Nu Flow Newsletter
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A Message from Management
By Chief Operations Officer, Stephen Stoppenbrink

“Wow, What a Year!”

As I reflected on all the transitions at Nu Flow in 2008, I could not get over how we have become a “blended family.” Some of you may not be familiar with this term or how it relates to us.

The term “Blended Family” is most commonly used when family units are united through parents who remarry. The children are thrown into a new family dynamic which often was not of their choosing. They must quickly adapt to new authority figures and sibling rivalry. Suddenly many find themselves vying for attention as they feel like they are no longer in the inner circle.

These same dynamics apply to the business world as companies grow through mergers and acquisitions or internal expansion. Employees find themselves thrust into relationships that were not of their choosing. It is not uncommon to feel disconnection or resentment about the changes. Many struggle with the feeling of being out of control of their new environment.

Nu Flow and all of our employees have been wrestling with all of these issues this past year. Changes have included the addition of a new chief financial officer, Eric Palmer, as well as me as chief operating officer. We have all experienced the complexity of integrating Seattle, Orange County, and Atlanta. We struggle with melding corporate identities and trying to decipher where we fit in.

The good news is that there is plenty of room in the “new” Nu Flow for all of us. New relationships and friendships are being forged. A new era in our growth is unfolding right before our eyes. Each and every employee’s efforts are still key to our continued success. Now, more than ever, we need every individual to work together as part of a team to propel Nu Flow to the next level.

In closing, I want to say that I am happy to be a part of the Nu Flow family, and I am excited about our journey into 2009. Great things await us if we pull together and take hold of our future.

Regards,

Stephen Stoppenbrink
Facility Decisions

Facility Decisions is a new, free, two-day trade show and educational conference for facility professionals who are responsible for the management, operations, maintenance, design and construction of non-residential buildings.

Facility Decisions Conference & Expo 2008 took center stage as the host to more than 1,600 facility professionals at the Mandalay Bay Convention Center in Las Vegas, September 16-17. Facility decision-makers from all 50 states interacted with nearly 200 leading industry suppliers. Based on the overwhelming success of the conference, management decided the show will return to Las Vegas in 2009. More than 50 percent of the exhibit booth space has already been sold. The event will be held September 22-23, 2009 at the Las Vegas Convention Center in order to accommodate the exhibit hall and anticipated increase in attendance of the educational session.

"Facility Decisions has proved to be a perfect marketplace for products and services that serve the facilities management industry," said Bob Wisniewski, CEO of Trade Press Publishing and co-owner of Facility Decisions. "And Las Vegas brings even more dynamism to our show. It's a good fit for Facility Decisions, providing myriad opportunities for our attendees, sponsors and exhibitors. It didn't take long for us to see that we needed to come back next year."

International Sales Manager, Andrew Felsburg, manned the Nu Flow booth for the duration of the show. "What a diverse crowd of attendees," said Mr. Felsburg. "We had interest in our technology from all over America. The show was a complete success, and we're looking forward to the 2009 show."

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Upcoming Events

The Pumper-Cleaner Expo, Louisville KY - Feb 26-28
NFMT, Baltimore, MD - Mar 10-12
NASTT No Dig Show, Toronto, ON - Mar 29-Apr 3
International Licenses - Greetings from Finland!

We are Nu Flow’s newest licensee in Scandinavia. Our territory includes the countries of Finland, Sweden, Norway and Denmark, with a combined population of approximately 25 million people. Our corporate office is located in Turku, Finland, and we currently have two installation teams. One is located in Helsinki, the capital of Finland, and another is a mobile team that works anywhere required within the territory. Competition is tough here in Europe, but we believe that with Nu Flow’s products and our “can do” attitude we will grow fast.

