

THE TREE LINE

News for Sunland Construction & Affiliates

Our Year in Review: 2019

Gulf Coast Division

In FY19, Division 17 showed capability, heart, and determination. We started FY19 with our fair share of challenges to overcome. Division 17 met the challenges that we faced and with teamwork, hard work and a little bit of grit, we were able to post an excellent finish to FY19. Projects completed in 2019 fell under many classifications including maintenance, new construction, integrity and compliance. The Gulf Coast's diversity in regards to the types of projects we can and do complete allows us to stay competitive in a saturated market as well as the opportunity to work for a wide range of different clients.



36" corridor project in the Houston area. Pictured is a HDD operation.

The Gulf Coast Division would like to take this opportunity to show our gratitude and thanks to all of our field personnel. Projects involve many levels of management, supervision and labor. We appreciate all the hard work and perseverance each employee in Division 17 exhibits on a daily basis. With an extreme amount of focus on safety and quality of work, the employees of the Gulf Coast Division portray professionalism and talent on a daily basis. Again, from all of us here in Division 17, we would like to say thank you and keep up the great work.



36" pipe strung and welded on project in the Houston area.



Stockpiled pipe and excavations along project route.

Division 17 is a premier provider of corridor projects and completed multiple jobs this year in and around corridors. One project in particular was approximately 6.7 miles of 36" pipe through a corridor. This project presented a wide variety of challenges from working in a corridor, paralleling a 30" existing line, multiple HDDs in high traffic areas, 25'+ deep excavations and auger bores. Kenneth White and David Comeaux along with their support in the field did an outstanding job managing the work and upholding Sunland's Safety Culture. Project was completed mid-December 2019.



36" auger bore.

December 2019 THE TREE LINE PAGE 1



Crew's lowering in pipe to prepare for a tie in.

Another project the Gulf Coast Division would like to highlight is a project Tony Perez and crew are in the process of completing in the Sweeny, TX area. This very complex project was also corridor style work. This project consisted of approximately 30 miles of pipe ranging from 10" up to 20" diameters. Challenges on this project included may pipeline crossings, paralleling pipelines, ground water & difficult tie-ins. Supervision along with the crews in the field doing the work, did an awesome job working safe, managing risks and successfully installing all pipelines. The project is planned to finish up around mid-January of 2020.



Tony's Crew tying in a valve setting. Pictured is Swamper -Eric Tello, Welders - Sherman Kitchens, Andy Neel, Brian Neel. WH – Arnold Lopez, Jonathon Svoboda, Cameron Neel, Miguel Rivera. Foreman Americo Lucero and Julio Alanis oversee the work. Picture by Kelly Ellis – Operator.



Tony Perez's crew making a weld.

Sunland-Kori Services

Sunland-Kori Services manufactured nine (9) amphibious undercarriages for stock and also for 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.

Sunland Integrity Services

Sunland Integrity Services has experienced some challenging changes recently, however, we have managed to maintain a steady work load. The future looks solid. An unexpected slow start in the beginning of the year had a lot of people justifiably concerned. We persevered and were able to land a couple of good projects to hold us steady until other projects were finally ready for construction.



Alvin Kidder and crew installed a 24" riser ring on a Volvo 250 hydraulic excavator.

These projects, along with other additional projects enabled us to add new personnel to our work force. On occasion, we had four crews working on multiple projects in the last few months. We also



Sunland Integrity Services End Seals Fabrication Shop.

had four crews working on multiple projects in the last few months. We also managed to land a few new clients SIS Management would personally like to thank their employees for going the extra mile helping the division become profitable, while at the same time, maintaining our safety excellence. All of you should be extremely proud of that achievement.



Station Division

Station Division had another solid year in FY 2019. While we had decreased work for the year which led to reducing staffing, we refocused our attention to providing our clients projects that exceeded their safety, quality, and schedule expectations. We are firm that this approach will yield greater benefits than taking on projects that stretch us thin. In the past year, we have completed five major projects in Oklahoma, Texas, and Alabama. In the first quarter of FY 2020, we will be completing two projects in Oklahoma along with starting two major projects in Texas and Virginia. We are also starting a meter station in South Texas and a compressor station addition in the March timeframe (both projects are being given to us). We have some backlog to fill for two of our superintendents in the 2nd quarter of FY 2020 and bid outlook looks promising for this timeline.

