

THE Pipeline

REPORTER

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

DECEMBER 1981

Quality Circles— Teamwork In The 80's

Quality Circles had their beginnings in America as an idea for "bottom-up" communication in the 40's. The idea was adapted and made a reality by Japan in the 60's, was "re-discovered" and brought to America during the late 70's.

In 1948 Dr. Edwards W. Deming structured a discussion system to provide each employee the opportunity to communicate more readily with upper management. Then in 1954 the Union of Japanese Scientists and Engineers began developmental work on a similar project to improve the quality of Japanese industrial product on a nationwide basis. The project worked and became known to the world as Quality Control Circles. Today, Japanese industry has an estimated one million circles, involving more than ten million employees, who, since 1962, have saved an estimated twenty-five billion dollars.

By 1974 a Lockheed engineer and two co-workers had modified the Japanese program into an American concept, which was then implemented within the Lockheed organization. From these beginnings the Quality Circle concept has been adopted by an estimated five thousand American companies, one of which is the Mueller Co., Albertville Plant:

Albertville Quality Circle at Work

The Albertville Quality Circles are voluntary teams of four to ten employees, meeting with their supervisor for one hour per week, to discuss and develop solutions to problems that affect the team's work area. Albertville employees and management are currently involved in a pilot program, which has two working Quality Circles. They are Albertville Researchers in Machine Shop (ARMS), whose motto is "Working Arm in Arm for Quality," and Best Assemblers in Mueller Association (BAMA).

ARMS is headed up by Foreman, Mike Clayton, and team members, Margaret Gibson, Davy Kenamer, Gary Gibson, Jimmy Young, Steve Bryant, and Terry Powell. By relocating the rough brass casting storage area nearer to the brass machining section, ARMS will reduce towmotor travel and operator delay time by nearly one thousand dollars per year.

BAMA is led by Foreman, Duane Wise, and team members, Johnny Kelley, Kim Ansley, Terry Williams, Ricky Brock, and Keith Redington. These members of BAMA have worked on several projects only to reach the conclusion that their current methods or equipment were best. But on November 17, 1981, a project to make an engineering change to certain fire hydrant castings was approved for a reported savings of over sixty three

(Continued on Page 2)

Christmas Message

The holiday season of Christmas and New Years usually is a hectic time of festivities and reunions. As we find ourselves caught up in this rising tide of activity, we normally have little time for any contemplation or reflection on the past year. However, sometime during this season we would do well to put away the concerns and anxieties of our everyday activities and reflect on the many gifts we normally take for granted; our families, friends, home, and country.

Our families and friends are indeed our most treasured possessions. They share our joys and sorrows and make the burdens of each day a little lighter. Our homes are important for the joy and satisfaction which they bring to us and our associates. And our country, with all its problems, still is the best possible place to live on this earth.

Therefore, I hope each of you sometime during this season will take the time to reflect on your surroundings and participate in the true meaning of the holidays, which is a sharing of goodwill with families, friends and neighbors.

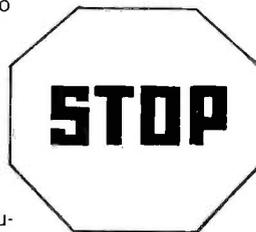
On behalf of myself, the Mueller Co., and the executive staff, I would like to wish all our employees, their families and friends the best of the holiday season and a prosperous 1982.

*E.D. Powers
President*

Corporate Safety Program Launched

A comprehensive two day meeting was attended by the Plant Managers and Personnel and Safety Representatives from all company facilities in conjunction with corporate executive staff members for the purpose of designating Mueller Co's overall safety philosophy and policy.

The meeting was held at the Mueller Lodge in Decatur, Illinois, and the major address was given by the company President, Mr. E.D. Powers. Powers' main thrust was that "Safety must be considered a way of living both on the job and at home. The responsibility for safety belongs to everybody from the President of your company to the newest employed person. We all share equally in this responsibility."



