



# Oldcastle® Materials Southwest Division

**TROTTI & THOMSON'S US HWY 69 PROJECT  
BEAUMONT, TX**

## IN THIS ISSUE

**US 69 GETS FACELIFT**

TROTTI & THOMSON WORKS ON EASTEXAS FREEWAY

**DAVID MORTON**

WINS QC TECHNICIAN OF THE YEAR

**ICEBUCKET CHALLENGE**

TEXAS CONCRETE JOINS THE FIGHT

# QUARTERLY *REVIEW*

OCTOBER 2014  
EDITION

## ON THE COVER

Rosendo Mosqueda &  
Brandon Russell of  
Trotti & Thomson  
US 69 Project  
Beaumont, TX

*Full story on page 16*

## SPECIAL THANKS TO

Sandra Stringer - *Trotti & Thomson*

Maria Johnson - *Wheeler Companies*

Zandra McCoy - *Texas Bitulithic*

Heather Askew - *Oldcastle Inc.*

Curtis Eckhoff - *Texas Bitulithic*

Ken Dalton - *Wheeler Companies*

Rich Bythewood - *Southwest Division*

Cassandra Nunley - *Baylor University*

Gregg Eggert - *Southwest Division*

Kal Kincaid - *Trotti & Thomson*

Trotti & Thomson US-69 Team

*Hole in the Roof Marketing*

Nate Cornelius, Andrew Schumaker, Britt Knighton

## SOUTHWEST DIVISION LEADERSHIP TEAM



**Nathan Creech**  
PRESIDENT  
Southwest Division



**Rich Bythewood**  
DIVISION CONTROLLER  
Southwest Division



**David Young**  
EQUIPMENT MANAGER  
Southwest Division



**Gregg Eggert**  
HR DIRECTOR  
Southwest Division



**Ken Dalton**  
SAFETY MANAGER  
SW Division/Wheeler



**Brian Watson**  
CFO  
Southwest Division



**Joe Naivar**  
PRESIDENT  
Wheeler Companies



**Kal Kincaid**  
PRESIDENT  
Trotti & Thomson



**Stephen Koonce**  
PRESIDENT  
Texas Bitulithic



**Ryan Lindsey**  
GOVERNMENT AFFAIRS  
Southwest Division

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# LEADERSHIP REMARKS

by Nathan Creech

**T**hanks for taking a few minutes to read our second quarterly edition of our business review. We appreciate all of the feedback we have received from everyone. Please keep the comments coming as we work to refine this magazine. On behalf of our entire management team, thank you and congratulations on a very successful 3rd quarter. The last three months have been very exciting for our business. Our focus on safety continues to be strong, our financial results are on a record setting pace, our grass roots political activities are supporting the passage of Proposition 1 in November and our Texas region is currently undergoing a restructuring to a new Southwest division within Oldcastle. All of which is the direct result of the hard work everyone is putting in to deliver superior performance.

In this edition, you will see a common thread throughout the articles. We really wanted to focus on the benefits and incredible results we are achieving working together as a team. It is impossible for anyone of us to carry the load of the entire organization and we constantly have to look for ways to break down the barriers to allow us to better work together. The concept of team is not just at the crew or company level but across all our companies in Texas, throughout Oldcastle and with our customers, TxDOT and our suppliers. Inside you will see a great articles on how Wheeler and Texas Bit worked together on FM416 in Navarro county to deliver an award winning project; how Texas Concrete came together to support ALS; how the team at Trotti is reconstructing a

(CONTINUED)

## SOUTHWEST DIVISION



*APAC Texas, Inc. is the overall company that each of the three businesses in Texas operate within. It is also the main entity under which we bid public infrastructure projects.*

**TEXAS  
BITULITHIC**

*Texas Bitulithic is an asphalt paving and construction company located in Dallas, Texas servicing North Texas from the Dallas, Fort Worth Metroplex, East to Tyler, Texas.*



*The Wheeler Companies are a vertically integrated aggregates, asphalt, ready-mix concrete, paving and construction company headquartered in Round Rock, Texas with operations along the I-35 corridor servicing Hillsboro to San Antonio.*



TROTTI & THOMSON

*Trotti & Thomson is an asphalt paving, construction and bridge building contractor located in Beaumont, Texas; servicing all of Southeast Texas from the golden triangle North to Jasper.*

critical portion of US-69 in Beaumont and many more examples of great teamwork. We also recognize a team at Wheeler with the "employee of the quarter" award because of how they went above and beyond the call of duty to help someone impacted by one of our jobs.

The successful third quarter has set us up well for delivering strong performance for the full year 2014, but the year is not done. In the 4th quarter, it's critical that we maintain focus across our businesses. This is the time of year when weather can be very volatile in Texas and either positively or negatively impact our ability to work. It's also the time when safety issues happen as we deal with changes in weather and the rush to complete projects. Please remember that as a team we need to look out for everyone. That means being extra vigilant and if you see something, stop and do something. Take the extra time to do things safely. Several of our safety incidents this year have happened because of a loss in focus on routine tasks. It's important that we remember that even though we have done a task a certain way countless times the next time could result in an injury. I ask each of you to reevaluate how you approach the everyday tasks like exiting a vehicle or grabbing tools from your truck or loading from a stockpile. Routine tasks can lead to complacency which can lead to loss of focus which eventually will lead to an injury.

One of the most important areas for our business in the 4th quarter is the November 4th election. Across the state we will be voting on whether to pass Proposition 1. By now you should have received information at home describing the issue. In short, we are asking you to vote "Yes" to support redistributing the tax currently charged on oil and gas production in the state away from the rainy day fund and into a dedicated transportation fund. Currently, the benefit is estimated to be over \$1.7B in additional funding annually without raising a single dollar of new taxes.



**NATHAN CREECH**  
PRESIDENT  
SOUTHWEST DIVISION

In addition, these funds cannot be used for toll roads. It will be the single largest annual cash infusion into transportation in the state's history. The passage of this proposal is critical to the growth of our company. I ask each of you to not only vote yes on Proposition 1 but to ask your family and friends to do the same. A vote to pass Proposition 1 is a vote to better secure our collective future.

The 4th quarter is also a time for celebration, holidays and spending time with our families and communities. This year has been very good and with hard work and a little luck from Mother Nature we will finish the year with record results in all categories. We can all give thanks for the successes of our team this holiday season, but being part of a team means taking care of those less fortunate. This year we are challenging each company to pick a charity and encourage a high level of employee engagement in order to make this holiday memorable not just for our team but for others as well. The company president's and their senior teams will be launching these initiatives in the coming weeks.

