

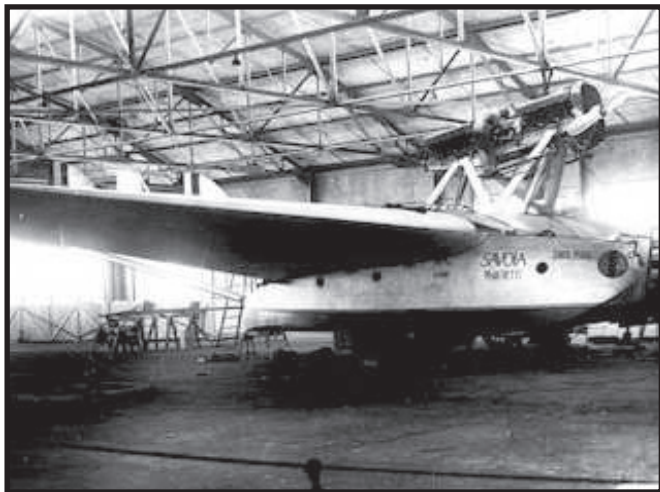


Hangar 38 at Miller Field midway through remediation.

Sandy Revisited.

Superstorm Remediation Continues.

Work nears completion on Seaplane Hangar 38 on Miller Field on Staten Island, New York. The Field was established in 1919 as part of a system of aerial coast defenses for New York City during World War I. An early aviation building, Seaplane Hangar 38, was constructed at Miller Field in 1920 for the U.S. Army and is the sole survivor of a hangar group and base comprised of approximately 40 buildings. Hangar 38 remains significant as one of the last extant examples of its type remaining on the eastern seaboard. The facility is on the National Register of Historic Places.



A seaplane occupies Hangar 38, circa 1933.



On October 29, 2012, Superstorm Sandy inundated Miller Field, bringing salt water, debris, and destructive wave action to the Seaplane Hangar and the rest of the site. Carrying contaminated mud and sludge into the hangar bays, the storm surge damaged features and exacerbated ongoing deterioration of interior and exterior finishes. SCE was retained to mitigate life-safety hazards and protect the historic facility. Work is expected to be completed at the end of January.

The effort at Miller Field is one of several undertakings by SCE as part of the cleanup after Sandy. In New Jersey, SCE was the prime contractor in the remediation of a cemetery inundated with a storm surge that deposited a layer of oil on the grounds. Remediation called for the excavation of 3" to 24" inches of surface soil over



SCE crews assist with a whale autopsy.

en Island, NY; provided curbside debris removal throughout Breezy Point, Roxbury, Far Rockaways and Rockaways NY; managed debris collection, loading, and transportation to centralized processing centers (TSS) throughout NY and NJ; remediated the Memorial to 9/11 located in Roxbury, NY; and provided equipment and crews to assist the National Park Service at Gateway National Recreation Area in a whale autopsy and disposal at Breezy Point.

At one point, SCE had over 100 workers and 38 pieces of equipment throughout NY and NJ.

an area in excess of 150,000 square feet. Maintaining the dignity of the area, SCE crews worked around all tombstones, marking pins, and survey stakes to ensure nothing was disturbed. As a rule, each day's excavation was backfilled, graded and re-sodded before the end of that day.

Within hours of the Superstorm, SCE crews were dispatched throughout New York and New Jersey, providing services including demolition, ACM removal, debris removal, and hauling. SCE removed debris from Bay Street Landing in Stat-



Contaminated soil is removed and the area is re-sodded each day.

Westchester Demolition Winds Down.



SCE's crew works at night to preserve safety and a positive shopping experience.

SCE paves the way for extensive rehab of upscale Mall.

Work recently concluded on a major mall demolition project in White Plains, New York. The Westchester is an 890,000 square foot, upscale shopping mall in downtown White Plains. Opened in 1995, and anchored by Neiman Marcus and Nordstrom, the facility is owned by Simon Property Group and is home to today's most fashionable and well-known retailers.