Over the next year, we are researching opportunities in different market sectors that may be a similar fit in our knowledge base. We will work with business development to target and secure opportunities. This will help diversify our group for the future.

As we push into FY 2020, we have to give credit where credit is due. Our field teams (Kevin Lemaire, James Shumaker, Clint Roy, Kendall Ward, Joe Sotelo, Ed Womack, Juan Munoz and their respective work families) work diligently through all obstacles to put out a quality product to our clients. Their sacrifices are typically not known or seen from the office mainly being so far from home for such an extended timeframe. In addition, our office team in Eunice also has a focus to serve our field teams for them to be successful in all aspects of the project. This combination makes The Station Division hard to beat!



Piping installation.



Compressor blocks ready to pour.

Eastern Division

Work in Ohio, under the leadership of Superintendents Luke Gillion and Lee McGlothin, has remained steady in 2019, with more opportunities on the horizon.

Superintendent Brian Ward and crew also returned to Rockville, MD for most of this year to complete a project in which they pinpointed, excavated and repaired any leaks found. The crew has plans to return in 2020 to complete more work for our Client.

Superintendent Lee McGlothin and a small crew returned to Bogalusa, LA to finish an earlier project. The crew was tasked with removing a section of 8" pipe from a creek, then foamed and abandoned remaining pipe. Crew also completed ROW clean-up.

Eastern Division gained an opportunity to move a bit outside of its' typical coverage area when awarded a project in Artesia, NM. Superintendent Landle McGee and crew have been working on the 45 mile hydro test since the end of October, and are slated to complete in the next few weeks.



Lake Tank used by crew in Artesia, NM to provide the water for hydro-testing.

Several crews flew south for the winter, and finished out the year in the Sunshine State. Superintendent Paul Carriere and crew completed a small anomaly dig project in Winter Haven, FL, before moving on to Cocoa, FL.



Crew at work in Red, Oak, IA.

Superintendent Michael Cardwell and crew finished up 2,100 ft. of 18" replacement in York, AL back in October, then moved to Miami, FL to excavate and clear casing shorts. The crew is slated to complete in time

for the Christmas holiday.

Superintendent George Spratlin and crew had gone to Rockville, MD back in August to aid in completing a strip valve extension and modification of two M&R headers. Upon completion of that project, the crew headed to Citrus County, FL to connect an existing meter station to 36" and 30" mainlines with two 16" interconnects and 16" valves.

Eastern Division looks forward to a 2020 full of opportunities.



Crew at work in Miami, FL. Left to Right: Brier Bernard, Blaine Cardwell, and Michael Cardwell.

Foremost

Even though Foremost saw a more pronounced seasonal drop off in our business during the winter months of FY19, the company was able to quickly rebound and wound up having another successful year.

After a year of Safety Excellence in FY18, Foremost came within three weeks of making it back to back years in FY19. Even with the one recordable in September, Foremost finished with a TRIR of 0.44 with over 450,000 man hours logged. A number of crews were recognized recently for a job well-done by the customer including two crews in Greenville (9104 – Jason Gastley, 9108 – Steven Douglas) and one crew in Columbia on two occasions (8168 – Rocky Floyd).



Nathan Rice, Austin Praytor, Floyce Hart and Superintendent Robert Praytor prepare for a stem bore under Hendersonville Rd. in Fletcher, NC.

Foremost would like to congratulate our newest Foremen: Seth Schwarz (Columbia), Kenneth Beavers (Florence), Jeremy Honeycutt (NC), Jason Gastley (Greenville), Chris Vincent (NC),



Foremost's Travis Rogers and Terry Gantt set a transformer in Aiken, SC.

Bryant Brown (Columbia), Jarrett Yount (Aiken), and Austin Praytor (NC). In addition, we'd like to welcome our newest Florence Superintendent, Wyley Williamson, to the Foremost staff. We added two new welders to our team: Devin Eldridge (Aiken) and Michael Lawing (Columbia). However, we tragically lost Devin in December when a vehicle accident took his life way too soon. We hope and pray for the Eldridge family this holiday season and will do our best to emulate Devin's "Radiate Positivity" attitude. He will be truly missed by the Foremost Family.

As we push to finish Calendar Year 2019 strong both financially and with continued safety excellence, we cannot 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. We have successfully renegotiated/renewed our blanket contracts with two of our clients in the Carolinas. We have truly high hopes for a safe and prosperous 2020.