In closing, I hope you enjoy the articles in the edition and thanks again for a great 3rd quarter. On behalf of our team and our families we wish each and every one a safe and happy holiday season.



# SAFETY NEWS

with Ken Dalton



-Article by Curtis Eckhoff, TEXAS BIT

Successful safety cultures are only achieved through teamwork. True teamwork can only be achieved through the development of trust amongst team members, achieved in part, by developing effective and sustainable lines of communication.

Trust, will allow objectives and guidelines to be conveyed clearly and efficiently, so that the important obligations of safety and preparedness can be effectively communicated throughout the organization. Building long-lasting, effective lines of communication among employees, and between all levels of our organization, regarding safety, are vital to our success.



Shane Guthery & John Ellenberg  
WHEELER COMPANIES



Mark Vann & Curtis Eckhoff  
TEXAS BIT LITHIC

Recognizing the need for more effective training measures, as well as the need to continually improve lines of communication, the safety team at Texas Bit decided to take safety "on the road". "We have traditionally trained in a classroom during our slow season or on a rainy day", said Texas Bit EHS Director Curtis Eckhoff, "our thoughts were, that by taking training to the field, it would allow our reps to be on-site, with little work interruption, eliminate long drives to the Dallas office", said Eckhoff, "and create an environment that was more conducive to learning". Great idea, but how can it be achieved? After deliberating, the Texas Bit team came up with a solution.

In May of this year, that solution came in the form of a 28 foot Cargo Mate trailer. The self-contained trailer came fully outfitted with a 42" television monitor, used for training videos and presentations, a training room large enough for ten people, as well as a complete office for EHS staff for mobile operations. The ability to take their message to the field has been well received and met with great reviews by many on the Texas Bit team.

EHS Rep Mark Vann says, "Results have been great". "Many times, when guys from the field come into the office, they are nervous about being there, they keep their guard up." "Our new ability to train in their environment, allows them to relax and really take advantage of the training time. They ask questions, and really involve themselves in the subject matter...the environment is comfortable". "The concept of training and educating in the field has really helped us develop a relationship of trust with our folks".

Asphalt Plant Performance Manager Mike Trusty has seen the results first-hand. "Working in and around the asphalt plants, a very important issue for me and my guys is Lock-Out/Tag-Out". "The great thing about the new safety trailer is the ability to learn about procedures, pause the training, and literally walk directly outside to the plant, and have practical experience. The opportunity to see things, to be more interactive, has really been beneficial to all of us – my guys have responded very well".

"The ability to be mobile will allow the safety department to be more visible on construction projects and at plant sites throughout our area", added Eckhoff, "we are really excited about the possibilities". "Safety truly is a team effort; we must do everything we can to not only continue making safety our #1 priority, but also to make training simple and convenient for our team members."

**“ THE CONCEPT OF TRAINING & EDUCATING IN THE FIELD HAS REALLY HELPED US DEVELOP A RELATIONSHIP OF TRUST ”**

## Notable Achievements



**5** MILLION HOURS WORKED  
WITHOUT A LOST TIME INJURY IN 2014



TROTTI & THOMSON

**0** RECORDABLE INJURIES  
**0** PREVENTABLE FLEET ACCIDENTS  
IN 2014

## Southwest Division Safety Stats

\*Numbers through September 2014

Recordable Injuries **3**

Preventable Fleet Accidents **5**

Yellow Iron Incidents **11**

# THE ROAD FORWARD

with Nathan Creech

In the last edition of the magazine, we introduced our Texas 2020 plan. In that article we outlined that the core principles of our plan is to **Empower, Deliver and Grow**. We also highlighted our four focus areas of: Employees, Customer, Shareholders and our Community. As we continue to execute our plan, we have taken a big step forward in empowerment with the Oldcastle reorganization that was announced at the end of August. Across the country the economy has started to recover and in some states like Texas the growth is well underway. In response to the growth, our senior management decided to grow from seven divisions to eight. As part of the change, the Central West division was split into two divisions and the Texas region became the new Southwest division.

Over time, this change will better empower us to have a greater impact on how we operate; our access to capital; our ability to reduce our overhead costs; and improve our visibility within Oldcastle and worldwide within CRH. We are currently in the process of opening a new Southwest division office in Austin, Texas and closing down the old Central West division office in Overland Park, Kansas. The new leadership team for the division has been appointed. We have eliminated the regional layer entirely as part of streamlining the organization. I encourage you to read the *On the Move* section to see highlights of the changes. We are now reviewing all the processes and procedures of the old regional level and new divisional level. The result will be less bureaucracy and more focus on things that make a difference to our businesses. We have also begun using our new Oldcastle Southwest division logo, which is proudly displayed on the front cover of this edition. Although there are many great things that will come from this restructuring, it is also important that we acknowledge that with a greater commitment to our businesses by Oldcastle comes greater responsibility to deliver. We must strive every day to maintain the right to be a division.

That means, we continue and even elevate our steadfast resolve to working safely, provide our customers with excellent products and services, operate our plants and equipment as cost effectively and efficiently as possible, deliver superior financial results, be an active and responsible member of our communities and build a great place to work that all of us as a team can be proud of.

One of the areas that we have delivered on through the first three quarters of this year that we want to highlight is our performance in safety. Through September, the entire division has had only 3 recordable injuries compared to 14 during the same time period in 2013. That means 11 more of us went home every night to our families without having to go through the pain, frustration and impact that usually accompanies an injury at work. This is an incredible accomplishment and shows true improvement in a core value of our company. Not only did we have only three recordable injuries but we had several months where there were no recordable injuries. That is proof that zero recordable injuries for an entire year is not only possible but that we are on the doorstep of achieving it. Achieving a full year injury free for a business our size will be a challenge and when you get close it gets even harder. We need to have the mindset that safety is a way of approaching life not just at work but 24 hours a day, every day. We look out for each other and when we see something, we know that we are empowered to stop and do something about it. Keep up the great work as we strive to achieve zero recordable injuries and lost time accidents.

***“THROUGH SEPTEMBER THE ENTIRE DIVISION ONLY HAD 3 RECORDABLE INJURIES VERSUS 14 FOR THE SAME TIME PERIOD IN 2013”***

The second area that we have delivered on through the first three quarters of this year that we want to highlight is our employee engagement in our grass roots political process and re-launched PAC.