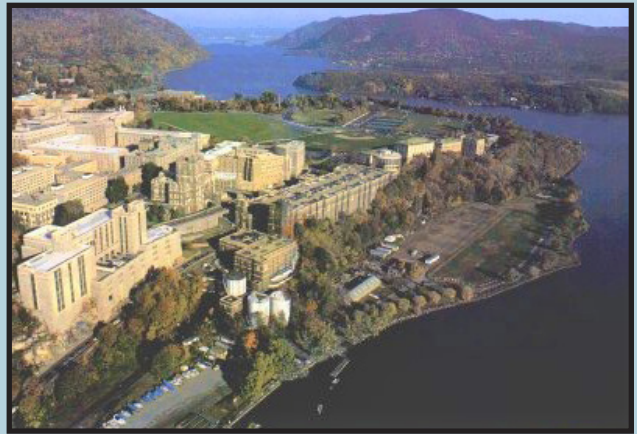
SCE's crews completed an interior demolition project of the 150 store shopping mall and food court as well as the exterior demolition of additional components. The facility remained open to the public throughout the process. Crews worked primarily at night to maintain site safety and to preserve a positive guest shopping experience. At the end of each shift, the worksite was thoroughly cleaned and made safe for the next day's shopping traffic.

SCE's work preceded a major renovation project including new flooring, modernized elevators, upgraded entrances, and new mechanical and electrical components throughout the mall. Over 34,000 man-hours were worked on this project accident and incident free.

West Point Update.

Efforts continue at Historic Site.

SCE has long been honored to work at the United States Military Academy at West Point. The Academy was declared a National Historic Landmark in 1960 due to its role in the Revolutionary War and the age and historic significance of the Academy itself. George Washington considered the site, located in an abnormal curve in the Hudson river, as the most important strategic position in America. General Benedict Arnold's infamous act of treason involved his attempt to turn the site over to the British.



West Point's strategic location in a curve of the Hudson River.



Crews prepare footers for new steps.

Over the years, SCE has been involved in the remediation of numerous environmental projects at dormitories and other structures at the facility. During the first quarter of 2016, SCE crews performed extensive asbestos and lead paint abatement in support of an HVAC renovation along with selective demolition of an historic building. During the fourth quarter, SCE crews undertook the demolition and reconstruction of walkways and steps near Mahan Hall - the nine level, 75 classroom home of the Academy's Department of Civil & Mechanical Engineering and the Arnold Auditorium. The effort will continue into the first quarter of 2017.

A Season of Giving.

SCE Staff Spreads Holiday Cheer.

Continuing the company's tradition of giving back to the community, SCE employees again pitched in to help those less fortunate during the Holiday season. During the fourth quarter, company personnel donated over \$500 as part of the Dollars for Denim program in which employees can pay a \$5.00 fee for the chance to wear jeans to work. The effort matches a similar amount in the third quarter.

A food drive prior to the Thanksgiving Holiday resulted in large food donations to local food pantries. A makeshift collection box, fashioned as a large Tom Turkey, overflowed with employee donations and was repeatedly emptied - only to be filled again. "I've always been so impressed with the generosity of our team," notes Director of Client Services, Kevin Gawason. Gawason often plays a key role in these efforts and is a frequent volunteer.

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A Season of Giving ... continued from page 3.

The company's commitment to the Seven Loaves Kitchen continued as well. Fulfilling its pledge to provide volunteers to the Kitchen each month for the year, SCE's staff donated over 150 hours to the effort and provided meal planning, preparation, service and cleanup efforts at the Tunkhannock, Pennsylvania based operation. Attending every monthly effort were Purchasing Manager, Lauren Delguercio, and Assistant Project Manager, Mariah Wheeler. In addition to volunteering their own time and resources to the charitable events, the pair coordinated SCE's effort and provided constant encouragement for other SCE personnel to participate.

During the Christmas season, SCE volunteers visited the Gino Merli Veterans' Center in Scranton, PA to deliver gifts donated by SCE employees. In addition, the volunteers served lunches to residents and, as importantly, sat with them as they ate. SCE General Counsel, Gene Talerico, coordinated the visit. "They gave so much to their country, and now they are thrilled to

have people sit with them and talk," he said, "It is humbling to see these brave, strong people who are now incapacitated by injuries or disease, simply light up with happiness when we ask to sit with them for a few minutes. It's an experience I won't forget." Joining Talerico in the effort were Mariah Wheeler, Lauren Delguercio, Ted Shone, and Bruce Morgan.



