



TIMES

Q¹
2017

Waste is a Terrible Thing To Mind ...

SCE Environmental Group, Inc.

Jersey City, NJ Uniondale, NY Washington, PA Lake Ariel, PA Tunkhannock, PA

Long Range Radar Facility, GTMO

On the Wall. *SCE at Guantanamo Bay, Cuba.*

Near the end of the first quarter, SCE began mobilization efforts for a new undertaking at the Guantanamo Military Base in Cuba. The scope of work includes the demolition of a radar facility at the famous base.

The project is not without its challenges. The logistics of coordinating equipment, crews, and supplies in Cuba are significant - as are the security measures in place at this secured government installation.

Furthermore, the GTMO Long Range RADAR facility where the structure is located is in active operation seven days a week, twenty-four hours per day. SCE crews will need to coordinate their efforts in a manner that does not interfere with the operations of the facility.

“GTMO is not our first effort in the Caribbean,” observes company President, Jody Cordaro, “but it is certainly a unique and exciting opportunity for SCE. Our estimators, purchasers, and project managers have tackled the challenges of mobilization and we are ready to go.” The project is expected to run through the remainder of 2017.



Gold Shovel Certified. *SCE awarded new Excavating Standard.*

SCE has been notified that it has qualified for the Gold Shovel Standard, a state of the art benchmark for safe excavation practices. The Standard was first developed in March of 2016 when PG&E, Xcel Energy, Kinder Morgan and Dominion Virginia Power joined together as foundational members to further develop and promote the use of Gold Shovel Standard throughout North America.

The standard is the first of its kind and features two key components:
(a) the certification of participant excavator policies and procedures,

and (b) the publication of participant ratings, known as EICO scores, as an ongoing measure of an excavator's safety-worthiness. As reflected in the organization's documentation, “[t]he vision for Gold Shovel Standard is

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(Gold Shovel, continued from page 1)

a safer North America where all excavators demonstrate exemplary caution around buried infrastructure and all locators demonstrate exemplary performance in locating buried infrastructure and where both can be recognized and rewarded for their superior performance.”

To qualify for the certification, SCE submitted its operating procedures for approval and agreed (a) to follow all laws and regulations involving excavation; (b) to assure that 100% of all employees on excavation sites have met Gold Shovel Standard training requirements and to maintain records of such training; (c) to promote a “Stop Work” policy empowering all workers to speak up without fear of retribution when they observe an unsafe excavating practice; (d) to complete an incident investigation, root cause analysis and corrective action plan for any incident; and (e) to report any buried infrastructure damage within five days to the rating bureau.

“We are 100% behind any program that imposes safety standards on our industry”, notes Vice President of Operations, Nate Butler. “We place great energy and expense into safety and we welcome any chance to distinguish ourselves from our competitors in the marketplace and better service our customers.”



With tight space, shoring, utilities, and a NYC subway below, an SCE Excavator carefully removes contaminated soil.



Crews work within containment area on pedestrian bridge.

Major Asbestos Project Underway. ***Multi-million Dollar Project at State Office Building.***

In Albany, NY, SCE crews began a major asbestos abatement effort at the Harriman Campus of State Office Buildings. The multi-million dollar project calls for Asbestos Hazard Abatement; Universal Waste Removal; Selective Interior Demolition; and Selective Exterior Demolition of Building 4 and a pedestrian bridge between Buildings 4 and 5 of the campus.

The project is currently the largest of the New York State Office of General Services (OGS) and consists of the removal of the entire structure under asbestos abatement conditions. The building is approximately 180,000 sq. ft. and contains asbestos fireproofing, floor tile, mastic and thermal systems insulation. The sheer volume of asbestos and the unique design of the building dictate that the entire structure has to be removed under containment.

Once the interior is abated and cleared, the exterior will be completely contained with scaffolding, plywood and poly sheathing to create an enclosure. With crews working two shifts and forty workers per shift, SCE is approximately 15% complete and expects an additional 4 months of work on site. The project is slated for completion in mid-2017.

Recycling Center Clean Up.

Effort is latest with PA DEP

SCE continues its long standing relationship with the Pennsylvania Department of Environmental Protection. In Fairless Hills, Pennsylvania, PADEP retained SCE to remediate an abandoned waste recycling center located within the Keystone Industrial Port Complex (KIPC) owned by United States Steel Corporation. The facility was used as a processing center for recycling common household waste into an alternate fuel source.

Solid waste and processed materials had been abandoned in the facility - a 32,000 square foot warehouse. The waste included post-consumer and virgin waste materials such as paper, packaging, wood, rags, carpet and plastics. Approximately 20% of this waste had been mechanically processed by grinding, shredding, screening, and blending. The remaining unprocessed waste filled the remainder of the warehouse.