These activities have been led by Ryan Lindsey and are having a great impact on our industry as a whole and the influence we have in our political process.



During the year, over 75 employees in the division have directly participated in face-to-face discussions with 52 officials at the federal, state and local level. Many of the meetings are in our local markets, but also several have been in Austin and Washington DC. Our elected officials and candidates want to hear from us, regardless of our role in the organization. They represent all of us and the more we stand together the more impactful our influence. In addition to face-to-face meetings, we have leveraged our Texas Growth and Transportation PAC, Oldcastle's national PAC and several industry PACs to present over 55 campaign checks totaling \$88,000 so far this year. This is a good start to our grass roots efforts and we thank everyone who participated this year. We also want to recognize the incredible job Ryan has done to lead this process. Although this is a good start, we have a much bigger opportunity to influence the political process if we can engage more people to participate in the events and our PAC. Our Texas Growth and Transportation PAC membership has grown from just a few people to 70 this year. Thank you to everyone who joined, but this is still very low for a division of ~1,100 employees. I encourage everyone to get more involved in both active participation and in signing up for the PAC. For the PAC, it's not about the amount of money you contribute, but rather that you participate. Even signing up for \$1 a pay period makes a difference. It allows us to let the officials know we have a PAC with a considerable number of members. That alone can gain us access that will in turn allow us to make a difference.

The final area that we have delivered on through the first three quarters of this year that we want to highlight is our financial performance. Rich Bythewood has a great article highlighting our overall financial performance year to date, but one accomplishment is specifically noteworthy. For the first time since 2010 our profitability year-to-date as a percent of our sales was 10%.

This is a great accomplishment and one of the two primary financial targets we have for the Texas 2020 plan. Although there is a risk it slips below the target in the 4th quarter it is 25% higher than the same time period last year. We are still a long way from its peak in 2009 at 16.1% but an incredible improvement from last year.

## **75 EMPLOYEES ENGAGED IN GRASSROOTS POLITICS**

Through everyone's efforts we have been able to deliver considerable results so far this year. Those results in turn provide us the opportunity to grow. During the third quarter we continued to improve on our performance of the new quarry and aggregate rail business we acquired in May of this year. In addition, we neared completion of the new asphalt plant in Terrell Texas east of Dallas. The plant will be operation by the end of October. We also met a milestone in September for the newly formed Oldcastle Pavement Solutions business in Dallas who had their first profitable month since their inception in June of this year. This is a great accomplishment as we build a new businesses from the ground up. Our congratulations go out to all the teams involved in our acquisitions and expansion growth. In addition to expansion growth, we have also seen an increase in regular business, primarily in our construction projects won but not yet performed which we refer to as construction backlog. At the end of September we had increased our construction backlog by over 86% compared to September of 2013. All of which, points to a growing economy and an exciting 2015 for our plants and crews.

As we work to close 2014 out, keep your focus high, always know you are empowered to make a difference and together as a team we will deliver a record 2014!



**EMPOWER. GROW. DELIVER.**

## US 69 GETS A FACELIFT Beaumont, TX

In 1926, a roadway was commissioned to connect Leon, Iowa to Kansas City, Missouri. The 150 mile, two-lane road dramatically improved the efficiency with which citizens in rural parts of the Midwest could move their goods to market. Many things have changed in the last 88 years, but one thing that hasn't is the importance of one United States Highway, now called US 69.


Today, US 69 spans 1136 miles, connecting Albert Lea, Minnesota to Port Arthur, Texas. As in 1926, the road continues to serve as a vital north-south corridor for the six states it connects, as well as the entire US. No single region of the country is more impacted by this connection than Southeast Texas, also referred to as the Golden Triangle, and home to Oldcastle's APAC-Texas, Trotti & Thomson company.

In addition to serving as a major hurricane evacuation route for the gulf coast, the Eastex Freeway (as it's known locally), also serves as the primary northern corridor for Beaumont and surrounding communities.

Moving goods and services to and from one of the nation's largest ports and energy hubs, is vital to the success of the local and state economies, as well as that of the entire country. Texas' well-documented energy resurgence is having a dramatic effect on the Golden Triangle. A recent boom of over \$25B in industrial expansions by Motiva, Valero, Total Petrochemicals and a host of others have contributed to a dramatic increase in roadway usage and demand in the area. The Eastex Freeway is bearing more than its share of this burden.

Recognizing a need to improve congestion, as well as upgrade the roadway and its structures to improve safety standards, the Texas Department of Transportation designed a dramatic \$27M rehabilitation of US 69.

Trotti & Thomson officially began working on the 3.5 mile project in January of this year. However, according to Trotti & Thomson President Kal Kincaid, the work began long before 2014. "We bid this project in July of 2013, and basically, have been working on it since then. As a team, our guys spent months preparing schedules and talking through details in preparation for starting work strategically and productively in January. Not only is this one of the largest projects in the history of Trotti & Thomson, it may very well be the most complicated", added Kal.



**"AS A TEAM, OUR  
GUYS SPENT MONTHS  
PREPARING..."**

*- Kal Kincaid*



(L to R): Aldo Lopez, Kenny Pierce, Congressman Randy Weber, and Steve Helton on the job in Beaumont, TX.

According to Trotti Project Manager Aldo Lopez, "... the limits of this project span 3.5 miles. We are working in multiple locations all at once, and this is by far the most challenging project I have been involved with. This job has required a tremendous amount of coordination, and has challenged us more than ever to work as a team". By Spring of 2016, local residents will most likely not recognize the highway. "We are widening existing main lanes (inside and outside), adding new lanes where there were none before, and building other improvements to bring a much needed relief in congestion", says Trotti Project Manager Steve Helton. "The scope of the project is very diverse. We will install over 60,000 tons of hot-mix, along with minor and major concrete paving, grading, and perhaps most notably, significant bridge structure enhancements for improved safety.

Many of the on-off ramps will be reversed to improve traffic flow, which has, and will continue to require significant coordination," added Helton. "This project is unique for a number of reasons, one of which is that it touches all parts of our business.

