



THE TREE LINE

News for Sunland Construction & Affiliates

Our Year in Review: 2018

Gulf Coast Division

Division 17 had another good year in 2018. We have successfully completed a wide range of projects for our valued customers under extremely challenging conditions. The Gulf Coast Division targets small to medium size projects with the capability of completing one or two large mainline projects per year. We are also concentrating on a growing integrity market as a supplement to typical construction projects. With an increased emphasis on safety and quality, we have maintained our market share and profit margins. In addition to typical land construction projects, Sunland's Gulf Coast Division is considered by most of our clients as the premiere provider of marine construction. Division 17 has the capability to perform larger and more challenging marine projects. Although the marine projects have lessened in the last few years, we continue to see an increase in budget activity for future marine work. It is believed that the expansion of LNG and crude export projects will fuel an upturn in marine project activity.



Elevated Main Line Valve Site inside the Atchafalaya Basin.



Typical right of way inside the Atchafalaya Basin.

We owe a huge debt of gratitude to our field supervision and crews for persevering through challenging conditions on our projects. Our ability to continue to provide our clients with quality work and remain profitable is a direct function of the talents and experience of our personnel. Division 17 had one of our best safety records ever in 2018. This is also directly related to the efforts of our field supervision and personnel. There is no reason to believe that FY2019 will not bring continued success for the Gulf Coast Division and Sunland as a whole.

In FY18 Carl Ledet and crew were charged with the installation of 55.2 miles of 24" crude oil pipeline across south Louisiana running from St. Martinsville to St. James.



Relocation of existing below grade main line valves with 16" regulator by-passes.



Cradling GC#1 HDD drill string during pull-back installation.

Randall Humphers and crew traveled to Orchard, TX in late August 2018 to complete the installation of [2] – 1,700 +/- feet 30-inch HDD installations crossing the Brazos River.

FY18 Luke Veillon and crews installed 8" Hydrogen, 8" Nitrogen and 16" Oxygen pipelines in Pasadena, Texas.



H2, N2, & O2 bundled drill installation.



Completed tie ins within a 28' deep excavation.

ANR Meter Station located in Eunice, Louisiana where crews are working to install filter separators to complete mechanical installation of the site.

Foreman Dillion Cofty and Dustin Ortego, along with the crew worked long hours and in rough conditions to complete this work. The work for the Sabine Pass Expansion Project was led by Sunland Gulf Coast Division superintendents Kenneth White and David Comeaux, both of which did an outstanding job on this project.



Picture on the left shows Foreman Seth “Booger” Gastal working with subcontractor Bluefin Services to transition pipe in order to make final tie-ins on the pipeline portion of the work. Foreman and crew again worked long hours and in wet/muddy conditions to get the job done safely and on time.

Picture on the right shows a portion of the crew for the above mentioned work taking a much needed break. From left to right, we have crew members Jesse O’Neal, Matthew Burnett, and Steve Brandt.



Crews working at the TGT Meter Station located in Eunice, Louisiana. Crew is completing civil work while also setting the filter separator at this site. Foreman of the site was Cory Kay. This was one of our more challenging sites due to limited access and working in tight conditions. Our crew was able to complete the work and do so safely.



Sunland-Kori Services

Sunland-Kori Services manufactured eight (8) amphibious undercarriages to U.S. based contractors and equipment dealers in North America. Spare parts sales were very good and were distributed to meet U.S. demand as well as internationally to equipment dealers and/or contractors in South America. Sunland-Kori employees should be commended for completing all projects in a timely manner.

DHB Division

Congratulations to the crews with Sunland/DHB division for another year of safety excellence.

Station Division

This past year has been another successful year in Station Division. The success wasn’t always easy, but our team worked through it all to have a positive outcome. With all our projects coming to an end, we are looking forward to another active and prosperous year. Station has three major jobs, in Oklahoma, slated for January. The original start date was November, however they have been pushed back due to FERC approvals. We are also slated to start another Station in Texas in early January. Station is seeing a large amount of activity & discussion with clients.



DHB crew on a project in Kosciusko, MS.

We are looking into diversifying with small scale opportunities and different market sectors in the coming months.

In regards to revenue, I am proud to announce that Stations exceeded its top revenue as a division. This feat was not easy.....but time and dedication from the whole division paid off!!!