SCE's function was to remove all of the material and clean the facility. Crews removed 7,624CY of processed and unprocessed material. On completion, the facility was "broom clean."

The project is the latest in a long partnership between SCE and PADEP. In various locations within Pennsylvania, SCE conducted projects awarded under an Interim Remediation Response Services



Abandoned waste fills warehouse facility.

Contract (IRRSC) with the Department. In Carbondale, PA, SCE cleaned up an abandoned lumber mill. Crews performed asbestos abatement in three shuttered buildings, and remediated soil impacted by railroad ties and other creosote treated products on the property.

In Whitpain Township, Montgomery County, PA, SCE installed one of the largest remedial systems that PADEP has contracted in several years. This system remediates a grossly impacted site that once was releasing petroleum onto the Northeast Extension of the PA Turnpike. SCE utilized directional drilling to cross a road that could not be trenched due to access issues with an adjacent property owner. SCE tied 7 wells into a MET Certified turnkey Dual Phase Extraction (DPE) system mounted in a 40' modified shipping container with an integrated PLC based control system. The system is supported by an air stripper, vapor-phase carbon filtration, and a FALCO 300 Catalytic Oxidizer.



With waste removed, crews begin final cleanup effort.

Denver Operation Continues.

Federal Center Remediation On Schedule.

SCE's Downing Reservoir project located at the Denver Federal Center (DFC) in Denver, CO reached 75% completion in the first quarter of 2017. SCE's role in the project includes the restoration of the man-made reservoir that was used for disposal of industrial wastewater and wastewater treatment plant sludge from ammunition manufacturing at the facility during World War II. SCE's tasks include placement and compaction of backfill, granular bedding and drain gravel, ballast material and structural fill, and the installation of permanent maintenance and access roads, riprap outfall channels, and a collector pipe system.

The scope of work is impressive. Thus far, nearly 4,000 truckloads and over 90,000 tons of imported backfill have been delivered to the site including 100 tons of riprap, 4,000 tons of drain gravel, 4,055 tons of pipe and structure bedding, 30,456 tons of reservoir liner bedding soil over approximately 10 acres, and 52,195 tons of reservoir liner ballast over approximately 75% of the reservoir. In addition, SCE crews have installed a 30' deep, 6' diameter groundwater recovery manhole, complete with 2,000 linear feet of recovery piping, in-

stalled 400 linear feet of 36" RCP reservoir outfall piping tying into McIntyre Gulch, and installed alignment and metering manholes to monitor the flow of water through an agricultural diversion pipeline.

By project completion later in 2017, crews will also complete reservoir reconstruction with an additional



Project Supervisor, Bill Stankevitch, and VP Operations, Nate Butler.

50,000 tons of ballast material, 2,000 tons of riprap, 1,800 tons of topsoil, and 4,400 wetland plants, pour an 80 cy cast-in-place reservoir outlet structure, set an overshot gate and appurtenances, set (88) bollards, install groundwater recovery and irrigation water pumps and associated piping, and install an 8-diffuser reservoir aeration system complete with 6,000 feet of high density air line, tying into an automated feeder system, housed in a custom fiberglass enclosure.

Factory Demolition and Site Work Extended.

Latest Phase includes substantial site remediation.

For five years, SCE has been involved in the extensive remediation and demolition of a 1,000,000 square foot former picture tube manufacturing facility in Pittston, PA. In the first quarter of 2017, SCE was advised that it will continue with the next phase of the project: site preparation for future development.

At the project's inception in 2012, SCE was the prime contractor on the large scale demolition of the "Hot End" of the plant. Work included the demolition of

three large furnace structures, head houses, batch houses, precipitators, cat walks, furnace canals, furnace checkers, and areas of select demolition; implosion of 150' high smokestacks; recycling of over 3,500 tons of steel; and the disposal of over 1,000 tons of numerous chemicals including Strontium Carbonate, Sodium Carbonate, Nepheline Syenite, Potassium Nitrate, Potassium Carbonate Titanium Dioxide, Cerium Oxide, Cobalt, Zircon sand, Nickel, and Sodium Carbonate.

After demolition, SCE imported over 12,000 CY of structural fill and constructed a 400' l x 22' high x 2' thick concrete formed retaining wall. Additionally SCE designed and implemented a portable on-site treatment system to treat over 300,000 gallons of impacted water prior to discharge to the POTW; and decontaminated two 140' silo's with 14 holding com-

partments in each. The compartments stored all the chemicals that were used for the manufacturing. Also part of the initial phase, SCE performed excavation, handling, management and solidification of over 21,000 tons of impacted soil for offsite disposal, and handled over 7,000 ton of radiological material including segregation and off-site disposal.