Lauren Delguercio and Mariah Wheeler chat with vets.

SCE Renews Contract with Port Authority.

Fourth Quarter Projects include PATH and JFK International Airport.

SCE is the apparent low bidder on a pending contract for the abatement of asbestos, lead and universal waste at the Authority's numerous marine terminals, including Ports at Elizabeth and Newark, New Jersey. This contract is, in essence, a continuation of a previous contract held by SCE with the Authority since 2015. SCE had received several work orders under the original contract and anticipates a similar level of activity under the new one. Similar contracts are in place for the World Trade Center in New York City, and for the Authority's Port Authority Trans-Hudson (PATH) Rail System. PATH is a rapid transit railroad serving Newark, Harrison, Hoboken, and Jersey City in metropolitan northern New Jersey and Manhattan in New York City.

Also in the fourth quarter, SCE mobilized crews under a Two Million Dollar contract calling for Remediation System Upgrades to the Bulk Fuel Farm and Satellite Fuel Farm at John F. Kennedy International Airport in Queens, NY. The work under the contract includes the replacement or modification of the existing dual-phase extraction system and related piping; modifications to well manifolds; and modifications to mechanical and electrical equipment at the facility.

In addition, and as part of a series of work orders with the Authority, SCE recently completed work on the 9th Street PATH Train Platform in New York. Furthermore, SCE crews successfully completed the abatement of asbestos containing conduit encased in concrete at the JFK Airport in Queens, NY.

Contractor Transport Update.

Company participates in Marcellus record setter.



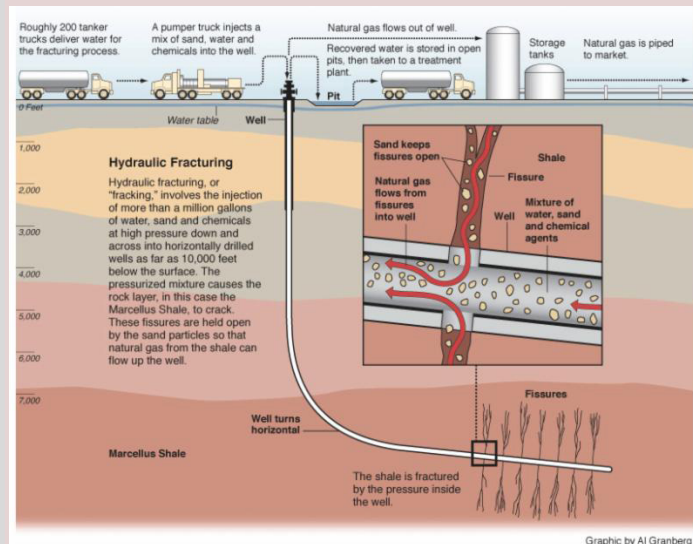
SCE's sister company, Contractor Transport, expanded its presence in the Marcellus shale region. With vehicles already in operation in Northeastern PA, the company is researching opportunities in Southwestern PA to manage the supply and removal of water at various well sites in that region.

The Marcellus is the nation's biggest and fastest growing shale gas play, producing about 20 percent of the nation's gas output. It requires horizontal hydraulic fracturing to release the gas trapped within the formation's shale. The process, known as fracking, relies upon a constant flow of water. During a frack, millions of gallons of clean water will be injected into the

well and about 40% of that volume will be pumped back out. Each injection is known as a stage. Water trucks shuttle the clean water to the site and frack water away for proper disposal.