Buffalo Gap I&E



As we take this time to reflect on 2019, the one word that comes to mind for Division 40 is adversity. We were able to greatly exceed our typical revenue. This in itself is an exciting milestone and a testament to the quality of our employees and the reputation Buffalo Gap I&E has built in the Midstream Industry. Our issue in 2019 is that the additional revenue did not translate into the desired profitability. We started the year off with a very challenging job in Colorado. Despite this rough start, and due solely to the resiliency of the entire team, we were able to finish strong and produce a profitable year. Based on that resiliency, paying closer attention to accountability and maintaining long term customer relationships we have a very promising outlook for FY20.



Chuck Rush and Dimas Maldonado's crew.

Year 2019 was the most challenging year in BGIE's history. Our long-term Office Manager, **Peggy Strickland**, and AP Clerk, **Annette Mills**, both retired and left us with very large shoes to fill. We are very appreciative for the contributions they made to BGIE, and the legacy they left for us to carry forward, including our annual toy drive for Toys for Tots (see picture below). I would like to commend **Lesa Gossett** for doing an extraordinary job of taking on the Office Manager duties, and keeping everything running very smoothly. **Nicole Morgan** has also done an excellent job and has taken on more responsibilities in the AP Department, while continuing her support of HSE. We also lost **Eddie Moore** unexpectedly who had been our Area Manager in the DFW Area for many years and was highly respected throughout our industry. We also battled illness in key positions throughout the year, but each time there was someone there who was willing to rise to the challenge to keep things moving forward. **James Richardson** was a key component to making those changes possible by moving into the Financial Manager role. We are very pleased with his progress thus far and look forward to the insight he can bring to the team.

Despite the challenging year we had several crews that did very well in both safety and profitability. **Dale Jackson's** crew completed a major project profitably with no safety incidents. **Rudy Alanis's** crew also completed a major project profitably with no safety incidents.

Safety has always been, and will always remain, our key focus, and the 2019 safety stats reflected the commitment from the entire division. Our TRIR for FY19 was 0.35 while working 1,138,150 hours. We also implemented some additional safety measures in 2019 including the installation of a life line system on all our major projects. Javier Mendez and the HSE team have done an excellent job keeping everyone involved, informed and accountable. In September BGIE was invited by Chevron to participate in their 2020 Business Partner Safety Improvement Council. This is limited to a select number of contractors chosen by Chevron annually, and it was a huge honor to be selected. The goal of the BPSIC is to be a strategic council of leaders, meeting to actively work solutions to commonly identified high risk challenges. We look forward to the knowledge we will gain from being a part of the council, and the implementation of ideas shared to keep our employees safe.



Overhead view of Aspen Midstream Battlehorse.

Mark Shaw (Division 41) and his team continue to be a true example of consistency in safety, productivity and profitability. With Mark's leadership, knowledge and long-term relationships BGIE continued a reputation of being the premiere Electrical Contractor in this area. Division 41 has a staff of approx. 45 people doing major large commercial projects and service work throughout the Big Country. In 2019, based on known industry standards, the Commercial Division greatly outperformed the average commercial contractor in this area. The Division 41 Superintendents are experienced and knowledgeable and did an excellent job in 2019 of running productive and safe projects. The outlook for 2020 is very good, as most of their 2020 work is already under contract.

Safety

During the fiscal year 2019, we worked a little over 5.0 million work-hours. The overall company has continued the focus on our journey to "Safety Excellence". Sunland Construction, Inc. & Affiliates finished the year with the lowest TRIR on record of 0.32 (49% lower than FY'18) and a 53% reduction in Recordable Injuries. Sadly, we did incur 2 Lost Time Injuries where workers were required medical attention beyond First Aid. In addition, congratulations to all who contributed to keeping our overall TRIR well below the General Construction Industry rate of 0.70.

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, your leadership, and your support in 2020 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." (Hand Placement, Eyes on Task or Path, Line of Fire, and Position of Footing).

