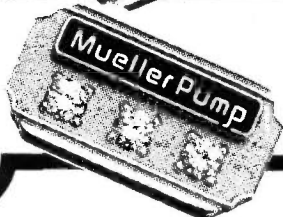


THE Pipeline REPORTER

NEWS ABOUT MUELLER MARKETS PLANTS PRODUCTS PERFORMANCE AND PEOPLE

SEPTEMBER 1985



New Service Awards

In appreciation of the employees' years of service, Mueller Co. has developed a newly designed selection of service awards.

As of January 1, 1986 awards will be given out in five year increments beginning with five years of service. Each award will have the appropriate logo for the employee's division or subsidiary.

Each logo or emblem is hand-crafted of 10K solid gold. Years of service are represented by genuine garnets and full cut, 58-faceted diamonds. Emblems are available on such items as jewelry, cutlery, lighters, pens, clocks, and watches.



BILL LEOPOLD HONORED WITH GIFT TO COLLEGE

A \$100,000 scholarship endowment in the name of Wilbur R. Leopold has been presented to Rose-Hulman Institute of Technology by the Mueller Co. of Decatur, Illinois.

The scholarship fund was established to honor Leopold for his 29-year engineering career with the Mueller Company. Leopold is currently Senior Vice President and Chief Technical Officer.

Leopold has had a long association with Rose-Hulman and in 1981 received an honorary doctor of engineering degree from the Institute. In 1976, he was also named the recipient of the Rose-Hulman Distinguished Achievement Award.

His contact with the college began as a result of his interest in hiring engineers for Mueller Co. Since then, he has been instrumental in the company's financial support to the Rose-Hulman Department of Mechanical Engineering, resulting in the creation of the Mueller Laboratory and the Mueller Co. Award which is given annually to the outstanding junior mechanical engineering major.

Leopold is widely recognized as an authority on the safe handling, control and distribution of fluids. According to Mueller Co. President E.D. Powers, "the purpose of the gift is to pay tribute to our current Senior Vice President, who has contributed significantly over the



Wilbur R. Leopold

past twenty-nine years to the development and growth of the Mueller Co.'s product and processes."

Rose-Hulman is a private, fully accredited men's undergraduate engineering college located east of Terre Haute, Indiana. Mueller Co. selected the school as the recipient of this gift because it provides to students an atmosphere of professionalism and encouragement of innovativeness essential in the formation of engineering students.

Mueller Pump Leaders Named

George G. Pearse, Mueller Co. Group Vice-President for Mueller Pump, Tri-Canada, and Superior, has announced that the organization of Mueller Pump is now complete.

Doug Austin, bringing in-depth experience with engineered products, has been named Mueller Pump President. Sam Daniels has been



Douglas Austin

appointed Vice President-Marketing; his background is in domestic pumps. Paul Nearpass is the new Manager of Engineered Products Marketing.

New Vice-President of Operations at Mueller Pump is Harold Hassebrock. He will work to implement a significant manufacturing revitalization at Conway. Pat Cronin has been named Controller and

Martin Cain is the new Mueller Pump Industrial Relations Manager.

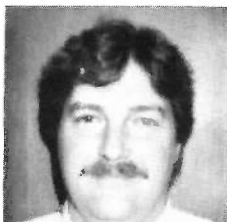
Doug Austin comes to Mueller Pump from the Hayward Tyler Division of Sterling Fluid Products Group in Burlington, VT., where he was Vice-President and Operations Manager. Sterling Fluid Products is an industrial products company in the industrial pumps market. Doug was responsible for all North American operations at Hayward Tyler. Prior to Hayward Tyler, Doug held a number of senior management positions in Operations, International Business, Marketing, Planning and Business Development with Peerless Pump.

Doug has his B.S. Degree in Industrial Engineering/Mechanical Engineering from the University of Utah and an M.B.A. from Creighton University in Omaha, Nebraska.

Sam Daniels appointment as Vice President of Marketing for Mueller Pump has been announced effective 5-27-85.

Sam will report directly to Doug Austin, President at Mueller Pump. He is responsible for all sales and marketing for all Mueller Pump divi-

(Continued on page 2)



Harold Hassebrock



Sam Daniels



Paul Nearpass



Martin Cain

Summary Annual Report for Mueller Co. Group Benefits Plan

This is a summary of the annual report of the Mueller Co. Group Benefits Plan EIN 37-0431610 covering employee and dependent medical costs and life insurance for the period from October 1, 1983 to September 30, 1984. The annual report has been filed with the Internal Revenue Service, as required under the Employment Retirement Income Security Act of 1974 (ERISA).