With this keynote address, the theme of the meeting was established. The program then had formal presentations made by a registered physical therapist from the Back School of Atlanta, after which representatives from the DuPont Corporation presented their well renowned "STOP" Program (Safety Training Observation Program). The meeting included a comprehensive review of the safety records at all facilities and an understanding that safety indeed must be a "way of life" at Mueller Co.

Each separate plant was charged with the responsibility of designing, developing, and instituting a program that would be tailored to each individual facility. However, some common elements of the DuPont "STOP" Program were to be included in each individual plant, along with safety award programs and training & awareness sessions. Equally emphasized was the importance of good

(Continued on page 3)

President of Mueller, Ltd. Retires

Paul Clarke Named As Successor

Harry J. Dowding, President of Mueller, Limited retired on November 30, 1981 after serving as President for 5 years and with 26 years of loyal service to the Company.

Paul K. Clarke, formerly Executive Vice President, was appointed President of Mueller, Limited, at the October 22 meeting of the Mueller Limited Board of Directors.

Mr. Dowding, a native of Sarnia joined Mueller, Limited in 1955 as a Time Study Analyst and later became a Standards Engineer, Industrial Engineer and then Personnel Manager. He became Manufacturing Manager in 1965 before assuming the Presidency in 1976. Mr. Dowding also worked for the Company for a short period before the outbreak of World War II where he distinguished himself as a Royal Canadian Air Force pilot in Europe.

During his leadership of the Company, Mueller, Limited set record sale levels and undertook significant plant expansion at both their Sarnia and St. Jerome plants.

With his wife Jean as his number one golf partner, Harry plans to spend the winter in



Harry J. Dowding

Florida after enjoying the Christmas season in Sarnia with his family.

Meanwhile, Paul Clarke takes over the reins of our Canadian subsidiary as Mueller Ltd. expands its products and markets throughout Canada.

Ed. Note: An article featuring Mueller Ltd. will be included in the next issue of the Pipeline.

to a supervisor who cares enough to correct it immediately. When you work for a company who cares for you and your ideas, you work even harder to make them proud too."

Quality Circles are not all a "bed of roses" and thousand dollar savings don't happen every day. Circle members work hard, especially when solutions are evasive. In the words of Ricky Brock, a member of the BAMA circle:

"... I learned it was better for a group to figure out a problem rather than one person. In the 'brain-storming' session... we came up with a lot of ideas on what we could work on. The only problem is, it's a lot harder to find problems and solve them than we thought it would be.

All in all I think the 'Q.C.' is a good project here at Mueller, and given some time could help the plant with overall production."

Albertville management has recognized that successful Quality Circles are a result of supportive people building managerial philosophies and the understanding that everything is finite, except the imagination of the human race.

New Emphasis For Marketing Gas Products

Mueller Co. has undertaken significant reorganization in its marketing department to renew commitment and gain additional strength in the gas distribution products market. Regional sales representatives have been named from the Mueller Co. sales force by Gene Wheeler, Marketing Manager of the new gas division. Their goals will be to further penetrate the market for the sales of Mueller gas distribution products and to generate product ideas from knowledge gained in the marketplace.

According to Wheeler, "We're changing our marketing methods, so that we not only sell what we have, but we also manufacture what the customers need. With new methods of selling and distribution, we will get the information we need to broaden our market offerings... really give service to the industry."

Albertville Employees Speak Out: Chattanooga Next

Employees in Albertville and Chattanooga have all now had the opportunity to take part in a specially designed employee opinion survey. The purpose of the survey is to find out how workers feel about their jobs and allow them to voice an opinion about what could improve the overall conditions at work.

In the fall of last year, groups of Albertville employees were personally interviewed by members of an outside management consultants team. Every Albertville employee was given an opinion questionnaire written from the results of the interviews. The results of the employees' questionnaire were then compiled by computer.

