Underground Pipeline







Safety, Quality, & Innovation in Construction



President's Message



"Change can also bring forth many positive items"

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Change sometimes can be a difficult thing for some people but change can also bring forth many positive items. For the next 18 months, Nova is going to be making changes in many areas that at first may seem difficult, but will eventually better position Nova for growth and profitability.

It should not be a secret that 2017 has not been a good financial year for Nova. This is mainly due to completing some very difficult long term projects. All of these projects are scheduled to be complete in 2017 and all of our current work is going very well, as planned and reported. We currently have approximately \$200 million in proposals in the pipeline waiting to be awarded and plan to continue bidding more projects in our market as they become available.

Due to late the Military Construction budget approvals the last few years, the procurement process gets backed up into the last quarter of the year. In the last 3 years, Nova has been awarded the majority of our back log in the final quarter of the year. I'm confident that this year will be the same.

Quanta, our parent company, has asked us to look at different options to help reduce costs. One of the changes we are making is changing our health insurance plan. Quanta's health insurance plan is a very robust, cost effective plan with multiple options for our Administrative employees. This new health insurance plan will save Nova more than \$500,000 per year. Steffanie Jackson will be providing more information on the Quanta health insurance plan during the next open enrollment period in October.

A second change is the upcoming transition from full time to part time for both Ron Fedrick and Carole Bionda as they each prepare for retirement. In 2018, Ron and Carole will be working part time (50%) and will still be present in the office, contributing to and supporting Nova.

The two above changes along with some other minor changes will make a positive reduction in Nova's General and Administrative expenses. Combined with a continued focus on project job costs and meeting or exceeding estimated production goals, I am confident that this will put Nova in a good position to have a positive and financially successful year in 2018 and beyond.

I want to thank everyone for their hard work and flexibility as these changes occur.

Scott Victor, President/COO

Project Updates

Replace Fuel Distribution Facilities—Tinker AFB, Oklahoma #1403

Administered by (Owner): USACE Current Contract Value: \$32,247,647.21 Project Start Date (site work): January 19, 2015 Expected Demobilization Date: November 16,

All hydrant pits have been installed on the airfield and the last PCC placement was July 13th. The final phase was turned over to the government on July 27th, concluding work in the restricted area. All horizontal directional bores are complete and crews are installing the last section of the 6" fuel transfer line.

The pumphouse has reached substantial completion and the interior walls are currently being painted. Additionally, above ground pipe has been installed from the pumphouse to bulk fuels and the transition pad.

Additional tank repairs were added to the contract causing a government delay and contract modification. The change has been negotiated and work resumed. TIC is onsite blasting and coating the tanks. Floating pans will be installed the second week of August.

Type IV Hydrant Repair Phase II — Misawa AFB, Japan #1610

Administered by (Owner): USACE Japan District Current Contract Value: ¥458,772,159
Project Start Date (site work): April 1, 2017
Expected Demobilization Date: November 17, 2017 but could be delayed

Project Team: Cory Neufeld (Superintendent), Roger Lee (QC Manager), James Dugger (SSHO), Chris Johnson (Translator), Drew Glover (Project Manager)



Project Team: Ken Woehler (Sr Project Manager), Kyle Bush (Project Superintendent), John Ward (QC Manager), Nick Pfeifer (Asst. QC Manager), Larry Tinney (Mechanical Superintendent), Dan Cable (SSHO), Lindsey Arens (Project Admin.).





Konnichiwa from Misawa AFB, Japan! Construction efforts continue on the new tank fill line, the six (6) hardened aircraft structures (HAS), and the filter building. All work on the existing below ground piping is still on hold pending a resolution to RFP-004 which pushed the responsibility of defueling the system onto us. Our current schedule shows us commissioning around the middle of September and a contract completion date of November 17, but with the pending change out schedule has the potential to slip.

Many thanks should be given to our field team that is doing an amazing job navigating through the language barrier and has successfully completed 251 calendar days without a lost time accident.

Project Updates

Replace Hydrant Fuel System—Nellis AFB, Las Vegas, Nevada 1611

Administered by (Owner): USACE

Current Contract Value: \$32,700,700.00 +/-Project Start Date (site work): April 2017 Expected Demobilization Date: July 2019

Newsworthy Events: Air Force dropped a Missile off the wing of an F-18 across the street from the office/site that caused us to evacuate the site for a couple of hours. So lesion for the day is if you see a bunch of airmen running you need to do the same.

