



# ROAD TO SUCCESS

February • 2011 No. 1

A PUBLICATION FOR AND ABOUT ROAD MACHINERY LLC CUSTOMERS

## KERN PACIFIC CONSTRUCTION CO.

Bakersfield, Calif., company continues to build by adapting to the market

See article inside . . .



Grant Meenach, President

Justin Meenach, Vice President

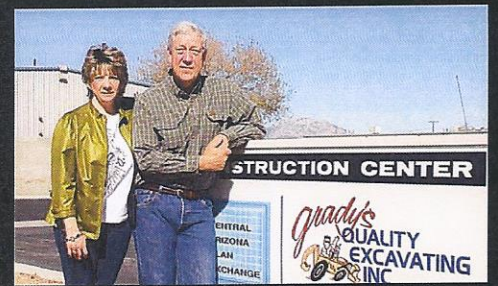
# KOMATSU

## Wirtgen machines pave the way for new asphalt

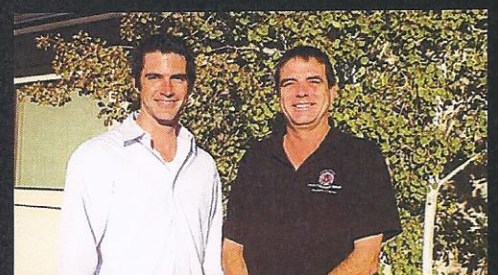
See article inside . . .



Arizona Pavement Profiling — John (left) and Jim Nesbitt



Grady's Quality Excavating — Cheryl and Grady Hopson

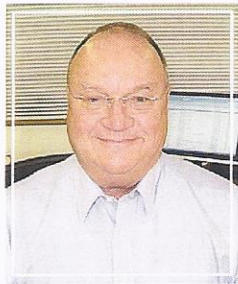


Fann Contracting — Jason Fann and his father, Mike Fann



Sunland Asphalt — Dave Ballard (left) and Craig Weems

# A MESSAGE FROM THE PRESIDENT



Steve Branson



Dear Valued Customer:

As we move into the new year, we hope that 2011 brings you greater prosperity. We're optimistic that this year offers a better outlook for the construction industry and the broader economy. Indeed, several industry groups have forecast an increase in construction work this year. You can read their views in our Construction Spending Forecast article.

As the construction industry rebounds, machinery demand will increase. Komatsu is introducing new products this year, and among them will be new units with interim Tier 4-compliant engines in the 175- to 750-horsepower range. Komatsu met the new standards without sacrificing power or productivity. If you're in the market for new machines, these are an ideal choice.

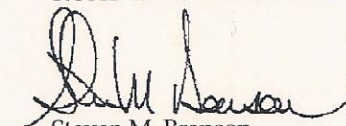
If you're looking for used equipment, we have a great selection. Even with high hours on them, Komatsu used machines are a great option. In this issue of your RML *Road To Success* magazine, several customers share why they value their older Komatsu equipment.

Remember too, that the tax act passed late last year offers great advantages for new and used equipment purchases, including a 100-percent depreciation bonus for new equipment placed in service after September 8, 2010, and through December 31 of this year. In 2012, that bonus drops to 50 percent. The new tax act doubled 2011 Sect. 179 expensing levels to \$500,000, with a phase-out threshold of \$2 million. The additional expensing is available on both new and used equipment and offers a nice tax advantage.

Older or newer, maintenance is a factor in your owning and operating costs. At Road Machinery, we want to work with you to maximize your uptime and production. We have maintenance plans and other options available to do that at a reasonable cost.


Whatever your needs, we're here to help. If there's anything we can do for you, please don't hesitate to call or stop by one of our branch locations.

Sincerely,  
ROAD MACHINERY LLC



Steven M. Branson  
President

**Forecasts are  
optimistic for  
2011 construction  
industry**



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# ROAD To SUCCESS

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## IN THIS ISSUE

### KERN PACIFIC CONSTRUCTION CO.

See how this Bakersfield, Calif., company adapted to changing markets in order to grow and succeed.