It is seldom the occasion when all of our business lines are present on the same job – our entire team has a stake in this high-profile project", added Kal. "In addition to our Trotti crews, we are enjoying a true partnering effort with the Beaumont Area TxDOT team. Area Engineer Adam Jack, and his entire staff have worked really well with us". As could be imagined on such a complex and time restricted project (over 750 plan sheets), design issues and other challenges arise on a fairly regular basis. According to Kal the project team had set out "to keep clear lines of communication open with all parties, and attack these issues as a well-informed team". Kal feels that this focus has been a large part of their successes to date. Another factor in the project getting off to such a great start was the addition of Project Manager Steve Helton. Steve recently retired from TXDOT, and had worked well with APAC and its employees throughout his 32 year career with the Department. Steve commented that "after years of working with Kal and his team from the other side, I wanted to be a part of a group with their great reputation." According to Helton, "it has been great getting to work side by side with guys he had known for years like Superintendent Kenny Pierce, who is doing a fantastic job, and will not only make this project successful, but will continue to make this company successful."

The next 18 months on the Eastex Freeway will be exciting. Some days and nights smooth and easy, others very challenging. Of all the unknowns and variables, one thing will remain constant – the Trotti team of dedicated crew members, headed by Aldo Lopez, Steve Helton, and Kenny Pierce, will remain intact and focused on working together to build a great project. A project that is built safely, on time, and on budget; A project the employees of Trotti and Oldcastle, along with the folks from the entire Golden Triangle will be proud to call it their own.



*Crew pour sidewalk as Kenny Pierce & Aldo Lopez observe.*

# FINANCIAL NEWS

with Rich Bythewood



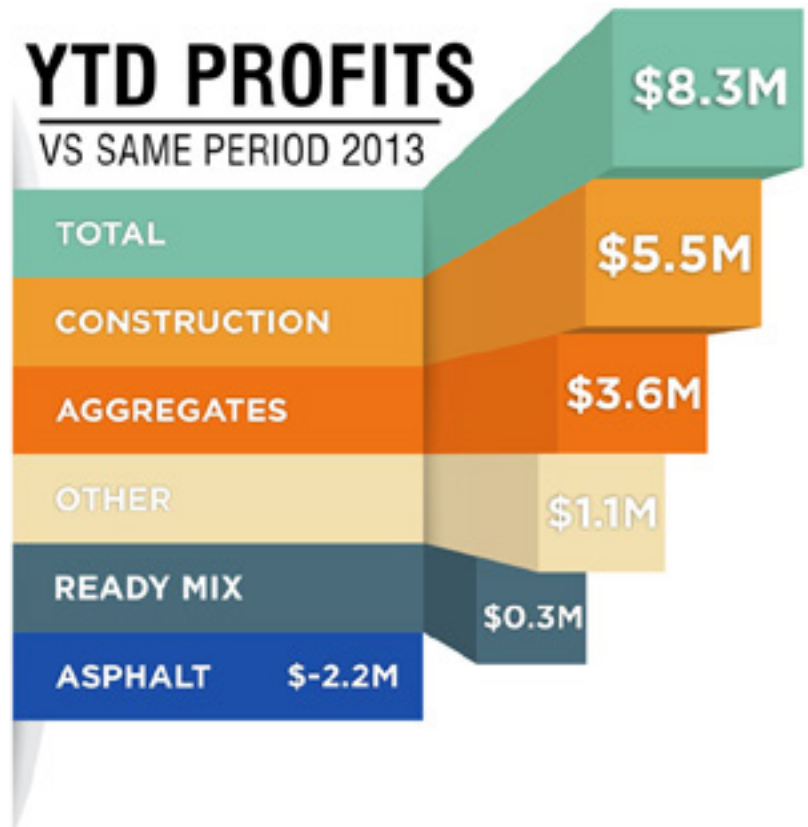
## YEAR-TO-DATE RESULTS

The Southwest Division continues to build on the positive momentum from the second quarter. During the third quarter we were able to exceed budgeted profits by over \$3M. The strong third quarter performance pushed our year-to-date profits above the same time last year by over \$8M. This is a substantial improvement given that we were behind by 50% of budgeted profits at the end of the first quarter. Gross sales finished at \$446M, closing a \$2M shortfall from budget at mid-year, and are \$47M ahead of last year. The increased year-over-year sales is a result of strong pricing in all lines of business, along with increased aggregate and ready mix volumes offsetting lower asphalt volume. For the first time since 2010 our year-to-date profits as a percent of our sales reached 10%. This is a great accomplishment and a major milestone on our way back up to our historical record of 16%. Great job to everyone on achieving these results!

During 2014, we have experienced a tremendous turnaround in performance in our construction business. The construction turnaround is delivering an additional \$3.5M over budget and \$5.5M over last year. The improvement has been achieved in all three companies and is expected to continue as our current backlog of work was bid with similar levels of profitability. This is a tremendous accomplishment by our crews across the state that we are proud to highlight.

## YTD PROFITS

VS SAME PERIOD 2013



Another area of improved performance is our aggregate product line. Profits from aggregates are up \$3.6M over last year. The improvement is driven in part from the changes we made in our aggregates business. In May of this year, we acquired the Marble Falls quarry. We also shut down our underperforming quarries of Naruna and Lampasas. Overall volume is up 100% year-to-date compared to last year. Again the majority of this was due to the acquisition. These improvements offset by some additional operating expenses in our sand and gravel business have generated a great result for the first three quarters of 2014.

The third area of improvement in overall profitability year-to-date is in our ready mix concrete product line, which is up over \$300K compared to last year. The increase in profitability is driven from improved volume, which is up over 17%. Our volume gains have been partially offset by an increase in costs. Some of those costs have been related to the relocation of our 973 plant to the Hergotz sand and gravel site. This is a great long term move to improve our plant network and the increased operating costs should return to normal by the end of the year. During the third quarter the ready mix team has done a great job of improving profitability. We anticipate a full recovery in our margins per yard in 2015.

# \$42M+

SALES INCREASE VS 2013

The only area where our profitability is down relative to last year and budget is our asphalt product line. Overall, profits are down over \$2.2M compared to 2013. During the first three quarters of 2014 our asphalt volumes across the division are down 4.7% and our profits have eroded approximately 7% versus the same period last year. The volume shortage is driven from an 11% decrease in volume at Texas Bitulithic offset by over a 3% increase at Wheeler and flat volume at Trotti & Thomson. During 2014, the team at Trotti has done a great job improving operating performance through cost control. In 2014, the Wheeler team has faced a challenging environment with decreased external sales, especially from the state's Smart Buy program, but has done a great job replacing that volume with asphalt for internal construction projects. Although this has allowed Wheeler's volumes to grow compared to last year the mix of work has resulted in lower margins, this year.