Project Team: Mike Rook (Project Manager), Lance Parks (Project Superintendent), Dennis Bonilla (Mechanical Superintendent), Scott Bland (Foreman), Julio Edu (Electrical Superintendent), Rey Pelagio (QC Manager), Jorge Castro (Asst. QC), Chris Hodgkinson (SSHO).







Project Snapshots:



1308: Point Loma Pier



1404: Bonneville



1401: Guam



1612: Marana, Arizona



1504: Holloman AFB



1701: Doha Qatar



1604: CSG Springfield



Nova Shop

Project Updates

Airfield Lighting Modernization, MCBH Kaneohe Hawaii—1613

Administered by (Owner): NAVFAC Current Contract Value: \$19,171, 300 Project Start Date (sited work): May 2017 Expected Demobilization Date: June 2019 **Project Team:** Dan Fox (Project Manager), Mark Pracanica (Asst. PM), Kevin Shaw (Project Superintendent), Alayne Evans (SSHO), Alain Dappen (Foreman), Trish Wright (Project Admin).

Although production on 1613 has been slow to start due to airfield material delays and design changes at the new Navigational Aid building, this extra time has given Nova the opportunity to establish a strong relationship with NAVFAC as well as the Air Operations group, which will be vital to the success of this project. Nova has been presented with some familiar challenges, such as material delays out of our control and local vendors and subcontractors working on "island time". We have also been presented with some unique challenges such as our material laydown yard being placed in a seasonal flooding area and the discovery of archeological remains during the installation of our temporary power for the trailers.

Although these challenges have not been ideal, I am happy to say that the project team onsite, as well as in the main office, has met them with outstanding teamwork and follow through, many of which will evolve into change or-

ders for recoverable cost. Each new challenge presents an opportunity for Nova to show how we are leaders in the industry and able to work with the Government to build a long lasting relationship. To date, Nova has been able to GPR and tone a large portion of the airfield taxiways for utilities in preparation of our excavation along these areas, as well as begin vibration monitoring and soft digging for utilities at the new NAVAID building. Nova's Material Laydown yard has been established and I can honestly say it is the finest yard on the entire base and sets a new bar for the MCBH NAVFAC office to compare all others to. Similarly, Nova's office trailers have been established and although temporary power has had its setbacks, recent partnering with the Government shows promising signs of finding a solution forward.

Nova has hired some key personnel from around the islands who have proven to be great finds. Alayne Evans, SSHO comes to us

with 14 years' experience working on the islands and the MCBH Kaneohe. Alain Dappen, Foreman, has airfield lighting experience and has proven to be a valuable resource for Nova for this new scope of work. Our new electrician, Bruce Young, has a lot of experience on island, is hard working. Siosaia Suliafu, a.k.a "Nikki", a familiar face to Nova, proudly hails from the island of Tonga and will be our lead Operator as well as offer his vast experience to many other tasks we will self-perform on this project. Also, a big shout out to the Nova Shop team for helping with material deliveries and the upcoming work receiving and re-loading shipping containers to Hawaii. We also have a new pre-fab opportunity with the Engineering team and shop developing pre-cast forms which our field teams will use to pre-cast the concrete Lighting CANs.

The entire team looks forward to starting the first airfield phase. By: Peter Jarrette



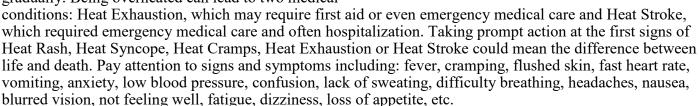




Safety Update

Beat the Heat

2017 is shaping up to be a very hot year across the country, in particular where NOVA often does business. We are currently in the summer months and many of us work or play outside in hot environments where it is especially important to stay extra hydrated, take breaks in the shade and acclimate gradually. Being overheated can lead to two medical



If you or anyone you know shows signs or symptoms move them to a cool, shaded area, cool them with water and/or fanning, elevate their feet, notify either their supervisor, EMS, or 911 depending on the severity.