Mueller Co. has committed itself to pay the medical, dental and accident and sickness claims incurred under the terms of the Plan.

Insurance Information

The Plan has contracts with Republic National Life Insurance Company to pay death benefit claims incurred under the terms of the Plan. The total premiums paid for the plan year ending September 30, 1984 were \$270,735.

During the plan year a trust fund was established at the Millikin National Bank of Decatur, Illinois. During the year, the Plan experienced an increase in its net assets of \$571,607, which was the result of additional contributions made to the trust by the employer which is available to cover incurred claims.

The following is a recapitulation of the income and expenses of the Plan for the year ended September 30, 1984:

INCOME

Contributions by employer	\$5,392,995
Interest on investments	76,850
Total Income	<u>\$5,469,845</u>

EXPENSES

Life insurance premiums	\$ 270,735
Accident & sickness benefits	231,338
Claims paid to hospitals/doctors	4,275,493
Administrative expenses	120,672
Total expenses	<u>\$4,898,238</u>
Net increase in assets	\$ 571,607

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. assets held for investment; and
3. transactions in excess of 3 percent of plan excess.

To obtain a copy of the full annual report, or any part thereof, write or call the Personnel Office. The charge to cover copying costs will be \$3.00 for the full annual report, or \$.30 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the Personnel Office of the Plan, and at the U. S. Department of Labor in Washington, D.C., or to obtain a copy from the U. S. Department of Labor upon payment of copying costs.

Requests to the Department should be addressed to: Public Disclosure Room, N-4677, Pension and Welfare Benefit Programs, Frances Perkins Department of Labor Building, 200 Constitution Avenue, N.W., Washington, D.C. 20216.

Personnel Change

It was recently announced that Mr. R. C. Cunningham was named to the position of Corporate Manager of Manufacturing Programs for the Water and Gas Group. He replaces Harold Hassebrock who recently accepted a position in the Mueller Pump organization.

Mr. Cunningham is a 1974 graduate of Indiana University and has held several positions with Mueller Co., most recently serving as Materials Manager of the Decatur Plant.

Leaders Named...

(Continued from page 1)

sions including Aermotor, Midland and Weinman.

Prior to his appointment, Sam was National Sales Manager and Director of Marketing at F.E. Meyers Company in Ohio. He has a B.S. from Texas A & M University and attended the University of Texas Graduate School of Business.

Paul Nearpass's appointment as National Sales Manager for the Engineered Product line has been announced effective 9/9/85.

Paul will report directly to San Daniels, Vice President of Marketing. He is responsible for all sales and marketing for Weinman and turbines, as well as field sales for engineered products and international sales.

Prior to his appointment, Paul was Vice President of Marketing for Peabody Flowway. He has a B.S.M.E. from Union College in Schenectady, New York. He did his graduate work at the Alfred P. Sloan School of Management, MIT in Cambridge, Massachusetts.

Harold Hassebrock has had a very successful career with Mueller Co. beginning in 1964 at the Brea, California manufacturing facility where he held a succession of production/engineering and manufacturing positions. In 1976 Harold was transferred to the Decatur, Illinois plant as Manufacturing Project Engineer due to the Brea plant being closed. In 1977 he became Production Superintendent at the Albertville, Alabama plant and was promoted to Materials Manager there in 1979. At the start of 1983 Harold was promoted to the Corporate Office as Corporate Materials Manager and in 1984 picked up the additional responsibilities of managing the various manufacturing programs in progress at all Mueller locations.

Pat Cronin served as Mueller Co. Corporate Cost & Budget Manager before his appointment as Controller at Mueller Pump. He joined Mueller from a position as Division Cost Manager at the F.E. Myers Division of the McNeil Corporation. He received his M.B.A. from Ashland College in Ashland, Ohio and his B.B.A. in Accounting from the University of Michigan.

Martin Cain's appointment as Employee Relations Manager for Mueller Pump has been announced effective 6/3/85.

Martin will report directly to Doug Austin, President of Mueller Pump. His responsibilities will include all facets of employee and labor relations.

Prior to his appointment, Martin was Industrial Relations Manager at Pirelli Cable Corporation. He has a B.S.B.A. from Henderson State University, and did his graduate work at the University of Arkansas and Henderson State University.

