



A Subsidiary of Rosendin Electric, Ltd.

The Current

PRE-PLANNING

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3. Consistently the build teams over the 4 days were only able to complete 35 to 40 percent of the project in a cumulative construction time of 40 minutes. The worst day was only averaging the connection of two pieces of the toy in 3 minutes.
4. Data was collected during this initial build and would be referred to later.



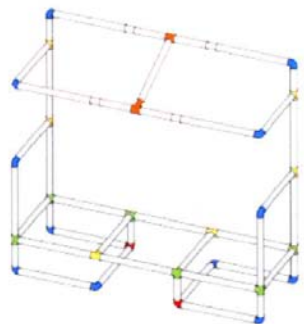
On each of the 4 days, it was the 3rd team that did the best job. The teams that were able to successfully complete the project within their estimated time won all of the money in the pot.

Also each winning team increased their productivity anywhere from 750 to over 1000 percent with the best construction time for a 2 man team in less than 7 minutes.

Everyone seemed to have fun and it was a great illustration of the effectiveness of Pre-planning and team work.

Next step was to have every table come up with an "estimate" of how long it would take to build the Lemonade Stand using a Pre-plan and an enhanced drawing.

1. Each build team could use no less than 2 people and no more than 4 people to construct the stand.
2. Each member of the team would be required to post a "bid bond" (5 dollars per person) so there would be an incentive to be competitive with their estimates.
3. The 3 lowest estimates would be given the opportunity to build the Lemonade Stand. If they couldn't complete the project within their estimate, they would essentially loose.
4. Each team had 15 minutes to Pre-plan and provide an estimate for the project.
5. Each team used the following color-coded drawing. The different colors represent a different type of fitting.



"Subcontractor of the Month"

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project in Austin, TX.

Each month Holder Construction recognizes and awards one of their top performing subcontractors working on current projects across the nation, based on job performance and safety records.

Congratulations to KST's Data Ranch Austin Project Team!

Team members are:

- Mark Chadroff - Project Manager
- Brad Wood - General Foreman
- Jeff Johansen - Asst. Project Manager
- Wayne Sunvison - Safety/QA-QC
- James Reese - Senior Pre-Planner
- James Doyle - Area Superintendent

All field personnel currently working onsite, pre-planners who have contributed to the project, and the prefabrication department.

KST Completes First Phases of DADS Project

KST Electric wrapped up the first two phases of the DADS (Department of Aging and Disability Services) project in January, 2011. The project consisted of installing video surveillance cameras in about 250 state owned nursing home buildings across Texas, as part of the Texas Department of Aging and Disability Services contract.

Knight Security Systems won the contract in January 2010, and served as the General Contractor. The contract was the result of a 2009 legislative bill written after a U.S. Department of Justice report found the state's 13 nursing facilities failed to protect their residents from harm. These facilities provide long-term care for people who are aging and have cognitive and physical disabilities.

KST has installed cabling systems, in Mexia, San Angelo, Denton, San Antonio, El Paso, Abilene, Lubbock and Lufkin, totaling our portion of the project to \$4.5 million dollars. The final phasing started in August

Story Continued on Page 3, See DADS Project

KST Electric Awarded Holder's "Subcontractor of the Month"



Current phase of Austin Data Ranch Project.

KST Electric was notified earlier this week that they are recipients of Holder Construction Company's January "Subcontractor of the Month" award. This recognition highlights KST's safety and performance levels on the Data Ranch

Story Continued on Page 8, See Subcontractor

Suanna Tumlinson Selected to Fill Bluebonnet Electric's Director Position

In January, Bluebonnet Electric Cooperative chose Suanna Tumlinson to fill their 11th Director's seat. The position had been vacant since 2002, but Bluebonnet began the process of filling the spot last year. 15 applications were received, but Mrs. Tumlinson was chosen unanimously by

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Have a life event or something of interest you would like to announce in KST's *The Current*? Contact Glenn Garrett at (512) 278-8435 or Katie Tumlinson at (512) 278-8461.

The Lemonade Stand

By Dave Terwilleger

Recently KST Electric contracted Michael McLin to train some of our people in order to elevate our productivity levels so that we can achieve our goal of being a more competitive and profitable company. Nearly 150 people participated in the 4 days of training which included Directors, Estimator, Project Managers, Superintendents, General Foremen, Area Foremen, Foreman, Apprentices, CW/CEs and Pre-Planners.