At Texas Bit the lower profitability in asphalt is attributable to the loss in volume. The profit per ton is in line with budget and only slightly off last year. The Texas Bitulithic team has done a great job maintain per unit performance despite a significant loss in volume. The outlook for 2015 is for stronger demand for external volume and maintaining our backlog of internal work across the state, both of which should allow us to return to historical levels of profitability in the asphalt product line.

As 2014 comes to a close, a concerted effort by all Southwest Division team members will result in a very successful year. We remain poised to have a record year for both sales and earnings if current trends continue. It will take a continued focus company-wide for this to be accomplished, along with consistent performance and good weather. Please continue to do your part to help the Southwest Division remain a top performer for 2014 and the year ahead. Thanks in advance for your hard work, and be safe!

# GOVERNMENT AFFAIRS

with *Ryan Lindsey*



**RYAN LINDSEY**  
GOVERNMENT AFFAIRS  
SOUTHWEST DIVISION

**ENGAGE. EDUCATE. IMPACT.**



*Greg Abbott pictured with  
Trotti & Thomson Area Manager Ace Mathews*

Texas is on the verge of a transportation funding crisis. On November 4, Texas Voters have an opportunity to take a big step in solving the problem.

Texas has traditionally funded transportation projects and maintenance through a combination of debt and gas taxes. The bond fund will essentially be tapped out in 2016, leaving a 20-cent fuel tax as the only means of funding road construction. The fuel tax has not been raised since 1991, and inflation and improved fuel efficiency have eaten away at the value of that funding source. All the while, Texas' population is growing by 1,300 people a day, further crowding roads and increasing the need for expanded maintenance. As Texas' population and economy continue to grow, experts predict an additional 18 million vehicles on Texas' roads by 2040.

The rising demand to maintain an aging road and bridge system, along with increased pressure to relieve congestion and expand roadways to promote economic growth is being met with a funding system (fuel tax) that finds its basis in a declining revenue source.

Recognizing this disturbing trend during the last session, the Texas legislature, led by Sen. Robert Nichols, proposed a measure to redirect a portion of the money generated from the state's booming severance tax (oil and gas production tax) into the state highway fund. This plan, which was adopted by the legislature in June of 2013 but will require approval for constitutional amendment by voters on November 4, has become known as Proposition 1. If adopted, Proposition 1, would change the current distribution of the severance tax funds. 25% will continue to go to education, but instead of all of the remaining 75% going to the Rainy Day Fund, half would go directly to transportation – an estimated \$1.7 billion annually, with no new taxes! All the while, the Rainy Day Fund will continue to grow at a fiscally responsible level, closing next budget year with an estimated balance of \$8.5 billion.

The Texas Transportation Institute (TTI) recently estimated that an additional \$5 billion per year needed to be spent on Texas highways to simply maintain current condition levels.

Is Proposition 1 a solution? No, but Proposition 1 is a huge first step in the right direction. We urge everyone to support Prop 1 – not only to ensure its passage, but also to send a strong message that Texans are willing to take the next step to help solve the transportation problem, and avoid a crisis.

## HOW DO WE MAKE A DIFFERENCE?

### VOTE YES NOVEMBER 4TH





Engage. Educate. Impact.

# JOIN THE PAC TODAY!

Since introducing the Texas Growth Grassroots Campaign our group has present over **\$88,000** in contribution checks to sitting members and candidates. Additionally, we have engaged in over 100 face-to-face meetings with 52 elected officials to promote education and advocacy regarding our cause.

- Gregg Abbott • Glenn Hegar • Joe Straus
- Kirk Watson • Kyle Kacal • Robert Nichols
- Donna Campbell • Brandon Creighton • Drew Darby
- John Kuempel • Marsha Farney • Troy Fraser
- Dan Patrick • Brian Birdwell • Doug Miller
- Ken Paxton • Jane Nelson • Chris Paddie



Cynthia Frericks & Kristie Croft  
Pictured with State Comptroller  
Candidate Glenn Hegar



## ENGAGEMENT SCOREBOARD

PAC Membership by Company

**TEXAS**  
BITULITHIC

**25 Members • 10%**



**12 Members • 7%**



**25 Members • 5%**



**8 Members • 80%**

@texasgrowth



# A GREAT PLACE TO WORK

with Gregg Eggert

## What's new in 2015?

### Medical Plan

- CDHP Plan – New vendor for HRA administration, which includes the option of a debit card
- PPO Plan – New out-of-pocket maximum set for prescriptions

### Prescription Drug Plan

- EnvisionRx will replace Express Scripts as the Prescription Drug Administrator
- New out-of-pocket max will be set for the PPO plan option
- Mail order is no longer mandatory
- Option for 90-day retail at many network pharmacies
- All Specialty Rx through Orchard Specialty

### Spousal Surcharge

The Spousal Surcharge for 2015 will be \$150 per month for the CDHP Plan and \$200 per month for the PPO Plan if your spouse chooses to stay on the Oldcastle Plan and has access to other coverage through their employer.

### Healthcare Flexible Spending Account

- New FSA Carryover option in 2015 will allow you to carry over up to \$500 of any remaining balance at the end of 2015 for use in 2016

### Wellness Program

- Employees who complete a wellness initiative in 2015 will see a positive impact in 2016 insurance premiums

## Annual Open Enrollment

Monday, October 27 – Monday, November 17, 2014

Annual Benefits Open Enrollment is your opportunity to evaluate your benefit needs and select the best plan for you and your family. During this open enrollment period, every eligible employee **MUST** elect or confirm their Healthcare Plan enrollment elections or re-election for Medical/Rx/Dental/Vision.

