

THE Pipeline REPORTER

NEWS ABOUT MUELLER MARKETS, PLANTS, PRODUCTS, PERFORMANCE AND PEOPLE

MARCH, 1983

POWERS REVIEWS EXPANSION Stability and Jobs Result

Twelve months ago Mueller Co. acquired Judd Valve Company, the first of three manufacturing companies it purchased in 1982. This diversification is part of the company's strategy to minimize the effects of the fluctuating house industry and to boost operation in all of Mueller's manufacturing locations.

In a recent interview, company President Edward D. Powers described the company's diversification strategy as "an effort to take some of the cyclical nature of our business away. Housing is cyclical. In years when housing is up, we can do very well, and in years when housing is down, we can counter the slump with our new markets and still be strong."

In diversifying, the Mueller Co. has branched out as a manufacturer of flow control devices. When Powers became president of the company in 1978, he began the move toward new products and markets with the construction of the company's new butterfly valve plant in Clinton, South Carolina.

"We focused on one product line that we were missing: butterfly valves, very large butterfly valves related to transmission lines for water distribution," Powers states. "This has been a successful venture. The valves tie in well with our previously existing product lines and are not dependent on new housing. We have an opportunity to sell products from our other plants each time we sell a butterfly valve. This is synergism--the kind of support and connection we are looking for."

After the new Clinton plant went on line in late 1980, the Mueller Co. again looked toward new markets. In the meantime the housing market had turned down drastically. According to Powers, the Mueller marketing staff keeps records that go back to World War II, and the company had never seen a more depressed year for housing than 1981. If the company had not begun to turn toward non-housing related markets by that time, Powers adds, its business could have decreased nearly 50%, with possible layoffs of up to 40% of the work force.

"We looked around for something else we could do quickly, that would not be housing related and would still utilize the facilities that we have. And so we looked at our international markets. In 1978 we had done about \$4 million in international sales. We built up our international marketing and we've finished 1982 close to \$15 million. This has kept a lot of people working."

After expanding international sales, Mueller Co. began the evaluation of new companies for purchase. After looking at 275 companies, Mueller acquired the Judd Valve Co. in January, 1982. Headquartered in Tulsa, Oklahoma, Judd Valve produces steel valves for gas and oil exploration and production facilities. Powers labels this acquisition as "creating a new market in a business we know something about." The Decatur, Illinois Mueller plant now produces all the brass valves for the Judd plant. This again is an example of the synergism between the new company and the existing Mueller operations.

In July of 1982 Mueller acquired the Leopold Company in Zelienople, Pa., a major manufacturer of equipment for water treatment and wastewater treatment. Leopold's line of products and instrumentation fits well with products made by Mueller in Clinton, Decatur and Chattanooga. The new Clinton plant and the Chattanooga, Tenn. facility are now

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Bogacyzk Named Superior President



Stanley J. Bogacyzk

On March 1, 1983, Stanley J. Bogacyzk was named President of Mueller Co.'s Delavan, Wisconsin subsidiary Superior Stainless Co. He is replacing Henry Lauterbach who retired earlier this year.

Bogacyzk has served for the past four years as Corporate Vice-President of Industrial Relations for Mueller Co. Formerly associated with ITT Grinnell Valve Co., a subsidiary of ITT Corp. in Elmira, New York, Bogacyzk is a graduate of Rider College in New Jersey with a B.S. degree in Commerce. He and his wife and three children will relocate to the Delavan area.

Safety Program Breaks All Records CHATTANOOGA WINS PRESIDENT'S AWARD



The results have been counted and Mueller Co. has been declared a winner in the 1982 campaign to make safety measures in each plant work. The number of lost days due to accidents was reduced in all Mueller plants last year to less than **one quarter** of what it had been the year before. The number of lost time accidents was reduced to **one third**.

Safety goals at each plant were achieved and widely surpassed. The President's Safety Award was presented to Tom Jacobs, Plant Manager at Chattanooga, who accepted this travelling trophy on behalf of all of the Chattanooga employees; they had achieved the highest improvements in the 1982 safety program. Engraved on the trophy is the inscription "Awarded Annually to the Employees of the Plant Location Contributing Most to Improved Productivity Through Safety Awareness and the Lowest Lost Time Injury Rate -- CHATTANOOGA 1982."

