

BENCHMARKS

2018 YEAR IN REVIEW







Jay Osborn

Jay P. Osborn, President Distribution & Transmission, Primoris Services Corporation, Little Canada, Minnesota. His term as DCA President concluded at the association's 2019 annual convention in March in Nassau, Bahamas, where Michael J. Hickey, Executive Vice President, Utility Construction of The Hallen Construction Co. Inc. assumed the DCA presidency.

DCA President Jay Osborn Sees Opportunities for Industry Newcomers

Jay Osborn, President of Distribution and Transmission for Primoris Services in Minneapolis-St. Paul and 2018 of the DCA, has seen a lot of changes since he began working with his father in underground construction four decades ago.

Some of the most obvious? The technological advances in materials and equipment.

"I had already been working in the business about 20 years before I got access to my first directional drills in 1992," Osborn said. "We were moving from open-cuts and to more plastic instead of steel in distribution replacement."

But that's not the only difference Osborn has noticed over time. Another is the increase in rules and regulations, much of it driven by safety incidents.

"Whenever old infrastructure fails and causes damage, there always seems to be a new rule that comes behind it," he said.

Osborn explained that legislation really ramped up after the 2010 gas pipeline explosion in San Bruno, California, when investigations found that repair records were either inaccurate or incomplete.

"Utilities are focusing more heavily on compliance, looking at records and systems, and working to manage these processes," Osborn said. "There's definitely more scrutiny that affects how we operate as distribution contractors to support our customers."

Initiatives Will Help Build a Sustainable Workforce

Turning to issues that concern him most today, Osborn cited the looming labor shortage that will result as older workers retire, young people are lured away from vocational careers, and demand for workers increases. DCA is working to address the problem through initiatives to identify the resources, structure, and leadership needed to build a sustainable workforce in the future. That includes partnering with SkillsUSA, an organization that promotes career and technical education.

"I believe we're on the right track," Osborn noted, "but it's a long-term process, and we need to stay vigilant and apply what we learn as we go. We're trying some pilot projects, including our work with SkillsUSA, which has about 400,000 kids involved across the United States. Its goal is to help fill the gap that was created when schools

removed shop, industrial arts, and those kinds of vocational programs out of the curriculums. We're working with them to get the message out about career opportunities we have in this industry."

Osborn's passion for the industry shows in his determination to reach out to the younger generations.

"We must look at this issue from every direction and make every effort to connect and communicate with young people; DCA is doing that. For example, the DCA is tracking our websites to see if they're attracting the right people, developing our site to look the way they'd like to see it instead of just the way we might have had it."

Reflecting on how the industry reached this point, Osborn said, "A lot of kids in high school get pushed toward going to college, but college is not for everybody and we're telling kids that they have another avenue. You can make a very good living in this industry if you want to work with your hands and be a problem-solver. You can go a long way in this business without a college degree."

Osborn himself is an excellent example. He got his first full-time job in construction straight out of high school in 1978. By 1999, he had founded his own company.

Asked whether today's high school students have as much opportunity for success in the industry as he did when he started, Osborn responds with an unequivocal yes. In fact, he thinks they have more, especially with demand moving faster than it did in the past, and people being advanced to keep pace. But that's not always a good thing, he admitted, as young workers might not be capturing all the skills they need and may advance a little before they're ready, meaning they have to learn on the fly.

Osborn remains hopeful for the distribution contracting business in the near term. "It seems like the main theme is that business is coming back, so the outlook appears to be improving overall. You can pretty much go to work wherever you want if you can find the people."

DCA MISSION

Quality contractors
and associates working
together to deliver superior
value to the natural gas
and the underground
utility industry.

DCA ADVOCACY PROGRAM

In 2012, DCA initiated a federal advocacy program to advance the interests of the association in the halls of Congress and before federal regulatory agencies. DCA engaged the services of Wyman Associates, a government relations firm based in Falls Church, Virginia, to establish an ongoing presence on Capitol Hill and in front of several administrative branch agencies. The association's Government Relations Committee works to expand gas distribution construction markets through existing and pending energy legislation, regulatory actions addressing pipeline safety, and initiatives to prevent underground facility damage during excavation activities. DCA is now an active member of several coalitions and working groups, including:

■ Common Ground Alliance (CGA)

The CGA is a community of all stakeholders in underground facility damage prevention, including operators of gas and hazardous liquid pipelines; water, electric, telecommunications and other utility systems; excavators; facility locators and one-call systems; and federal, state, and local government representatives. Collectively, the CGA promotes shared responsibility in damage prevention through development of best practices, increased communication, and utilization of effective technologies.

■ Energy Equipment Infrastructure Alliance (EEIA)

EEIA consists of construction organizations and the business community working together to support federal and state legislation that promotes and facilitates the extraction, development, and transportation of shale gas and other energy sources. EEIA efforts include natural gas pipeline permitting reform, streamlining liquefied natural gas (LNG) exports, and policy surrounding energy production on federal land.

■ Pipeline Construction SMS Coalition

DCA is leading an industry effort to promote Safety Management Systems (SMS) in the pipeline industry. Pipeline SMS is a cyclical approach to pipeline safety—one that requires buy-in from senior management, top-to-bottom understanding of a company's safety program, and dedication to strive for continuous improvement. SMS is a focus of a number of pipeline operator associations, including the American Gas Association (AGA), American Pipeline Institute (API), Interstate Natural Gas Association of America (INGAA), and the American Public Gas Association (APGA).

■ Construction Industry Safety Coalition (CISC)

The CISC comprises 25 trade associations representing virtually every construction trade, task, and activity, including small, medium, and large contractors; general contractors; subcontractors; and union and non-union contractors. The coalition works collectively to encourage sound legislative and regulatory policy, overseen by the U.S. Occupational Safety and Health Administration (OSHA), on issues with intricacies unique to the construction industry.

■ Construction Industry Drivers Coalition (CIDC)

The CIDC is an industry coalition for 15 excavation and transportation construction associations working to mitigate impacts of Hours-of-Service (HOS) regulations overseen by the Federal Motor Carriers Safety Administration. Intended to address driver fatigue in the long-haul trucking industry, HOS regulations extend to the construction industry without any measurable safety benefit.

■ PHMSA Damage Prevention State Grant Review Team

Consisting of state pipeline inspectors, representatives of the gas and hazardous liquid pipeline industries, excavators, and public interest organizations, the review team meets annually to evaluate, discuss, and provide feedback to PHMSA on state damage prevention grant applications submitted by applicants.