The Company was established in March 2008, so it is still relatively new. Our company is owned by five gentlemen who each have a great track record within various industries and businesses. From left to right in the photo, above, is our CEO, Janne Koskela. Janne has plumbing engineering (B.Sc) and economics degrees (M.Sc Econ), and has over ten years’ experience in plumbing and financial corporate analyses. Next, Ismo Peltonen has an engineering degree and more than fifteen years’ work experience in construction and ICT business, project management, strategic planning and business development. Heikki Yliaho, (B.Science), is our senior partner and has over 20 years’ work experience in the ICT business, with his latest role being Senior Management Advisor. Timo Peltonen (M.Sc Eng.) is a partner with over fifteen years’ work experience in international business and marketing, project management, and entrepreneurial relationships. Timo also has four years’ experience in No-Dig solutions. Jussi Koskela, (B.Sc) is a partner with over eight years’ work experience in project management and supply relationships. Together, we make a great team with a diversity of skills.

We recently began our first lining job (photo, below) in our home town of Turku. The ten-story structure was built in 1956 and contains 80 units. Our part of the job is to take care of all the shower piping in the units. Only half of the units have a bath and, in those, we are lining the pipe from the bath to the drain trap. Pipe diameters range from 25 mm to 32 mm, and the length is roughly 70 cm. Confronted with smaller, 3/4-inch pipes with angles that are predominant in this European territory, Nu Flow assisted us by quickly developing a smaller, size-appropriate Nu Flex liner as a solution to our market’s repair needs. This is merely one example of the ability of Nu Flow Corporate to quickly assess and devise a solution to meet a licensee’s local needs.

Here in Scandinavia, old sewer pipes are made either from cast iron or copper. In newer buildings plastic pipes have been used. We will begin a similar job in Helsinki next month which consists of 100 units, with similar shower pipes. These custom shower pipes will be a regular product we are now able to offer our customers.

Best regards,
Ismo Peltonen, Chairman of the Board, Antium Oy (Inc.)
**On the Job with Chris Barnett**

Q. **How long have you been in the industry, Chris?**

A. I began the plumbing business in 1987. I was the second Nu Flow licensee to sign up in 2000 and, as of May 1, 2008, I became the Eastern Regional Manager for Nu Flow.

Q. **What is your current job description?**

A. I’m responsible for the day-to-day operations of the Nu Flow Atlanta corporate office. I’m involved in operations, but that includes sales and installations as well. I was recently selected to lead the Channel Sales team. I’m always ready to pick up the slack wherever it’s needed, but my primary job is to keep our region moving in the right direction.

Q. **What is the most challenging part of your job?**

A. Spreading public awareness. There are lots of people who have no idea what lining is or how it could help them. We also have folks that have been burned by “fly-by-night” lining companies and distrust the technology. It’s all about persistence and effective communication.

Client Retention is the other challenge. We spend a lot of money keeping the people happy who give us jobs. We take our big clients golfing, hunting, fishing, to hockey games - you name it. Retaining a good client is worth its weight in gold.

Q. **What’s the most rewarding part of your job?**

A. It’s always great when you estimate a complicated job, tell the customer exactly what’s going to happen, and it comes off without a hitch. I try to “call my shots” in advance, tell them exactly what’s going to happen before it happens. These are the jobs you remember and brag about in the industry. It’s something that comes with experience and having a passion for your work.

Q. **What’s the most exciting job you’ve ever worked on?**

A. It would have to be the Met Life Center in New York. Matt Marcum and I were working on the building’s potable system, and during the set up we ended up in a cage full of steam pipes. It was challenging and a little intimidating, but I wouldn’t have missed the opportunity for the world.

Q. **What’s the funniest thing that ever happened to you on a job?**

A. It was funnier for everyone else than it was for me. A blow-out valve went off on the main header I was standing beside. I must have jumped ten feet in the air. The rest of the crew were laughing uncontrollably. I didn’t laugh then but it does seem a lot funnier now.
Job Highlights

Providence Housing Project, New Orleans

In the aftermath of Hurricane Katrina, representatives from local faith-based organizations came together to determine how they might best use their collective talents, experience, and resources to help address the critical need for affordable housing in southern Louisiana.