The Quality Corner

by Tom Jacobs

At Mueller Co. we have many quality inspectors on the payroll. This is because we generate scrap and use inspectors to sort the scrap from the good pieces. If we didn't do that we'd ship scrap to our customers, and they wouldn't like it.

A great way to increase profitability would be to not have to have inspectors. But to do that would require that we wouldn't make any scrap. And that would require that every person make the piece right the first time. And we all know that's impossible...or is it? If we can make it right the second time, why not the first? Why CAN'T

we get it right then too? And if we did - if we did make it right the first time - wouldn't that mean fewer inspectors, inspectors who could perhaps be used much more effectively MAKING still more good pieces, because we'd have more orders for Mueller product, because our customers would buy more pieces, because of our reputation for making them right the first time? And wouldn't that result in more orders, and more jobs? And isn't that what WE ALL want?

Think about that.

Strictly Personal

DECATUR

NEWS ABOUT MUELLER CO. EMPLOYEES AND THEIR FAMILIES

SEPTEMBER 1985

This Is A Challenge!

by Bill Riner

In the June edition of **The Pipeline Reporter** I stated, "... we are being severely challenged. . . . The days of passing on inefficiencies and low productivity to customers in the form of price increases are over. . . ."

Our competitor's response to our attempt to increase prices for our products brings this economic reality home and in no uncertain terms. In a letter to their distributors dated July 29, 1985 a Vice President of The Ford Meter Box Company, Inc. wrote,

"There are no changes in our list prices and all other aspects of our distributor discount policy remain unchanged. We are able to offer you these new cost saving advantages primarily as a result of improvements in factory productivity during the past two years combined with a stable brass ingot market. These factors have helped to offset the increased costs of labor, taxes, and utilities."

This is a challenge!

We owe it to ourselves and the stockholders who entrust their assets to us to meet the challenge. In other words, we need to maintain our profitability and provide an acceptable return on their investment. We have to ask ourselves how patient would we be with our bank if it kept lowering the interest payments they paid on our own money. I do not think we would say, "that's OK, we know you are trying hard and these are

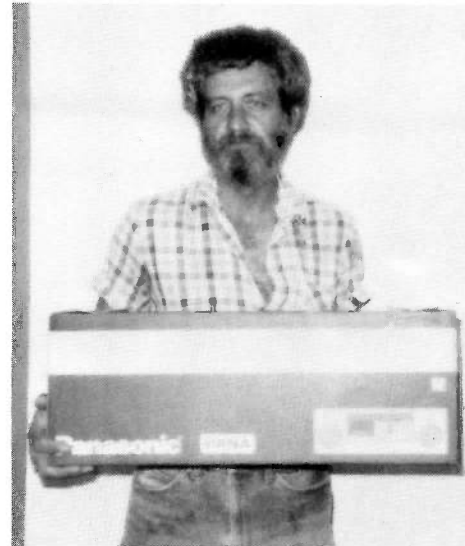
tough times". Our response would rather be to insist that our bank do as well if not better than other banks and that our bank keep paying us a reasonable return on our money.

Adversity and challenge often brings out the best in people. I'm sure that many of you can think of examples of this phenomenon in your personal lives. Certainly history abounds with many inspiring examples of success evolving out of some very difficult situations.

I'm going to make a prediction. We are going to look back on this time and say to ourselves that this is when we rolled up our sleeves, met the challenge, and did the things that were necessary to prosper in the economic world in which we work. Obviously, we are going to have to make some changes. In fact, we have already started and it's working. There are many positive indicators of our progress — mold counts remain high, scrap and rework rates are finally improving, absenteeism is getting better (sometimes I think we forget how important good attendance is to our overall performance) and we have organized ourselves to implement an aggressive cost reduction program.

One final thought, our cost reduction program is a very important part of our overall strategy. You can help by giving the program your willing support in the form of good ideas, hard work and perhaps the most important — the willingness to accept change.

Thanks for listening.



David Gregory (80) 8-6-85 with stereo.

Safety Incentive Program

The Decatur Safety Incentive program has been in full swing for three months. As a result of working safely, many of the workers have taken home some nice prizes. To date, safe workers have taken home: a Cannon T70 camera, a Commodore 64 computer with floppy disc drive, a Panasonic stereo radio & tape player, a gas grill, a set of Samsonite luggage, a fire extinguisher, a dinner at the Brown Jug restaurant, a spotlihter flashlight, 13 sweaters, 11 jackets and 21 caps and sunvisors.