DCA Online: www.dcaweb.org

The DCA website is a state-of-the-art tool that gives access to DCA publications, members, and facts with the click of a mouse. It provides members with password protected access to news, toolbox talks, committee updates, and association newsletters, as well as wage rates for the Laborers' International Union of N.A. (LIUNA), the International Union of Operating Engineers (IUOE), and the United Association (UA). The website offers nonmembers information about the association and its members, and helpful links to a host of websites of relevance to the distribution construction industry.

Benchmarks

The 2018 edition of DCA Benchmarks offers a concise and meaningful look into DCA's current operations, leadership, and organizational outlook, as well as its future initiatives. If you have any questions about DCA or its activities, please contact us at 972.680.0261 or info@dcaweb.org. We look forward to hearing from you.

Acknowledgements

DCA would like to acknowledge the tireless efforts of its volunteers and leaders. Without the expertise, resources, and talents of those who support DCA, the accomplishments and activities that occurred in 2018 would not have been possible. We are excited about 2019 and look forward to working with you to make it another year of progress and achievement.



DCA News

DCA News is a bi-monthly publication that keeps members up to date on the latest in industry and regulatory news. Topics include legislation and government regulations, association activities and meetings, industry issues, and safety updates. *DCA News* also provides a forum for company and personnel news.



DCA e-News

DCA members are also informed of late-breaking industry news, regulatory matters, equipment developments, and upcoming meeting information through the monthly *DCA e-News*. This digital publication brings the latest industry news to DCA members through direct links to informational resources.



DCA Directory

DCA, through our industry partner, Gulf Energy Information, publishes a nationwide membership directory each year that lists all companies, with their officers and specialties. The directory, a “Who’s Who” in utility construction, is distributed to members, prospective members, utility companies, equipment manufacturers, vendors, suppliers, labor representatives and government officials.

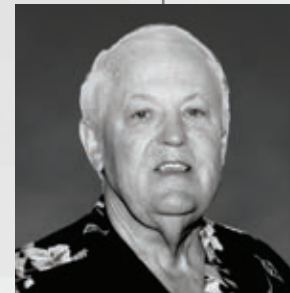


DCA-Dale R. Michels Endowed Scholarship

DCA founded the DCA-Dale R. Michels Endowed Scholarship in 1998 to encourage students considering careers in construction. Over the years, the annual distribution has grown from \$5,000 to \$15,000. For the 2018-2019 academic year and beyond, the amount distributed to deserving candidates will be based on a portion of the association's auction and investment income proceeds and is estimated to be \$110,000.

DCA-Curtis H. Allen Scholarship

The Curtis H. Allen Scholarship was created by Bentonite Performance Minerals (BPM) in honor of Curtis H. Allen. BPM contributes \$2,500 annually to the fund, an amount matched by DCA. For the 2018-2019 academic year and beyond, the amount distributed to deserving candidates will be based on a portion of the association's auction and investment income proceeds and is estimated to be \$34,000.



DCA-Lyon's Grant Program

The DCA-Lyons' Grant Program honors the memory of DCA past president and honorary member Bob Lyons, who was known for his commitment to community service, education, charitable causes and the association. Bob was instrumental in establishing the DCA annual auction in 1991, which to date has raised almost \$5 million for the scholarship program, Safety Congress and association administrative expenses. The grant program was established by Jan Lyons, Bob's widow and a strong supporter of DCA, with a five-year pledge of \$25,000 from the Lyons Family Foundation. While there are no specific grant requirements, it is expected that candidates be strong emerging and/or established community leaders recognized for their personal service and advocacy. Grants are directed to individuals or organizations that do not receive significant financial assistance from governmental or large charitable groups. In Bob's words, "It's all about those that have been blessed with the understanding of what it is to give back." An additional \$5,000 from the auction is added annually to the fund.



James R. Upton Scholarship

In memory of DCA former managing director James R. Upton, the DCA Board of Directors annually distributes \$3,000 to provide scholarship opportunities for students of the Cherokee Nation in Tahlequah, Oklahoma. Two annual scholarships are awarded to graduates of Sequoyah High School in Tahlequah. The recipients are selected by and based on criteria established by the Cherokee Nation.

Safety Director of the Year Award

The Safety Director of the Year Award recognizes the achievements of a safety director whose initiatives and programs have enhanced the overall safety program of a member's company. Award recipients also participate in DCA's Safety Congress. The annual award includes a \$1,000 cash prize. The 2017 recipient was Tony Sandwick of Q3 Contracting Inc.



Safety Person of the Year Award

The Safety Person of the Year Award is given to an individual who has gone beyond the call of duty in any area of company service. It can be a lifesaving event, monetary savings to the company, etc. The recipient can be employed at any level in the company and will receive a plaque and a \$1,000 cash prize. The 2017 recipient was Austin O'Hara of Miller Pipeline.

Arthur T. Everham Safety Award

The Arthur T. Everham Safety Award, named in honor of an industry safety pioneer and DCA past president, is presented every year at the annual convention to companies with exemplary safety records and practices in various categories. Judging criteria includes: the number of OSHA lost workday cases, number of OSHA restricted duty days, number of first-aid cases, number of fatalities, the presence of a documented safety program, the use of a drug-testing program, and the company's Experience Modification Rate. The award is highly coveted as recipients are recognized and honored by competitors. For 2018, the categories awarded are:



Under 199,000 Hours:

- First Place – a tie:
 - Aaron Enterprises Inc.
 - Alvah Contractors Inc., South San Francisco, CA
 - Atlas Trenchless LLC, Rockville, MN
 - Brotherton Pipeline Inc., Gold Hill, OR
 - NuLine Utility Services LLC, Belle Chasse, LA

200,000 hours to 599,000 hours:

- First Place – Southeast Directional Drilling, Casa Grande, AZ
- Second Place – Primoris Distribution Services Inc., Dade City, FL

600,000 Hours to 2,000,000 hours:

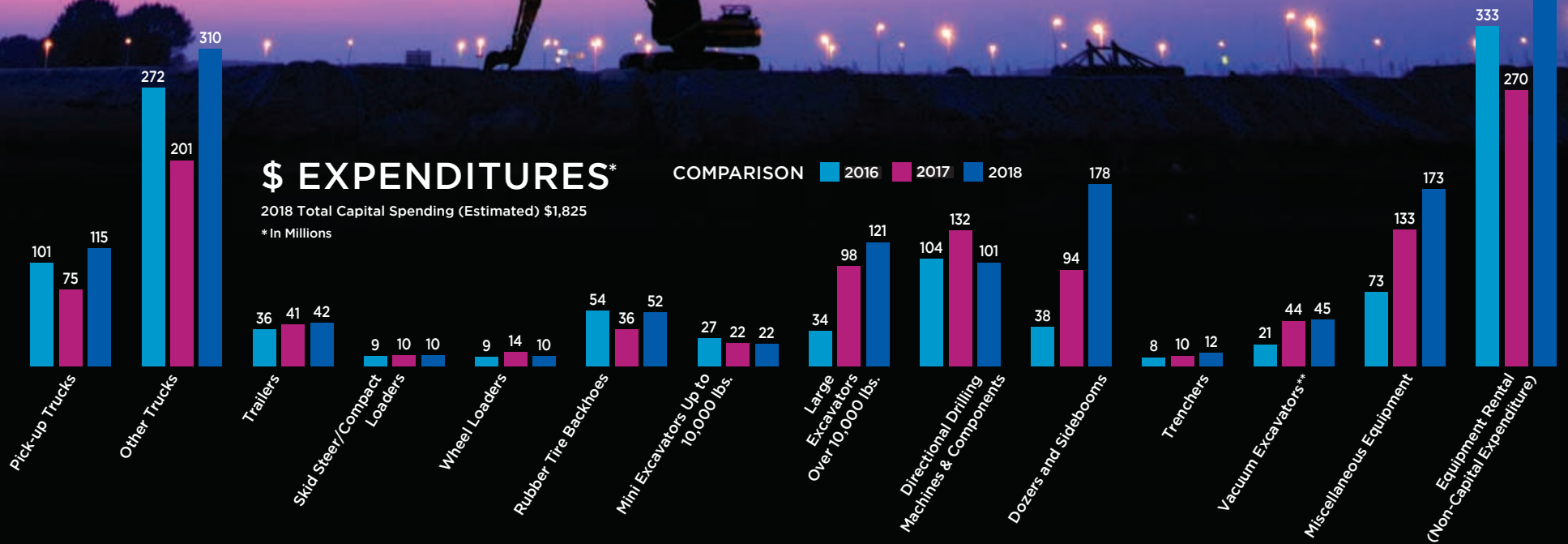
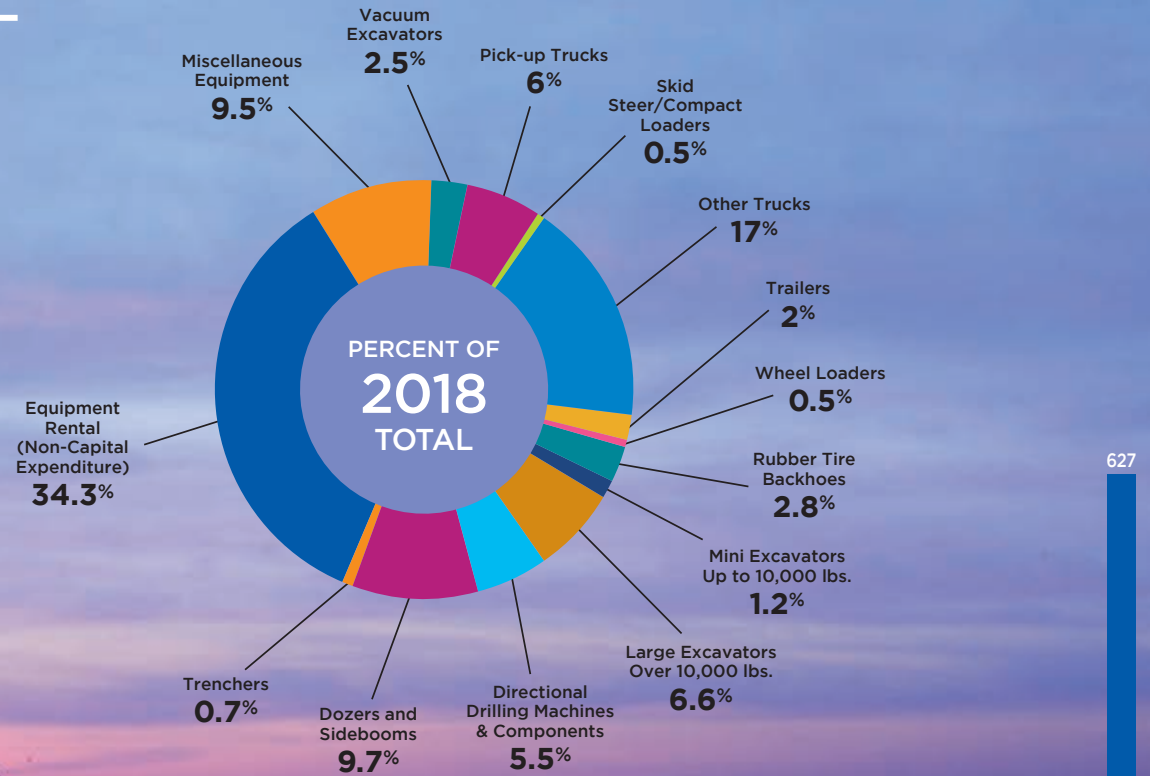
- First Place - a tie:
 - Blackeagle Energy Services, Berthoud, CO
 - United Piping Inc., Duluth, MN
- Second Place – J.F. Kiely Construction Co., Tinton Falls, NJ

Over 2,000,000 Hours:

- First Place - ARB Inc., Lake Forest, CA
- Second Place – Q3 Contracting, Little Canada, MN

From its inception in 1961, the Distribution Contractors Association has been committed to progress. This year, as in years past, DCA members will lead the way in the use of the latest technologies, equipment and safety issues. DCA members remain at the cutting edge of a constantly changing and vibrant industry.

EQUIPMENT SURVEY



Each year, the DCA holds major meetings to discuss issues vital to the association and the industry, as well as smaller committee meetings throughout the year.