The results of the survey, showing the employees' feelings and ideas, were used by management and the consultants to develop new programs to address the problems that were identified in Albertville. The primary goal of the program is to keep open the lines of communication between workers and management.

First, every employee received a summary of the results of the survey. Then the new programs began. They include a monthly employee communications meeting, the plant manager's weekly news summary, the plant manager's Quarterly Group Meetings, the Quality Circle, which is described in another article in this issue, and other ongoing programs.

This fall Chattanooga workers began their participation in the survey. By January they will receive the results of their survey and an outline of plant improvement programs custom designed for Chattanooga. The success of the new programs in Albertville show that similar changes in Chattanooga will be just as positive. And there are plans to move into other Mueller locations with the survey program in the future.



Quality Circles

(Continued from front page)

hundred dollars. The change? To increase 7/8" diameter holes to 1.0" diameter holes. This savings reflects a materials savings of one thousand dollars and a rework labor expense reduction of over five thousand dollars.

It is very evident that Quality Circles benefit the corporations, but what rewards are offered for the individuals? Margaret Gibson of the ARMS Circle wrote: "... I was hired as a machine operator. I felt lucky to be an employee, but had doubts that my being there meant any more than just being an employee. On July 2, 1981, I... joined... a Quality Circle... it was a good decision on my part.

... We made our first proposal to the company on August 18 and on August 21 it was accepted. After meeting with management people and talking with them, I learned that they do care what I think, and that things I suggest could not only help me but help the company too by saving time and money, and finding safer ways to do the job. ...

No one knows a job like the person who works it eight hours a day, month after month. ... The Quality Circle gives the operator an opportunity to express his or her feelings about their job to the management people and they care and listen.

... I felt a great feeling of being part of the company, helping to make decisions on a lot of things, to help people in my department, and an even greater feeling of accomplishment.

The Quality Circle not only helps the employee but the employer as well. When given a chance to add time savings to management, to point out unsafe areas or a change in the casting of a part that could save the company thousands of dollars, the operators are willing, and, as the company will see, very capable. The savings to the company come in many ways, such as saving a lost time accident because an unsafe condition was reported by someone who cares,

Strictly Personal

DECATUR

NEWS ABOUT MUELLER CO. EMPLOYEES AND THEIR FAMILIES

DECEMBER 1981

A Message From The Plant Manager

During the past eight (8) weeks it may have seemed to many of our employees that there has been a "grey cloud" hanging over the Decatur Plant. We have had to make some difficult decisions in order for us to survive what is generally considered to be the worst housing slump since World War II.

But like other grey clouds, ours does have a "Silver Lining". Recently, I'm sure you have all read about Mueller Co.'s request to the Decatur City Council for permission to use Industrial Revenue Bond Financing to modernize our Foundry operations here in Decatur. I would like to take this opportunity to explain what this means to the Decatur Plant and how it affects each of us.

COMMITMENT TO THE FUTURE...

One of the major benefits of this decision is that it makes clear Mueller Co.'s commitment to the future of the Decatur Plant and its' employees. I know many of you have heard the rumors about the Foundry shutting down or moving to another city. But as I have always said to anyone asking me that question, "as long as we make a quality product, at an affordable cost, and give the owners a reasonable return on their investment, the Decatur Plant doesn't have to worry"! Now the owners and the Board of Directors have rewarded us for our efforts in the past by making the Decatur Foundry's future look brighter. And don't forget one more important point, that this decision is not only a benefit to the Decatur Plant and its' employees but also to the City of Decatur and the communities that surround it. After all, a healthy Mueller Co. means additional property tax revenues and increased business for suppliers and service vendors. The plain fact is we will all benefit in the long run from this decision.

MODERNIZATION—KEY TO THE FUTURE...