MIDWEST SALES OFFICE OPENS IN KANSAS CITY

February 28 was opening day for the new Mueller Midwest District Sales Office located in Overland Park, Kansas, a suburb of Kansas City. This district was formerly headquartered in Elgin, Illinois.

Bill Coffey, Midwest District Manager-Water Division, reports that the new quarters occupy 1566 square feet on the first floor of a brand new building in the Executive Hills South Office Park. Office Manager for the new office is Steve Hanson, and the staff includes Nancy Carlson and Lois Wood.

All orders from customers in the Midwest District for all Mueller markets will be placed and processed through the new office. This represents a change in procedure; formerly orders went through Decatur or Chattanooga

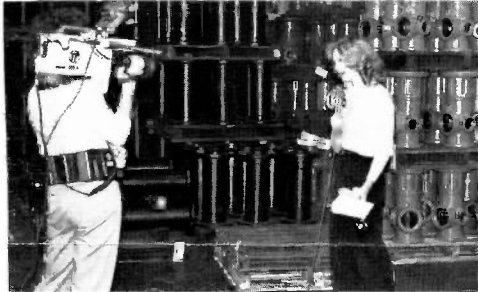
rather than district offices. The new Mueller MIS (computer) system makes it possible for the orders to go through the district office located close to the customer. This brings the company closer to each customer, makes it possible for the people in the outlying office to know the customer better, and allows the company to be very responsive to market needs and trends.

The Midwest District Office serves Michigan, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Kansas, North Dakota and South Dakota. About 500 primary customers will be directly served from the new office. Other Mueller district sales offices are located in Irvine, California; Dallas, Texas; Avon, Connecticut; and Atlanta, Georgia.



Bill Coffey upper right, clockwise: Nancy Carlson, Lois Wood, Steve Hanson.

ALBERTVILLE MAKES NEWS



Reporter Gayle Simpson from Decatur TV station WAND on camera.

Albertville employees were puzzled when they saw the television film crew come through the plant in January, but it all made sense to Bob Abbott, from Mueller headquarters in Decatur and the representatives from the Decatur ABC Affiliate WAND-TV. They had traveled to Albertville to produce a three part news series describing the Mueller operation in Albertville and how the company's plants all work together to keep the company strong.

The Decatur group boarded a plane for Albertville at 7:00 AM on the day of the filming, and arrived at the plant by nine, a time of day when operations there are in full swing. Outfitted with hard hats by plant manager Lloyd Darnell, they went right to work to discover, record and report what goes on in this southern branch of the Decatur based company.

WAND in Decatur reaches a viewing area of 288,000 homes in Central Illinois. Gayle Simpson, reporter for the project, knew that viewers would be curious to see how a manufacturing plant in Alabama compares to similar operations in their own region, and how the work done in another plant can affect them and their local economy.

Gayle and Carol Hefley, news photographer, set right to work to describe the process of making hydrants, how they are cast, assembled, tested, painted and shipped to customers all over the country and the world. They were interested in the various colors the hydrants are painted, and featured

several shots of the colors in their TV broadcast the next night back in Decatur.

As Carol filmed rows and rows of hydrants in various stages of development, Gayle gathered information about the Mueller Company as a whole. She reported that Hieronymous Mueller, the company founder, was a pioneer in employee relations as well as in manufacturing and flow control technology. Her broadcast described how Mueller shocked other employers of his day by providing lunch hours and breaktimes for people working in their plants, and how employees sometimes took pay cuts over 100 years ago when times were bad.

WAND interviewed Lloyd Darnell in the plant's conference room. The section of the interview aired in Decatur showed his concern for the problems he sees in the marketplace. He described Mueller's efforts to make quality products in difficult times. As he stated recently for the Mueller Pipeline, "Difficult times have brought forth the cooperative attitude at Mueller in a strong sense. Attitude

is probably the key element in getting a tough job done. No one can do it alone and we are no exception. Every employee, regardless of his or her job must complete their part of the puzzle. It must be a unified effort and I believe we have proven that together we can do the job. We can take on 1983 with confidence."