Quanta/NOVA Hand Initiative

Quanta has recently stressed the importance of protecting our hands after their injury data showed over 475 Hand Injuries throughout their operating units between Jan 1, 2016 and May 31, 2017. Of these 475 hand injuries, 138 were classified OSHA recordable. NO-VA and our Joint Ventures have experienced four OSHA recordable injuries related to hands in this same period. Quanta has stressed the need to develop and follow our AHA's which should specifically address glove type and use per task by following our 100% Glove Policy and The Glove Use Guidelines associated. We must do everything we can to avoid pinch points, secure loads, wear proper PPE and follow all equipment manufacturer's recommendations.

CAL/OSHA VPP STAR

From July 5-July 7, 2017 the NOVA Steel Fabrication Facility had three Cal/VPP team members onsite evaluating and observing our shops processes, procedures, safety plans, record keeping, Industrial Hygiene, employee and management commitment, etc. After three consecutive and at times, grueling audit days Nova was informed that there are no showstoppers preventing us from earning the prestigious VPP partnership. We officially received our CAL/VPP Evaluation Report on July 27 and now have 90-days to make all of the corrective actions before officially becoming the 69th CAL/OSHA VPP site in California. This is pending one last CAL/OSHA audit to verify we have closed out the corrective actions.

Safety & Other News



NEW SSHO's

Roe Simmons joined us in March to work up in the Pacific Northwest. He is currently assigned to the Bonneville Dam project in Oregon. Roe is a fellow graduate from Central Washington University (CWU) where he received his Bachelors of Science in Safety and Health Management. His ability to function as a team player along with his passion for employee safety is a real asset to us.

Alayne Evans (not pictured) joined us in April to work at Kaneohe. Her local knowledge of the Island and previous construction experience working for other contractors as both a SSHO and QC Manager has been instrumental in helping the project team become more familiar with local vendors, suppliers and contacts.

9 years in a row WINNER!

With your help, Nova has been awarded a BEST PLACES TO WORK for the 9th year in a row!

Nova was recognized as a company rising above others in quality, professionalism, respect, fairness, pride, and camaraderie as reported first hand by the employees.



Nova WINS again!

Nova has been recognized as a winner of the 2017 Healthiest Employers, an awards program presented by the San Francisco Business Times and Silicon Valley Business Journal.

Award applicants were evaluated across six key categories: Culture and Leadership, Strategic Planning, Communication and Marketing, Foundational Components and Programing, and Interventions, and Reporting and Analytics. Completed assessments were ranked with the proprietary Healthiest Employer Index.

"Nova is committed to the health and wellness of our employees. Living a healthier life can be fun and rewarding, and Nova's Wellness Program is offered as a free benefit to all employees who are enrolled in the company's benefit plan. We are extremely proud to be honored as a Healthiest Employer for the third year in a row!" Scott Victor, President.



Employee Highlights

Mike Enochs wins Facilities Manager Award

North Bay Business Journal, published June 16, 2017

Professional Background: Construction

Education: Some College

Staff: 15

Describe the facilities you oversee:

Nova Group, Inc. is a general contractor with a fabrication facility in Napa. In the fabrication facility we pre-fabricate as many items as possible to send to our jobs which have covered 29 states as well as internationally to Canada, Guam, Israel, Qatar, Japan and Diego Garcia. The fabrication facility is an AISC certified shop with a sophisticated painting endorsement. The shop provides services such as structural and pipe welding, sandblasting, painting and fiberglass work.

Tell us a little bit about yourself:

I was born and raised in Petaluma. I have a son and grandson who live in Englewood, Colo.

What do you see as the role of the facilities managers within your organization?

To develop processes that will maximize the safety, quality and productivity of the facility. To oversee employee's safety, quality and efficiency.

What is the achievement you are most proud of?

The shop's safety record. We have had only one OSHA recordable incidents in almost eight years and are currently on a streak of 950 days without any OSHA recordable incidents.

What is your biggest challenge today?

Keeping up with the latest technology that is out there that would help the shop become more productive while maintaining high quality.

Most admired businessperson outside your organization?

My sister, Lori Torkelson. She is a CPA in Petaluma and has worked extremely hard to get where she is at.

Detail your community involvement activities:

I'm a volunteer little league coach in Petaluma and I also help coach a traveling U-12 baseball team that my nephew plays on.

Stress-relievers: Working out at the gym.

Favorite hobbies: Traveling and going to sporting events.

Words that best describe you: Hard working, dedicated and loyal.







"I am most proud of our shop's safety record. We have had only one OSHA recordable incident in almost eight years and are currently on a streak of 950 days without any OSHA recordable incidents"

Meet Tessa Brown—Electrical Apprentice

Where did you grow up?