During the fourth quarter, Contractor Transport water trucks played a role in the largest frack to date in the Marcellus region. Working with a consortium of water tank operators, Contractor Transport participated in the Lambert Frack, a 423 stage fracking operation conducted by Cabot Oil and Gas. Eclipsing prior fracking efforts in the region, this most recent undertaking represents a resurgence of the region that had been quiet for much of 2016. "Working with a consortium of operators," reflects Fleet Safety Officer, Dean Argenta, "represents a special challenge of coordination. With literally hundreds of water tankers entering and exiting the frac site, safety and communication become all important." Coordinating Contractor Transport's participation in the consortium is the task of Argenta and Director of Fleet Operations, Brett Langendoerfer.

In addition to participating in the transport of water to and from drill sites, Contractor Transport is also on call to provide 24-hour emergency response services in the event of water or material spills at drill sites.



Denver Project Continues.

Federal Center to complete mid '17.

SCE's Downing Reservoir project located at the Denver Federal Center (DFC) in Denver, CO continues. The DFC, a federal office park complete with laboratory, storage and office space, is operated by the U.S. General Services Administration (GSA) and houses more than 28 different government agencies. The Downing Reservoir is a man-made

pond that was used for disposal of industrial wastewater and wastewater treatment plant sludge from ammunition manufacturing at the facility during World War II. The sediment and sludge in the pond contain elevated levels of metals such as copper, zinc, lead, silver and chromium. Some of the World War II era construction material in the landfill above the sludge layer contains asbestos.

SCE's role in the project includes the restoration of the reservoir with tasks including placement and

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Denver ... Continued from page 5.

compaction of backfill, granular bedding and drain gravel, ballast material and structural fill, and the installation of permanent maintenance and access roads, Rip Rap outfall channels, and a collector pipe system. SCE will also install bollards, place and grade topsoil and establish a vegetative layer. Once the contamination has been removed, SCE will reconstruct the pond to hold irrigation water, temporary storm water retention, and provide waterfowl nesting habitat.



Excavation continues on the Downing Reservoir.

2017 Backlog Sets Corporate Record.

Projects already under contract at all time high.

Perhaps the most notable story of the fourth quarter involves the future. SCE's Client Services Department of Bill Bradican, Kevin Gawason, and Russell Enos, teamed with Estimators, Jack Spear and Matthew Green, to produce a record-setting backlog of new work for the upcoming year. "This team produced winning bids on incredible opportunities," cites company President, Jody Cordaro. "We have never faced a new year with so much of our revenue goals already under contract." Vice President of Operations, Nate Butler, who along with Cordaro provided key oversight in the process, is equally optimistic, "We have key contracts with established clients and all are at the core of our skill set," he observes, "we are heading into 2017 with unbridled enthusiasm."

A major asbestos abatement and interior demolition in Albany, New York, is scheduled to begin in the first quarter of 2017 and represents a multi-million dollar kickoff to the new year. The project is slated to be complete in only a few months after commencement.

At the Guantanamo Military Base in Cuba, SCE will demolish a structure formerly housing a radar facility. Efforts are to begin in the second quarter of 2017. The project is SCE's first at GITMO but the company has been in the Caribbean in the US Virgin Islands, and at the former Naval Facility at Ceiba, Puerto Rico.

In Massachusetts, SCE will begin a major asbestos abatement and demolition project during the first quarter, and in Philadelphia, SCE will repair and replace a portion of the city's sewer system. In December, SCE won a large landfill capping project in Bayonne, NJ which will commence and complete in the first quarter. Additionally, SCE was retained by the PA DEP to perform a removal/clean-up action of solid waste at the Green Resources Energy facility formerly operated within the Keystone Industrial Port Complex (KIPC) located in Falls Township, Pennsylvania. In Pittston, PA, at the site of a major facility demolition effort in 2015 and 2016, SCE was awarded a major change order for the removal and crushing of subsurface concrete throughout the 29 acre footprint of the former factory. This work will start in February and run through June 2017.

Collectively, these contracts on hand at the close of 2016 represent more than 80% of the company's revenue goals for the year and are nearly equivalent to 2016's production levels.

Two Perspectives.

A Client and a Project Super share their thoughts.

In Blue Bell, PA, SCE was contracted to install a Stormceptor component to an existing storm water drainage system. The unit required the excavation of a 20' deep, 16' by 16' hole and the interruption of the existing system. For the duration of the construction effort, the storm drain system remained active. Crews installed a temporary diversion whereby water collected in the affected system was captured and diverted through a pump system to another storm drain system.