An interview with Rick Norton of the Albertville machine shop concluded the segment about the Alabama plant. Rick, like Lloyd, discussed the feelings he had about his work, and stated, "If we don't make good products, we won't have a job." The pride at Mueller Co. in a job well done was evident that day in Albertville, and the reporters returned to Decatur with a message of optimism.

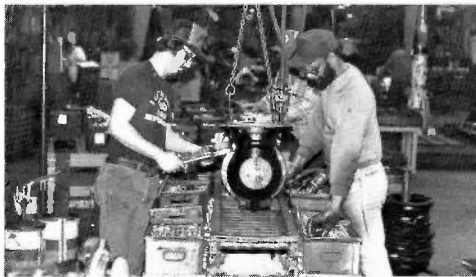
Albertville, Alabama has been one of the fastest growing communities in the United States. In 1960 the population was 8,250 and in 1980 it had increased to 12,039, a 69% increase. At one time Albertville was mainly an agricultural area but today there is a noticeable increase in other industries.

Two hundred thousand square feet of Albertville is taken up by the Mueller plant. This plant manufactures Centurion fire hydrants, steel tees, and repair clamps. The plant consists of a brass and iron foundry, and assembly line, a tool and die area, a shipping and receiving department, and a maintenance department.

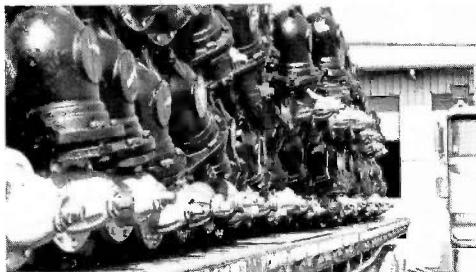
Besides the Mueller plant there are a number of other growing industries. Some of these include a number of packing plants, lumber mills, poultry farms, and several other industries. Albertville still is an agricultural area but it is not solely dependent upon this market.

Local attractions include Lake Guntersville State Park located at the top of Sand Mountain. Sand Mountain itself is approximately 60-70 miles long and 20-25 miles at its widest point.

The inhabitants of Sand Mountain are friendly, hard-working people, and they take pride in their work and in their community. According to those who work with the natives of Sand Mountain, these family-oriented people make you feel like you belong.



Hydrant assembly in Albertville.



Ready for shipping.

Strictly Personal

NEWS ABOUT MUELLER CO. EMPLOYEES AND THEIR FAMILIES

DECATUR

MARCH 1983

A Message From The Plant Manager...

WHAT'S NEW?

Recently, several employees have asked me if there is any truth to a wide variety of subjects that have been floating around the Decatur Plant. Let me take a few minutes of your time to let you know what is "really happening".

NEW BUSINESS

Yes, we are now in the process of obtaining new business from "3" of Mueller Co.'s other Plants.

(1) Canada: All the Canadian brass valve casting work will now be done at Plant 4. Patterns are presently being shipped to Decatur for adaptation to our molding equipment. The volume of this business is dependent upon the business climate in Canada, just as our domestic business reflects the U.S. economic climate. As you may know, Canada has been suffering through a much deeper recession than the United States so the amount of business generated by the Canadian operations is low at the present time. But once they start to come out of their recession, I anticipate a healthy increase in their demand for our brass castings.

(2) Judd Valve: We are already producing a two inch "clapper valve" for Judd with an expected yearly volume of 2,000 to 4,000 units. We are also evaluating other requirements of Judd to see if we can produce the valves here in Decatur.

(3) Leopold Co.: In the second quarter of 1983 we hope to have our evaluation of Leopold requirements completed. While these are smaller volume items than Canada or Judd, we welcome the increased business activities in the Decatur Plant.

These increased business activities are a direct reflection of our ability to produce a wide variety of quality products.

SAFETY

In December's issue of "Strictly Personal Decatur", I told you about the fine year we had in Safety during 1982. Now, for the first time, the Decatur Plant has received outside recognition for its efforts in the area of safety. Self-Insurers Service, Inc. has bestowed upon the Decatur Plant its "Safety Achievement Award". This award is given to Plants in recognition for outstanding performance in the area of employee safety and accident prevention. I am very proud of each of you for your efforts in helping us achieve this award and I know you will join with me in making 1983 an even Safer year.