Rocky Mountain Division

The Rocky Mountain Division successfully completed several projects in 2019. We completed a high profile mainline (57 miles of 20") and an associated lateral in West Texas. We are currently working on 8 miles of 12" in Oklahoma and should have it completed the first of next year. We were also recently awarded a 3-year contract for integrity work for a major client. Locally, the work has been slow but we have managed to complete a few line leaks in the area. Our insulation division has stayed very busy this year completing several projects for The Stations Division. Their local work is picking up and they should continue to be busy this next year as well. The Rocky Mountain Division has struggled the last few years, and we are really proud to have had a successful year. This was all done with the assistance and knowledge of all of our employees. The management in the Rocky Mountain Division are grateful for everyone's hard work and ability to make this a reality.



Crew string pipe on hill.



A Rock Ledge we were digging out.



Business Development

Business Development continues to evolve and grow to better suit the needs of our internal and external clients. This year as the industry has changed so has our business development team. We have added some new key personnel that are generating opportunities within both our traditional sectors as well as non-traditional opportunities. We are very grateful to highlight some of these changes.



Bobby Gamble started in the Business Development Group with Sunland Construction in August of 2019. Before starting with Sunland he spent 20 years with El Paso/Kinder Morgan and prior to that 27 years with Chevron. In both previous careers I was a Contract Administrator. For Chevron I was the Contract Administrator for the El Paso Refinery located in El Paso, Texas, which will always be home. For El Paso/Kinder Morgan I was a Contract Administrator for the West with offices located in Colorado Springs. Both roles involved collaboration with Project Management, Engineering, Legal and Operations. Managing multi-million dollar contracts and assisting in contractor dispute resolutions. Bobby has been married for 45+ years, and has a daughter and son and 3 beautiful grandchildren.

Jim Binns started in the Business Development Group with Sunland in August of 2019. Prior to that he spent five years working in the Natural Gas Procurement Group with Kinder Morgan. Jim spent time as a Contract Administrator as well as a Purchasing Supervisor who oversaw the materials and services purchasing for the Western half of the United States. Prior to Kinder Morgan he was a Logistics Officer in the United States Air Force and spent time in assignments in Virginia, Colorado, Japan, Italy, Greenland, Portugal and Iraq. Jim has been married to his wife for 22 years and has three daughters, ages 21, 18 and 16.



Pipeline PEOPLE

Dedicated Employees



MaryAnn Bouknight Retires from Foremost!



Lots of love and some tears were part of the celebration of both MaryAnn's Foremost career and her positive impact in our office. She will be greatly missed, but all of her friends look forward to hearing stories about how she is enjoying her much deserved retirement.



Wanda Eslinger and MaryAnn (longtime friends).



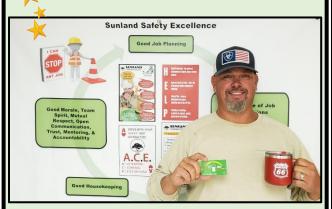
MaryAnn and her family, who joined the celebration.



Ben Aton on the FPC Jumbo-tron congratulating MaryAnn



66Great Job99



Kenneth Timmons is the foremen on Tony's crew that exercised Stop Work Authority when a major client representative insisted that a line was deeper than what it turned out to be. Possible disaster was avoided and incident resulted in a near miss rather than a line strike. Kenneth received a \$100 gift card for his ability to demonstrate good judgment.







"Opposing Teams"





As often happens when two fathers have children on opposing teams, there can be some trash talking. And that trash talking can lead to "wagers" being placed in moments of sports team emotion. A few months back, Sean Renfro (whose son Micah plays for the Iota Bulldogs) and Jamie Fruge (whose son Evan plays for the Eunice Bobcats) had just such an encounter with one another as they were declaring how a certain construction job was going to finish out.

One thing lead to another and a bet was placed, based on the outcome of that job. If Jamie won the bet then Sean would have to wear a Bobcat shirt to work and if Sean won then Jamie would have to wear the Bulldog shirt.

As you can see in the photo, Sean won the bet and Jamie swears that the Iota shirt is burning his skin.

While the photo was being taken the trash talking continued with Jamie stating "Well, just so everyone knows I'm wearing this shirt under duress but the Bobcats are the reigning 3A State Champions" to which Sean replied "Well if we are going to go there, then let's make sure everyone knows that in the entire history of the two teams, the Bobcats have never beaten the Bulldogs!"

We expect this to be another great season for both of these local and humble teams. Grin.





JOB WELL DONE!

Congratulations to Gulf Coast Division for receiving the Exxon Award on July 30, 2019.





Pictured: Eddie Soileau and Darrell Veillon's crew receiving the Exxon Award.