ANNUAL CONVENTION

(FEBRUARY OR MARCH)

The Annual Convention is held in a warm weather location in the US or internationally and is designed for members and their spouses/guests. At this annual meeting of the membership, DCA holds elections for the Board of Directors. A key feature of the convention is the annual auction, which has grown over the years and is the primary fundraiser for the operations of the DCA. The week-long event is supported through the generous sponsorship of our associate members and features first-rate speakers at business sessions, networking events, and local activities. Recipients of the scholarships and the Arthur T. Everham Safety Award are announced at the convention. The final board meeting of the outgoing president and the first board meeting of the new president are held at the convention. A Leadership Council meeting is held, as are meetings of the committees. The general meeting of the membership is the DCA Town Hall, where leadership provides an update on association proceedings and where the members can dialog with leadership. The 2019 Annual Convention was held March 4-9 at the Grand Hyatt Baha Mar, Nassau, The Bahamas. **The 2020 Annual Convention will be held February 24-29 at the Boca Raton Resort & Club, Boca Raton, Florida.**

MID YEAR MEETING

(JULY)

The Mid Year Meeting has grown over the years from a summer board meeting to a family networking event with business session speakers, committee meetings, a board meeting, and a leadership council meeting, as well as the DCA Town Hall. Each year many activities are planned with DCA member families in mind. The 2018 Mid Year Meeting was held July 18-21 at the Tenaya Lodge, Fish Camp, California. **The 2019 Mid Year Meeting will be held July 17-20 at the Nemaquin Woodlands Resort in Farmington, Pennsylvania.**

SAFETY CONGRESS

(MARCH OR APRIL)

DCA's Annual Safety Congress is becoming a "must-attend" event for safety professionals each year. The two-day event attracts safety professionals from across the country and industry to discuss different challenges and problems utility contractors face, from creative training ideas to managing a safety culture within your company. The Safety Director of the Year and the Safety Person of the Year are awarded at the Congress. **The 2019 Safety Congress will be held April 1-3, at the Hutton Hotel, in Nashville, Tennessee.**

DCA & AGA UTILITY CONTRACTOR WORKSHOP

(APRIL)

The DCA and American Gas Association (AGA) partner to produce a workshop aimed at increasing communication and cooperation between gas distribution utilities and the contractors who work for them. The 2018 event attracted some 130 attendees representing gas utilities, contractors, manufacturers, labor unions, industry experts and federal government officials. The 2018 DCA & AGA Workshop was held April 11-13, at the Four Seasons in Chicago. **The 2019 DCA & AGA Workshop will be held April 22-24, at the Four Seasons Hotel in Chicago.**

FALL MEETING

(OCTOBER OR NOVEMBER)

The Fall Meeting is a members-only event with a board meeting, leadership council meeting, committee meetings, and a networking social event. The Executive Finance Committee meets at this event to review the operations of the staff. The 2018 Fall Meeting was held October 24-26 at the Loews Minneapolis Hotel, Minneapolis, Minnesota. **The 2019 Fall Meeting will be held in October 28-30 at the Westin Times Square, New York City, New York.**

\$734,334

Total Contributions

**LiUNA/DCA
Cooperation Trust**

LiUNA!

A joint labor-management cooperative trust was established in December 1990, under the provisions of the Taft-Hartley Act, between DCA and the Laborers' International Union of North America to:

- Improve communications
- Expand work opportunities
- Promote safe, efficient work conditions
- Sponsor seminars, conferences, and meetings concerning the industry
- Facilitate a network for the exchange of information
- Resolve problems
- Advance mutual interests relating to the industry

Governing the trust is a Board of Trustees appointed from labor and management. The executive vice president of DCA serves as executive director of the trust, and trustee meetings are conducted on a regular basis. The LiUNA Cooperation Trust of DCA provides financial support to the Association for use in publications, the annual convention, and industry relations.

*Annual financial audits are prepared by
AFairchild, PC, Carrollton, TX

\$678,736

Total Contributions

**National Distribution Pipeline
Industry Communications
& Productivity Fund
(NDPIC & PF)**



DCA and the United Association reached an agreement in November 1990 to establish a joint labor-management cooperative trust to:

- Improve communications and the collective bargaining relationship between labor and management
- Study ways of eliminating potential problems that reduce competitiveness and inhibit the economic development of the distribution pipeline industry
- Engage in public relations and public education programs
- Research and develop programs to improve the distribution pipeline industry

The executive vice president of DCA serves as executive director of the trust to govern the fund. The NDPIC & PF provides funding for DCA publications, the annual convention, and industry relations. Gary A. Pasternak, Pasternak Associates, PC, Dallas, Texas, is the administrator of trust collections.

*Annual financial audits are prepared by
AFairchild, PC, Carrollton, TX

\$175,003

Total Contributions

**Distribution Contractors
Industry Advancement Fund**



The DCA and the International Union of Operating Engineers reached an agreement in June 1999 to establish an industry advancement fund. The fund is designed to advance the interests of the distribution construction industry by:

- Establishing good public relations and market development
- Engaging in public relations and public education programs
- Negotiating fair and equitable collective bargaining agreements with representatives of employees engaged in the industry
- Encouraging and developing industry safety standards
- Providing educational opportunities for those engaged in, or connected with, the industry
- Encouraging the use of union contractors for the construction of all distribution pipelines
- Improving communications between labor and management

*Annual financial audits are prepared by
AFairchild, PC, Carrollton, TX

DCA 2018 FINANCIALS

	2018	2017
Revenue:		
Meetings:		
Convention Registration	\$584,040	\$469,065
Convention Sponsorship	270,150	221,750
Mid Year Registration	243,740	224,570
Other Meetings	325,300	257,670
Total Meetings	\$1,423,230	\$1,173,055
Member Dues:		
Contractor Member	\$164,667	\$148,500
Less: Contributions Credit	(30,783)	(28,795)
Associate Member	101,938	99,687
Total Member Dues	\$235,822	\$219,392
DCA Auction*:	\$1,035,045	\$896,744
Other Income:		
I.U.O.E. Industry Fund	\$9,879	\$9,089
Management Fees	136,612	131,475
Grants	1,100,000	1,000,000
Net Unrealized Gain (Loss) On Investments	(235,649)	250,887
Interest	86,300	75,520
Total Other Income	\$1,097,142	\$1,466,971
Total Revenue	\$3,791,239	\$3,756,162
Expense:		
Convention	\$1,388,187	\$1,116,002
Mid Year Meeting	\$239,754	\$254,698
Other Meetings	\$314,423	\$240,666
General & Administrative	1,263,108	1,168,162
Scholarships	124,700	105,600
Special Projects	730,308	184,961
Loss on Disposal of Equipment	6,172	-
Total Expense	\$4,066,652	\$3,070,089
Excess Revenue Over Expense	\$(275,413)	\$686,073
Assets:	\$4,122,754	\$4,269,069
Liabilities:	\$1,160,616	\$1,031,518
Member Equity:	\$2,962,138	\$3,237,551

*Auction Income Supplements
Annual Meeting Sponsorship

*Annual financial audits are prepared by AFairchild, PC, Carrollton, TX.
Fiscal year runs January 1 to December 31.