ENERGY

As I'm sure you have seen from your recent water, gas and electric bills, energy costs are continuing to rise at an alarming rate. Next to employee health care benefits, it is our most rapidly growing cost of doing business. In fact, we have already received increases in water, gas and electric rates in the first two months of this year.

Therefore, we are presently instituting programs that we hope will reduce our costs. We have stopped using the wet concentrator at the Foundry and will be installing other water saver devices in an effort to conserve water. We also will be implementing Bell Telephone's "Energy Management System" to control kilowatt usage and installing duty cycling systems. This will allow us to turn "on" and "off" high consumption areas as needed rather than letting them run continuously. These are

just some of the alternative methods for conserving energy that we are reviewing at the present time. If you have any ideas on how to conserve energy, use the Plant Suggestion Plan to turn them in. We are always open to worthwhile suggestions that help us become more efficient.

Well, that is "what's new" at the Decatur Plant so far in 1983. I will continue to keep you informed of major news items of importance to each of us throughout the year as they affect the Decatur Plant. Let's work together to keep our new business while providing a safe and efficient place to work.

Thank you
Gene Hullinger

Policy Statement

Decatur Manufacturing is committed to the maximum utilization of all human resources and the goal of Equal Employment Opportunity. I wish to reaffirm that commitment and bring to the attention of all employees that these objectives are reflected in all aspects of our daily operations. We shall continue to recruit, hire, train, and promote in all job titles without regard to race, color, religion, national origin, sex, age, or handicap, except where age and sex are essential bona fide occupational requirements, or where handicap is a bona fide occupational disqualification.

Every effort shall be made to ensure that all employment decisions, company programs and personnel actions are administered in conformance with the principle of Equal Employment Opportunity. Each of us has a responsibility to support these objectives and to ensure that his policy is fully implemented within Decatur Manufacturing.

Just as we all share the responsibility for meeting the challenges of our business objectives, each of us must assume a leading role in making our Equal Employment Policy work effectively.

A.E. Hullinger
Plant Manager
Decatur Manufacturing
Mueller Co.



Pictured here is Jim Hudson, Dept. 80B, and his self made steam engine. This model, made in Jim's spare time, is composed of tiny, intricate valves, cylinders, etc. It presently operates on air pressure but Jim is in the process of making a boiler to complete the project.

Retirements

DEC. 82, JAN./FEB. 83

Bob Burdick
Dec. 82
30+ yrs.

Ed Ayers
Feb. 83
30 yrs.

George Swanson
Dec. 82
20+ yrs.

Art McPherson
Feb. 83
20+ yrs.



Galen W. Jenkins
Dec. 82
42+ yrs.

SERVICE AWARDS

DEC. 82, JAN./FEB. 83



Bob Brownlow



Betty J. Domick



Charles W. Moore
Dec. 82
40 yrs.



Betty Tolladay
Jan. 83
39+ yrs.



George F. Binkley
Dec. 82
36+ yrs.



Robert L. Hunt



May Inman



Howard Gleespen
Feb. 83
36+ yrs.



Andy Heitman
Dec. 82
32+ yrs.



May Inman
Dec. 82
30+ yrs.



John Moma



Donald R. Page



Charles L. Snoko

A.I.W. Food Basket Drive

This past December, the A.I.W. held a drive to collect food for laid-off employees throughout Decatur. Length of lay-off and size of family played a part in the distribution of the food. Company donations, individual cash contributions, and canned food collections were methods used to accumulate the needed food. Over 300 area families received help from this drive. Mueller Co. made a \$1000. con-

tribution to this cause. Pictured below (left to right) are Ron Riley, Gene Hullinger, Tom McGeorge, and Steve Holsapple during the presentation of the check.



SERVICE AWARDS

Corrections From Last Issue



Keith Meachum
30 yrs.



Paul Tolbert
30 yrs.