Born in Forks, Washington and raised in Paulsbo, Washington.

What trade school/college did you attend?

Olympic College

What made you want to get into the construction industry?

I love working with my hands. Hard work is more satisfying that sitting at a desk or phone for me. I grew up on a farm and this lifestyle is more comfortable for me.

What is your overall goal here at Nova?

I would like to complete my apprenticeship and continue with the company

through the rest of my career. It's a great company to work for and I plan to stick with it. Maybe make Superintendent one day!

What is the biggest thing you have learned so far?

Learning the dangers and myths about electricity has been a big part for me. I also have gotten extremely good at bending rigid conduit.

What volunteer work have you done?

I have volunteered at the Keyport Under Water Naval Museum and participated in Discovery "E" Day. I have also volunteered at "In his Hands" Day Care.

What do you feel is your biggest accomplishment?

My biggest accomplishment would be being a mother to my two boys. Being able to provide for my children the way that I am brings me great joy. Working for Nova has been great and starting the apprenticeship program has helped me show my children that you never stop learning, and that hard work pays off if you put your mind to it you can accomplish anything!

Getting to know Michael Clark—Engineering Intern

School: Cal Poly San Luis Obispo

Major: Civil Engineering

Class year: 3rd year and going into my 4th year Anticipated Graduation Date: June, 2018

Why did you decide on Nova for your summer internship?

The size of the company is perfect. Its comfortable yet expansive. I can simultaneously know everyone yet still experience different opinions and personalities. It's great environment for learning.

The niche that Nova is in affords some unique opportunities for projects. The week I spent in Bonneville was spectacular and reinforced this. Seeing that piece of history from the perspective of those who operate it was a childhood dream come true.

What does your typical day look like for you?

Wake up, have scrambled eggs. Bike to work, take a short walk on the trail, eat some avocados and the classic peanut butter sandwich. Bike back to the condo, make dinner (if I'm lucky, it'll be tacos), go rock climbing at the gym, go back home and sleep.

What is your favorite type of cuisine?

Tacos (I know it falls under the umbrella of Mexican Food, but I'm all about tacos)

Tell us about a book your read recently that made an impact on you?

Bit by Bit (2017): Its an investigation into how video game have become a storytelling medium. How this type of "play" will shape us and future generations.

Favorite quote/ inspirational saying?

"A society grows great when men plant trees whose shade they know they will never enjoy"

Department & Projects assisting at Nova:

Engineering and Estimating Dept./ Bonneville Dam & Nellis AFB.





Welcome Additions



Joey Lakoduk welcomes Zoey Rae



Lindsey Arens gets married on May 12, 2017



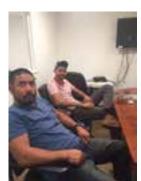
Taylor Tobler gets married!



Collin Morris welcomes Kayden Morris

Get to know the Port Orchard Office

Years in Port Orchard (current location)	2.5
Years in Silverdale (previous location)	6
Miles from Seattle by Car	60
Miles from Seattle as the Crow Flies	15
Miles from Job Site at Puget Sound Naval Shipyard (Bremerton)	7
Miles from Job Site at Naval Base Kitsap Bangor (Silverdale)	20
Miles from Job Site at Bonneville Lock & Dam, OR	198
Number of Administrative Employees (All NW locations)	29
Number of Craft Employees (All NW locations)	18
Population in Port Orchard	13,266
Number of Rain per Year in Inches on Average	57
Miles Walked by Employees on the Fitness Trail (first two quarters of 2017)	360
Number of Ping Pong Games Played per Lunch Break on Average	2
Pounds of Gobstoppers Consumed per Week on Average	5
Number of Wineries in Port Orchard	0



Kevin Nitta and Francisco



Jim Peterson



Greg L., Robert R., Kurt K., Judy, Bob K., Brisa



Anne and Kit

Happenings



Safety Week at the Port Orchard Office



Worldwide Energy Conference



Napa Office Bowling Night



Wellness Lunch and Learn at the Napa Office



Going away BBQ for Chris Mathies before he moved to Kentucky



Napa Shop hits 1,000 Safe Work Days



Nellis Safety Week



Morning Meeting at the Port Orchard Office



Napa Safety Week Qualified Rigging/Signaling Training



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