As you all know, Mueller Co. has been largely dependent upon the Housing Industry for more than 100 yrs. And as I stated earlier, many people believe this is the worst slump for housing since World War II. With interest rates and prices for homes at all time highs, the market for our products is shrinking. Mueller Co. therefore views two needs as essential to both our short and long term success. They are: 1) Make our current products more price competitive in order to capture more of what market there is for our current line of products, and 2) expand into other markets in order to be diversified enough to weather future slumps in the Housing Industry. The Modernization Plan for our Foundry operations, we believe, fills both needs.

The modernization product will allow us to be more price competitive in that it will allow us to

improve the quality of our castings while at the same time increasing productivity. Like all of us, our customers want a high quality product with as low a price tag as possible. Advances in modern foundry manufacturing technology have made much of our present machinery outmoded, and therefore, Mueller Co. is no longer as price competitive as it once was. The modernization project will also allow us to expand into other markets. These markets require high precision castings, at again, an economical price. Production capacity will also be a benefit of the modernization project enabling Mueller Co. to bid on several different jobs simultaneously.

THREE (3) PHASED PROJECT...

The Foundry Modernization Project is a \$4.7 million project divided into three (3) phases with the anticipated completion time of two (2) years.

PHASE I: Phase I of the project involves the purchasing and installation of the new self contained brass molding line to be located in the Southeast corner of the Brass Foundry which is presently being used as a storage area. This new brass line includes a high speed molding machine and its own sand system,

shakeout and cleaning machine.

PHASE II: Phase II of the project covers modifications to the existing British Molding Machine (BMM) in the Brass Foundry.

PHASE III: Phase III of the project is the Environmental package that is designed to improve our air quality at Plant 4. More than one-third (1/3) of the \$4.7 million is being spent on this phase of the project.

IMPROVEMENT ON THE HORIZON...

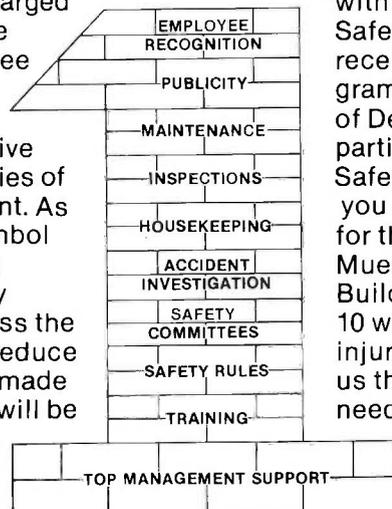
As I said at the beginning of this article, economic conditions today may not be as good as we would like them but the future is bright.

Always remember that Mueller Co. is the world's largest manufacturer of valves, hydrants, and other control devices used by the water and natural gas distribution industries. The Decatur Plant is proud of its contributions to making Mueller Co. No. 1, and I believe the Foundry Modernization Project is a big step forward in keeping us No. 1. I know each of you will give your support and cooperation to this very important project as you have done in the past.

Gene Hullinger
Plant Manager

Let's All Go... SAFELY THRU '82

On Tuesday, Dec. 1, 1981 the Decatur Plant "kicked-off" its new Safety Program for 1982. A series of informational meetings were held Dec. 1st and 2nd with all salaried employees charged implementation of the Dec. 4th each employee Safety Incentive Program. And during the week employees began active Program through a series of held in each department. As shown here is the symbol for 1982, that of being Safety. The "10 Safety up the program address the believes will help us reduce "teamwork" that has made ductivity and Quality will be Plant in Safety. And that binds these ATTITUDE, and difference! So help an active participant in the Decatur Plants' Safety Program and ask your foreman today what you can do to make the Decatur Plant the SAFEST Plant in Mueller Co.!



with the administration and Safety Program. On Friday, received a copy of the new gram with their paychecks. of Dec. 7th thru the 11th all participation in the Safety Safety Committee Meetings you can see, the big No. 1 for the Decatur Plant's goal Mueller Co.'s No. 1 Plant in Building Blocks" that make 10 ways the Decatur Plant injuries in 1982. The same us the No. 1 Plant in Pro- needed to make us the No. 1 remember, the cement blocks together is YOURS makes a us help you by being