LEADERSHIP

DCA LEADERSHIP STRUCTURE

Distribution Contractors Association is a membership based trade organization with a Board of Directors, Leadership Council, Standing Committees, Working Committees and Special Committees comprised of grants and trusts that plan, execute and manage its business.

BOARD OF DIRECTORS

The affairs and management of the Association shall be conducted by the Board of Directors composed of:

- Ten (10) Contractor Members (elected by Contractor Members)
- Immediate Past President
- Past President Director (appointed by the Past Presidents)
- Director at Large (appointed by the Nominating Committee)
- Two (2) Associate Member Directors (elected by Associate Members)
- Executive Vice President (serves as Chief Operating Officer)

LEADERSHIP COUNCIL

The Leadership Council is made up of the elected chairs and vice chairs of each of the committees, the President and Vice President of the Board, and the Executive Vice President. The purpose of the Leadership Council is to coordinate the strategic direction of the DCA as directed by the Board of Directors. Each committee chair and vice chair will lead their committees in the tactical implementation of the strategic plan.

WORKING COMMITTEES

The Working Committees of DCA are committees that meet several times a year and whose mission is to work on initiatives to improve the operations and membership value of the organization. They are the following:

- Government Relations Committee
- Horizontal Directional Drilling (HDD) Committee
- Membership Committee
- Safety/Risk Management Committee
- Workforce Development Committee

STANDING COMMITTEES

The Standing Committees of DCA are committees that meet as needed for a specific purpose and not an ongoing project. They are:

- Convention Planning Committee
- Associate Member Nominating Committee
- Recognition Committee
- Strategic Planning Committee
- Executive Committee
- Executive Finance Committee
- Contractor Member Nominating Committee

SPECIAL COMMITTEES

Special committees oversee the scholarships, grants, and trusts, including:

- DCA-Dale R. Michels Endowed Scholarship
- DCA-Curtis H. Allen Scholarship
- DCA-Lyons' Family Grant
- James R. Upton Scholarship

TRUSTS AND FUNDS

- LMCT/DCA Trust - Laborers' International Union of N.A. (LIUNA)
- National Distribution Pipeline Industry Communications and Productivity Fund (NDPIC&PF) - United Association (UA)
- DCA Advancement Fund - International Union of Operating Engineers (IUOE)
- Laborers - Employers Benefit Plan Collection Trust (LEBPCT)
- IUOE National Training Fund

LABOR COMMITTEE

The Labor Committee serves DCA in negotiating collective bargaining agreements with the three labor unions: UA, LIUNA, and IUOE. The committee serves independently of the Board of Directors and does not report to the Board or leadership of DCA.

DCA MEMBERSHIP

All members can participate in DCA Committees by contributing and discussing ideas in a collaborative forum. All members provide timely payment of membership dues and contribute to the association's finances through sponsorship of events, labor trusts, auction proceeds and support of the association events.

CONTRACTOR MEMBERS

Any contracting firm engaged in the construction and maintenance of distribution pipelines and underground utilities that has established a reputation for skill, integrity, and responsibility, may apply for Contractor Membership in the Association.

ASSOCIATE MEMBERS

Any individual, firm or corporation engaged in the business of manufacturing or selling equipment, materials, supplies, insurance, or other services for the construction or maintenance of gas distribution and other pipelines, horizontal directional drilling and underground utilities may apply for Associate Membership.

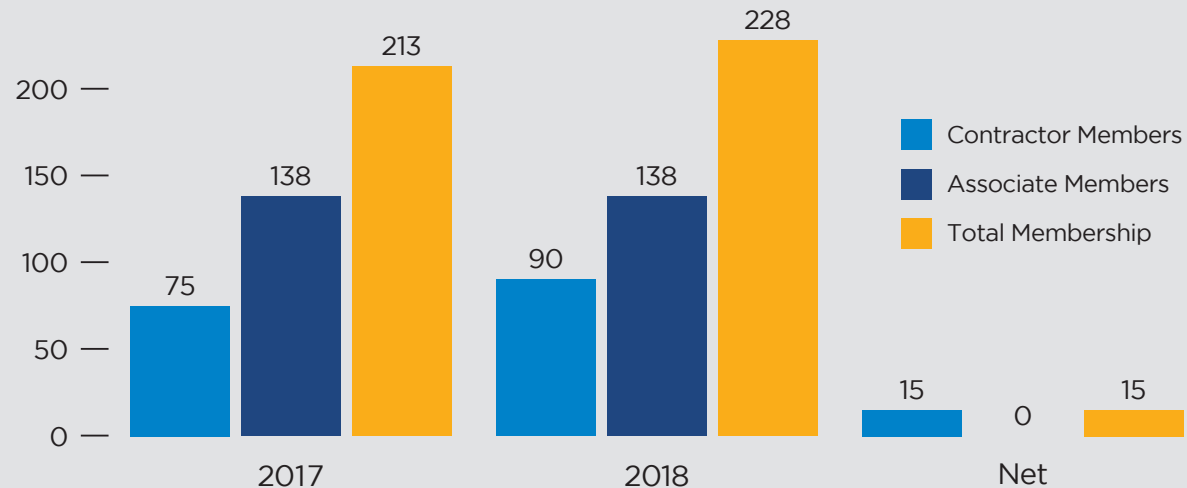
INDUSTRY MEMBERS

An individual who is retired from a member company, regularly employed as a consultant, an employee, officer, director, or elected official of any corporation or governmental unit engaged in the distribution industry, and not deemed eligible for Contractor or Associate Membership by the Board of Directors, can apply. An Industry Member may also be a widow/widower of a deceased member or a current or former officer or employee of affiliated associations as selected by the Board of Directors. The Board of Directors may establish or change the procedure to be followed in approving such applications.

HONORARY MEMBERS

Individuals that have performed distinguished service for the DCA or the distribution construction industry are eligible for nomination and election as an Honorary Member. Nominees must receive a three-fourths majority vote of the Board of Directors. Directors who are the current representatives of the same company as the nominated individual or corporation shall recuse themselves from the voting on that Honorary Member nominee. Honorary Members and their spouse/guest shall be exempt from meeting registration fees at Association meetings.

2018 MEMBERSHIP SUMMARY



■ **HDD**

LEADERSHIP

Vice-Chair - Jeff Green, InfraSource LLC
 Vice-Chair - Randy Peterson, MI-SWACO

MISSION STATEMENT

To promote the use and education of Horizontal Directional Drilling as a viable, safe and environmentally friendly construction method. This will be accomplished by supporting safety and environmental training, technical development, and good practices guidelines that sustain professional productive contractors.