Excavation required the use of a slide rail system to stabilize the dig site. In addition, subsurface conditions required jackhammers to cut through more than 10' of rock below grade. The precast pieces of the stormceptor were so large as to require cranes to set them in place. The new system is designed to collect water being discharged from the storm sewer, separate oils for removal, and discharge the oil-free storm water into the existing system.



of clothing was dry. These guys don't benefit from this in any way and to go above what's expected of them is something I respect and admire.

As a field supervisor I can say that without workers like this none of the projects I have been involved with would have been completed as well or safely as they have been. Please remember that these are the workers who miss out on many family activities, who live out of suitcases and hotel rooms, and who work around some of the most dangerous environments daily. My hats off to everyone I have worked side by side with and thank you for giving me 101% of yourself."

Our Client's View:

"SCE Team:

I want to acknowledge how well you have maintained the site thus far in the project. The work site has been well organized, safe and clean, and that is very important on this high visibility project. You can be sure that our client, the public and numerous third-party interests are observing daily activities through the fence and from the overlooking corporate office windows, and your performance thus far has made a positive impression.

I sincerely Thank You – Keep it safe, and keep up the good work!"

A Project Super's View:

Serving as an interesting counter to our client's perspective are the words of Field Supervisor, Jeff Trapper, offering his heartfelt appreciation to his crew on the same job:

"I feel like I need to take a few minutes and express how thankful I am that we have some of the hardest and most dedicated workers I have had the privilege of working next to. Yesterday on the project in Blue Bell PA I saw the crew down there step up to the plate and perform work that other men would walk away from or flat out refuse to do. ... With the rain that was forecasted to come later in the day the crew had the pumps all set up but right at the end of the day when the crew was already wet from working in the rain and ready to go get dry we had a major issue with the pump. Instead of saying "I'm done for the day or that's not my job" these guys worked right next to me fixing the problem. Everyone from the operator, laborers and foreman were covered in mud literally from the neck down and not one layer

Last Thoughts ...



As each year comes to a close, I always enjoy looking back and evaluating. Sometimes to relish in the victories, sometimes to reflect on the lessons learned. This year is no exception.

This year, however, what strikes me most is how little the 'state of the world' and SCE's corner of it resemble what I had pictured twelve months ago. I did not anticipate a year ago that my final newsletter of this year would be written on the eve of Donald Trump's inauguration. I did not anticipate that SCE coming out of 2016 would already have a backlog of work for 2017 that nearly eclipses the company's entire output for 2016. Last January, I did not expect the upcoming summer to be a bit slow and the winter to be explosive.

In short, 2016 proved Dwight Eisenhower correct. He once observed, "In preparing for battle, I have always found that plans are useless, but planning is indispensable." Our plan last January was to hit the ground running with the mobilization of several major projects. For a variety of reasons, projects suffered delays. We changed our plans. When those plans suffered setbacks, we changed our plans again. With each change of circumstances, we incorporated new plans, and more often than not, those plans required tweaks and overhaul.

But Eisenhower had it right. The plans weren't the key - it was the planning. And that we did exceptionally well. In the planning is where the expertise lies. In the planning is where creativity flourishes. In the planning is where teams coalesce into a symbiotic effort where the whole is greater than the sum of the parts. In the planning are the solutions.

SCE's team has all of those skills and I saw it on display day after day, week after week, throughout the year. Client Services linked to Clients; Field crews gave feedback to Operations; Operations designed solutions with Project Managers and Estimators; and members of Purchasing, Human Resources, Safety, Finance and Compliance came together to support the plan. Each plan was a good plan - until it wasn't. And then we would plan again until the mission was accomplished.

That is the team I have the pleasure to lead. That is the team that delivers SCE results to our loyal clients every day of the year.

As we close 2016, I offer my deepest gratitude to our clients who entrust us with their challenges, and to my team that finds the solutions and delivers the results. Sincere wishes for a safe, prosperous and healthy new year.

Jody Cordaro, President

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