30 YEARS

Edward Ayers
Bob Brownlow
Betty J. Domick
Ed Fenstad
Robert L. Hunt
May Inman
John Moma
Donald R. Page
Charles L. Snoko

20 YEARS

Arlen B. Burton
Art Clark
James W. Gentzyel

10 YEARS

Harvey H. Baker
Richard L. Bunning
David Dawson
Karen Shelby (Sept.)

Congratulations

Frank R. Seevers, Field Sales Representative - Water Products in Colorado, was recently certified as a Class I Technician for water distribution systems. After attending school he received this certification from the Colorado Distribution and Collection Systems Council.

SPOTLIGHT ON CREDIT DEPARTMENT

"The check is in the mail." "The boss is on vacation and he locked the checks in his drawer before he left." "I had to go to a fire and couldn't send your money."

This is the kind of thing they hear every day in the Credit and Collection Department at Mueller Co.'s corporate headquarters in Decatur. Located in the main headquarters building, five employees and Manager Bob Clark work closely together to collect the money the customer owes for the products they buy. As Bob says, for his department "happiness is a positive cash flow."

All you ever wanted to know about the credit and collection department and more

As with every other department in Mueller Co., the Credit and Collection Department plays an integral role in the operation of the company on a daily basis.

The Corporate Credit and Collection Department is made up of six people: Manager, Robert M. Clark, Credit Analyst, Barry D. Phipps; Clerical Staff: Pat Bell, Sharon Cochran, Barb Ernst and Joni Walmsley.



Bob Clark, Corporate Credit Manager.

The Credit and Collection Department, as its name implies, has a dual responsibility. In the credit aspect, this department is responsible for checking the fiscal stability and ability of a customer to pay his debts. On a new customer, this involves a thorough search of this business's financial background and pay habits. Current information, in the form of financial statements and Dun and Bradstreet reports, are maintained on all non-government accounts.

Also as the name states, the Collection Department receives and properly applies the payments of the customers. As part of this



Barry Phipps, Pat Bell and Barb Ernst.

collection function, this department is responsible for dunning the customer for payment on past due invoices. With approximately 3100 accounts to handle, this is nearly a full time job in itself.

The Sales Department, whether it be domestic or international, starts the ball rolling by offering to sell our products to a (potential) buyer. At this point, a "Credit Check" is done



Joni Walmsley, Sharon Cochran at the "tube".

to determine their ability to meet their debts. Credit terms that may be offered to the customer include: Open account, letter of credit, sight draft, C.O.D. and infrequently, cash in advance (C.I.A.). If further information or an adjustment in the offer to the buyer is needed, this information is transmitted back to the appropriate sales area. At the time of shipment the customer is invoiced for the items shipped.

Normally it is just a matter of weeks, or even days, before the customer pays his invoice. But if for some reason the invoice should become past due, someone from the Credit and Collection Department will contact the customer to determine the nature of the problem the customer has. Often the problem is resolved with the help of the Sales Service Department, the customer is satisfied, and payment is expedited. This, of course, is the goal of the Credit and Collection Department and of everyone working to make and sell Mueller products.

POWERS REVIEWS EXPANSION

Continued from Page 1

shipping many valves to Leopold, and Decatur is scheduled to provide Leopold with brass valves and fittings.

Mueller's third acquisition in November of 1982 was Superior Stainless Steel Company of Delavan, Wisconsin. New markets are now opened to Mueller by Superior's line of stainless steel valves, pumps and fittings for the food and beverage, pharmaceutical, chemical and dairy fields.

Powers concludes, "The net result of our diversification program is that close to one third of our sales in 1983 will be in non-housing related areas, as opposed to 10% four years ago. This obviously stabilizes us in the downturn of the housing cycle.

"We will continue to look for new enterprises that fit within our business rationale, and we predict that with housing coming on strong in the next few years and our markets picking up, we will be stronger than ever in the years to come."