Michael is the Managing Director of Maxim Consulting Group based out of Denver Co. He has also been past Group Manager of Navigant Consulting of which Kenneth Tumlinson and Glenn Garrett became associated with. During their involvement with Navigant, Kenneth and Glenn recognized the positive effects of training and felt that KST as a whole would benefit by using the resources that Michael can provide.

We set up the training mentioned above with the intent to focus on Pre-planning and Pre-Fabrication since this is the direction the industry has taken. The training was also designed to provide information pertaining to "Lean" construction and the changing in the work force relating to the influx of foreign workers. The information was presented in the form of 3 training modules...

- "Driving Project Success" (The Lemonade Stand)
- "Best Practices in Prefabrication"
- "Creating a High Performance Culture"

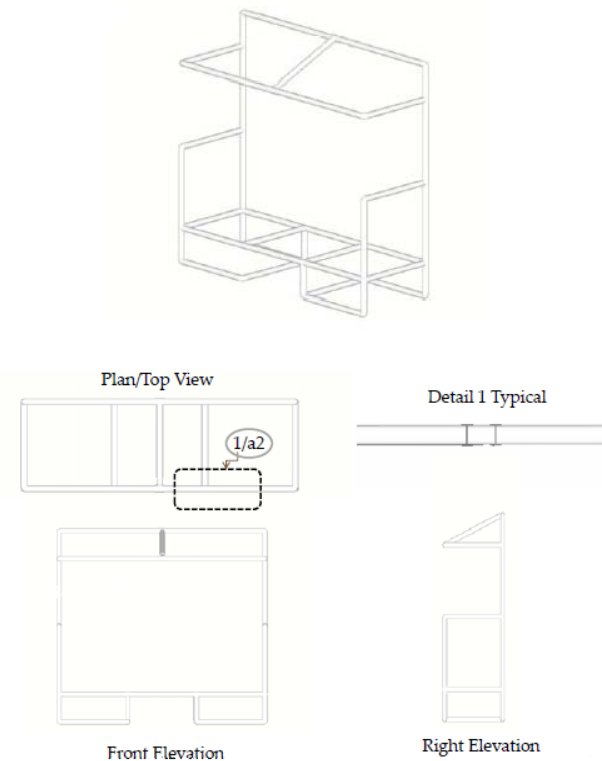
The high point of each of the 4 days of training was definitely the construction of the Lemonade Stand. This portion of the first module was used to illustrate how much more productive the field workers could be if they had detailed, color-coded drawings to reference instead of the normal non-descriptive, black and white drawings we usually receive.

The Lemonade Stand is actually a Playskool toy

(discontinued) consisting of Schedule 40 PVC pipe and various fittings that when snapped together create a form of a mini Lemonade Stand. It is a toy that is designed for children "6" and up... and you can't imagine how difficult the construction of this thing was for some adults attending the class.

This is how the training went:

1. 4 people volunteered to build the Lemonade Stand using the provided drawings shown below.



2. The 4 person team had 10 minutes to construct the Lemonade Stand and also to endure the real construction project delays such as missing parts, missing tools, and interruptions from others in the form of "heckling".

Continued on Page 8, see Pre-Planning

2010 Employee Awards

Here are some of our KST employees who received awards for service in 2010!



Glenn Garrett
Spark Award



Nick Arellano
Spark Award



Brandi Watson
Business Development
Employee of the Year



Hurbano Lopez
Telecommunications
Employee of the Year



Daryl Petrosky
Project Management
Employee of the Year



Jack Wilhelm
Estimating
Employee of the Year



Michael Hunt
Service
Employee of the Year



Donovan Selvera
10 Years of Service



Mike Nelson
10 Years of Service



(L-R): Carl Pettit, James Rice, and Kirk Waterworth
5 Years of Service

SAFETY UPDATE

With the new members in place on the advisory board, the first task at hand was to implement new policies to help decrease our risk of exposure. Below you will see some of the new policies listed that have been added. These particular items listed were added to the Austin Data Ranch project site.

- 100% safety vest
- Stretch and Flex (every morning)
- 100% gloves at all times
- PTP Cards (individual pre-task cards)
- Knife Free

These new policies have been received well and certainly have made an impact on the injuries associated with this type of job.

Recently I filled out the OSHA 300 and 300A logs for 2010. Here are some of the statistics to sum up the year.

- KST worked 990,185.44 hours last year and averaged 490 employees each week.
- Our current EMR rate is .61
- Total recordable case rate and DART incident rate remain the same at 3.83
- 19 recordable accidents
- Most in one month, March with (5) followed by (4) in Feb. and April.
- Most common day is Thursday (5), Saturday (4), Tuesday, and Wednesday (3) each, followed by Monday and Friday with (2) each.

