Ken Everett** spearheaded the move to the new facility from the old one in nearby Groton. In addition to a more open layout, the new 67,700 square foot site offers energy-efficient lighting, heating and air conditioning. These improvements make it less expensive and more comfortable than the old location, but also fit with the company's commitment to sustainable work on its projects. •



Administrative Services Associates (I) Theresa Dedominicis and Glenda Miner greet people in ZNE's new lobby. Photo/Site



Proposal Coordinator Shelley Richardson, Accounting Clerk Carmen Montgomery and Project Manager Cory Smith pose with Jeff Crosby, a Purple Heart recipient from service in Afghanistan. Photo/Site

Call in the Craft Specialists

» Skilled experts hit the ground with informed and diverse solutions

They may escape the notice of those who don't work with them directly, but Zachry has its own version of a Brain Trust called Craft Specialists. They form a cross-functional team of four seasoned master craft workers who serve as a repository of expertise across all job sites.

BRAIN TRUST = CRAFT SPECIALIST

Brain Trust: *Noun.* A group of experts from various fields who serve as official or unofficial consultants on matters of policy and strategy.

The construction process involves five major disciplines, including Civil and Site Work; Structural Steel, Crane and Rigging; Mechanical; Pipe; and Electrical and Instrumentation. Four of these components are represented among the San Antonio-based Craft Specialists. The company gets additional electrical support when necessary.

Zachry's Craft Specialists have more than a hundred years of experience with the company and include **Jorge Mendez** (Civil and Site Work), **Garry Taylor** (Structural Steel, Crane and Rigging), **David Brown** (Mechanical) and **Doug Ammann** (Pipe).

The Craft Specialists formed in 2009 to create continuity across job sites by establishing and maintaining a set of Zachry standards. The specialists serve as in-house consultants to project superintendents in the field by helping to

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Craft Specialist David Brown (standing center wearing brown shirt) huddles up with members of the Warranty Group as dawn breaks at the Cane Island, Fla. job site. Photo/Alissa Hollimon

Carpenter Eliseo Velasquez secures anchor bolts on the administration foundation at a job site in Cape Canaveral, Fla. Photo/Alissa Hollimon



BRAIN TRUST = CRAFT SPECIALIST

They are a practical force of the Construction Group that uses not just manuals, but insight and experience to get the job done right and on schedule.

— Tim Knowlton, Manager of Construction Operations Support

A practical force

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troubleshoot issues. They also share information about new and enhanced technology and techniques.

“Our Craft Specialists ensure that our superintendents remain highly competent and skilled in their crafts and that the best practices within each craft are shared across all our projects,” said **Tim Knowlton**, manager of construction operations support. “They are a practical force of the Construction Group that uses not just manuals, but insight and experience to get the job done right and on schedule.”

Sweating the details

Each of the construction disciplines comes with a unique set of challenges. For example, piping is very complex, due to the many diameters, wall thicknesses, alloys and procedures required for welding and quality control.

“A large percentage of a project’s time and cost can easily be tied up in pipe,” explained **Doug House**, manager of the Craft Specialists. “That makes pipe a critical component in a project, and you really need to pay attention to the details to make sure it’s successful.”

Ammann makes sure that everything is done according to the company’s set of engineering, procurement and construction (EPC) practices. “If we go against the standards, it’s counter productive,” he said. “The standards are based on lessons learned.”

Specialists inform current and prospective projects

The Craft Specialists also assist in other areas, including new business development. “Whether it’s proposal development or job estimates, these resources are often called upon for input,” said House. “They are an in-house resource of functional experts with the technical knowledge to give valuable insight and ensure the proper workability of specific projects.”

“At the proposal stage, specialists help by being involved with estimating and execution planning, as well as with the project manager and the proposal group to ensure the latest technical knowledge is incorporated into the proposal,” said Knowlton. “This helps us present competitive, accurate

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MEET THE ZHI CRAFT SPECIALISTS



Jorge Mendez (Civil and Site Work)



Doug Ammann (Pipe)



Garry Taylor (Structural Steel, Crane and Rigging)



David Brown (Mechanical)

Craft Specialists Jorge Mendez and David Brown review fragnets, which are standard sections of the schedule database to help guide project teams to efficiently execute work. Project Planning Manager Josh McCord (in blue) captures their comments to incorporate into an electronic standard database of fragnet information. Photo/Site

BRAIN TRUST = CRAFT SPECIALIST

“They’ve been there, they’ve done that and they’ve lived it. Their skill and expertise really helps our field team troubleshoot a full slate of issues.”
— Doug House, Manager of Craft Specialists



Formwork for concrete pours on a future steam turbine is prepared at a job site in Cape Canaveral, Fla. Photo/Alissa Hollimon

From conference room to construction site

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proposals that show how we can cut costs, perform work in smarter ways and streamline the field work processes.”

Mendez explained how the Craft Specialists provide perspective for Zachry engineers as they develop a project’s design. “I use my field experience to best represent our superintendents,” he said. “Our civil estimators are very experienced and knowledgeable and we can offer them front-line insight.”

Troubleshooting on site with experts who know how

Most craft workers would agree that, especially on large-scale projects where Zachry works, the devil is in the details. It might sound like a cliché, but it’s true. Potential challenges can arise at any stage of a project, from deciding what type of bolts to include in the estimate to selecting the best tool to use in any step of the construction process.