2018 ACHIEVEMENTS:

- Panel discussion at DCA & AGA Workshop in Chicago on the potential contamination of bentonite on plastic pipe while utilizing electrofusion method for tap tees. Conclusion was that is not an issue if pipe is cleaned again after completing the scraping process.
- Attended DC fly-in with Government Relations Committee and other DCA members. Presented to several Govt. Agencies. Left DC with plan to approach Agencies jointly with Govt. Relations Committee at state level, Starting in PA.
- Had several industry related presentations at the 2018 Fall Meeting.
- Partnered with NiSource and DCA Members to address and submit Best Practices to PADEP
- Submitted response on FERC Draft Guidance

2019 GOALS AND OBJECTIVES:

- Panel discussion on Inadvertent Returns (IRs) at UCT in January
- Distribute draft HDD Info brochure (handout) for approval at DCA Annual Convention
- Assist Govt Relations Committee in State Agency Educational meetings in Ohio and Florida
- Share new technology and products for mud disposal
- Update from Ditch Witch on drilling fluid soil samples
- Share new technology and products for HDD installation
- Secure Committee Members for Washington DC fly-in

■ **SAFETY/RISK MANAGEMENT**

LEADERSHIP

Vice-Chair - Dana Heieie, Southeast Directional Drilling
 Vice Chair - Bill Colson, Pre Tec Directional Drilling LLC

MISSION STATEMENT

Review safety related information provided by DCA members/associates and hold open discussions at meetings on safe job-site practices. Oversee the Arthur T. Everham Safety Award, assist with the Safety Director and Safety Person of the Year Awards, and the annual Safety Congress.

2018 ACHIEVEMENTS:

- Arthur T. Everham Safety Award:
- Maintained the 4 categories for the Arthur T. Everham Safety Award.
- Participation increased from 47 companies 2017 to 48 companies in 2018.
- The 2017 Benchmarking survey (latest statistics) had increased participation from 46 companies to 55 companies in 2017.
- Awarded the Safety Director and Safety Person of the Year Awards at the DCA Safety Congress.
- Oversaw the annual Safety Congress which had high attendance.

2019 GOALS:

- Continue promoting DCA Safety Congress to new and existing Members / Associates
- Continue lobbying with Eben Wyman of Wyman Associate in efforts to push for the OQ Integrity Coalition
- Continue promoting the Arthur T. Everham award with higher participation from members.
- Continue promoting submission of safety statistics with higher participation from members.

■ **WORKFORCE DEVELOPMENT**

LEADERSHIP

Vice-Chair - Vivek Arora, Mears Group Inc.
 Vice Chair - Randy Rupp, Subsite Electronics

MISSION STATEMENT

To develop, coordinate and implement a strategy that supports the growth of the resources needed through promotion of our industry as a career, using the vast knowledge and leadership the DCA members should offer, and coordination with other industry professionals and national organizations.

2018 ACCOMPLISHMENTS:

- In coordination with the Center for Generational Kinetics (CGK), DCA hosted a Workforce Summit in May where CGK presented their findings to executives and HR personnel from the member companies. We had 87 people attend the Workforce Summit.
- DCA established a Beta Group of select member companies to help implement some of the strategies discussed during the Workforce Summit.
- DCA sponsored a breakfast at the SkillsUSA National Skills Competition and Annual Conference in Louisville in June. Multiple member organizations had booths during the competition to promote their companies and the industry. Some companies hired students during the event.
- DCA continued its partnership with the Center for Energy Workforce Development (CEWD) and multiple member companies participated in the Gas Demand Project to help CEWD better understand the workforce needs our companies currently have and help anticipate future needs.

2019 GOALS:

- Engage CGK to prepare an implementation playbook for member companies that will provide the following: insights and strategies for recruiting, onboarding, training, and retaining Gen Z and Millennials in our industry. Each section of the playbook will have a scorecard for member companies to assess their recruiting, onboarding, training, and retaining processes as well as a self-directed implementation plan. CGK will work with the Beta Group to develop the playbook.
- Work with CGK to develop training sessions and webinars to provide guidance to member companies so they can fully utilize the playbook.
- Encourage more member companies to attend the SkillsUSA National Skills Competition this year, including collaboration among multiple member companies on a possible demo of our industry this year.
- Work with SkillsUSA local chapters to develop 1-2 competitions because local competitions need to exist for a few years before a national competition can be created.
- Encourage more member companies to get involved with the Center for Energy Workforce Development.
- Organize a Workforce Development Summit for the Fall 2019 to discuss the playbook's strategies and other initiatives of the Workforce Development Committee.

MEMBERSHIP

LEADERSHIP

Vice-Chair – Woody Ferrell, Komatsu North America
Vice-Chair – Dustin Mykyte, Pe Ben USA

MISSION STATEMENT

Actively solicit and evaluate potential DCA Contractor and Associate members and make recommendations on member programs and awards.

2018 ACHIEVEMENTS:

Membership

- Maintained DCA membership
 - Contractor Membership – (2016) 74 / (2017) 75 / (2018) 90
 - Associate Membership – (2016) 134 / (2017) 138 / (2018) 138

DCA Members Participation

- Mid-Year Meeting attendance
2016 = 237 2017 = 228 2018 = 267
- Fall - Board Meeting attendance
2016 = 117 2017 = 126 2018 = 143
- Annual Convention attendance
2016 = 455 2017 = 486 2018 = 505
- Annual Convention Auction results
2016 = \$899,700 2017 = \$927,388 2018 = \$1,121,055

Equipment Survey Results and Participation

- 2016 Results = \$1,125,974,771
Participation – 56 %
- 2017 Results = \$1,185,985,106
Participation – 53%
- 2018 Results = \$1,825,715,373
Participation – 55%

2019 GOALS AND OBJECTIVES:

- Focus on getting existing members to participate in all DCA functions and meetings.
- Member retention - Foster a strong DCA community whether it's the first time or tenth time attending.
- New members – request feedback after their first meeting.

GOVERNMENT RELATIONS

LEADERSHIP

Vice-Chair – Mark Albert, AGI Construction Inc.
Vice-Chair – John Lamerton, Wyo-Ben Inc.

MISSION STATEMENT

Target specific regulatory and legislative items and report their findings through the legislative watch section of the DCA News and DCA website. Present to the board those issues we believe our members would benefit from through advocacy for or against.

2018 ACHIEVEMENTS:

- Developed a draft template of a pipeline Safety Management System (SMS) for contractors. SMS requires “buy-in” from senior management, increased safety awareness from all levels of personnel, and a commitment to strive for continuous improvement.