Excavation for reversal project in Greensburg, LA (Kendall Ward, Superintendent)



Gas Coolers installed in Lufkin, Texas (Joe Sotelo, Superintendent)



Aerial Photo of Grassroots project near completion in Victoria, Texas (James Shumaker, Superintendent)

Eastern Division

The last quarter of 2018 brought with it some big changes for Division 12. Sunland welcomes Luke Veillon as the new Eastern Division Manager, and Candice Gingo as the Office Manager. This management team has worked hard to make the transition as seamless as possible, and to ensure that this division keeps moving in the right direction.

David McGary and crew began work in Glasco, KS back on July 23rd. The schedule had to be extended a bit due to bore issues and material delays. The crew ran into a final delay with permit issues during the testing phase, but were able to adapt by accessing water for testing from a local farmer's well. David and crew wrapped up the second week of November, just in time to be home for that Thanksgiving turkey.



Crew members making a 16 inch hot cut in Red Oak, IA.

Landle McGee and crew began a project for the same client back on July 23rd in nearby Red Oak, IA. Landle's crew also had some set-backs with material delays. Concerns with a leaky valve that could cause a blow down of two pipelines led to the decision by client to de-scope the project. The crew was able to finish up in Iowa the first week in November. Most of the crew then followed Landle to a job that was picked up in Knoxville, TN.

Brian Ward and crew have been working in Adelphi, MD for the majority of 2018. Their work began in April and should be wrapped up early in December. The client has been pleased with their efforts and has indicated the possibility of more work at the end of this year, and the intent of awarding more in 2019.



The first section of the Nishnabotna River HDD in Red, Oak, IA.



Crew setting up aqua barrier in creek in Forest City, NC.

Justin Andrews and a crew of about 55 employees have been working on the installation of 30,000 feet of 12" pipe in Forest City, NC since mid-summer. This project has required the crew to lay 12" pipe along a distribution ROW. Challenges associated with the task have extended the schedule into December.

Superintendent Cesar Martinez was brought in as extra support and leadership to keep the project on track. Sunland's Eastern Division looks ahead to a 2019 that is filled with opportunities.



Fully restored ROW in Forest City, NC.

Rocky Mountain Division

The Rocky Mountain Division has had a trying year. The year began with a new management put into place and several key personnel changes. The changes have made this division stronger as a whole. We are getting back to the Sunland family mentality. Though we haven't gotten many jobs this year, we keep moving forward to make the Rocky Mountain Division great again. We are generating bids and getting welcomed feedback on pricing, so we can get our foothold in the market and become profitable again. We are closing in and becoming more efficient in our bidding process. With that being said, we have picked up 57 miles of 20 inch in the Permian Basin that will start mid-January of 2019.

Foremost

Similarly to FY17, Foremost saw a seasonal drop off in our business during the winter months of FY18. However, business once again picked up steadily in the spring and summer months and continued at a similar pace through the fall. In the end, FY18 very closely resembled FY17 in most of the financial indicators. This is a great thing as the past two years are two of the most successful in the history of Foremost.

July of 2018 saw a transition in the General Manager position at Foremost as after 5 very successful years, Ben Aton accepted a position at the Sunland Corporate Office. Jeff Gindlesperger was hired into the position bringing a quality and engineering background having worked for Intel Corporation for over 18 years. The Foremost Family was sad to see Ben go, but content knowing that he would still have some involvement from the corporate side.

FY18 brought something to Foremost not seen in a decade, a year of safety excellence. To have zero TRIR in over 425,000 man-hours was truly a remarkable feat and the crews and workers should be congratulated for accomplishing it. A number of crews were recognized recently for a job well-done by the customer including two crews in Greenville (9104 – Johnny Basinger, 9105 – Matthew Watford), one crew in Columbia (8164 – Tyler McCormick) and a number of workers (Jarrett Yount, Herminio Rangel) and welders (Andrew Leckinger, Tim Shirley, Brandon Boxberger, Kenny Blewer, Chris Dill) supporting a weekend job with a tight timeline in Snelling, SC.

Foremost would like to congratulate our newest Foremen: Andrew Spain (Greenville), James Lucas (Aiken) and Floyce Hart (NC). In addition, we'd like to welcome our newest Aiken Superintendent, Todd Wingard, to the Foremost staff. We also added two new welders to our team: Alex Bernier (Aiken) and Chris Chapman (Greenville). One of Foremost's highest growth areas has been the Asheville/Hendersonville area of North Carolina where we have added two new crews in the last quarter of Calendar Year 2018.