**IMPORTANT: Every eligible employee is REQUIRED to take action by going online or calling the Oldcastle Benefits Helpline to elect or confirm your Healthcare Plan election (Medical/Rx/Dental/Vision) during the open enrollment period, otherwise you WILL NOT have Healthcare benefits in 2015.**

During the upcoming Open Enrollment period, employees must access the Self-Service site using [www.benefitsolver.com](http://www.benefitsolver.com) or call the helpline at 888.437.4866. You will be able to do the following:

- Enroll in or confirm your 2015 Medical/Rx Plan election (Dental and Vision coverage are included in each medical plan option)
- Confirm or waive spousal surcharge
- Make changes to any benefit, coverage level, or dependent changes effective 1/1/2015
- Enroll in the Healthcare and/or Dependent Daycare Flexible Spending Accounts (FSAs) for 2015
- Elect life insurance – Eligible full-time employees will have the option to enroll or elect an additional \$10,000 of coverage without evidence of insurability
- Access the new interactive tool called "ALEX" that will allow you to compare the PPO and CDHP plan options and make the best decision for you and your family

**Once enrolled, you will receive a new medical card from Anthem as well as a new prescription card from EnvisionRx.**

### 2015 Prescription Drug Vendor Change

The new prescription drug vendor will be EnvisionRx beginning January 1, 2015. Here are a few things you may want to know about your prescription benefits:

- EnvisionRx has a national network of over 69,000 pharmacies for your convenience
- Mail order is no longer mandatory but still remains an option
- A 90-day retail supply will also be an option at participating pharmacies
- Specialty and Mail Order medication will be dispensed through Orchard

yourHealth,  
yourChoice



## Meet ALEX your benefits counselor!

Confused about which medical plan option is best for you? Wondering how much money you should set aside in your Healthcare or Dependent Care FSA? Let ALEX help!

**ALEX is the new interactive tool available on [benefitsolver.com](http://benefitsolver.com) to help you with your open enrollment choices. ALEX can walk you through your benefits and help you make decisions based on your needs.**

**Annual Open Enrollment**  
October 27 to  
November 17, 2014



If you are in a bargaining unit that is represented by a union, you may or may not be eligible for all or part of the Oldcastle health and welfare benefits. Your eligibility and participation in all or part of the Oldcastle plans is dependent on your specific union bargaining agreement.

- If you currently have an open prescription for a specialty medication or are taking a medication that requires prior authorization, EnvisionRx will reach out and assist you in transferring your prescription

You will receive a welcome letter, including a new Rx Identification card, from EnvisionRx prior to January 1, 2015 detailing the new coverage. Remember to update your pharmacist with your new prescription drug ID number.

## Health Reimbursement Account (HRA) Change

For those employees who select the CDHP plan option, the company will automatically set up a Health Reimbursement Account (HRA) for you. The company will contribute money to this account that can be used to pay for medical and Rx expenses allowing you to bridge the gap between your out of pocket expenses and the deductible on the plan.

**The HRA account will be managed by WageWorks beginning in 2015.** Here are a few things you will need to know about your HRA administration:

- You will be issued a debit card to make paying for Medical and Rx expenses easier
- If you enroll in the Healthcare Flexible Spending Account (FSA), this money will be loaded on the same debit card
- If you have both an HRA and FSA, the default on the debit card will pay towards the HRA first however you can elect online to have the FSA pay first
- If you have a current HRA balance, these funds will be rolled over into the new account (subject to plan limits)
- The HRA will no longer be automatically deducted from your account, you now have the choice to use the debit card or make claims for reimbursement through WageWorks
- The Debit Card may not work for HRA expenses at some grocery, discount and wholesale retailers (i.e., Safeway, Kroger, Target, Walmart, Sam's Club and Costco)

## Wellness Plan

Oldcastle has always encouraged the health and wellness of our employees and their families. We will be implementing a wellness initiative in 2015 in an effort to continue our commitment to your health and well-being. For those employees who complete a wellness initiative in 2015, your insurance premiums will be impacted in a positive manner in 2016. More details will follow in the first quarter of 2015.

**Please keep in mind that enrollment is paperless again this year and every employee must actively enroll in a plan to be covered in 2015. You may access the enrollment website at [www.benefitsolver.com](http://www.benefitsolver.com) or call the Oldcastle Benefits Helpline at 888.437.4866.**

**yourHealth,  
yourChoice**

# IT TAKES A TEAM

## Navarro FM 416

Vincent Thomas Lombardi served as an NFL head coach for ten seasons. Over the course of those ten seasons, Lombardi won an astounding 105 games, including 6 NFL Championships, and 2 Super Bowl titles. Lombardi was inducted into the Pro Football Hall of Fame in 1971, and later honored by the NFL, with the renaming of the Super Bowl Trophy, the Lombardi Trophy. Few would question the leadership ability and success of Vince Lombardi, who once said, "The achievements of an organization are the results of the combined efforts of each individual". History does not give us any indication as to Lombardi's knowledge of the construction industry. We are not privy to his knowledge of crushing rock or laying hot-mix, but what we do know, is that Vince Lombardi was a winner; a leader; a success.

Wheeler recently completed the widening and overlay of FM 416 in Navarro County. The nine mile project, which extended through southern portions of Navarro County to the Freestone County line, provided a much needed widening and face-lift for the roadway. Wheeler was awarded the project in July of 2012.

The scope of this project was no different than that of hundreds of others that Wheeler and its Central Texas Division (headed by Ben Liggett) had completed. No different, except for one detail, Wheeler would not produce the 18,000 tons of hot-mix to be placed on the project. Upon being awarded the job, project managers and estimators from Wheeler began working with sister company Texas Bit to come up with the best solution for building the job. It was determined that Texas Bit would provide hot mix for FM 416 out of its Corsicana Plant, and that Wheeler would place the mix. The results that followed were extraordinary.

Project Superintendent Larry Duffey and his crews began working in Navarro County in March of 2013. Since the scope of the working included widening the roadway and some structure work, there was a great deal to be accomplished prior to asphalt paving crews arriving.



According to Wheeler Sr. Project Manager Richard Cone, "Duffey did a great job building the project – he was very hands-on, really pushed the work, and did a terrific job managing the details".

By the time that the Wheeler paving crews (led by Amado Ledesma and Gerald Sterling) arrived on the project for base repairs and final surface course, David Morton, Lance Phillips, and the Texas Bit team, had the hot-mix designed and Corsicana plant ready for production. "Texas Bit producing the hot-mix worked out great", said Wheeler Project Manager Kristie Croft, "Wheeler crews were able to focus on building the roadways and paving, Texas Bit did a super job supplying the hot-mix. The project was smooth, things really fell into place." Kristie is not the only person that recognized how smooth the FM 416 project went (both literally and figuratively). TxDOT inspector Larry Hoppe couldn't stop singing the praises of Oldcastle on the project, "I really enjoyed working with APAC. Great folks, great product, quality job."

In addition to high praise from TxDOT, the Navarro FM 416 project has garnered recognition from industry leaders, being honored by the Texas Asphalt Pavement Association (TxAPA) as its 2014 Small Category Overlay Award Winner, chosen as the top project from a final list of ten candidates statewide.



