



**ON SOLID GROUND** with Concrete

**Keep on Rollin'  
 Through the Fourth Quarter**

By Kent Hudson  
 Manager, Concrete Division

The Concrete Division is different from some of DRYCO's other teams, because we are not driven by the weather and can essentially work year round. We can still do our ADA (Americans with Disabilities Act) repairs and construct buildings, like the one we're starting soon in Antioch. It's similar to one we did in Brentwood with the gas station and car wash and we've learned that this type of project can become a nice niche for us.

We have become very efficient this year. In April, May and June, we were often completing 14 jobs a day where the number would have been eight or nine in the past. The new Bobcat and ten-wheeler helped our productivity, of course, but I believe the real reason we were so efficient was that everyone worked together as a cohesive unit. Everyone understands how things are to be done -- the process, the DRYCO quality that is expected, etc. We can always get better, of course, but we have good people in place and I believe we are capable of working at that pace three quarters of the year.

We're going to keep our noses to the grindstone and keep on rollin' through the fourth quarter. We're profitable and are meeting all our goals. I feel we're doing the right things as a group and you can't ask for more than that!

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*Concrete Division Manager Kent Hudson joined DRYCO in 2003 as concrete division foreman. With 25 years' experience in the construction industry, he worked previously for a union shop in San Jose and for 10 years with a shop in Colorado.*



Dock work with Kares Construction



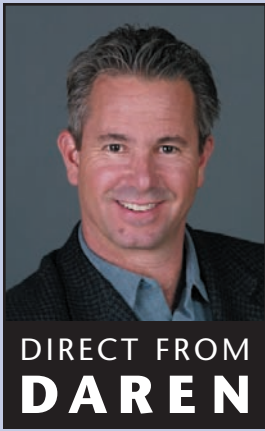
FedEx



Devonshire Park

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FOR THE RECORD...  
I'd like to start by saying that "people don't care how much you know until they know how much you care"... That's what I said in a recent article in Pavement Magazine (let us know if you would like a copy) and it's absolutely

true. As we approach the end of another year pushing hard to get to the numbers we budgeted for it has struck me that this year, is like every year, and the numbers are like all the other numbers, and the only thing that makes any of this different from any other year is the new people we meet and the relationships we forge as we move through this thing we call "our business"

Maybe I'm getting older, maybe I'm getting softer, maybe it's the loss of Greg (our CFO) still weighing on me, but for me now at this point in my life, it's all about the people in my life that keeps me motivated and moving forward. What are important to me are relationships with my family, friends, colleagues, customers and even first time acquaintances. Without those personal relationships this pursuit of financial independence we all strive for would be no fun at all. You can quote me on that...

In other news we have just completed the re-design of our website. (Thanks Aryn) A new look and a more user friendly platform was what we were striving for. (let me know what you think) As well as a site that would make it easier for us to be found by those surfing the web in pursuit of pavement maintenance nirvana... As always we are in search of those "new relationships" where we can provide long term solutions for those value minded buyers. If you know anyone like that let me know. I'd love to explain to them how little I know and how much I care...

See ya around...

**Daren R. Young**

## Meet Al Mercado

In April, DRYCO welcomed Al Mercado, CPA, as our new Chief Financial Officer. Al came to us from Naspers, a multi-national media company and, previously, served organizations such as Xerox, Ogilvy & Mather and American Wireless. He has orchestrated several mergers and acquisitions and successfully led an IPO.

Al was born and raised in Chicago as a first generation American after his family emigrated from the Carribean. He graduated from the University of Illinois and pursued state licensing as a Certified Public Accountant (CPA). He went to work as an auditor for Peat, Marwick & Mitchell (now KPMG) and moved from industry to industry and varying his financial background over the next 30 years. He held positions in a variety of sectors, from manufacturing to internet broadcasting.

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by the DRYCO culture of teamwork  
among a group of  
genuinely good people."*

Al relocated to California from Dallas, Texas, settling in Santa Cruz County just before the 1989 Loma Prieta earthquake. Currently, Al and his wife, Suzanne, live in Boulder Creek.

"After working for years for large, public companies with all the bureaucracy and politics that go with them, I was ready and eager for a change," Al says. "I interviewed with Daren and was impressed by the DRYCO culture of teamwork among a group of genuinely good people. I was attracted to the company's forward-thinking approach to quality and customer service as well.

"I appreciate the autonomy I have been given in my position and continue to work to upgrade our accounting processes and reporting methods so that everyone, including superintendents and foremen, can see where we're profitable and where we can make improvements. I'm eager to be involved in strategic and budget planning at DRYCO."



A man of varied interests, Al has volunteered for many nonprofit groups over the years, including Shakespeare Santa Cruz, an AIDS research organization and, most recently, as a board member of the Sutter Maternity and Surgery Center. He has been a member of the Sunrise Rotary Club in Santa Cruz and enjoys painting, scuba diving and playing the saxophone and flute.

Striping and Seal Coat has been busy all year, due to the absence a true rainy season. This past spring and summer, we've completed good-sized commercial property jobs for CBRE Property Management in San Jose and Manteca and Sybase in Dublin, while continuing our work at CarrAmerica properties. The striping division has been right behind seal coat on those jobs and, also, recently completed ADA (Americans with Disabilities Act) upgrades at Stonestown Shopping Center in San Francisco.

In addition to the commercial properties, we've continued to do excellent work for our homeowners' associations and their management companies.