For example, a job might require installation of a concrete wall that’s 30 feet tall and two feet wide. Such large amounts of concrete can create the potential for honeycombing, which is a term that describes the formation of air pockets in hardened concrete that can reduce its strength. So Mendez, the civil and site work Craft Specialist, would visit in advance with workers on site to ensure that those issues were addressed and the job would be done right.

Mendez provided oversight for complicated concrete pours at Zachry’s Cape Canaveral Energy Center project in Florida during the recent completion of major foundation work. The last one alone measured 1,450 cubic yards, and the team placed approximately 34,000 cubic yards of concrete in total. Mendez visited the site at various points to check the progress and returned to gather the lessons learned after that phase was complete.

“They’ve been there, they’ve done that and they’ve lived it,” said House. “Their skill and expertise really helps our field team troubleshoot a full slate of issues.”

Incorporating new methods keeps skills sharp

Advances in technology can offer new ways to save time and improve solutions, but only if people are familiar with how to use them right. Brown recently brought in a company that provides specialized laser alignment tools to give a presentation to his group about turbine casing alignment.

“Laser is the new technology,” he explained. “Laser tools have been highly successful in getting us better coupling alignment on rotating equipment. I encourage my team to keep pushing the envelope with what they can do.”

Millwright Superintendent **Ronald Blank** participated in the laser training program. “None of us had seen this technology before. It was really amazing to see what it can do, and we learned it can have significant benefits over older methods of turbine casing alignment.”

Skilled, hands-on leadership creates a new industry standard

House noted that all of the Craft Specialists serve as more than resources. “They also demonstrate leadership and lead by example,” he said. “This helps the field team because they also promote and exhibit mentoring in each craft area.”

“They are there for support, not compliance,” House continued. “Craft Specialists want to know what they can do to help each job run more smoothly, and their approach helps empower the guys in the field and arm them with another powerful resource to accomplish their task.”

“With this leadership, support and knowledge-sharing, a superintendent can leave one project site mid-stream and go to another and know exactly what he needs to do to ensure the success of the job.”

Taylor’s 41-year tenure with the company gives him the insight to appreciate the value of such a specialized team. “This is a real benefit to all of us at Zachry,” he said. “It’s quite innovative that we’ve done this, and I think this approach to providing in-house expertise is the exception, not the rule, in our industry.” •

Zachry Nuclear Construction takes off

Power project combines Zachry’s nuclear engineering and construction resources for the first time

Zachry Nuclear Construction (ZNC) and Zachry Nuclear Engineering (ZNE) are working on their first retrofit project together at a nuclear power facility in Florida. ZNC will install new traveling water screens at the cooling water intake structure that ZNE integrated into the plant design after an extensive study. These MultiDisc®

Spotlight on Strategy:

An Integrated Approach

Screens (MDS) will keep debris from fouling up plant equipment and ensure the reactors can operate at peak efficiency. The construction team will also manage and coordinate work from subcontractors who will provide additional project support.

The project represents an important step for the company, as ZNC’s growing partnership with ZNE is proving to be a sound and productive strategy.

“It’s much easier to integrate construction with our own people,” said **Dave DeMello**, engineering project manager. “We spend a lot of time with our nuclear construction coworkers to get feedback on the constructability of the modifications we’ve already spent years designing.”

The project is due to wrap up in 2013. The new MDS units will be prepared off-site and installed in place of existing screens while the nuclear units are shut down for refueling outages.

How the screen upgrades work

The cooling water for the plant comes from a closed loop of saltwater-filled canals that cover 168 miles and act like

Project Team

Engineering Project

Dave DeMello
Engineering Project Manager

Tom Maher
Lead Engineer

Sheldon Stricker
Electrical Engineer

Linda Nwadike
Instrumentation and Control Engineer

Construction Project

Gayle Creamer
Project Director

Jaison McBride
Site Safety Manager

Ryan Mills
Construction Project Manager

Cary Matthews
Project Controls Manager

a giant radiator. The traveling MDS units (see graphic) keep seaweed, branches, logs and other troublesome items out of the intake to the plant’s condensers.

“As the water passes through them, the screens catch the debris and then they rotate up and out,” said **Gayle Creamer**, project director.

The screens measure 53 feet by 11 feet. The debris collected in them will be ground up into small pieces and sent back into the canals through the plant’s cooling water outlet.

Seamlessly integrating engineering and construction skills

In addition to construction expertise and a demonstrated ability to assemble the right workforce, the project also pulls from Zachry’s precise engineering skills. Retrofitting a decades-old facility can present numerous challenges, and the engineering team has worked for years to plan it right.