The Decatur management is pleased with the safety record at the plant thus far in 1985. The safety incentive program has played the part of keeping safety in the workers minds but the effort made by the plant personnel has made the difference. The record speaks for itself, and plant personnel deserve the credit for a job well done, and hope their efforts will continue through the rest of 1985.

A Time To Reminisce

More than 150 retirees gathered at the Mueller Lodge on Thursday, May 16 for the annual retirees luncheon. While the formal program gave retirees an opportunity to learn about the new Mueller acquisitions, the informal program gave retirees a chance to renew old acquaintances, look at some old pictures and discuss days gone by. It was obvious from the informal discussions that our retirees have a lot of pride in the company they grew up with and continue to show a genuine interest in its continuing success.

(SEE PICTURES ON BACK PAGE)

Cami Warfield Represents Decatur at YMCA National Gymnastic Meet

Cami Warfield, daughter of Larry Warfield (Industrial Engineering) was one of twelve Decatur area girls who represented the Decatur Y.M.C.A. at both the state Y.M.C.A. gymnastic meet on May 12, 1985 and also the National Y.M.C.A. gymnastic meet from June 11-15, 1985. The local girls finished first in the state meet and gained the honor of representing Illinois in the National meet held this year in Sarasota, Florida. Cami, an eighth grader at Centennial Lab School finished 178th in the developmental division. A total of 420 gymnasts representing 62 teams competed in the national event.

Many area companies, including Mueller Co. contributed to help make this trip a reality for the area girls. Two local girls, Mary Drumm and Shannan Carey advanced to the semi-finals in the Championship Division. The team is coached by Cheryl Oglesby, Gymnastics Director for the Decatur Y.M.C.A.



—Cami Warfield, age 13.

Service Awards For June, July & August

10 Year
Dewitt Evans
E. C. Smith



Lee Smull
25 years

20 Year
Alice Jestis
Rex Camfield
Pat Herring
Joe Chladny
Harold Fyke



Rosie Phillips
30 years



Paul Halbrook
30 years



Janice Click
25 years



Robert McCoy (left) with W. Jenkins, 25 years.



Evelyn Cox, 30th Anniversary (6/6/85) with her boss Joe Bartosek, Corp. Treasurer.

Retirements June, July & August

Herman Stolte — 38+ years
Robert A. Salogga — 45+ years



Robert A. Salogga, retired 7-31-85.



Herman E. Stolte, retired 6-28-85.

Retirement Luncheon



Computer Quiz From IBM

All true, except TWO

Below, can you find the only two services a personal computer cannot do for you? (This just samples all the things it can do — an already long list that grows longer literally every day.) Mark T or F.

1. Save you money.
2. Pay bills for you.
3. Help keep you fit.
4. Repair your car.
5. Speed a bank loan.
6. Help you get into a college.
7. Relieve loneliness.
8. Diagnose illness.
9. "House-sit" for you.
10. Help you pick the right dog.
11. Check your spelling.
12. Teach you to type.
13. Let you shop from home.
14. Earn you tax deductions.

Quiz Answers:

Did you find the two *not* true?

1. **T** Many personal computer programs help analyze where your money goes, and tell how and where you might save. One, for example, shows what every electric appliance and light costs you—so you can have statistical support when you say, "Please turn off that light."
2. **T** Banks have introduced electronic programs that permit you to do much of your banking—including paying bills—conveniently right from home on your own personal computer.
3. **T** Personal computer programs can monitor your diet, advise on calories and menus, on which exercises you should do, and for how long.
4. **F** Computer programs can help you determine what might be wrong, but it takes human minds and hands to find and the use the best way—especially if it's an unusual way—to fix it.
5. **T** How many times have you filled out a net-worth statement? With a PC, you can pull a fresh, up-to-date one in minutes. (And, at the bank, computers there speed up the processing of loans.)
6. **T** A PC can help prepare students for SAT's and some schools have made or will soon make access to a personal computer an entrance requirement.
7. **T** One of the fastest-growing uses of personal computers. Through "chat" networks and "electronic bulletin boards," computer users "talk" to each other, reach out and make new friends.
8. **F** Personal computers in doctors' office can provide probable causes of symptoms. But final diagnosis requires an M.D. as with #4 above, computers aid, but do not replace, human judgment.
9. **T** Computers can be connected to other monitoring devices to switch calls to neighbors, call police or fire—or furnace repair—control heat, turn lights on and off.
10. **T** A psychologist has developed a program to match the temperatures, sizes, etc., of 120 breeds with your own personality, your desires and needs.
11. **T** Some word processing programs contain