The result of this collaboration was the formation of entity, "Providence Community Housing."

The five-year goal of Providence is to bring home 20,000 Katrina victims by reconstructing and developing 7,000 housing units consisting of single-family homes and apartments.

Nu Flow contracted with Providence to rehabilitate the plumbing infrastructure of four buildings: Nazareth One, Nazareth Two, Delille, and St. Berchman's Manor.

The scope of work included lining or replacement of the entire wet sanitary drain systems. The systems consist entirely of cast iron pipe, so extensive cleaning is required. The sanitary stacks are a diagonal cross-vent system -- the most difficult to line, with multiple access points. After rehabilitation, each drain must undergo a city-mandated hydrostatic test.

The Nazareth Two project - now completed, had 35 sanitary stacks extending up six stories. Each floor contained 21 single bedroom and single bathroom units.

Nu Flow had 23 personnel on the ground and ten New Orleans installers, an additional ten installers from other Nu Flow corporate offices, and three New Orleans plumbers tackling the job. The crew received final approval to begin work on July 16, 2008 and the last drain test was completed September 30th.

The Nazareth One project is almost completed, with the scope of work virtually identical to that of Nazareth Two.

The Nazareth One has 25 sanitary stacks in ten stories, and each floor contains seventeen single bedroom, single bath units. Work began September, 2008 and is scheduled for completion by mid November, 2009.

Nu Flow is very proud to be a part of the Providence team.
Job Highlights

125 Broad Street
Lower Manhattan

Nu Flow Pipe Liners of New York and Nu Flow corporate collaborated on the 40-story, 504 foot skyscraper off Wall Street, known as 125 Broad Street, in Lower Manhattan.

The building’s heating and cooling systems were composed of welded four-inch black iron pipe. Corroded piping caused chronic failure and multiple leaks. The property managers were considering a re-pipe before they were introduced to Nu Flow Pipe Liners of New York.

The crew worked a total of twelve weekends in order to complete the work on time. In the process, Nu Flow saved property managers millions of dollars in reconstruction and asbestos abatement costs.

The building’s owners are pleased with the work and are relieved that they didn’t have to experience the additional costs and aggravation of occupant displacement during the restoration process. The owners of 125 Broad Street are now referring managers of their other properties to Nu Flow for all plumbing rehabilitation needs.

Smokehouse Bay, FL

Smokehouse Bay condominiums developed a recurring pinhole leak problem in its ten to fifteen year-old copper piping system, which had begun to fail throughout the complex at an alarming rate. The two-story condominium complex consisted of 148 units, and the board began accepting bids in August, 2008.

Nu Flow Florida won the project, and crews began lining shortly thereafter. Most units were empty from 9 am to 5 pm, allowing crews unhindered access. Sales and Techs did a great job handling this project. Crews rehabilitated ten units per week and wrapped up the job in mid-December, several weeks ahead of schedule. Nice work, Florida!
Job of the Year and the Pumper Cleaner Expo

Nu Flow Licensee Job of the Year 2008 will be awarded at the Pumper Cleaner Expo in Louisville, Kentucky on February 27th at 6pm. The annual Licensee Convention gives Nu Flow associates an opportunity to connect with licensees on a personal level.

President Cameron Manners, Vice president Steve Howe and Chief Operations Officer Steve Stoppenbrink are among the Nu Flow staff attending the conference.

The Job of the year is selected from a pool of entrants based on the following criteria:

- **Profitability**
- **Degree of Difficulty**
- **Results**

The winner of the completion will receive a Four-Inch Lining Kit or Package of Part A & B Potable Epoxies.

Don’t Delay - Enter your project today!

Our Executive Team

Nu Flow Executive Team Expands to Include a New Chief of Operations and a New Chief Financial Officer

Stephen Stoppenbrink
Chief Operations Officer

Stephen Stoppenbrink joined the Nu Flow executive team as Chief Operations Officer for the Nu Flow companies in September 2008. Mr. Stoppenbrink has over 25 years of experience managing multi-million dollar companies. Most recently, prior to joining Nu Flow, Mr. Stoppenbrink served as president and chief executive officer of Hyd-Mech Group, Ltd., a $35M global leader in design and technology based in Ontario, Canada.