As we push to finish Calendar Year 2018 strong both financially and with continued safety excellence, we can't help but be thankful for the position in which we find ourselves. Business is steady for both the gas and electric blanket contracts in every geography. In Greenville, we recently received a pricing increase with Fort Hill Natural Gas Authority and submitted new prices with SCE&G as part of a 3 year renewal of the gas blanket with them. We are optimistic that the sale of SCANA/SCE&G will go through with Dominion Energy and that we'll see minimal disruptions to our daily work. We have truly high hopes for a safe and prosperous 2019.



Foremost's Frankie Taylor installing a gas service in Blythewood, SC.



Mike Stowers (left) and Trent Allen (right) of Foremost work in welding a tee as part of a line kill job.

Buffalo Gap I&E

In FY2018, with us being busy all year long and having over one million man-hours worked, we had an outstanding Safety performance with ZERO Recordable / Lost Times!



Pecos, Texas -Daylight to dark these days. Pecos is located on the west bank of the Pecos River at the eastern edge of the Chihuahuan Desert.



I want to congratulate my whole team for the hard work and the effort in making this accomplishment.

Our year has been a very busy one in both the Industrial and the Commercial Divisions. Our Industrial crews continue to be involve in building numerous Cryogenic Gas Plants in the Permian Basin, Oklahoma, New Mexico, and Colorado.

The Satellite offices continue their steady service work supporting their clients in their specific areas. We are looking forward to a very promising 2019, with a full backlog of projects.

The Commercial Division has also been busy in several new schools and numerous AFB projects, plus lots of miscellaneous smaller projects. They are also looking forward in another busy year with their backlog full.

Sincerely;
Carlos Sanchez



Joe Watson on the ground spotting, Juan Falcon and George Cruz in Lift -“Safety First”

Sunland Field Services – Permian Basin

Since 2014 Sunland has been working to build a strong foothold in the Permian Basin as a quality service provider in facility and pipeline construction. Over the last year we have been fortunate enough to be given multiple opportunities with different clients in the region. With multiple opportunities there also come different types of challenges that we have had to address and work through as a team. The Division 70 team has experienced many changes over the last year on both a management and field level. With those changes we expect that to face challenges as the team grows together but we are confident that the restructuring will help develop the division’s services being provided as well as give the team a unique composition. In the next year the Permian Basin will continue to a major area for the Oil and Gas Industry with continued opportunities that we look forward to being a part of this coming year.

Safety

During the fiscal year 2018, we worked a little over 6.0 million work-hours. The overall company has continued the focus on our journey to “Safety Excellence”. Sunland Construction and Affiliates finished the year with the lowest TRIR on record of 0.56 (40% lower than FY’17), a 40% reduction in Recordable Injuries, and a 75% reduction in Lost Time Injuries. In addition, congratulations to all who contributed to keeping our overall TRIR well below the General Construction Industry rate of 0.80.

The biggest achievement, really a historical achievement, during 2018 belonged to Foremost Pipeline Construction and Buffalo Gap Instrumentation & Electrical, where BOTH Companies completed the year WITHOUT AN OSHA RECORDABLE. This is the first time since being a member of the Sunland Family that these two companies truly achieved Safety Excellence. What a remarkable achievement. This would not have happened without the dedication and commitment of each worker to the principles of Safety Excellence. Congratulations!

We ask that you continue your commitment, leadership, and support in 2019 as we build on improving our Safety Culture, improve our safety performance and continuing our journey towards “Safety Excellence”, and our continued focus on “H.E.L.P.” (**H**and Placement, **E**yes on Task or Path, **L**ine of Fire, and **P**osition of Footing).

Business Development

In 2018 our Business Development team underwent numerous changes. One of which is our name, we are now known as Operational Intelligence.