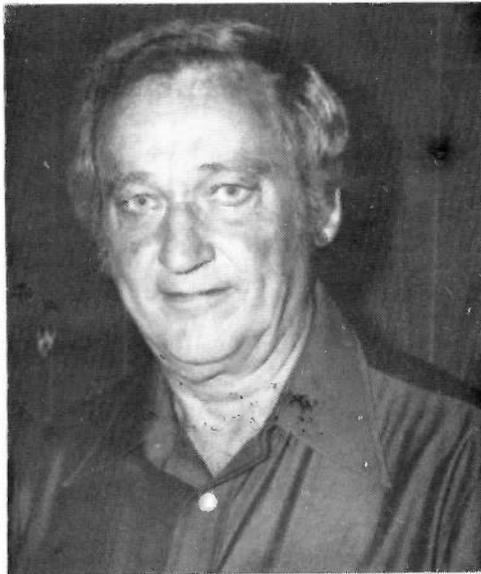
ask your foreman

today what you can do to make the Decatur Plant the SAFEST Plant in

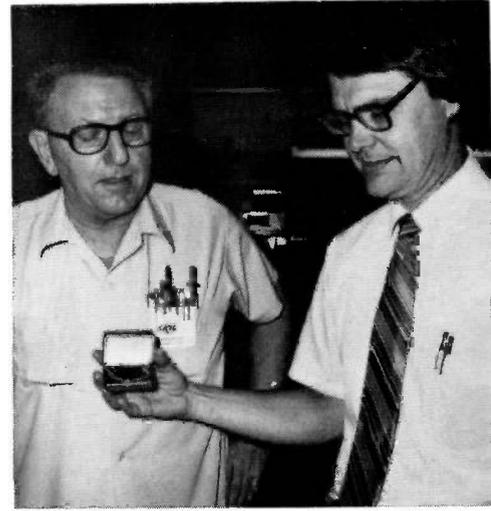
Mueller Co.!



Charles L. Brown retired this summer after 39 years.



Ferden A. Herreid retired after 41 years with Mueller Co.



40 years of service: an award for John Drake (left), pictured with Joe Daghe.



Retirements

Charles L. Brown — 39 years
 Ferden A. Herreid — 41 years
 Ray M. Littrell — 42 years
 Clarence Hill — 42 years
 Charles O. Bafford — 31 years



Ray M. Littrell at his October retirement.

Service Awards

40 Years

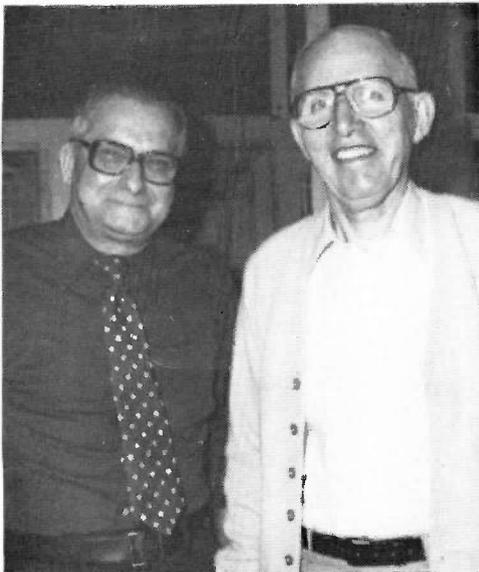
John Drake

20 Years

Laura-Nell Sims
 Jack Calfee
 James Grandon
 Verlyn Burnett
 Howard Hull
 Ronald Riley
 James Grider
 David Boline
 Jesse Steele
 Thomas McGeorge
 Richard Janetzky
 Charles Mauck
 Robert Davis
 David Gregory
 Phillip Tucker
 Carroll Beck
 Phillip Wiseman
 Roger Drake
 George Paxton
 Sidney Duffer
 Harold McDade
 John Painter
 Bob Maxwell

10 Years

Michael Taylor
 Harvey Thompson
 Gerald Akers
 Betty Hubbell
 David Dettling
 Richard Van Nort



Clarence Hill (left) retired after 42 years; pictured with Ray Lorus, a visiting Mueller retiree.