For example, the old screens were made of carbon steel, which made them less resistant to corrosion from saltwater. The replacement screens are made of stainless steel, which better resists corrosion, and will be further enhanced by a special coating to allow them to last the

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Screen Upgrades

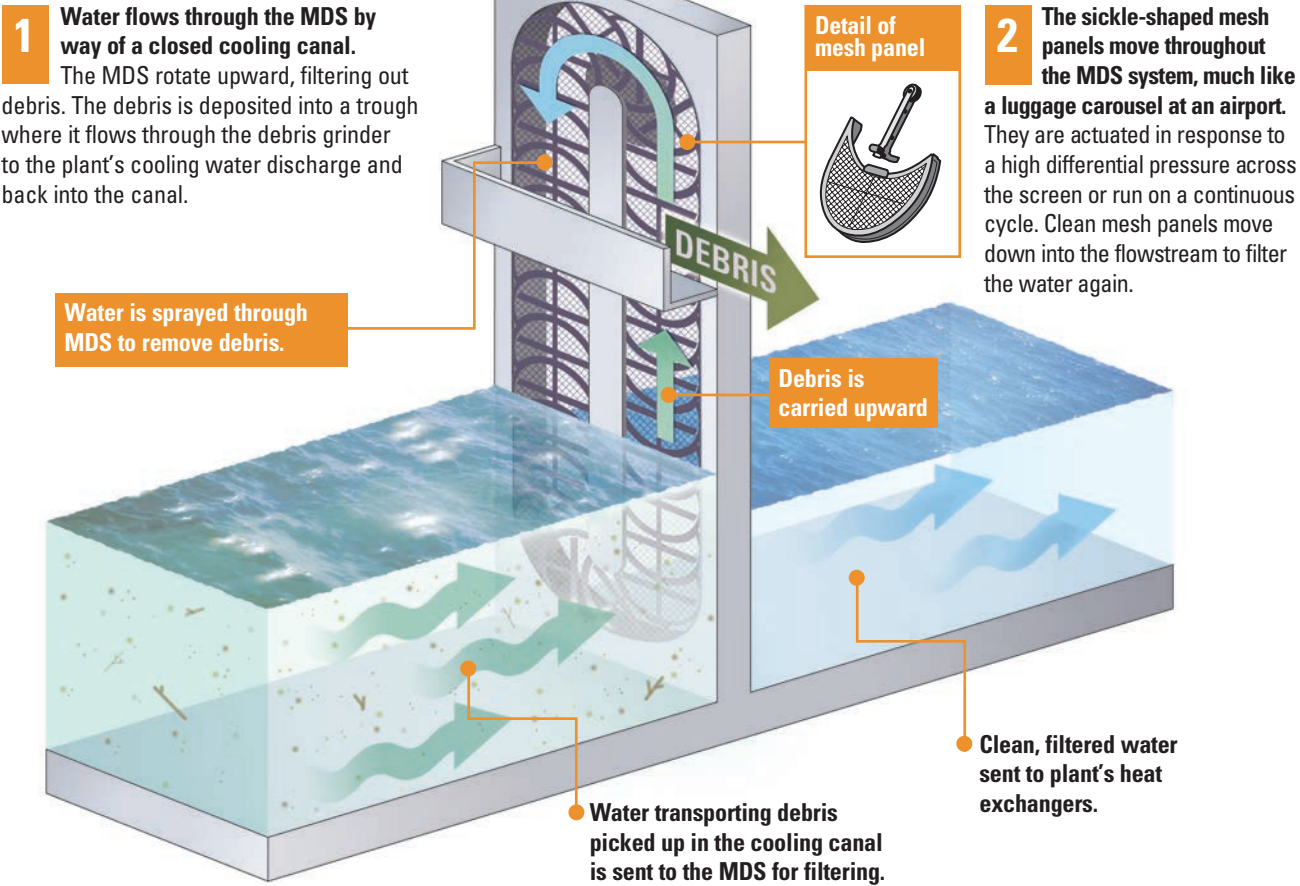


The MultiDisc® Screens (MDS) are preassembled at a nearby staging location and measure 53 feet by 11 feet. Photos/Site




An MDS installation at the Potomac River Power Plant gives a better perspective of the similar equipment that’s also being readied for the project in Florida.

The Process:



E.W. Brown project on target and finishing strong

It's one thing to build a structure with steel columns that are more than four stories tall. Building it on top of a fully operational coal-fired power plant is quite another. Consider also that in some cases, construction has to take place around high-voltage power lines, high-pressure steam pipes and only inches away from functioning plant infrastructure. Now, that's a portrait of extreme skill.

 These scenarios are part of the air quality control system (AQCS) retrofit of the E.W. Brown Generating Station near Lexington, Ky. This engineering, procurement and construction (EPC) project involves installing selective catalytic reduction (SCR) equipment in the power plant to meet current environmental regulations.

With the engineering phase nearly complete and the construction steadily progressing, the project is on track to meet its May completion target. Since construction began last spring, the team has completed

substantial demolition, finished major foundation work and erected more than 1,500 tons of steel, all while minimizing disruption to daily power plant operations.