Types of injuries:

- Soft tissue (hurt back, strains and sprains) 7
- Hand lacerations 7
- Eye 1
- Falls 3
- Caught between 1

After review, we show that our major concern would be hand lacerations and soft tissue injuries. So with the new policies in effect at the Data Ranch site and merging these new policies into full effect for KST Electric, we can expect to see the numbers drop significantly. Having lower numbers can only increase our chances of being awarded more work.

If there is ever any need to contact me with any safety concerns, please give me a call.

Shane Harris
Safety Director



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KST Christmas Party & Year End Awards

KST held our annual Christmas Party and End of the Year Awards Ceremony on Saturday, December 18th, 2010 at Main Event in Austin. Employees enjoyed food, fun and games for the evening, including bowling, laser tag, glow in the dark golf and even rock climbing.

There were many in attendance for the awards presentation, which included awards for years in service, departmental, and also management. Below is the full list of awards that were presented. Turn to Page 7 to see photos of a few employees that received awards that night.

Employees of the Year

Operations: Wendi Offield
Estimating: Jack Wilhelm
Administrative: Jason Grogan
Project Management: Daryl Petrosky
Special Services: Michael Jarrett
Production: John Sunvison
Service: Michael Hunt
Telecommunications: Hurbano Lopez
Business Development: Brandi Watson

Director of the Year

Christopher Gerber

5 Years of Service Awards

Jeff Nash
Gary Bigger
Raymond Mireless
Jeff Kyleberg
Kirk Waterworth
Michael Holloway
Hub Hunt
James Rice
Andrew Floyd
Humberto Munoz
Greg Baker
Carl Pettit
Dustin Doyle
Brandon Range

Flame Awards

David Terwilleger
Tim Schultz

10 Years of Service Awards

Mike Nelson
Nick Arellano
Donovan Selvera
Patrick Jones
Rafael Mendoza

Spark Awards

Nick Arellano
Bill Johnson
Glenn Garrett
Joe Parsons

15 Years of Service Awards

John Sunvison
Bart Reeves

DADS Project

Continued From Page 1

2010, including 92 buildings in four facilities in Austin, Brenham, Richmond and Harlingen. Knight and KST were given until August of 2011 to complete the projects, but finished six months ahead of schedule.

Congratulations to our KST crews who completed the projects!

Happy Birthday to...

December

12/01 Elizeo Nunez
 12/02 Filiberto Martinez
 12/02 James Crawford
 12/02 Gaspar Ramirez
 12/03 Jason Sarabia
 12/04 Martinez Taylor
 12/04 Jordan Tiemann
 12/04 Justin Tiemann
 12/05 Hurbano Lopez
 12/05 Michael Canales
 12/06 Derek Doyle
 12/06 Jack Wilhelm
 12/07 Phillip Ingaran
 12/07 Thomas Ferguson
 12/07 Stephen Lamb
 12/08 Juan Alonzo
 12/09 Michael Jarrett
 12/11 Greg Baker
 12/12 Jeffery Nash
 12/13 Guadalupe Hernandez
 12/14 Mark Mead
 12/14 Lee Torres
 12/15 Juan Perez
 12/16 Patrick Bush
 12/16 Mike Nanyes
 12/17 Jorge Cepeda
 12/18 Daniel White
 12/18 Daniel Taylor
 12/19 Hank James
 12/20 Codi Nelson
 12/21 Carlos Mendoza
 12/21 Suanna Tumlinson
 12/21 Rafael Martinez
 12/22 Cecil Impson
 12/22 Joaquin Martinez
 12/22 Joshua Grooms
 12/22 Cody Dlouhy
 12/22 Brian Schultz
 12/24 Marian McCardle
 12/24 Randy Holland
 12/27 Juan Elicerio
 12/28 James Doyle
 12/28 Wendi Offield
 12/28 Eloy Ramirez
 12/29 Billy Bukowsky
 12/29 Dean Cortez
 12/30 Joan Garner
 12/30 Christian Sander
 12/31 Tyler Hulsey