**Kristie Croft & Amado Ledesma of Wheeler accepting TXAPA Award along with TxDOT's Larry Hoppe.**

Recently, the Navarro project has received some national attention, being nominated for a national achievement award from the National Asphalt Pavement Association (NAPA). Regardless of the ultimate award results, the NAPA nomination provides further testimony to the success that can be achieved by tapping into and utilizing synergies among Southwest Division businesses.

"FM 416 is a great example of the Wheeler and Texas Bit divisions working together and doing what is best for the Company and the project, resulting in a superior paving product for the State of Texas, and a profitable project for Oldcastle", said incoming TxAPA President and Wheeler VP of Construction Mike Brown.

Congratulations to everyone involved with the Navarro project, a job well done. Apparently, some concepts do not age, teamwork being one of those. Perhaps Coach Lombardi knew something about hot mix and construction.



## SPECIAL INTEREST

# DAVID MORTON

## WINS QC TECHNICIAN OF THE YEAR

In September, the Texas Asphalt Pavement Association (TxAPA) held its 40th Annual Meeting at the Horseshoe Bay Resort in Marble Falls, Texas. As part of the four day event, industry leaders gathered to honor individuals and businesses who have distinguished themselves in the profession.

This year, TxAPA recognized our own David Morton as the 2014 Texas Level 2 Quality Control and Assurance Technician of the Year. This prestigious award is granted annually by the Association to honor those in their particular level of certification for being dedicated to quality and performance and providing an outstanding service to the asphalt paving industry in Texas. "This award recognizes a person among his or her peers as going above and beyond daily responsibilities...Without individuals such as David, our industry would not be as good as it is today", said Jimmy Whited, TxAPA Technical Director.

David has been part of the Texas Bitulithic team since 1998 when he joined as a QC Technician. He was promoted to the role he holds today as QC Manager in 2003. David currently Co-Chair's the TxAPA hot mix specifications committee, and is viewed as a subject matter expert in the state, having given numerous presentations at World of Asphalt, TxAPA and NAPA conventions. David was selected from the 316 Level 2 technicians currently practicing in the state of Texas.

"David is very deserving of the award and it is an honor for him to be recognized by TxAPA and the industry for his contributions", said Texas Bit President Steve Koonce. "David is constantly in R&D mode, he keeps us in the forefront of changes in mix designs and specifications", Koonce added.

When asked about the award, in his usual and self-deflecting way, David said, "you know this award would not be possible without the help from all my folks in the QC Department...one person in particular, Vernon Neely, has been by my side for 15 years...our desire to perform at a high level has always been our #1 goal". "A lot of things I have accomplished over the years wouldn't have been possible if it wasn't for Mr. Steve Koonce, he is the one that lets me do all the R&D work that helps us stay on the cutting edge". When not working, David enjoys spending time with his wife and three sons on their ranch outside of Athens, Texas.

Congratulations David, we appreciate your contribution to Oldcastle, and the way in which you represent our businesses.

### FAST FACT

Oldcastle has enjoyed a long relationship with the Texas Asphalt Pavement Association (TxAPA). Texas Bitulithic became a member of TxAPA in 1963,

only six months after the association was formed. Consistent with a commitment to be fully engaged and support member trade associations, Oldcastle and its businesses have a long history of leadership positions within TxAPA. Previous association presidents include former Texas President Raymond Lane, Texas Bit President Steve Koonce, Trotti President Kal Kincaid, and serving as TxAPA President in 2015, Wheeler Companies' Mike Brown.



David Morton accepting award from TXAPA President Jeff Greene



## TEXAS CONCRETE JOINS THE FIGHT ALS ICE BUCKET CHALLENGE

TEXAS CONCRETE TEAM MEMBERS INCLUDING  
MIKE WALLACE TAKE THE CHALLENGE

On October 18, Hector Torres went on a walk. The walk provided Hector with a chance to exercise and enjoy a break from the rigors of delivering concrete. The walk also provided Hector with an opportunity to reflect and honor a friend.

Hector Torres and Alex Vargas were friends, remaining close until Alex lost his battle with Amyotrophic Lateral Sclerosis, more commonly referred to as ALS, in 2012. The dreaded disease, which attacks the nervous system, affects an estimated 30,000 people in the US, with 15 new diagnoses each day.

This past summer, Bostonian and ALS victim Pete Frates helped to launch a social media campaign to promote ALS fundraising and awareness. This campaign, better known as the Ice Bucket Challenge, has become one of the most successful of its kind, raising more than \$115 million for the ALS Foundation since July 29 of this year. Frates' campaign struck a chord with Hector Torres. Recalling the struggle that his friend had experienced with ALS, Hector decided to do something. "This past summer, Hector came to me and asked if we (Texas Concrete) could participate in the Ice Bucket Challenge. He had seen another ready-mix company using a mixer truck to perform the challenge, we immediately thought it was a great idea", recalls Texas Concrete VP, Mike Wallace, "We accepted Hector's challenge".

On September 27, over 70 people associated with Texas Concrete and other Wheeler Companies, joined together to meet Hector's challenge. The day-long celebration, which included hot-dogs and fellowship, was highlighted by the ice-water dousing of Wheeler employees and executives, including Brandon Smith, Mike Wallace, and the man that started it all, Hector Torres. The event served not only create awareness of ALS in our community, but also to raise funds for ALS research. "I am proud to report that we raised over \$2,500 for ALS", Wallace said, "Wheeler Company employees collected donations of \$1,500, and Texas Concrete contributed \$1,000."

Hector enjoyed his walk, though he normally delivers concrete, delivering a \$2,500 check to help fight ALS was particularly satisfying. Thank you Hector for taking time to help make a difference in our community.



## ON THE MOVE...



### **Gregg Eggert**

**HUMAN RESOURCES DIRECTOR  
SOUTHWEST DIVISION**

Gregg comes to the Southwest Division having previously served in the same role as HR Director of the former CW Division in Kansas City since July of this year. Bringing 19 years of HR experience.



### **Ken Dalton**

**SAFETY MANAGER  
SOUTHWEST DIVISION**

Ken has been promoted to the role of Safety Manager for the Southwest Division. Ken is not a newcomer to Texas (or Oldcastle), as he will continue to serve in his current role as Safety Manager for Wheeler Companies.