What does this mean? It means that our Operational Intelligence Representatives are tasked with more than simply getting on bid lists, we are tasked with being our front gathering project information, market trends, resource loads, and general market information. This information helps our management team to plan accordingly. Our Operational Intelligence team consists of numerous professionals from all facets of the industry. Our team has combined industry experience of over 250 years. We work with both internal and external clients to insure that Sunland continues its growth. We are very grateful to be part of the Sunland team, and have been working very hard to integrate our team with operations to insure that we as a company can capture as many opportunities as possible. OI is headed up by Wayne Stringer our VP, Jesse Williams is Director, George Beridon focuses on the Gulf Coast area, and Eric Vazquez is doing a great job with our Houston clients. We have brought in some new people to supplement our team. Please see bios below:



Melissa Sims Nichols has joined the Eastern Division of Sunland Construction as their divisional Operational Intelligence Representative (formally known as Business Development). Melissa attended the University of Mississippi where she was a member of the Delta Gamma Sorority, Ole Miss Rebelette dance team and other campus activities and then graduated from the Mississippi University for Women with a Bachelor of Science degree. She started her career with Varsity Brands, Inc. upon graduating college and during her career with Varsity Brands, Melissa was also the Spirit Coordinator at Mississippi State University. Melissa brings with her over 20 years of experience in outside sales, sales training and business development. She currently lives in Columbus, MS with her husband, Jay Nichols of 22 years and daughter Carson 17.



Christina McCurry has joined Sunland Construction as their Marketing Manager in the Operational Intelligence Team. Christina attended Colorado Technical University, graduating with a Master's in Business Administration. After graduation she started her career with Maersk Line. Christina brings several years of sales and marketing experience. She currently lives in Spring, TX with her daughter Shannon 11 and two son's Aaron 13 and Aiden 8.



Dan Nicholson - Native of Tomball, Texas, Graduate of Sam Houston State, 1958, married, three children, and nine Grandchildren. Lives with Wife, Tanya, in our House/Hangar, two planes, and dog Bailey, at David Wayne Hooks Airport Spring, Texas. Over 59 years being Oil Field Trash, In Sales for Grove, and then, M&J Valve Co. VP, B/D. Then B/D, for Engineering firms, Pipeline Technologists (Alyeska Pipeline), Stone & Webster, Ford Bacon & Davis, Gulf Interstate, and Universal Pegasus, then B/D in construction for, Willbros, Troy, and Sunland Construction. Member of Houston Pipeliner's Club since 1961, Private Pilot since 1959, a member of Q/B's, Awarded Wright Brother's Master Pilot Award (over 53 years of Safe Flying), and member of EAA, since 1965.



Clarissa Obenhaus has joined the Permian Division of Sunland Field Services as their divisional Operational Intelligence Representative. Clarissa is currently attending Columbia Southern University majoring in Business Management and Marketing. She brings 10 years of Oil and Gas experience and over 13 years of customer management experience with her. She currently lives in Jal, NM with her son Spenser 21, daughter Chloe 17 and Easton 11. Clarissa also has 2 step children Lyndsi 30 and Corey 24, along with one granddaughter Braelynee 2 1/2 and one granddaughter on the way. In Clarissa's spare time she likes to workout, hunting, fishing and camping, she is defiantly a Country girl.



Jim Weldon, born in Los Angeles, CA., entered US Air Force Aug 1967 discharged Aug 1971. September 1971, I entered College at Point Loma Nazarene University, graduated with a tri degree one in Philosophy. 1980 graduated from Nazarene Seminary, Master of Psychology, education concluded 6 hrs ago with a DR. of Mentoring and Team Building. Had a career in Ministry and Pastoring from 1980 to 1986. Entered the Oil and Gas market in 1986 managing a Temporary Technical Service servicing the oil and Gas industry with Designers, Construction Managers and Multidisciplinary Engineers in Kern County, CA. In 1989 Fluor Daniel asked me to join up with the Bakersfield office performing Engineering and Project sales with all the Energy Companies. This function required extensive travel through the US, Canada and Mexico. In 2000 I joined up with Trigon/Sheehan until 2003. From 2003 to 2004 I worked for NB Construction in the field for a year then in late 2004 I was employed by ForeRunner Corp out of Littleton, CO. ForeRunner sold to URS Corp. I was with URS for 1 yr. then spent 5 1/2 years with Willbros Engineering out of Denver. I retired in 2015 when Willbros Engineering sold to TRC. I began work 1 month later with STS Consulting and retired again January 2018. In July I joined forces with Sunland Construction, part time responsible for Colorado and all points north into North Dakota West to Salt Lake City. That is the Niobrara and the Bakken into Canada. Obviously I failed retirement again!!