### SMOOTHING OUT THE SOUTHWEST

Learn how Wirtgen milling machines helped four Arizona contractors chew up old asphalt and pave the way for new.

### INDUSTRY OUTLOOK

Take a look at the positive forecast for construction spending in 2011.

### GUEST OPINION

Real estate expert Howard Roth previews the road ahead regarding President Obama's \$50 billion infrastructure improvement proposal.

### EQUIPMENT MANAGEMENT

Find out why your older Komatsu machines continue to offer efficient and reliable productivity.

### NEW MINING PRODUCTS

See why Komatsu's largest wheel loader, the WA1200-6, is also one of its most productive and fuel-efficient.

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# KERN PACIFIC CONSTRUCTION CO.

## Bakersfield, Calif., company continues to build by adapting to the market

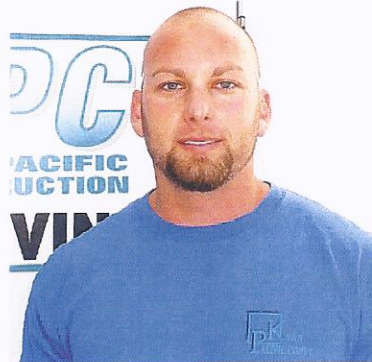
**K**ern Pacific Construction Owner/President Grant Meenach has seen his share of tough economic conditions in the construction industry. He credits the Bakersfield company's ability to weather the storm to being adaptable.

"I've been in the industry more than 30 years, and I've learned that you have to judge the market," said Meenach, who founded Kern Pacific in 1998. His son Justin is Vice President. "It's OK to focus your attention on one segment for a while, but eventually you have to look at other areas because you can't ride one forever."

Thirteen years ago, Meenach's focus was a strong housing market in which Kern Pacific began offering full site packages to residential developers. As the company quickly grew, Meenach began working with commercial clients as well. Kern Pacific's offerings include specialization in wet and dry utility installation, as well as mass and final grading and paving. A sister company, Kern Video, offers pipeline testing, cleaning and inspection.



Grant Meenach,  
President



Justin Meenach,  
Vice President

"Housing was so strong for about 10 years that we didn't need to make a big push in other areas," noted Meenach, who recently traveled to Washington, D.C., to accept a California Businessman of the Year Award. "I knew that eventually the housing market would take a downturn, and the commercial side would remain strong for a while afterward to support the influx of new housing. That turned out to be the case about four years ago."

While commercial remained buoyant for a time, Meenach knew that wouldn't last. With both the housing and commercial markets anemic, he turned his attention to public-works projects into which the vast majority of Kern Pacific's work now falls. On many of these jobs, the company acts as a general contractor, including the McCutchen Road and Ash Road improvement projects it recently completed in Bakersfield.

### Staff helps complete jobs on time, budget

Both were part of the city of Bakersfield's upgrade of its new sewer plant. The McCutchen Road project came first, followed by Ash Road. In total, Kern Pacific installed about two miles of 36-inch main sewer line as well as road improvements that include new curb and gutter, pavement, street lighting and grading for a future park.

"My background prior to starting the company was utility installation, so that's an area I'm well familiar with, and we often do jobs like those," said Meenach, who has about 40 people on staff. "We're able to get them done on time and on budget because a terrific group of experienced professionals work here. That includes not only field workers, but the office staff as well."



Kern Pacific used several pieces of Komatsu equipment on its Ash Road project, including a new PC800LC-8 excavator to dig, load and set 36-inch pipe. "On Ash Road, we bid 15 lengths of pipe day, but got double that from our PC800 with a long arm," said President Grant Meenach. "That's a huge advantage, which is something we've always had with Komatsu equipment."

To read the magazine online and watch videos of Kern Pacific's machines in action, go to [www.RMLRoadToSuccess.com](http://www.RMLRoadToSuccess.com)

Key members of the staff include Controller Marni Bradshaw, Human Resources Manager Dawn Anderson, Superintendent of Field Operations Greg Karns, Chief Estimator Richard Moore and Estimator Gary Roush.