Coordinated establishment of a team of DCA’s Government Relations Committee and HDD Committee to address increasing scrutiny of HDD operations in pipeline construction.

- Held Washington Fly-In to discuss HDD issues with government agencies including the Federal Energy Regulatory Commission and the Environmental Protection Agency.
- Provided a “HDD demonstration” on the Washington Mall during this fly-in, where an extensive water service line replacement project was conducted by the National Park Service.
- Spearheaded a state-level initiative to clarify misconceptions about HDD in select states where confusion over IRs has led to delays or termination of HDD projects.
- Collaborated with Columbia Gas of Pennsylvania to develop a white paper on best practices regarding HDD operations and IR mitigation.

Submitted comments to a draft Guidance document on HDD issued by FERC. The draft Guidance asked for public feedback on HDD planning, monitoring, response to IRs, and contingency planning.

- Continued participation in the OQ Integrity Program (OQIP), which aims to enhance the efficiency of pipeline operator qualification through increased consistency and standardization of OQ programs overseen by gas utilities and their contractors.
- Helped establish a new industry coalition dedicated to reducing the burdens of “Hours-of-Service” regulations overseen by the Department of Transportation’s (DOT) the Federal Motor Carriers Safety Administration (FMCSA).
- Worked as a member of the Energy Access Group (EAG), a coalition of organizations involved in natural gas energy development and transportation.
- Worked to advance the Coordinating Interagency Review of Natural Gas Infrastructure Act and similar legislation through the legislative process.
- Continued active participation on several committees of the Common Ground Alliance (CGA), including the Best Practices Committee, Technology Committee, and Stakeholder Advocacy Committee.
- Continued to promote DCA’s Cross Bore Initiative to raise awareness about the enduring problem of cross bores by implementing a multi-tiered ground game to reduce the likelihood and often disastrous consequences.
- Participated in semi-annual meetings of PHMSA Pipeline Advisory Committee meetings and provided comment on PHMSA regulatory initiatives that impact the gas distribution construction industry.
- Participated in ongoing EEIA activities, including sending letters of support for liquified natural gas exports, encouraging the nomination of candidates for FERC commissioner, and helping establish rebuttals to pipeline protesters in local town halls, hearings, or meetings of local zoning officials.
- Continued participated in the Construction Industry Safety Coalition (CISC) on legal challenges of OSHA’s proposed regulation on crystalline silica and other potentially harmful OSHA regulations.

2019 GOALS:

- Introduce DCA to new members of the 116th Congress, fostering new relationships while maintaining strong relationships with staff on House and Senate committees of interest in the 116th Congress and within several regulatory agencies.
- Gain consensus on DCA’s SMS template for pipeline contractors and then share the template with the Pipe Line Contractors Association and American Pipeline Contractors Association.
- Assist the OQ Integrity Coalition in initiating the OQIP pilot program through 2019 and beyond.
- Ensure that the gas distribution construction industry is heard as federal and state policymakers respond to the Merrimack Valley incident.
- Continue to work as part of the Alliance for Competitive Steel and Aluminum Trade to remove new tariffs on steel and oppose any efforts to levy new steel tariffs.
- Develop and promote a legislative agenda related to pending pipeline safety reauthorization debate.
- Reengage the National Association of Regulatory Utility Commissioners (NARUC) to adopt a Safety Resolution regarding cross bore mitigation.
- Hold more successful Washington “fly-in” events to educate new congressional staff on issues of importance of the gas distribution construction industry.
- Persuade PHMSA to issue advisory bulletin on cross bore safety and need for municipal membership to state one-call programs.
- Block any legislative or regulatory attempts to obstruct or impede horizontal directional drilling practices used in utility construction.
- Assist ongoing EEIA efforts to rebut shortsighted opposition to gas pipeline projects.



CONTRACTOR MEMBERS

3P Utility Services
 Aaron Enterprises
 Aecon Industrial Management Ltd.
 AGI Construction
 Aldridge Group
 Alex E. Paris Contracting Co.
 Alvah Contractors
 Appalachian Pipeline Contractors
 ARB
 Atlas Trenchless
 Blackeagle Energy Services
 Bond Brothers
 Brotherton Pipeline
 Carson Corporation
 D.R.S. Enterprises
 Discovery Hydrovac
 Donco
 Elecnor Hawkeye
 Ellingson Trenchless

Feeney Brothers Utility Services
 Flatirons Drilling
 Gabe's Construction Co.
 Global Energy Solutions
 Global Underground Corp.
 Griffin Dewatering
 H & H Enterprises
 H.L. Chapman Pipeline Construction
 Hanging H Companies
 Henkels & McCoy
 Hypower
 InfraSource
 InfraSource Services
 InterCon Construction
 INTREN
 J. F. Kiely Construction Co.
 K. R. Swerdfeger Construction
 KS Energy Services
 Landmark Companies

Laney Directional Drilling Co.
 Loy Clark Construction
 Macki Pipeline Logistics
 MasTec North America
 Maxx HDD
 Meade
 Mears Group
 Mersino Dewatering
 Michels Corporation
 Mid America Energy Services
 Midwestern Contractors
 Miller Pipeline
 Minnesota Limited
 MP Technologies
 Nash Brothers Construction Co.
 Network Infrastructure
 Niels Fugal Sons Company
 Northern Clearing
 NPL Construction Co.

NuLine Utility Services
 Otis Eastern Service
 Oz Directional Drilling
 Patterson & Wilder Construction
 Pe Ben USA
 Pedero Pipe Support Systems USA
 Phoenix Energy Services
 Pipe Strong
 Precision Pipeline
 Pretec Directional Drilling
 Price Gregory International
 Primoris Distribution Services
 Primoris Services Corporation
 Q3 Contracting
 R. L. Coolsaet Construction Co.
 RBS International
 RLA Utilities
 Roberts Pipeline
 SiteWise

Snelson Companies
 Southeast Connections
 Southeast Directional Drilling
 Team Fishel
 Teichert
 The Hallen Construction Co.
 The HDD Company
 The Hillis Group
 Trinity Energy Services
 Turner Underground Installation
 Underground Construction Co.
 United Piping
 Utility Line Services
 Veteran Pipeline Construction
 Western Utility
 Wolverine Pipeline Transport Ltd.
 WSB & Associates