January

01/01 Billy Hanson
 01/01 San Juan Garcia
 01/01 Jeremy Bage
 01/02 Eric Kawaja
 01/05 Danny Burkhalter
 01/05 Jose Torres
 01/05 Kristopher Leatherman
 01/05 James Peikert
 01/05 Philip Olsen
 01/07 John Lee
 01/07 Alfredo Lopez
 01/07 James Rice
 01/08 Raymond Ries
 01/08 Alfredo Vasquez
 01/09 Nathan Arnhamn
 01/09 Michael Wiley
 01/09 Kali Henderson
 01/11 Dustin Lindgren
 01/11 Joseph Atkinson
 01/12 Edwin Fisher
 01/13 John Ubias
 01/14 Alejandro Gonzalez
 01/14 Gustavo Banuelos
 01/14 Luis Gonzales
 01/14 Mario Serna
 01/15 Johnathan Gaskill
 01/18 Richard Acosta
 01/18 Joey Jenkins
 01/20 Neil Finlay
 01/22 Charles Haddock
 01/23 James Kuykendall
 01/24 Robert Rybarski
 01/26 Ismael Jaimes
 01/28 Jerry Sunvison
 01/28 Tomas Trejo
 01/29 Martin Rivera
 01/29 Ismael Aldape
 01/30 Katie Tumlinson
 01/31 Jeffrey Kylberg
 01/31 Kevin Wilson

February

02/01 Armando Rodriguez
 02/01 Donovan Selvera
 02/01 Cass Slover
 02/06 Christopher Gerber
 02/07 Henry Patterson
 02/08 James Wright
 02/09 Robert Colvin
 02/10 Humberto Munoz
 02/14 Jason Grogan
 02/14 Deinnys Lugo
 02/16 Charles Cowan
 02/17 Michael Saunders
 02/17 Jesse Navejas
 02/19 Jose Rick Garcia
 02/20 Mark Chadroff
 02/21 Douglas Filipek
 02/21 Michael Hunt
 02/22 Howard Wilhelm
 02/24 Peggy Simpson
 02/24 Bryan Kroening



Above: For his 35th birthday on February 20th, Mark Chadroff ran the Austin Marathon (26.2 miles) in 3 hours, 52 minutes, 52 seconds. Two minutes faster than his time last year. This year was the 20th anniversary of the event and 20,000 marathoners and half-marathoners participated. The attached photo was taken by Mark's wife at mile 26. Mark is one of KST's PM's currently working on the Data Ranch project in Austin. Way to go Mark!

Tumlinson Chosen as New Bluebonnet Director

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the search committee!

Bluebonnet Electric is one of the largest electric cooperatives in the state of Texas, serving the area since 1939. Their service stretches across 14 central Texas counties.

"I am very honored and excited to join the Bluebonnet organization," said Mrs. Tumlinson. "I look forward to serving with my fellow directors and being part of the great things happening at Bluebonnet."

Mrs. Tumlinson resides in Manor, Texas, where Bluebonnet also has an office. A former special education teacher and successful business woman, Suanna is the former owner and managing partner of KST Electric. She is currently serving as one of KST's executive officers in the new merger with Rosendin, Inc.

Congratulations Suanna on being elected to Bluebonnet Electric's Directors Board!

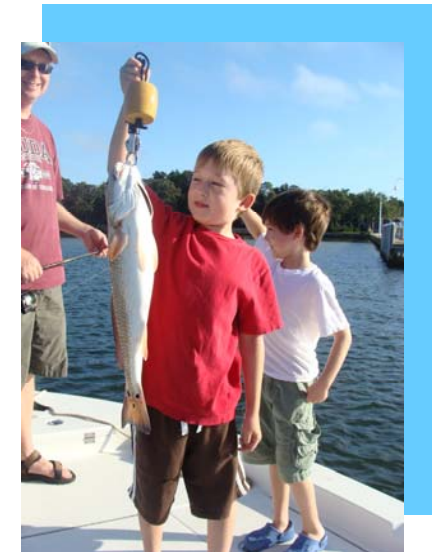
~ Employee News ~



Businesses and schools were closed on Friday, February 4th due to winter weather, but that didn't stop the Watson Family from getting creative in the snow and ice! Brandi Watson and her husband pulled their sons behind their truck on tires and makeshift sleds in a local parking lot. The sledding was a success and a fun way to spend the snow day! Brandi is the Manager of the Business Development Department. Pictured above are Brandi's sons: (L-R) Ben and Cade Watson.



While fishing over the Christmas/New Year holiday, J.R. Waddell caught this 28 inch trout outside of Corpus Christi at Emmord's Hole. What a great way to start the New Year! J.R. is a foreman at the MSI Neer project in Port Aransas, Texas.



While most of us were enduring the first cold front of the season, Michael Jarrett and his family spent their Thanksgiving in the nice Florida weather. Clear skies, warm temperatures and fishing! Michael is a Project Manager for the I&C Department. Shown above are: (L-R) Michael Jarrett, and his sons Christopher and Matthew.