Charles O. Bafford (left) retired in October; Bob Lyons presents hydrant replica, Ed Powers looks on.

Holidays

Christmas -- December 24 & 25
 New Year's Eve -- December 31
 New Year's Day -- January 1



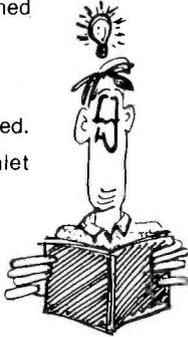
To you and your families, we wish a Merry Christmas and a healthful, prosperous new year.

"GIMME THE CASH..."

We often hear how much our benefits cost the company, and each of us is aware of how much is deducted from our paychecks. But sometimes we don't realize the scope of the benefits we often take for granted. In this story, a **fictional employee** in a company similar to most major industrial firms, takes his benefits in cold cash — and lives to regret it.

"GIMME THE CASH..."

Once there was a fellow named John Bright. John was a reasonably happy guy. He liked his job. He liked his foreman, and he liked the Company for whom he worked.



But one day he got a pamphlet from the Company's front office and, all of a sudden, John wasn't so happy.

According to the pamphlet, the Company thought so much of John that it was giving him benefits costing over 37% of his hourly wage. He did some figuring and came up with a brilliant idea. He rushed down to the Personnel Office.

"Look," he said to the Personnel director, "We're one big happy family, right?"

"Right!" the Personnel director beamed.

"You like to see me happy, huh?"

"The happier you are, John, the happier we are."

"Well, would you like to see me really happy?"

"You name it," the director said.

"KEEP THE BENEFITS"

"Okay," John said, "you see this pamphlet? Well, according to it, the Company is giving me benefits that take over 37% of my hourly wage.

If you really want to make me happy, let's convert that to cash. You give me the 37%

and you keep the benefits."

The director almost wept.

"But, John," he whim-

pered, "you won't be happy without those benefits."

"But for 37% more, I can enjoy being miserable!"

"WORTH MORE THAN MONEY"

"But John, benefits are worth a lot more than the money involved. You don't pay income tax on it. They make this a nicer place to work. They give you peace of mind!"

Safety Program

(Continued from front page)

housekeeping, and constructive use of Safety Committees.

The meeting closed with a roundtable discussion of various safety and health topics chaired by S.J. Bogaczyk, Vice President of Personnel & Industrial Relations, and with a total corporate commitment to reduce accidents in 1982.

"With 37% more cash," John leered, "I'll have peace of mind, so will my creditors."

"But John, you'll be losing money. You don't realize how many benefits you're getting."

"And you don't realize how many benefits I can do without."

"John, do you really want it that way?"

"Look," John said, "when you talk benefits, I don't get the message. When you talk money, though, I read you loud and clear."

"GIMME THE CASH"

So John went home that evening a very happy man. "Give that chuck roast to the dog," he told his wife. "We're eating steak, I got a 37% raise today."

The next morning with a light heart and a head to match, John got in his car and headed for work at the Company. Everything went fine until he got a message to call his wife.



"SON HOSPITALIZED"

"John," his wife said, when he got hold of her, "Junior stuck a pea up his nose and it has worked its way up into his head. He's in the hospital and it's going to cost \$100 a day. He's got to have a private room. That pea rattling around in his head disturbs everybody. He sounds like the gourd section of Xavier Cougat's band."

"HOSPITALIZATION CUT"

"Well, thank the Lord I've got hospitalization!" John wheezed.

With that, John raced over to the Personnel Director's Office.

"My boy is in the hospital with a pea in his head. You haven't cut my hospitalization, have you?"

"I had to, John," the Personnel Director sighed.