Overcoming obstacles with creativity, precision and skill

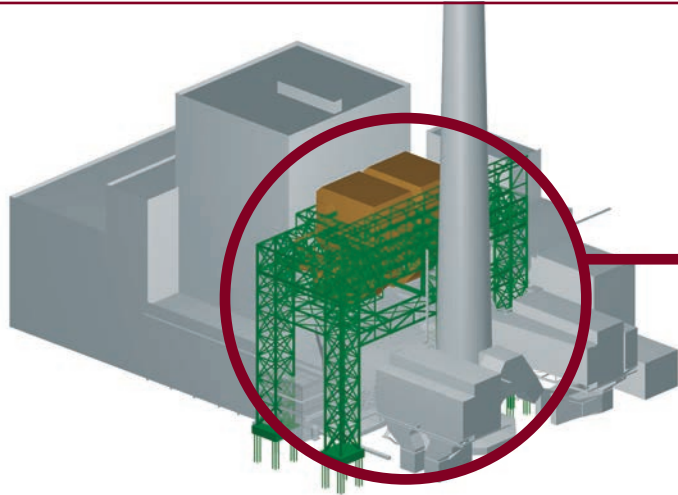
Existing plant structures at the site often limit construction space and staging areas. For example, the only way to install two steel columns was to cut holes in the roof of an existing building and lower the 15- and 16-ton columns into place four stories down. The roof hole was only three inches wider than the top and bottom cover plates, with only six inches of clearance from operating pipes.

"We had to thread the needle with some of the steel framing to work around existing equipment," said **Doug Johnson**, project engineer. "That was a challenge, and it was a major part of the design effort early on."

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3-D rendering is brought to life as planned

Zachry is providing engineering, procurement and construction (EPC) services at the E.W. Brown Generating Station near Lexington, Ky. Zachry has designed and is installing a steel structure (colored green in the rendering) and selective catalytic reduction (SCR) equipment (colored brown) to help the facility meet modern environmental requirements. *Rendering/Zachry Engineering*



A tower crane is able to lift heavy sections of selective catalytic reduction (SCR) structural steel and ductwork from the ground into place high atop the new structure. Photo/Site



Refining retrofit capabilities one success at a time

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The project has the unique considerations of having to build over, beside and down through an existing plant, where any damage could shut the entire plant down. To prepare, the team conducted a thorough assessment of the site to create a plan before any on-the-ground work began.

“There are some fairly challenging logistics issues that we had to address, and our team has done a good job of doing that,” said **Chuck Kehm**, project executive.

Translating 3-D engineering into constructed reality

One factor that helped the planning process was a three-dimensional survey of the existing plant, generating a computer model that allowed engineers to view the site to scale and design the new structure around it. The 3-D model offered a better perspective than traditional two-dimensional drawings, helping designers plan construction around existing equipment and within space constraints.

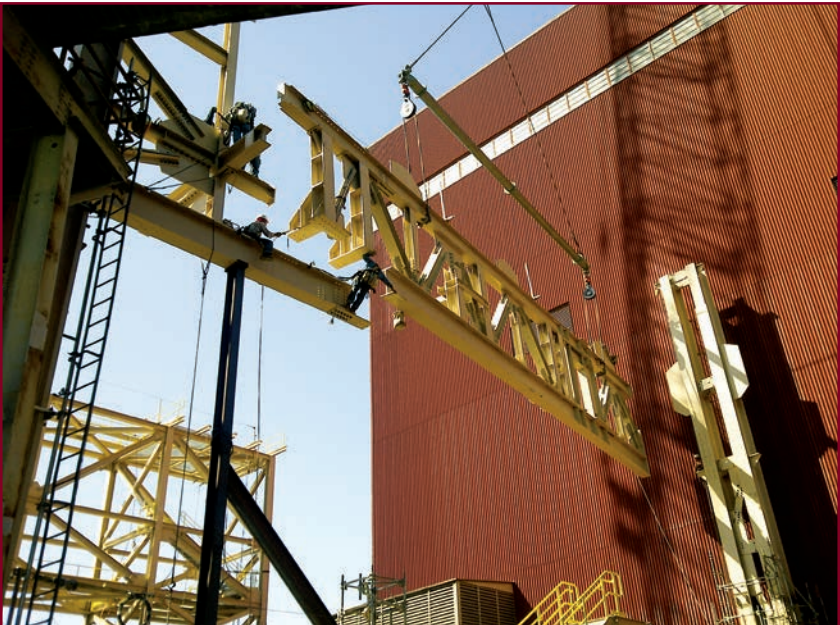
The E.W. Brown project illustrates Zachry’s construction-driven planning methodology, in which engineering and construction sides work together from the start to develop the most efficient plan for a project. This partnership approach is a departure from the method typically used in the industry.

“Engineers often design a plan independently and simply hand it over to construction crews to execute,” said **Howard Noble**, manager of civil/structural engineering on the project. “We’re trying to make construction easier and more efficient by talking to the construction team throughout the design process. We conduct periodic model and constructability reviews with the construction team, which feeds into the engineering design.”

As a result, if a particular situation calls for moving large pieces of equipment and the lift plan indicates that the maximum crane load is 50 tons, then the engineers know they must incorporate this limit into the design of steel trusses and other heavy components.