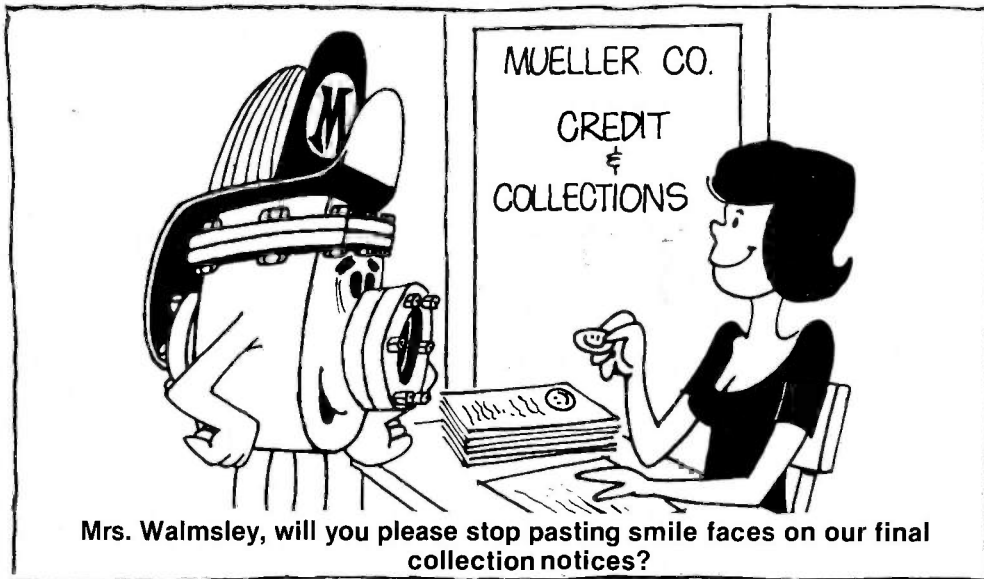
Memories from Albert Spitzer

Mueller Employee in 1914

A three part article by Albert Spitzer and reporter Mike C. Tirpak began in the DECATUR TRIBUNE newspaper in late December, 1982. These three articles dealt with one man's viewpoint of life in Decatur during the 1900's.

Albert Spitzer was employed by Mueller Co. in Decatur in 1914. This was a time when one didn't need to worry about resumes, proper

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Mueller Co. automatic rod machine department in 1916; Albert Spitzer in middle row at right end. Left circle: Marvín Spitzer; right circle, Albert Spitzer.

dress and indefinite telephone waits. All Spitzer did "was go there and ask for work and he was employed on the same day. It wasn't bad," Spitzer said, "if you wanted to work, you could get a job."

Spitzer worked with an operator of automatic rod machines. These machines turned rods of brass into multiple types of bolts and screws. Spitzer's job was to wash all of them in gasoline, count them, and then tag them. In

only a few years Spitzer took over the machines when his supervisor left, and the position was open. In four years time his 11 cents per hour wages increased to 37 cents per hour. Spitzer commented that this raise "wasn't bad—I lived, paid my bills and saved some money."

During this period of time there was no minimum wage law, unemployment compensation, or even paid vacations. Not only that but the average work week was 9 hours per day, 6 days per week.

Spitzer stayed on at Mueller Co. as a supervisor in automatic rod machines until 1962, when he retired after 47 years with the company. Marvín Spitzer, Construction and Maintenance Supervisor at the Decatur Mueller Plant, is Albert Spitzer's son and has worked at Mueller Co. for 39 years.

Marvín reports that many family members have been long time Mueller employees. His sister Ariene worked in the polishing department at the Decatur plant. Their mother's brother Harold Ashcraft, and her brother-in-law Norman Poole are retired Decatur employees, and Marvín's cousin Raymond Byers is also retired from Mueller. Raymond's son is Bob Byers, employed in Department 80.

Since his retirement Albert Spitzer has worked on his family history and travelled a great deal. When asked how he felt to have lived during the past century when so many advancements and regressions were taking place, Mr. Spitzer said with a laugh, "People in general are getting worse as time goes on."

Spitzer has collected his life records and the records of his ancestors as far back as the early 1700's. He believes that since life was so different 60 to 80 years ago it can not provide any insights into the future. He believes that his distant descendants may not have anything to do with these family records. They might say "what do you want to keep that for?—Let's throw it away." But more likely his descendants will be grateful for the valuable work he has done to preserve his memories of the past.

MUELLER CO.

DECATUR, ILL. 62525

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