In December of 2014, SCE began phase II of the project with the implosion of the twin silos decontaminated during phase I.

During this phase, SCE would complete the demolition of the facility. Safety required particular attention to the significant in-place utilities including dual live 69 kV substations, 12" water and sewer mains, and gas service. SCE's excavators were equipped with long-reach capabilities (80' reach), water jet dust suppression, and remote video cameras mounted on the end of the boom. From their position 80' below, operators had precise video feedback of bucket position and could deliver dust suppressing jets of water. In addition massive water cannons around the property produced plumes of mist that kept dust from migrating off property.

In November of 2015, Engineering News-Record Magazine presented SCE with a Safety Award as part of the magazine's "Best Projects" contest - an annual

juried competition featuring entries from across the country and across the construction industry. All SCE crew members were certified in OSHA 40 and LPS. Throughout the project duration, an SCE site safety officer constantly monitored crew activities and site conditions to make sure safety remained at the forefront. Every day, all on site personnel attended three safety related meetings. Each day started with a mandatory morning Tailgate meeting. In addition, mandatory meetings at 2:00pm ("two minutes at 2:00") and 5:00 pm ("five minutes at 5:00"), provided constant reminders of job hazards and safety procedures and reinforced open communications on safety throughout the project. As a result, after more than 35,000 crew hours, and a grueling winter, the project had zero OSHA recordable incidents.



In the first quarter of 2017, SCE was advised that its work at the site will continue into yet another phase. This phase consists of footer, foundation, pier cap and sub slab removal from over 25 acres. Material will be remove, processed, crushed and placed on the site for final back-fill activities. Work is expected to continue through the 3rd Quarter 2017.

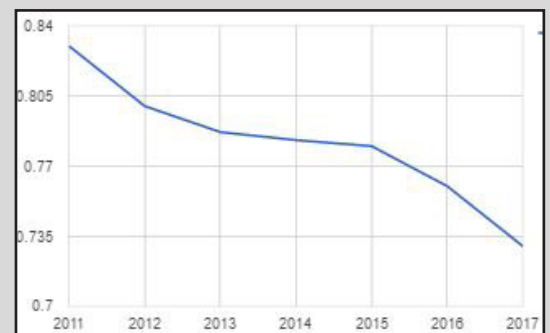


Latest phase calls for removal of subsurface concrete.

SCE Experience Rating Modification Improves to .730.

Score represents a company best.

In an industry where safety is fundamental, there is a universally accepted measurement: the Experience Modification Rating (EMR). It is a measurement used by the insurance industry to credit or penalize a company's specific safety history. An "average" company pays 100% of its insurance premium and scores an EMR of 1.00. Exceed 1.00 and you are penalized. Fall below 1.00 and you are credited for your safety record.



Recently, SCE was advised that its EMR for 2017 will be .730 - a significant drop from last year's already impressive .760. The decrease continues six years of improvement and a best-ever mark in this key company measurement.

Contractor Transport Expands.

Two additional facilities open in Western PA and WV.

Contractor Transport has further expanded its presence west in the Appalachian Basin shale industry. With vehicles already in operation in Northeastern PA, the company has now opened facilities in Washington, PA, and Fairmont, WV to manage the supply and removal of water at various well sites in that region.



CONTRACTOR
TRANSPORT LLC



In addition to the new facilities, Contractor Transport has undertaken a substantial investment expanding its fleet of Water Vacuum Trucks and related equipment and retaining the personnel to operate a 24/7 operation. Fleet Manager Brett Langendoerfer has overseen a near 300% increase in fleet size in only three months. All vehicles are new or late model top-of-the-line units fully equipped with GPS tracking and camera systems.

In addition, Corporate Trainer and Chief Talent Officer Pedro Anés has instituted a series of hiring and training programs to onboard experienced drivers into Contractor Transport's operational and safety systems. "Our drivers are among the elite in the industry," notes Anés, "they are thoroughly vetted in terms of their experience, safety rating, and driving history and are then carefully evaluated by our Human Resources Department, our Operations team, and our outside safety consultants to assure nobody takes the wheel without the right experience and credentials."

The two new facilities in Southwestern Pennsylvania and West Virginia come complete with administrative offices and several bays for the maintenance of vehicles. The facilities are currently home to 85 staff members and experienced drivers. "With these terminals," notes Contractor Transport Vice President of Operations, Chris Lafferty, "we are now a major player in the movement of water in the oil & gas play and we anticipate that our growth has only just begun."

The Marcellus region has attracted major players in the energy sector and these companies demand high standards of safety and financial responsibility from the companies with whom they deal. Contractor Transport is an approved contractor in Avetta and ISNetWorld - clearinghouses utilized by the petroleum industry to evaluate and monitor contractors.