Refined retrofitting expertise for the future

With more than 30 years of experience in constructing coal-fired power plants and proven retrofit capabilities,



A selective catalytic reduction (SCR) structural steel truss moves into place at the E.W. Brown site. Photo/Site

Project Team

Lavon Brooks, P.E.
Lead Electrical Engineer

Mike Brumage, P.E.
Project Manager

Doug Daniel
Tech Services Lead

Joshua Hanes, P.E.
Lead Field Engineer

David Hincks
Lead Electrical Designer

Doug Johnson, P.E.
Lead Civil/Structural Engineer

Kent Kissell
Lead Mechanical Designer

Chris Reed
Lead Controls Engineer

John Sulsona
Lead Civil/Structural Designer

Andrea Webber
Lead Mechanical Engineer

Industrial Services Site:

Sam Adams, Sr.
General Field Superintendent

Mike Carden
Pipe Superintendent

John Gipson
Project Manager

Richard Gibson
Site Safety Manager

Curtis Golson
Electrical/Instrument Superintendent

Sid Johnson
Site Procurement Manager

Chuck Kehm, P.E.
Project Executive

Brandon Loehr
Construction Coordinator

Kellie McBride
Central Procurement Coordinator

Carlos Morales
Business Manager

Carla Norris
Material Manager

David Owens
Civil Superintendent

Jeremy Smith
Quality Control Manager

James Somers
Quality Control Manager

Jeremy Young
Controls Scheduling

Buddy Wondra
Structural Superintendent

Nuclear engineering, construction join forces

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life of the plant, which is measured in decades. Also, Zachry engineered the project to help cut maintenance expenses, which is one reason the debris will be ground up and flushed into the cooling water as it is discharged. This plan eliminates the need for debris to be manually loaded and hauled off in a truck.

The ZNE staff is excited to see the project enter the construction phase and representatives will be on site to see it through. If an obstacle were encountered along the way, such as something not fitting quite right, then the team would be available to evaluate and approve any changes before they were implemented.

“Working together eliminates some of the cross-corporation red tape that usually comes into play when answering many of the on-the-spot issues that can come up,” said **Tom Maher**, lead engineer.

Adding to the complexity of project execution is the extraordinary security involved.

“There’s a very high level of documentation that goes with everything. It’s inside a nuclear power plant, and that really, by definition, makes it a lot different,” said Director of Engineering **Paul Collette**.

Combining the capabilities of ZNC and ZNE in this integrated approach produces benefits for the customer in terms of efficiency and skill. As for Zachry, the completion of this project will be closely watched in the nuclear industry, which is relatively small and close-knit, so flawless execution is a must.

“Our primary goal is to execute a safe project because we want to do a lot more work on other retrofit projects,” said Construction Project Manager **Ryan Mills**. “All eyes are on us.” •



The above-grade portion of existing traveling water screens (on the left) must be removed and replaced by the new MultiDisc Screens to protect the pumps (on the right) from debris. Photo/Site



We spend a lot of time with our nuclear construction coworkers to get feedback on the constructability of the modifications we’ve already spent years designing. — **Dave DeMello**, Engineering Project Manager



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ZACHRY



Prospective employees from a Georgia Power plant enjoy a lively and informative transition dinner event with Zachry representatives. Photo/Site

An unexpected and appreciated invitation

Transition dinners roll out the red carpet for prospective employees

When Zachry recently landed maintenance contracts at three Georgia Power electric plants, the company began a wave of planning, but not the kind that might be expected. As part of working with employees at these plants, Zachry coordinated events called transition dinners to welcome prospective new employees to the company. More than 200 employees, along with their spouses, attended these special gatherings, which included an appearance from NASCAR driver David Starr.

Hosting transition dinners has been a practice at Zachry for decades. They happen soon after new maintenance contracts or company acquisitions are announced. When site employees learn that Zachry is the facility's new contractor, they're given an opportunity to come to dinner and learn all about the company. The dinners are like icebreakers that help introduce potential new employees to what they can expect if they work for Zachry.

"They're our way of showing that Zachry wants you and welcomes you, and that we are a positive change,"

said **Ken Smith**, proposals/marketing manager in the Industrial Services Group (ISG). "People in this company really support and enjoy the transition process, and make an extra effort to convey the Zachry culture to newcomers."

In fact, Zachry employees from different departments pull together to form an extended and dedicated team that facilitates all aspects of transitions, including special dinners. In addition to ISG representatives, employees from Craft Employment, Community Relations, Benefits and Employee Assistance, as well as other departments, support this united effort to make new employees feel welcomed and appreciated.

Reassurance makes a warm first impression

Transition dinners can also help foster productivity by providing a sense of assurance through the heartfelt and personal connections that the Zachry team makes.

"With the current economic climate, any change or fluctuation in job security can cause big uncertainty," said **Kevin Counts**, regional project manager. "These men and women don't know if they are going to have their jobs when a new maintenance contractor comes

in. Transition dinners are one of our most powerful tools to let new employees know everything is going to be okay."

Counts understands their feelings of uncertainty. While he was working as a boilermaker at a paper mill in Muskogee, Okla. in 1994, a new maintenance company replaced his old one.

"We didn't know if we would have our jobs," he said. "We were worried, and productivity suffered because it was weeks before the new company even told us what to expect."

Proud to take a different and welcoming approach

Even though Zachry has been hosting transition dinners for a long time, each dinner is different because of the variety of locations and number of attendees. The size of the events has ranged from hundreds of people to as few as 20.

Ample attendance at the Georgia Power dinners made for a fun and festive atmosphere, while participants vied for door prizes, learned about Zachry's history and mission and met one-on-one with the new project manager.