Fire Hydrant Capital of the World SPOTLIGHT ON ALBERTVILLE

The 10-year anniversary year of the Mueller plant at Albertville began last April with a great deal of fanfare and news coverage. Lloyd Darnell, plant manager, reports that newspaper articles appeared all over the US, local television coverage was extensive, and the plant was even featured on CNN News around the world.



Lloyd Darnell

Darnell states that Albertville is indeed the Fire Hydrant Capital of the world because no other manufacturer anywhere even comes close to the number of hydrants Mueller produces there.

A headline in the **Birmingham News**: "All jokes aside, fire hydrant firm gives Albertville reason to smile." The writer continued: "Lloyd Darnell has heard and told dozens of jokes about fire hydrants, ranging from the hydrants' mysterious attraction to dogs to speculation that its odd shape was designed on Mars.

But when getting down to the nitty-gritty, the fire hydrant is serious business to Darnell and this Marshall County community of about 13,000.

Since Mueller Co. moved its hydrant plant from Chattanooga to Albertville 10 years ago, the city has become known as the "Fire Hydrant Capital of the World."

Mueller Co., of which Darnell is plant manager, turns out about 100,000 each year of the durable "plugs," most for any facility in the world and more than half those made in the entire U.S.

Perhaps, even more significant, though, is that the plant — which includes two of the more modern foundries in the industry — employs 500 area people, and pumps \$9 million into the local economy each year in payroll alone. That compares to 59 employees and a \$900,000 payroll when the plant was established in 1975.

But the hydrant — with its "beanie" top and protruding ear-like connections — is still the mainstay, with an average of about 400 being turned out each day at Albertville. It takes 325,000 pounds of iron and 30,000 pounds of brass to make the 400, which are shipped throughout the U.S. and other parts of the world.

The company gets its iron by reprocessing old steel railroad track. "We have found that railroad rails are the most consistent material we can use to make the case iron for the hydrants," Darnell said.

Brass is used for fittings because it won't rust.

Not all fire hydrants are alike — including

their color. In fact all hydrants are made special to order, because cities and other customers often have different size water mains, hose fittings and such.

Mueller is bidding on a Kansas City contract to make the longest — and probably most expensive — hydrant in history, more than 36 feet, Darnell said.

THE UPPER PART of the hydrant will be on an overpass, and the lower section has to reach down about 36 feet and 6 inches to the water main below. It will be a challenge — but interesting — to build."

Mueller's longest hydrants have gone to cities in Alaska. The lower part, which goes below ground, must be 12 feet long to reach water mains buried below the permafrost.

"We make some 10 feet long for parts of Minnesota, it gets so cold up there," Darnell added.

The company even makes a more modern style hydrant for those preferring a futuristic look, the old model is preferred by most.

As for color, red is still the favorite, but many customers are turning to orange, blue, white, and red, white and blue.

"Houston, Texas, orders all blue and white," Darnell added "Cleveland, Ohio's, are the same color as their professional football team, but I don't know if that's on purpose or not."

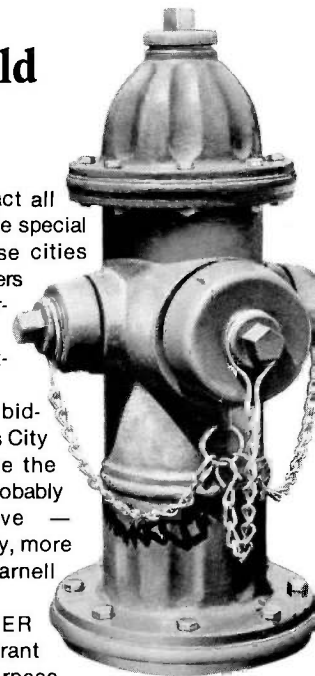
Mueller hydrants at times are used for other things, such as special valves for oil rigs in Saudi Arabia, probably Mueller's largest customer abroad. The valve hydrants were made without the inner parts, and were nicknamed "the gutless wonders" by foundry employees.