** *** OFFICERS ON BOARD *****

Eric Palmer
Chief Financial Officer

Eric Palmer joined the Nu Flow executive team in January 2008 as Chief Financial Officer for the Nu Flow companies. Mr. Palmer has over 15 years of experience in corporate development strategy and financial optimization to achieve maximum growth potential. Most recently, prior to joining Nu Flow, Mr. Palmer served as senior vice president of corporate development for telecom provider, Subex. Prior to his role at Subex, Mr. Palmer served as chief financial officer and senior vice president of operations at technology company, Syndesis Limited.
Complete Training, From Our Shop to Yours

CIPP lining and epoxy coating are very different processes so naturally the training methods differ. One constant between the training practices is the experience levels and flexibility of the Nu Flow trainers. All of Nu Flow’s trainers have over 10 years experience making them an invaluable resource to the novice installer.

Field Manager Peter Coles Describes the Drain Lining Training Process:

After the equipment is sold, the Licensee sets up a training date based on work the licensee has already acquired. As the trainer, I check the invoice and equipment list to make sure the new licensee will have everything they need for the job. Then my travel is arranged and I’m off to the new licensee’s shop.

We ask that the drain system be cleaned prior to my arrival so more time can be spent actually learning the process.

The first day we spend most of our time in the shop and run through the assembly and wet-out process. We make a sample, so the licensee isn’t going into the process blind, then gather up and prep equipment for the next day. On site, we camera the area to be lined. This allows us to measure liner sizes and then assemble the next day’s liners back at the shop.

Having a previously assembled liner takes a lot of pressure off of a new installer. The knowledge gained from the assembly process also allows him to answer some of the customer’s questions as he works, instead of relying solely on the trainer.

For the next two days we work on any other jobs the licensee has lined up. The key factor in these installations is to get the licensee comfortable enough to perform his own work after training. New licensees have use of the 24-hour tech line, and there’s a direct correlation between successful lining and tech line usage. It’s critical that the new installer ask questions before he gets into trouble.

Training Manager Dennis Fort Describes the Potable Water Training Process:

Potable water training is really a part of the turnkey package.

The epoxy coating training is four weeks long and takes place at our headquarters in San Diego, an ongoing corporate Nu Flow project.

There are three levels of techs at Nu Flow, three being the lowest and one the highest. Over the four week training period, new franchisees work their way through the ranks to become level one.

During the first week, new installers follow the crew around, observe, and take notes. The installer should have written his own manual by the end of the week.

During week two, the licensees begin Tier Three work, running hoses, set ups, hauling equipment etc.

During week three, the franchisee begins Tier Two work, mixing epoxy, making calculations, and shooting.

Week four is graduation. The franchisee is a Tier One Crew Leader who runs the crew and makes all the decisions.

At this point franchisees are qualified to shoot epoxy. As added insurance, myself or Matt Marcum fly out to observe the first solo job. We stay out of the way and only step in if something needs correction.
Aaron Dales, Board Project Coordinator for the Simcoe County District School Board, contacted Nu Flow with a concern at one of their schools, Johnson Street Public. The 180’ main sewer line running under the school was losing its shape and was in danger of collapse. The pipe was composed of a “no-corrode,” tar impregnated, wood fiber that is known for collapsing as the earth settles. The Board had already dug and replaced some of the pipe that ran in the courtyard between two wings of the building.

A sampling of the excavated pipe revealed the deteriorated condition of the line running under the school. It was in danger of collapse at any moment. A collapsed pipe would have required digging inside the school - no small undertaking. Digging would have required a three-foot wide trench, six to nine feet deep, right through the middle of the facility. To make things worse the board had contacted Nu Flow in mid-August needing the job done before the beginning of school in September, 2008.