"After I gave my 'this is me, this is Zachry' speech, I invited people to come talk with me in person," said Counts. "There were more than 50 folks gathered around me in less than five minutes. I stayed as long as it took to talk to each of them."

Spouses share a seat at the transition table

The ink was barely dry on the Georgia Power maintenance contract before the transition dinner team went into action. "We want to stop the rumor mill and uncertainty before it starts," said Smith. "The transition dinners are our chance to talk directly to employees and their spouses as quickly as we can."

According to Smith, inviting the spouses is key to making a smoother transition. "We want to welcome the entire family, and traditionally the spouses have a lot of questions about benefits."

Benefits Communications Manager **John Rodrigue** is part of the transition dinner team and recognizes the importance of quickly getting information to new employees.



Members of the Craft Employment Group, including Matt Alvarado, Tim Segura, Sharon Foreman, Rudy Ramirez, Melissa Gomez, Stacy Hickman, Jennie Patrick, Oscar Martinez, Christian Sullivan and David Arroyo, take time out from a recent transition dinner in front of David Starr's NASCAR racing truck. Photo/Site

He sees many transitioning employees and their families greet this approach with a mix of surprise and gratitude because they don't usually see other companies extend these kinds of considerations.

"We talk one-on-one with the spouses about health benefits, if their local doctors are on the health plan, if their 401(k) will roll over and if they are able to keep the same vacation days," said Rodrigue. "It makes the biggest difference in helping them begin to build a 'Foundation to Wellbeing' with Zachry."

Starting out on the right foot

Counts wants the employees in Georgia to know they are more than a number. "These are my people, and I want to personally welcome them to the Zachry family."

He makes it a priority to visit with employees at all the plants, even when he sees them outside the work environment. "My family and I were out to dinner, and one of my employees recognized me," said Counts. "We'd only been with Georgia Power for a few weeks, but the employee's recognition of me reaffirmed the importance of the transition dinners. He knew he was not a number; he was a Zachry employee."

Smith agreed. "Transition dinners are about employee engagement and making the process meaningful. Because at Zachry it's not just a job, it's a purpose." •

EMPLOYEE ASSISTANCE PROGRAM

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ZACHRY

My name is Felix Martinez and I AM ZACHRY.

I came to Cape Canaveral, Fla., to manage some key civil needs for Florida Power & Light Company's Riviera Beach Next Generation Clean Energy Centers.

I work on one of the most challenging parts of the project, the steam turbine. As the heart of the plant, it's where the water comes in and starts to generate power, so everything comes off the steam turbine. I've worked on other turbines, even bigger ones in Virginia, and have that specialized skill and knowledge.

We're building the Cape Canaveral plant from the ground up. The plant that was built on this site 50 years ago was outdated and knocked down to make room for a whole new one. This plant will be more efficient and better for the environment. It's expected to power 500,000 homes in Florida when it begins operating in 2013.

I am supervising the carpenters and subcontractors who are doing the formwork, which involves molding concrete to exact specifications. My main job is to make sure I get it done on time and nobody gets hurt. Zachry provides all the help and tools I need whenever I ask for them. In turn, what they ask of me is to finish on schedule, on budget and with the highest level of safety.

This is not the biggest job here, nor the smallest. But it is one of the most complex and challenging because of all the processes involved. So we double-check everything we do. Otherwise, it can be very costly or dangerous. I tell the carpenters it's important to always think before we act. If they think something might not be right, then they should take action before moving on to the next thing. If we have to halt what we're doing, then that's what we do to make it right.

When I first started working at Zachry 23 years ago, I traveled all over, including Virginia, Georgia, Arkansas, Arizona, Utah, Texas and Florida. The company didn't have the carpenter classes and development programs it has now, which are a huge plus. I see people get a lot out of them and make the whole team better.

I am proud to be a part of Zachry because of our safety culture and the way we encourage communication. That's why I talk to everybody to make sure they know I care and they can bring things up with me. I also like the monthly meetings where everyone gets to ask questions and have input. They might take more time, but I'm glad the company sees they're also important. I want to make sure we do things right the first time. And that is why I AM ZACHRY. •



Photo/Alissa Hollimon

I AM ZACHRY

“As soon as I found out Felix was available to work on this project, I penciled him in for the steam turbine. When he arrived, he was surprised to learn he'd be focusing on just one thing. He is more “old school,” which means he's used to doing a lot more. But this is a very complicated foundation and I didn't want anyone to get hurt or have a problem with construction. Knowing Felix like I do, I knew he would do things safe and right the first time, and he did.
— Hector Ipiña, Civil Superintendent

NOMINATE A PEER

Do you have a co-worker who lives the Zachry values? We want to hear from you — especially craft employees! Please send your nominations to Brian Dwyer, *Zachry Force Report* editor, at dwyerw@zhi.com or call (210) 588-5813.

I AM ZACHRY

My name is Jim Kinter and I AM ZACHRY.

I started at Zachry in 2005 as a software developer, providing primary senior level support for a document management system, called DRAGNET, that all of the Engineering Group's design centers use. All support and maintenance of DRAGNET is done from my office in Amarillo, Texas.

I was promoted to application development manager, and my team has worked hard to stabilize and enhance DRAGNET to a point where we can now shop for a replacement. DRAGNET is over 10 years old and lacks some features that will help make Zachry more productive in the future. Most of the applications we use in the Engineering Group come 'off the shelf,' and that's our preferred way of doing business.