Karns led the company's completion of the new Mesa Marin Sports Complex, where Kern Pacific did a turnkey project that involved construction of new ball diamonds. Associated work included constructing dugouts, a prefab concession building, utilities, and concrete and brick walkways.



Marni Bradshaw, Controller



Dawn Anderson, Human Resources



Greg Karns, Superintendent Field Operations



Richard Moore, Chief Estimator

### Komatsu "runs and runs"

The Mesa Marin and road improvement projects highlight the range of work Kern Pacific is able to perform with its fleet of Komatsu equipment, including tight-tail-swing and larger excavators, wheel loaders and an articulated haul truck. Its most recent purchase was a 184,000-pound PC800LC-8 with a long arm, put to use for deep digs on Ash Road, which at times were more than 30 feet.

"One goal is to always top the production on which we base our bid, and with the PC800

we were able to do that relatively easily," said Meenach, who worked with Road Machinery Territory Manager Roger Cox to purchase the excavator. "On Ash Road, we bid 15 lengths of pipe per day, but got double that using the PC800. That's a huge advantage, which is something we've always had with Komatsu equipment."

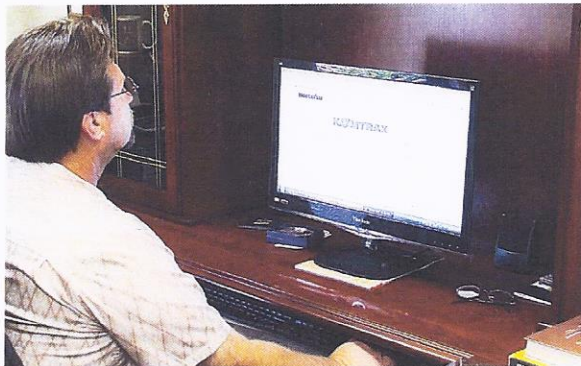
Komatsu has been in Kern Pacific's fleet virtually since the business' beginning, when Meenach purchased a PC220LC-5 excavator and, not long after, a WA320-3 wheel loader.

Continued . . .

# Reliable equipment reduces downtime

... continued

Road Machinery Territory Manager Roger Cox (left) worked with Kern Pacific President Grant Meenach on the purchase of a new Komatsu PC800LC-8. "Roger is great to work with," said Meenach.



(Above) President Grant Meenach uses Komatsu's KOMTRAX monitoring system to keep track of his machines' hours and maintenance schedules.

"Aggressive maintenance and service are important to me, and KOMTRAX ensures I stay on top of it. It's a very useful tool."

"I've kept buying Komatsu equipment because its durability means it runs and runs without costing us downtime. And, when I believe it's time to trade or sell, Komatsu holds its value. We've put up to 15,000 hours on a wheel loader without doing much more than routine maintenance."

For warranty issues or service beyond routine, Meenach turns to Road Machinery's Bakersfield branch. "When I started buying Komatsu equipment, Road Machinery wasn't the dealer in this area, but I still called on them for service. They sent a technician to us from their Perris branch, so that says a lot about the value Road Machinery places on customer service. I couldn't be happier that they're so close now, and Roger is great to work with."

## Word-of-mouth referrals

Meenach believes a superior level of customer service with quality in mind helped his company grow. "Much of our work has come from word-of-mouth referral. That helped us get to know and do work for many developers, which in turn helped us grow into doing larger public-works jobs. I'm sure as time goes on, we'll see a transition back to more housing and commercial work. When that time comes, we'll be ready." ■



General Chairman of American Solutions and former Speaker of the House Newt Gingrich (far left) recently presented the California 2010 Businessman of the Year Award to Kern Pacific President Grant Meenach. Witnessing the presentation were Meenach's wife, Trisha (second from left), and Gingrich's wife, Callista Bisek.



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