We have been using new equipment that sprays seal coat, applying it evenly and leaving no streak marks on the pavement so that it looks as though it was applied in one piece. This method works well for a variety of surfaces and has no negative environmental impact. It is used a lot on the

## Lines FROM STRIPING & SEAL COAT



By Rick Flores

Manager,  
Striping and Seal Coat

East Coast and in the Midwestern United States, but DRYCO is pioneering the method in the Bay Area and Northern California.

Our weekends are booked and we will continue to schedule jobs as long as the good weather holds. Customers should take advantage of the dry conditions because, soon, it may be too late.

◆ It's definitely been a good year for us and we thank our customers and the weatherman!

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*Striping and Seal Coat Division Manager Rick Flores joined DRYCO as a driver and laborer in 1987. Since that time, he has developed process knowledge, leadership and management skills. His crews complete jobs of all sizes, from simple parking lot striping to complex shopping center and outdoor athletic court seal coating.*

## Dollars & Sense



By Ron Saisi

Chief Estimator

We are three quarters through the year and our estimating team is working hard in this economy to finish the year strong, concentrating on the market segments of general contractors and commercial property managers as well as churches and schools. We now have seven estimators counting myself and another, Everardo Llanos, has been in training and will be a full-fledged estimator by the end of the season.

We're continuing our year-long training with consultant Chris Mott, using the baseball-themed Base Line Sales Method that is helping to change each estimator's mentality from one

of project manager to one of prospector. The sales team, Daren and I are all entrenched in that training now and we're looking forward to putting it to work – better ways of prospecting new territories and target markets, better

methods of qualifying new leads, etc. It's a slower process than we'd like because we're all so busy, making it difficult to put forth a cohesive effort, but we're sticking to it.

As Dave mentions , we've recently landed the Novo and Evergreen Environmental projects. Those were the first two where Daren and I worked with the younger estimators to close the jobs and the outcome was just what we had hoped for.

We may not have a huge backlog that would allow us to sit back and relax at this time of year, but we're making it happen. With Chris Mott's help, we're going to "make rain" as the fourth quarter ends.

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*Ron Saisi joined DRYCO in 1992, bringing with him broad experience in the construction industry. He has built an estimating and project management team that can bid and manage projects ranging from simple to very complex grading, paving and concrete work.*

## DRYCO Seminars

### Did You Know?

DRYCO can provide training for your facility and property managers as you plan for the coming year. In addition to our popular Pavement 101 and Pavement 201 seminars, we also offer pavement management and budget planning seminars.



You select the seminar format:

- 1) private session for individual customers with four or more property/facility managers in a half-day seminar on site at DRYCO or at an offsite location, or
- 2) joint session for multiple customers with fewer than four property/facility managers who meet at DRYCO for a two to three hour morning class.

Want your own personalized seminar? Give us a call and we'll put one together for you.

# OPERATING systems



By Dave McLeod  
Operations Manager

Just as I said last spring, this continues to be an unusual year for us. During the summer, we were busy and work was steady, but not stretched beyond capacity as we so often are at that time of year. We had worked through our backlog and prepared for the big wave in June, July and August, but it didn't materialize. I think the economy had a lot to do with the situation, and that's been confirmed by the fact that business is picking up now that the economy is becoming stronger. We are looking to finish the fourth quarter strong and meet our goal for the year.

Our customers benefit from the situation we're in now because we have the flexibility to rearrange our schedules and begin their projects right away. Two large new asphalt maintenance projects we've just begun are working with Novo General Contractors on one of the Apple Computer campuses and another big project with Evergreen Environmental.

Throughout the summer, we continued working with S.D. Deacon on handicap retrofit jobs and on the FedEx project in Hayward that was recently completed. Our school customers were happy to have all their projects finished before school started up again.

Our asphalt crews have become

more and more efficient working with our new grinder. We're adjusting to having time to fill with more jobs because of that efficiency.

On September 14, we had a great time entertaining our customers at our golf tournament at Summit Pointe Golf Course in Milpitas. It was enjoyable getting to know everyone better and having the opportunity to thank them for their business.

*Operations Manager Dave McLeod joined DRYCO in 1997 as supervisor of equipment and maintenance. He brought to DRYCO strong leadership and management skills, which he had perfected as district manager for Grand Auto and Circuit City. Previously, he headed up DRYCO's Concrete Division.*

## PAVING THE WAY



The beginning of the season was especially busy for us because we didn't have the usual rain delays slowing down projects. Things slowed later in the summer because we'd been able to keep up with the demand, but we kept all our crews working. That's always a top priority with us because we value the loyalty of our people and want to keep them working.

Lately, the industrial side of our business, like shopping centers and office complexes, has become especially active, though we're still doing our school and residential projects.

We urge our customers not to delay making repairs because, with natural deterioration of pavement and roads due to weather and other factors, it will be necessary to do 30% more work next year.



By Rafael Torres  
Manager, Asphalt Division

Looking ahead to next spring, those who schedule their jobs early in the season will receive better pricing. The later in the season they wait, the more competitive the market and the higher the cost. As the industry heats up toward summer, costs can go up as much as 20-30%. Better prices and faster service are available early in the season.

*Rafael Torres, DRYCO Vice President and Manager of the Asphalt Division, has 25 years' experience in the construction industry. He co-founded DRYCO with Daren Young in 1982 and is co-owner of the company.*



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