But, sometimes what we need is not available in the market, so we solve the problem by developing something internally.

That was the case with Circuit Schedule, a Zachry-developed application the Engineering Group used to manage electrical cables, circuits, cable routes and terminations. We are proud that Circuit Schedule was the first application in the world to use iRingTools, an open source implementation of ISO 15926, which is an international standard developed for the purpose of data interoperability, or making systems work together. That is one of the foundation stones we believe in.

In late 2008, when Utility Engineering (UE) officially changed its name and branding to Zachry, after being acquired by Zachry in 2005, we were tasked with rebranding the intranet system on the UE domain to make it look and feel as much like the Home Office intranet as possible. We wanted it to come across to users that, "We are Zachry." Collaboration was a key part of that.

Today, we are working together on a project called One Domain that will help us merge the Engineering Group's domain with the Home Office's domain, in order to be better aligned with Zachry as a whole. Projects like this are a team effort. In information technology work, you learn early on to be one of those "Wizard of Oz" people, where you don't notice that guy behind the curtain. That's me.

I also firmly believe in being a good steward of company resources. As a manager and employee, it's my obligation to spend resources as if they were my own and make decisions



Photo/Alissa Hollimon

“Jim tackles both his personal life and his job with an unparalleled enthusiasm. He is the typical IT geek dedicated to his work tasks and projects. Jim has also been heavily involved with projects that will greatly enhance Zachry's ability to exchange the kinds of information and data between intercompany divisions which are critical to our continued success.
— Phil Jones, Director, Information Technology Infrastructure

as if I were making them for my own company or my family.

At home, I'm a family man with three kids, and that's really important to me. With baseball games and just being a dad, husband and homeowner, plus going to school to get my Bachelor's degree in international business, there's not much extra time for hobbies. But I do make time to be involved in Kairos, a prison ministry program. I feel called to that work. I figure, someday these people might be living across the street from us, going to our church or sitting next to us at a baseball game. So it's my duty to serve as a role model and try my best to be a positive change agent in the world.

It's a lot like what Zachry did in Haiti, funding ShelterBox kits after the devastating 2010 earthquake. Zachry chose to make an ethical decision to spend money and invest in people we would never see or do business with. I feel proud to work with a company that would take a position like that, and that is why I AM ZACHRY. •

Tapping a new power source

Zachry Nuclear Engineering handpicks company to further develop program

Zachry’s recent acquisition of nuclear analysis and software development powerhouse Numerical Applications, Inc., (NAI) means a deeper, broader energy-based portfolio of service for Zachry Nuclear Engineering’s (ZNE) customers. It also carries the potential to position Zachry at the forefront of nuclear power development.

Established in 1984, with offices in Washington and North Carolina, NAI is a custom software development and engineering services company. It’s recognized worldwide in the field of thermal-hydraulics analysis, especially in the nuclear power industry.

“Acquiring NAI provides a superb complement to ZNE’s current service offerings by, first, adding significantly to our technical skill base. NAI has some of the industry’s most experienced, sophisticated and technically rigorous professionals on staff,” said Zachry Nuclear Group President **Tom Hannigan**. “They have a reputation within the nuclear community that is unmatched. Coupled with ZNE’s existing engineering analysis group, we can provide a complete solution to our combined current customer base.”

“We are very pleased to join ZNE and think it’s a great fit,” said **Tom George**, NAI president. “Together we can do much more than we might accomplish on our own by expanding on our existing strengths in analysis services and software development.”

The Nuclear Regulatory Commission is working to provide resources for the commercial nuclear industry to update older, more cumbersome software. NAI’s GOTHIC™ software, as well as CentralStor™ and RADTRAD-NA™, has become a preferred solution for many applications.

“NAI provides its innovative software to the U.S. nuclear fleet through the Electric Power Research Institute (EPRI),”

said Vice President of Numerical Applications **Chris D’Angelo**. “But the critical thinking that comes from the analysis is a unique value that will only continue to grow as the industry does.”

Hannigan added, “NAI and ZNE have proprietary software suites and analysis services that address critical, but different, issues for their customers. Integrating our capabilities will produce industry-recognized, best-of-breed software tools and engineering expertise to address a customer’s entire analysis needs.”

According to the Nuclear Energy Institute, 104 nuclear power plants in 31 states produce more than 20 percent of U.S. electricity. They also emit no carbon dioxide, sulfur dioxide or nitrogen oxide, which is a precursor to ground-level ozone. Nuclear energy produces more electricity than any other source in Connecticut, New Hampshire, New York, New Jersey, South Carolina and Vermont.

With a growing population, the demand for electricity will continue to increase. The U.S. Department of Energy expects demand to rise 24 percent by 2035. As a result, the United States will need hundreds of new power plants with diverse fuel sources to supply sufficient electricity to support a high standard of living and promote domestic economic growth. Maintaining nuclear energy’s current 20 percent share of power generation would require building about one reactor per year starting in 2016, or 20 to 25 new units by 2035.