"It's one of your benefits. To buy the medical insurance you had would cost. . . Well, let's see, counting hospitalization, surgery, sickness and accident benefits. . . Oh, something in the neighborhood of ninety bucks a month. You see, the Company gets it wholesale. You have to buy it retail, and as an individual, your coverage would not be as good as it is in our group plan."

"I ought to be shot," John moaned.



"LIFE INSURANCE GONE"

"You can't afford it!" the director warned. "We had to cut off your life insurance, too. That's another benefit. It would cost you something like \$15 bucks a month now."

John looked like he was going to cry.

"This is all my wife's fault."

"You mean she put you up to it?"

"No, but she didn't talk me out of it!" John said angrily.

Well, don't get any ideas about taking it out on her! Her insurance is cancelled, too, and what's more you won't get time off with pay for the funeral."



"PAID VACATIONS OUT"

John held his head in his hands. "What I need is a good long rest."

"You can't afford that either!" the director said. "Vacations with pay are another benefit. You'll be losing lots of money every day going on a vacation."

"I think I'll just retire. . . go some place and crawl in a hole and pull the hole in after me!"

"PENSION PLAN SEVERED"

"You can't afford that either. Your pension has been cut off. That's another benefit. To get an annuity that would match our pension, you'd have to pay well over \$2,000 a year until you got around to retiring.

You didn't tell me what it would cost to duplicate those benefits!" John said grimly. "Maybe you'd better mention some of the other things that come under benefits that I won't get."

"SOME MORE BENEFITS"

"Well, there's jury duty, holiday pay, a matched Social Security deduction, unemployment and workmen's compensation, wash-up time, First Aid on the job, paid breaks, shift premium pay, overtime pay, recreational programs, access to a credit union, not to mention a plant newspaper. . ."

"Wait a minute! Wait a MINUTE!" John cried. "I've got a suggestion!"

"Wait a minute! All I want to suggest is that you take back your lousy money and give me back my benefits."

"Can do! And gladly," the Personnel director beamed. "We know you're one man who'll really appreciate them!"





Bright Future for Decatur Foundry

The Mueller Foundry in Decatur, the nation's largest waterworks foundry, will be modernized in 1982. The project will include the installation of modern molding, conveying, cleaning and environmental equipment.

Advances in manufacturing technology have made it necessary to replace present machinery to insure the continued production of high quality and economically made

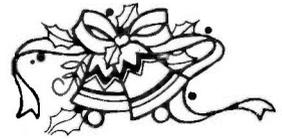
castings. The need for improved manufacturing economy is especially important in today's market.

Mueller Co. sought to modernize the Decatur facility rather than consider relocation, and so worked with the Decatur City Council to finance the modernization with a \$4.7 Industrial Revenue Bond project.

Matching Gift Program Increased

Mueller Co. employees who contribute money to educational institutions can now receive matching funds — dollar for dollar — up to a new level of \$1000. The original limit for this program was \$500. The terms of the Mueller Co. Educational Matching Gift Program have been extended further to include gifts to independent elementary or secondary schools as well as to colleges, graduate schools, professional schools, and technical schools, as previously established.

All active Mueller employees are eligible to participate in the Matching Gift Program with gifts of at least \$25. To make a gift to the school of your choice, complete an application, available in personnel, and send it with your contribution to Mueller Co., 500 West Eldorado, Decatur, IL, 62525, Attn: Secretary-Treasurer. Mueller Co. will then mail its check and yours to your alma mater, and send you a copy of the cover letter. The Educational Guidance Committee of the Board of Directors approved the new gift ceiling to further promote individual support for educational institutions.



MUELLER CO.

DECATUR, ILL. 62525

MAIN OFFICE — Decatur, IL (217) 423-4471
 CANADA — Mueller, Limited, Sarnia Ontario (519) 344-1195
 DISTRICT SALES OFFICES — Atlanta, GA (404) 256-2340,
 Avon, CN (203) 674-0863, Dallas, TX (214) 934-1137,
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