The Nu Flow team examined the line with a fiber optic camera and then a series of CIPP, pull-in-place liners were installed. The job went smoothly and was completed in less than a week, well before the “back to school” deadline.

The Simcoe County District School Board has 110 schools in its jurisdiction. Seventy of the schools are over thirty years old and are possibly in need of infrastructure rehabilitation.

“We are currently discussing with the Board the rehabilitation of another school over the winter holidays,” said Nu Flow Sales Rep, Matt Sullivan. “We’re looking forward to enjoying a long-term, mutually beneficial relationship with the District.”
**Industry News**

ISH North America, the leading trade show for the plumbing, commercial/industrial pipes, valves & fittings (PVF), HVAC and kitchen & bath industries, marked its fifth edition with its Oct. 1-3 trade show at the Georgia World Congress Center in Atlanta in 2008.

Reflective of the trend toward green building and environmentally-conscious construction, the 2008 show highlighted the growing demand for renewable energies. Thousands of contractors, wholesalers, manufacturer reps, and other attendees, were able to see the latest product innovations from leading manufacturers in the exhibit hall, learn from industry leaders at the seminar program, and network with peers during the many special events at the show.

“While the current economic downturn has impacted the industry, exhibitors and visitors remained upbeat about their future business development and strategies,” said Daniel McKinnon, executive vice president of Messe Frankfurt, the show’s organizer. “ISH North America continues to provide a unique experience through the show’s variety and quality of exhibiting companies, new and innovative products, strong industry partnerships and endorsers, as well as extensive technical training, educational opportunities and featured product showcases.”

As the only consolidated show in the industry, exhibitors were excited to connect with a broad range of professionals - from contractors and wholesalers, to builders, manufacturer reps, and others. “I am glad that our industry has one major show, and this is it,” said Andre Bergeron of M.A. Stewart & Sons Ltd. In addition, an impressive design and show floor layout was highly regarded by exhibitors and attendees alike. As Rob Zurita of Hubbard Enterprises/HOLDRITE® noted, “ISH North America was a great show – easily accessible and well-organized.”

The ISH North America Seminar Program featured a diverse selection of educational opportunities. Popular business-oriented programs included Kirk Alter’s “Recession-Proofing Your Business,” which focused on making the right moves in tough times; and Adams Hudson’s “How to Put High Performance Plumbing Marketing in Your Company Instantly” offered tips and tools for results-oriented marketing.

Green technologies were discussed in “Two Real Sharp P’s in a Bright Green Pod,” presented by Dave Yates and Mark Eatherton, the only two recipients of the Carlson-Holohan Industry Award of Excellence; and “Ten Trends That Will Shape the Future of Hydronic Heating” with John Siegenthaler, which explored new hardware and design concepts keeping hydronics at the cutting edge of energy efficiency.

Special events included the 2008 Plumbing Apprentice Contest held on the ISH North America exhibit floor in conjunction with the Plumbing-Heating-Cooling Contractors Association’s (PHCC) annual convention. The winner of the contest was Kyle Holcomb of Pasadena Plumbing in St. Petersburg, Fla., a fourth-year apprentice.

ISH North America ran concurrently with “Network,” the annual convention for the American Supply Association (ASA) and PHCC. Other association events included the annual convention for the International Association of Plumbing and Mechanical Officials (IAPMO), and the Canadian Institute of Plumbing and Heating’s famous “Maple Leaf Reception.”

“Looking forward, we anticipate a solid return of the innovation and productivity that has made this industry so strong in the past,” McKinnon said. “We are confident that ISH North America 2010 will continue to provide exciting new opportunities and a proven business platform for both attendees and exhibitors.”

For further information, please visit www.ish-na.com.
With the largest network of licensees worldwide, the Nu Flow® Companies provide successful pipe rehabilitation technologies to governmental, commercial, industrial, and residential markets - for water distribution and wastewater pipes, drinking water pipes, and all mechanical systems, including heating, cooling, chiller, and fire sprinkler lines.