“ZNE’s primary business focus is on solving problems within the existing fleet of nuclear plants,” said Hannigan. “NAI, on the other hand, does a good deal of analysis to support licensing efforts for new reactors for Westinghouse, Mitsubishi and Areva as well as innovative small and medium reactor (SMR) designs. Further, NAI’s special relationship with EPRI provides opportunities for future growth through research and development of industry-wide issues.” •

Benefits Information

▷ Health, disability or life insurance

▷ 401(k) / retirement plan

Call 1-800-929-0481

benefitsdept@zhi.com • www.ZachryBenefits.com

EEO Policy

Zachry Holdings, Inc., its subsidiaries and affiliates observe EEO, harassment policies

EQUAL EMPLOYMENT OPPORTUNITY POLICY (EEO)

It is the policy of Zachry to assure that employees and applicants for employment are to be treated without regard to their race, religion, sex, color, national origin or age. The company will not discriminate against individuals because of a physical or mental disability, or status as a disabled veteran or veteran of the Vietnam Era. Zachry’s policy of nondiscrimination applies to all work-related actions; including but not limited to employment, upgrading or promotion, demotion, transfer, layoff or termination; rates of pay or other forms of compensation; recruitment or recruitment advertising; selection for training; and apprenticeship and pre-apprenticeship programs.

Reasonable accommodations will be made for qualified disabled persons according to existing state and federal law. Requests by qualified disabled persons for reasonable accommodation are encouraged by the company.

All employees are requested to encourage women, persons of minority races and disabled persons to apply for employment with the company or to apply for training under available programs.

POLICY AGAINST HARASSMENT

Zachry is firmly committed to a work environment free from all forms of harassment of any employee or applicant for employment by anyone, including supervisors, co-workers, clients/customers, other contractors or visitors. Such harassment may be in violation of the harassment policy as well as state and federal discrimination laws.

This policy prohibits any conduct (verbal, physical or visual) by an employee or within the work environment that belittles or demeans an individual on the basis of race, religion, national origin, sex, age, color and disability. This policy specifically prohibits sexual harassment as well as all other forms of harassment. Sexual harassment includes any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is an explicit or implicit condition of employment;
- Employment decisions are based on an employee’s submission to or rejection of such conduct; or
- Such conduct unreasonably interferes with an individual’s work performance or creates an intimidating, hostile or offensive work environment.

RESPONSIBILITY

All employees are responsible for complying with the company’s Equal Employment Opportunity Policy and its Policy Against Harassment and for reporting possible violations of these policies.

Who to Call:

Dispute Resolution Program

P.O. Box 240130

San Antonio, Texas 78224-0130

1-877-350-0129

COMPLAINTS

Any employee or applicant for employment who feels that they have encountered a situation that may be in violation of these policies is encouraged to make known their concern as soon as possible. Applicants for employment are encouraged to utilize the Dispute Resolution Process by contacting a Dispute Resolution Manager. Employees are encouraged to discuss their concern or complaint of alleged discrimination with their immediate supervisor. The supervisor’s obligation is to try to resolve the concern or complaint. If it is not resolved at the supervisory level, or if the employee is uncomfortable discussing the issue with their supervisor, the employee should either contact the project/department manager or utilize the company’s Dispute Resolution Process. Supervisors who fail to act on employee questions or complaints brought to them under these policies are subject to disciplinary action, up to and including discharge.

The Dispute Resolution Process is coordinated by the company’s Corporate Responsibility Department at the Home Office. Employees must comply fully with any lawful investigation under these policies. In the event of questions about, or an investigation of, alleged discrimination by any governmental agency, the Corporate Responsibility Department must be promptly notified.

CONFIDENTIALITY

In handling complaints, every effort will be made to maintain confidentiality. However, certain laws require the company act on information brought to its attention, and it will sometimes be necessary to do a full investigation in order to comply with the law. Investigations are intended to be a confidential process and every effort will be made to maintain confidentiality to the extent possible.

RETALIATION

Retaliation against individuals who report violations of these policies is strictly prohibited. Employees who violate these policies or who attempt to retaliate against individuals acting under these policies will be subject to immediate disciplinary action up to and including discharge.



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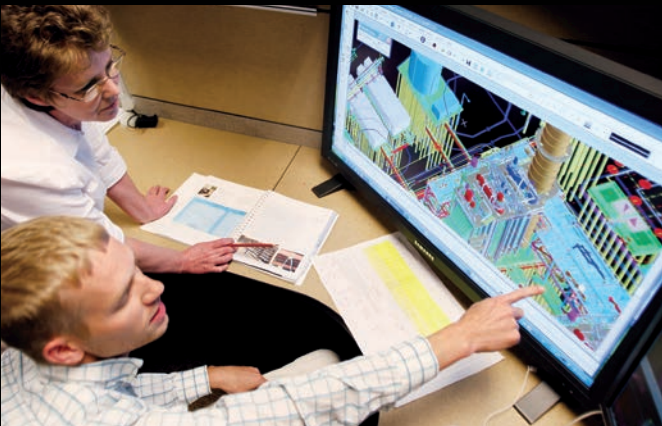
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ZACHRY 2012

Safety
La seguridad



Skill
La capacitación



Trust
La confiabilidad

Service
El servicio

January 2012 Enero						
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Commitment
El compromiso



Integrity
La integridad

Economy
La economía