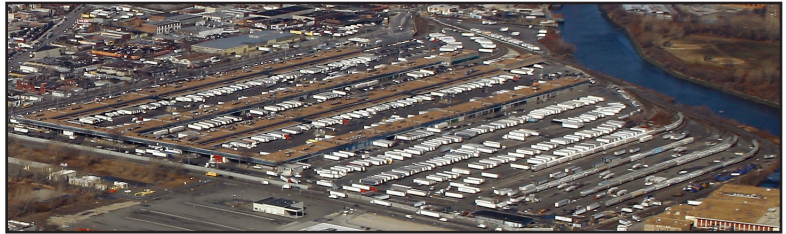


Chief Talent Officer Pedro Anés conducts driver orientation.

SCE Awarded Major Disaster Recovery Contract.

NYCEDC Contract protects food and transport services.

Early in the first quarter of 2017, SCE received notice that it was awarded a three-year contract with the New York City Economic Development Corporation for the provision of Disaster Recovery Services at NYCEDC's numerous properties throughout the five boroughs. Services under the contract include emergency power, environmental services, preparedness planning, fire damage cleanup, mold remediation, document restoration, contents restoration, drying and dehumidification, air duct cleaning and restoration, electronic restoration, emergency boilers, water pump out services and fuel supply.



Hunt's Point Food Distribution Center

Of key importance is for SCE to provide disaster recovery for the city's food supplies and transportation services. The contract anticipates disasters such as weather, terrorism, power outages, vandalism, fire and building collapse. Once under Contract, SCE will be available 24/7 for emergency service requests and must be on-site within 3 hours of the call.



South Street Seaport

Properties under NYCEDC's purview include the Arthur Avenue Market, Kingsbridge Armory, and Hunts Point Food Distribution Center in the Bronx; the East New York Incubator, Brooklyn Army Terminal, Brooklyn Wholesale Meat Market, South Brooklyn Marine Terminal, Bush Terminal, First Avenue Railyard, Brooklyn Cruise Terminal Piers 11 & 12, Moore Street Market, and MetroTech Center in Brooklyn; Essex Street Market, Audubon Ballroom, Old Fulton Fish Market, and the South Street Seaport in Manhattan, and additional facilities in Queens and Staten Island.

Emergency Response.

Trailers on Standby.

SCE is engaged in a number of emergency response contracts with various private, governmental, and utility clients that require response times of only a few hours within a circumference of 150 miles. The drive time alone consumes the lion's share of the time allotment.

To be prepared, the company maintains several dedicated Emergency Response Units that remain isolated from standard day-to-day operations and are used only for these time-sensitive events. Ready to go on a moment's notice, the units are stocked with a complement of drums, pumps, tools and materials to address the situations and challenges anticipated by our Clients.



Last Thoughts ...



I frequently use this last section of the newsletter to shed a little light on my perspectives on life and business. More often than not, my topic is quite spontaneous, and is usually motivated by something I've recently read or a conversation I've recently shared. Last week, a new potential insurance partner asked, "what makes SCE unique?" It's a question I've considered myself from time to time and it always triggers a memory of Thomas

Edison's observation, "I have not failed. I've just found 10,000 ways that won't work." And that's what makes us unique.

It would be a wonderful story to tell of SCE's meteoric rise to success since its roots in the year 2000. A success story unimpeded by potholes along the way; where we always made the right choice at each fork in the road; and where every plan was perfect and perfectly executed. In short, a wonderful work of fiction.

But that is not SCE's story. We found 10,000 ways that won't work but kept looking for ways that did. And that, to paraphrase Robert Frost, has made all the difference. In each bid where we were too high to win, or too low to make a profit, we found ways that don't work. With each project where we missed budget or schedule, we found ways that don't work. With each near loss incident and with each loss prevention observation, we found ways that don't work. We learned from those lessons.

And that brings me to the first quarter of 2017 and two very significant milestones on SCE's unique road: a record backlog of work under contract, and a record low EMR. An interesting juxtaposition of two significant metrics: record high prospects with record low injuries.

Is it an accident? I think not. I'd like to think that the lessons we learned from those ways that didn't work guide us today. I'd like to think that our experience makes us a more valuable partner to our clients and a safer place for our employees. I'd like to think that this team that I lead, with their collective talent, intelligence, and indefatigable drive have found those 10,000 ways that don't work, assimilated those lessons, and found a few that do.

We'll keep looking ... and learning.

Jody Cordaro, President

SCE Environmental Group, Inc.
1380 Mt. Cobb Road Jefferson Township, PA 18436
(570)383-4151 (570)687-9524 (fax)

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www.SCEenv.com



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