Buffalo Gap I&E

Thank you to everyone who donated to our Toys for Tots drive. This is a tradition that was started with Annette Mills and Peggy Strickland, and that we plan on continuing for a very long time. Through your generosity, you have ensured that many kids will have a Merry Christmas.

Great Job BGIE Family and Vendors!!!!



TOYS FOR TOTS

Human Interest Story







By the time Zachary Purington accepted the job as Eastern Division's HSE Coordinator this past March, he was already a well-traveled young man. Having grown up in a military family, they travelled all over, to states such as Alabama, Georgia, Texas, Ohio, New York, then back to Texas again. Moving around a lot meant the Purington family had a great big extended family of other military service families to be grateful for. The people that they met along the way, according to Zach, were also "going through the same challenges, and we were always looking out for one another. They were the ones we spent the holidays with, hung out with during our weekend gatherings, and who we celebrated our birthdays with," said Zach. Zach's travels with Sunland have allowed him to add quite a few more pins in the map.

Zach had plans to follow in his father's footsteps, and join the Army, but some health-related issues the summer before his senior year of high school put that dream on the back burner. While Zach says he didn't have a back-up plan, turns out God did. He did end up following in his father's footsteps, after all. Zach's dad, who also worked for Sunland, encouraged him to seek a career in safety. Zach obtained a Bachelor's Degree in Occupational Safety from Columbia Southern University.

Zach continues to gain knowledge and experience every day. There's no classroom that has taught him quite so much as his site visits. First and foremost, he likes to make sure all the paperwork is up to date and properly filled out. Then he goes about checking the job site to make sure it's in compliance. It's important to observe the crew performing their tasks, and to always be vigilant about identifying anything hazardous. When situations do arise, Zach uses those moments to educate all involved.

Zach says, "I'm not always focused on the bad, quite honestly, most of the time I am providing positive feedback."

"I love my job," says Zach. "Although, I should have been an astronaut, would have been a lot easier." Joking aside, Zach credits his team of field safety coordinators and superintendents for doing an amazing job of getting everyone home safe each and every day.

In his spare time, Zach is a man of many hobbies. "I love trying new things and experiencing everything life has to offer," says Zach. He plays soccer with a local league here in Alabama. His love of running has inspired him to train for his first marathon. When not running around, Zach says, "I can probably be found drinking coffee, while practicing my newest hobby painting, while watching episodes of *The Office*."

While a joy to watch on TV, thankfully, Eastern's office dynamic is not quite like that of *Dunder Mifflin*. That said, we're so happy to have added Zachary Purington to our cast of characters.





By: Laura Turner





Fah Lee Financial AnalystSunland Construction Inc.

Corporate



Which company do you work for and how many years of service? Sunland Construction – Corporate – 2 years.

Tell us about your family! My husband, Richard Lee and I have a beautiful baby boy named Parker Lee and a furry boy named Charlie Studmuffin Lee.

What do you enjoy doing in your spare time? I enjoy spending quality time with my family, especially right now I enjoy watching my baby boy reaching new milestones and learning new things. I am an outdoorsy person. I like walking the trails, kayaking, strolling in the park and just being out and about. I also love good food, good drinks and good company. I enjoy eating out and trying different food. I will definitely travel for food.

Where do you see yourself (career-wise) in 10 years? In the next decade, I would like to continue my education and get a master's degree in business that will help me be a better asset to Sunland. I would like to continue to grow with Sunland where I can continue to learn, take on more responsibility and contribute my best to the company.

This year, what has been your biggest work-related challenge? My biggest challenge has been helping clean up the Bakken account receivable. It was a challenge every step along the way to collect payments from Bakken customers when we didn't have much of the paper trail to follow. It is still a work in progress.

This year, what has been your biggest work-related achievement? My biggest work-related achievement was to find a work-life balance for a working mom and the transition between maternity leave and coming back to the work was not easy. It took me a few months to adjust and find a balance that work for me. Now that I have what I believe to be the perfect balance, I can concentrate on working while I'm at work and I can focus on my family when I'm home.

If you could have dinner with anyone past or present, who would it be and why? I would love to be able to say goodbye to and have the last farewell dinner with my grandfather. He battled leukemia for years and his battle was over in August 2016. He passed in the hospital in Thailand and I couldn't make it there in time to say goodbye. He was a father figure to me. He raised me and helped me to become who I am today.