Buffalo Gap I&E



Toys for Tots – Close to the hearts of all of the Gap. Each year employees of the Gap show their generosity toward children in our area by sending toys and donations which our staff is happy to go out and shop for toys for kids of all ages. Annette you would be proud of us.



“Bill Strickland”



Congratulations on your retirement!

Hard work, dedication and positive attitude. These are only a few of the many precious things you have shared with us every day. Your years of dedication have been greatly valued. Thank you for all you have done for the company. May you enjoy as much relaxation as you did hard work throughout your career. We wish you all the best with your retirement!



**SUNLAND CONSTRUCTION
"HALLOWEEN 2018"**

Awesome and very creative Halloween costumes! Thanks to everyone who participated. You all did a great job! We all look forward to seeing what creative costumes you come up with next year!



**Luke Veillon
Division Manager
Eastern Division**



Eastern Division's new manager, Luke Veillon, is a newcomer to Tuscaloosa, AL, but not to Sunland Construction. Luke graduated from St. Edmund High School in Eunice, LA. He signed on with Sunland as a labor hand the summer after graduation... probably before the ink was dry on his diploma. And so began Luke's career in the pipeline industry.

Early on in his career, Luke worked his way up the ranks in positions such as Straw Boss, Operator and Foreman. Luke went back to school, obtaining his degree in Marketing from the University of Louisiana in Lafayette in 2007. During that time, he maintained his ties with Sunland by working summers.

Luke became a full time employee with Sunland back in February of 2011. Over the years he has continued to expand his knowledge and expertise in the roles of both Foreman and Superintendent.

Luke said of his time as a Superintendent, "My task was making sure my crew was productive and safe, while also satisfying the customer. Finding the right people to help you is the hardest part of the job. Without good people, you can't do the job." The same can be said at the next level as well. As Eastern Division's manager Luke will have the opportunity to build his team upon that solid foundation of experience.

Luke and his wife Laurie have been married for over 11 years. Together they have built their own little team. Their oldest daughter Adeline is 11, son Kasen is 8, and youngest daughter Hallie is 16 months old. When asked where his favorite place he travelled for work, this dedicated family man said, "Anywhere close to home."

The Veillon family is currently searching for their new home in Alabama. A house is a sum of parts... made up of concrete, wood, nails and bricks, meant to provide shelter. A home though, is a place of comfort, found in the closeness of those you love. Here's to finding your perfect home in *Sweet Home Alabama*.



Co-worker Connection



Deedra Smith Cashat
Assistant Office Manager
Sunland Construction, Inc.
Division 17



Which company do you work for and how many years of service? Gulf Coast Division – Delcambre, La office, 10 years of service.

Tell us about your family! I have two beautiful boys Seth James Cashat, 18 and Adam Hensley Cashat, 12. At times it can be very challenging but they are my whole world. A mother's love for their children is indescribable.

What do you enjoy doing in your spare time? I love exercising and running! That is my stress reliever outside of spending time with my boys. I love impromptu weekend get a ways with my boyfriend and I also enjoy family and girlfriend time. Going out to dinner and having a glass or two of wine.

Where do you see yourself (career-wise) in 10 years? I am happy to say I love my job and the people I work with. I would love to continue to grow with my Sunland Family. I'm not one to switch jobs, so when I plant my feet I grow. I'm willing to tackle anything thrown my way.

This year, what has been your biggest work-related challenge? My biggest challenge has been fully taking over the managing portion of our Payroll Department and being there support when needed. I have made myself accessible to the girls for any questions that they may have, because when they are dealing with other people's money we need to remember to always make the employee happy and getting them paid correctly is important.

This year, what has been your biggest work-related achievement? Making my "10" year! I have learned so much here. I am blessed to have met up with Crystal 10 years ago at our 20th high school reunion. We re-connected and she asked me if I was looking for a job! The rest is history. God had a plan for me and 10 years later here I am! I can't thank her enough for giving me that chance.

If you could have dinner with anyone past or present, who would it be and why? My Paternal Grandfather. He died at the age of 52 and he only got to see my oldest cousin. I share a special part of him. My daddy named me after him. His name was Didier Smith. I always thought that was cool. I have so many questions I could ask him. I know he would have been proud of my daddy and all the accomplishments he has made in life and raising our family.