ORDER FOR THE hydrants average about 10 a batch, but Mueller takes any size order, from one up.

The company's largest single order ever — 2,000 — was to go to Iran but was stopped by the hostage crisis.

The hydrants — with MUELLER...ALBERTVILLE, ALA. cast on them — were on the shipping docks in New Orleans and about to be loaded when the American embassy in Iran was overrun.

Darnell said the 2,000 hydrants were worth about \$1 million.



dictionaries, and will correct a misspelling not only where you found it, but also wherever else the word (or name) appears in what you've written.

12. **T** By following drills on your screen, you can learn to touch-type on your own keyboard. And that's only one of many, many courses you can take by personal computer.

13. **T** Several major retailers, and other com-

panies such as stockbroker, for example, either have or are testing systems with which you can view on your screen, and order on your keyboard.

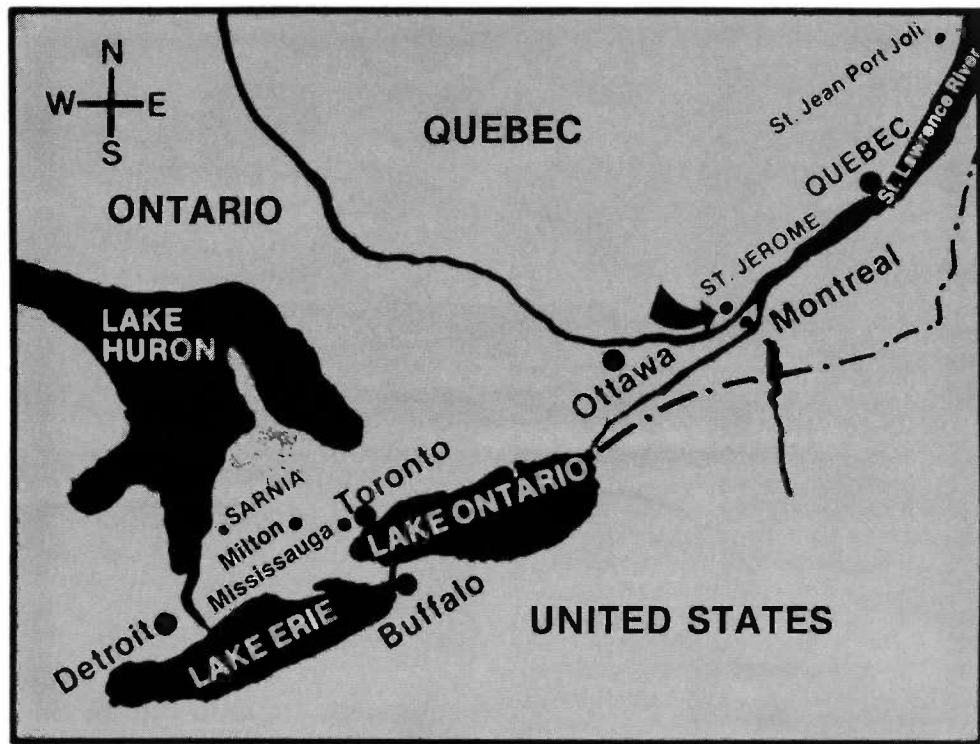
14. **T** CPA's say that people who use their computers to some significant and provable degree for business work can depreciate a portion of the original cost of the machine.

Canada Office Relocated

David Reed, President of Mueller Canada Inc., has announced that effective November 11, 1985, Mueller Canada Inc. will relocate its corporate offices from Sarnia, Ontario to Milton, Ontario. The offices will be moved to the Canada Valve facility in Milton which was acquired in the purchase of Canada Valve by Mueller Canada in June of this year. The marketing and finance departments currently located in Sarnia will be reorganized and headquartered in the Milton facility.

This relocation affords Mueller Canada the opportunity to fully integrate the two companies and will provide for improved efficiency in our marketing and administrative functions. In addition, Mueller Canada will also enjoy closer proximity to our key external advisors in the areas of legal, audit and banking in the Toronto region.

The Sarnia Plant will continue to operate as a manufacturing facility for its full line of water and gas distribution products. Gordon Turnbull will be promoted to the position of General Manager, Sarnia and will be responsible for the operations of this facility. Gordon has been with Mueller Canada since 1963 and is currently Plant Manager in Sarnia.



Mueller Co.

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