### **David Young**

**EQUIPMENT MANAGER  
SOUTHWEST DIVISION**

David assumes the role of Equipment Manager for the Southwest Division, after having served in the same role for the Texas Region. Previously, David served Equipment Manager for APAC-Memphis.



### **Rich Bythewood**

**DIVISIONAL CONTROLLER  
SOUTHWEST DIVISION**

Rich moves into his new position as Divisional Controller after having served in prior roles as Texas Region CFO, and Controller for Texas Bit.



### **Brian Watson**

**CFO  
SOUTHWEST DIVISION**

Brian assumes the role of CFO after having served in a similar capacity for the former Central West Division. Brian will also serve as the Div CFO for the Great Plains division, based in Ankeny, Iowa.



### **Jennifer Franklin**

**ASSISTANT CONTROLLER  
SOUTHWEST DIVISION**

We welcome Jennifer Franklin as the new Assistant Controller for the SW Division. Jennifer comes to Austin after having served in a similar role for the former Central West Division in Kansas City.



### **Jose Perez**

**PAVING FOREMAN  
PAVEMENT SOLUTIONS**

Jose joins the Pavement Solutions team bringing 20 years of paving and chip seal experience.



### **Jacob Trim**

**CONSTRUCTION CONTROLLER  
WHEELER COMPANIES**

Jacob comes to Austin from some a similar position with APAC-Memphis, where he has served since 2000.



### **Justin Hobson**

**EH&S  
TROTTI & THOMSON**

Justin has been with Oldcastle since 2008; recently moving from APAC-Memphis to join Trotti in his new role in Safety.



### **Terry Tatum**

**PROJECT FOREMAN  
TROTTI & THOMSON**

Terry was recently promoted to Project Foreman after having served Trotti in a variety of roles. Starting as a laborer, Terry has worked hard to progress thru the ranks.



# CONGRATS EMPLOYEES OF THE QUARTER!

Each recipient will receive a \$100 gift card as a thank you for their hard work and commitment.



*(L to R) Amado ledesma, Martin Jackson, Larry Duffey*

## WHEELER EMPLOYEES MAKE A DIFFERENCE

According to famed clergyman and author Phillip Brooks, "Character may be manifested in the great moments, but it is defined in the small ones". On September 5, 2014 a group of Wheeler employees had just a defining moment. While paving a city street in Groesbeck, Texas, a subcontractor

who was transporting material to the project, inadvertently pulled down an electric service line. The downed line left Mr. Frank Cordova and his family without power. In most cases, an incident like this would simply be an inconvenience, but this was no ordinary case. Frank Cordova suffers from paralysis, and is bed ridden. As outside temperatures approached 100 degrees, no power to the home meant that air conditioning and ventilation for Mr. Cordova had been interrupted. Wheeler Project Manager Larry Duffey acted quickly, calling Asphalt Superintendent Amado Ledesma, who immediately headed to the job site with a portable generator and air conditioning unit. While the electric company worked to restore power, Larry, Amado, and Martin Jackson were able to establish temporary air conditioning and power so that Mr. Cordova could remain safely in his residence. "Wheeler is a great company. These men saved me today, thank you", said Mr. Cordova. We are proud to honor Larry, Amado, and Martin as the Wheeler Companies' Employees of the Quarter. Thank you for your hard work, your dedication, and most of all, for your display of true character.



## EUGENE COLEMAN

Known to his friends and co-workers as "Boss Man", Eugene Coleman came to work at Texas Bit in November of 1977. Over the last 30 plus years, Boss Man has worked in a variety of positions for the company. Starting as a laborer, and now serving as an Asphalt Distributor Operator, Boss Man has touched nearly every part of the daily Texas Bit business. No matter the job, one thing hasn't changed over the last 37 years, Boss Man's smile and infectious positive attitude. Thank you Mr. Coleman for your work, and your commitment to Oldcastle.



## EDIBERTO SANCHEZ

Eddie has been employed by Trotti since 1992. Over the course of the last 22 years, Eddie has proven himself a tremendous asset to the company; not only in his role as a Concrete Finisher, but as a fellow team member. Eddie's "can-do" attitude is an inspiration to all those around him. Mr. Sanchez, thank you for your commitment and dedication, not only to Trotti & Thomson, but to the Oldcastle Family.

## GUESS WHO?!



ANSWER:

STEVE KOONCE  
PERRIN TX BIT

# ENGAGE. EDUCATE. IMPACT.



## TEXAS PAC REWARDS

GOLD		PLATINUM		DIAMOND		EMERALD	
WEEKLY	BI-WEEKLY	WEEKLY	BI-WEEKLY	WEEKLY	BI-WEEKLY	WEEKLY	BI-WEEKLY
\$2.50	\$5.00	\$7.50	\$15	\$15	\$30	\$25	\$50

Exclusive PAC Hard Hat Sticker	✓	✓	✓	✓
Mention in publications and on website	✓	✓	✓	✓
PAC Recognition Gift		✓	✓	✓
Access to VIP receptions with Elected Officials		✓	✓	✓
PAC Golf Shirt			✓	✓
Exclusive meet & greet with elected officials			✓	✓
Dinner with Oldcastle Executives				✓

\*Please note the above contribution amounts are designated for Weekly & Bi-weekly pay periods.

## SIGN-UP NOW

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  TEXAS BITULITHIC
  TROTTI & THOMSON

Job Title: \_\_\_\_\_

Home Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Personal Email: \_\_\_\_\_

Business Email: \_\_\_\_\_

Reward Level:
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   PLATINUM
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## PLEASE RETURN FORM

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 701 S. Loop 340  
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Date: \_\_\_\_\_

Please be advised that your contributions to the Texas Transportation and Growth PAC, an Oldcastle PAC will be used for political purposes. The company will not favor or disadvantage anyone by reason of the amount of his/her contribution or his/her decision not to contribute. All PAC contributions are voluntary. You may, at any time, revoke an authorization for payroll deduction by delivering a written request to the return address shown on this form. You are under no obligation to contribute to the PAC and you have the right to decline to participate without fear of any reprisal or retribution from the company. The decision to contribute is strictly an individual decision and it will have no effect or bearing on any individual's standing within the company. Texas state law requires political committees to use their best efforts to collect and report the full name and address, principal occupation or job title, and full name of the employer of individuals whose contributions equal or exceed \$500 in a reporting period. Please contact Oldcastle Law at 1-800-341-7874 if you have any questions regarding this form or the PAC in general.

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