ASSOCIATE MEMBERS

ABI
 Aclipsa Mobile Video Solutions
 AIS Construction Equipment
 ALLU Group
 American Augers
 Bentonite Performance Minerals
 Brandt Equipment Solutions
 Bridgwell Mats
 Brooks Tractor
 Brownline USA
 Buckeye Mats
 Case Construction Equipment
 Caterpillar
 Century Products
 CETCO
 Challenger Services
 Cleveland Brothers Equipment Co.
 Cobb Strecker Dunphy & Zimmermann
 Consolidated Pipe & Supply Co.
 Continuum Capital
 CORE Safety Group
 CRC Evans Pipeline International
 Cross Country Infrastructure Services
 Darby Equipment Co.
 Derrick Equipment Co.
 d'Escoto
 Digital Control Incorporated

Ditch Witch
 Ditch Witch Mid-States
 Ditch Witch Midwest
 Ditch Witch Southwest
 Ditch Witch West
 Doosan Bobcat North America
 Drilling Mud Direct & Freight Direct
 Dura-Line
 Dykon Blasting Corp.
 ENERGY worldnet
 EPIC Insurance Brokers
 Express 4x4 Truck Rental
 Fabick Cat
 FMI Corporation
 Footage Tools
 GF Central Plastics
 Groebner
 Groff Tractor & Equipment
 HammerHead
 Herrenknecht Tunnelling
 Hobart Brothers Co.
 Holly Pipe Corp.
 Horizontal Technology
 Hunting Trenchless
 Hutchens Bit Service
 Illinois Truck & Equipment
 Industrial Fabrics - RockGuard
 Industrial Training Services
 INROCK Drilling Systems

ISCO Industries
 J. T. Miller
 JAN X-Ray Services
 JESCO
 Jet-Lube
 John Deere
 Kayden Industries (USA)
 Komatsu America Corp.
 LaValley Industries
 Lone Star Investments Corp.
 McElroy Manufacturing
 Melfred Borzall
 M-I SWACO
 Midwestern Manufacturing Co.
 Miller Electric Mfg. Co.
 Morain Sales & Services
 Murphy Tractor & Equipment Co.
 National Trench Safety
 Newman Tractor
 Ohio CAT
 Pipe View America
 Pipeline Equipment Solutions
 Pipeline Inspection Co.
 PipeLine Machinery International
 Pipeline Piggng Products
 Pipeline Plastics,
 Pipeline Supply Co.
 Planet Underground TV
 Prime Drilling

Pro-Tec Equipment
 PSS Industrial Group
 R.M.S. Welding Systems
 Rabine Paving
 RAMVAC Vacuum Excavators
 RCE Equipment Solutions
 RDO Equipment Co.
 Reed Manufacturing Co.
 Right Turn Supply
 Ring-O-Matic
 Ritchie Bros. Auctioneers
 Rockford Rigging
 Rockland Manufacturing
 Roland Machinery Co.
 Rudd Equipment Co.
 Sander Resources
 Sharewell HDD,
 Shawcor Inspection Services
 Signature Systems Group
 Specialty Polymer Coatings
 Sterling Site Access Solutions
 Strad Energy Services
 Subsite Electronics
 Sunbelt Rentals
 Pipeline Piggng Products
 Terramac
 The Lincoln Electric Co.
 The Toro Co.
 Transwest

Tulsa Rig Iron
 Underground Magnetics
 United Rentals Trench Safety
 Upsco
 Vacmasters and Barone
 Vacuworx
 Vermeer - Wisconsin
 Vermeer Corporation
 Vermeer Heartland
 Vermeer Mid Atlantic
 Vermeer Midwest
 Vermeer MV Solutions
 Vermeer North Atlantic
 Vermeer Northeast
 Vermeer Northwest
 Vermeer of Indiana
 Vermeer of Michigan
 Vermeer Texas - Louisiana
 Volvo Construction Equipment
 Weiler Abrasives Group
 Western Supplies
 Worldwide Machinery / WIPS
 WTS
 Wyo-Ben
 YAK ACCESS
 Young's Environmental Cleanup
 Ziegler Cat

Executive Vice President Letter

As 2018 ends, the gas distribution industry is stronger than it has been in years, and the DCA is growing stronger right along with it—particularly in the number and participation of members. DCA's influence within the industry as well as within the halls of Congress is increasing steadily thanks to our continued outreach efforts. This would not be possible without the professionalism and commitment of each of you!

The goal of any association is to bring people together in a common interest. Over the last several years, more and more companies and people are seeing the value of the DCA. Membership continues its upward trajectory. They come in record attendance to the Annual Convention, the Mid-Year Meeting, the Safety Congress and Fall Meeting to network, learn, meet new people, and renew friendships. They contribute advice and elbow grease to make our industry safer, more efficient, and more accountable. They also work to ensure its long-term stability by developing the next generation of workers. An increase in participation and enthusiasm like that can only lead to positive results.

Building Connections

In 2018, we continued our concerted effort to focus on the workforce needs of the association and the industry. Each of our speakers at the Convention in Dana Point, CA hammered home the issue, including commentator Mark Stein, SkillsUSA Executive Director Tim Lawrence, and especially TV personality and advocate of the skilled workforce, Mike Rowe. The problem of the workforce shortage is long term and will require a concentrated focus for years to come. DCA has partnered with SkillsUSA and the Center for Energy Workforce Development (CEWD) to get the word out about our industry and workforce demands. In cooperation with author and speaker Jason Dorsey, we have researched how to recruit and retain the incoming generations, conducted our first Workforce Summit, and are working on a how-to playbook for companies to adapt the research.

We have developed partnerships with other influential organizations and individuals to accomplish a variety of goals, including:

- Holding annual joint contractor and utility workshops with the American Gas Association (AGA).
- Creating an Operator Qualification Integrity Program (OQIP) with AGA, the regional gas associations, service providers and utilities.
- Working with the Common Ground Alliance (CGA) and the National Excavator Initiative (NEI) to emphasize the importance of damage prevention and calling 811.
- Promoting training programs and job opportunities with our union partners and, as always, resolving disputes amicably.

Lastly, we will continue to cultivate partnerships within our membership to work together on issues that face our industry each day, such as the OQ initiative, a contractor-specific pipeline safety management system, and an initiative to promote the safe use of HDD. We are taking those issues to Washington and local governments to educate them on what we do, and to show that we are leading the way in training and safety.

What We Leave Behind

Through all these efforts and more, DCA members are making an impact on the association, the industry and the world. The beauty of being in an association like this one is that it gives us the ability and the resources to lead the way and make a difference. That's what good associations do, and what DCA is doing every day—leaving a legacy for the future.



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