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Expansion and Growth - ISCO is now the largest distributor of HDPE piping products in the United States.

We have been experiencing some exciting changes here at ISCO over the last month, which will have a positive effect on you, our customers. As many of you are aware, we recently purchased the business of Fluid Controls, Incorporated located in Huntsville, Alabama. ISCO and Fluid Controls are very similar. Both are distributors for Phillips Driscopipe and McElroy Fusion Equipment, as well as leading fabricators of HDPE products. Whereas here at ISCO, our strengths lie in the landfill and municipal markets, Fluid Controls strengths have been in the remediation and industrial markets.

MORE VALUE FOR YOUR DOLLAR

You may be thinking, so what's in it for me? As the leader of this group, it is our goal to search for ways to offer better products, services and more value to our customers. ISCO has grown to become the largest distributor of HDPE piping products in the United States as a result of this transaction. As a user of thermoplastic piping systems, you know the importance of having the right product at the right time. What we see available for our customers is a wide range of products from HDPE pipe to dual containment to custom fabricated fittings, manholes, sumps and other structures with distribution sites from the Midwest to the Southeast. This means more products and better availability. But what it really boils down to for you is a much better value for your dollar.

WHAT DOES THE FUTURE HOLD?

So, where do we go from here? ISCO has grown tremendously in the last four years. This transaction will allow us to continue growth and we are very excited about this opportunity.



"Dudley Burwell, former owner of Fluid Controls, and Jim Kirchorfer, Sr. celebrate the acquisition in Huntsville, AL."

From our experience, customers want to deal with suppliers that are knowledgeable of the industry and have the expertise to supply products that work for their particular application. With the purchase of Fluid Controls, not only do we stand above the rest in the landfill and municipal markets, but we have acquired twenty years of experience in the environmental and industrial markets.

(continues on page 3)

ISCO Sets New Standard for HDPE Fittings

Documentation of fusion joints leads to Factory Mutual Certification

Anyone can claim to build quality products. Not everyone can prove it. At ISCO Industries, LLC, a fabricator of HDPE fittings since 1980, documentation of each joint provides evidence of the company's commitment to high quality manufacturing. Year after year, joint after joint, the quality built into its products is proven in the field.



"ISCO has again demonstrated itself to be the industry leader," says Jimmy Kirchdorfer, General Manager of ISCO. "Customers today not only want a quality product, they want documentation that proves it. We want to assure customers that our quality surpasses all other fabricators of HDPE fittings. Thanks to the McElroy DataLogger TM, we can provide that assurance."

ISCO's Stamp of Approval

In early 1997, ISCO introduced the McElroy DataLogger to its fabrication shop, adding a new dimension of control to an already quality-conscious operation. A

computer chip in the DataLogger, which is mounted on ISCO's fabrication machines, allows the device to capture detail information about each weld:

The DataLogger's computer chip records 20 specific conditions of the fusion joint, such as temperature, pressure, and cooling time, as well as information such as date, time, operator, etc. As part of each record, the DataLogger assigns a unique identification number to the data for the joint (similar to a serial number).

The fusion technician permanently stamps the identification number into the fusion bead of the joint.

The entire set of data - linked to the joint's unique identification number - is uploaded from the DataLogger's memory to an ISCO database to provide historical data and tracking information. This also creates a permanent record of each joint.

Delivering Assurance Delivers Value

"Our customers rely on us for a high standard of quality to protect themselves from potential system failures and liability," says Kirchdorfer.

ISCO's quality control goes above and beyond the industry norm to deliver value to the customer.

The extensive documentation generated by the DataLogger not only ensures consistency and efficiency during the manufacturing process, it also contributes to maintenance protocols of the fusion equipment itself. "With the DataLogger as a tool, technicians have the ability and information to produce zero-defect fittings," says Steve Thompson, Manager of ISCO's Fabrication Department. For each fabricated fitting ISCO supplies a customer, there is a permanent record from the DataLogger on file. "If someone comes back to us years after the sale and questions the quality of

the fitting," says Kirchdorfer, "all we need is the number stamped into the fusion bead, and we can provide all the documentation necessary to prove that a quality fusion joint exists in the fitting. I don't know any other company in the industry that can provide that level of assurance and that kind of value."

Quality Certification

In 1997, ISCO invested in an in-house pressure testing facility. This facility, the company's program of random pressure testing fittings, and ISCO's documentation of fusion joints, provided the catalyst to receive industry certification.

In early 1998, ISCO received Factory Mutual Approval for HDPE fittings up to 18 inches in diameter. Factory Mutual (FM) is a certification for products intended for fire main applications. "FM Approval is by far the most stringent test for HDPE fittings," says Jim Fletcher, Sales Manager of ISCO's Fitting Division. "We are one of only four companies in the country to achieve it."

Integrating ISCO's existing high quality manufacturing program with the extensive documentation generated by the DataLogger provides ISCO customers a level of confidence that is unmatched in the industry.

"It's easy enough to say 'We build quality fittings,'" says Jimmy Kirchdorfer, "The difference at ISCO is that we have unparalleled documentation to prove it. It makes all the difference in the world."

Jim Kirchdorfer was awarded the Winfrey P. Bunton, II Man of the Year for 1998 at the Kentucky Turfgrass Council Awards luncheon last November. He was one of the original organizers of the KTC in 1972.



ISCO Sells Golf Course Irrigation Division

ISCO Industries, LLC, Louisville, Kentucky, sold its Golf Course Irrigation Divisions to Century Rain Aid of Madison Heights, Michigan. Jim Kirchdorfer, Sr., President of ISCO Industries stated, "We wanted to focus our business on the sale of HDPE pipe (high-density-polyethylene) since we are a distributor for Phillips Driscopipe. The irrigation division was started in 1962, and distributed Rain Bird golf products in Kentucky and Tennessee. This fit into our plans for growth in previous years; however, we are now much more focused."



"The golf course business had seven employees, and most will remain with Century Rain Aid," said Kirchdorfer. Century is the largest irrigation distributor in the country, and has local offices in Louisville and Nashville. "The sale of the golf course irrigation business will benefit ISCO's customers because Century can provide better pricing and can pass on the savings. And, it was a strategic decision to concentrate more of our efforts on the HDPE piping industry."

Driscopipe will continue to be sold to the golf course industry for irrigation piping. Kirchdorfer, Sr. is the majority owner and President of Kirchdorfer & Cunningham, a golf course management company, which owns and manages four golf courses. He is also involved in Golf Development Construction, a golf course construction company. "Driscopipe is great for golf course irrigation. It is leak-free, will not break or get brittle under colder temperatures, and dampens water hammer", said Kirchdorfer, Sr. "We have used Driscopipe on all the courses we have built."



Our Huntsville Office Contributes to the Community

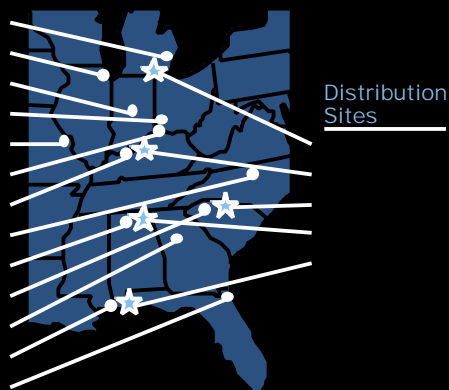
ISCO Industries held a "slightly used" computer and equipment auction for our employees, and raised close to \$1,000. We divided the proceeds among different organizations.

We contributed some of the funds to The Pilot Club of Decatur, an organization that assists local families with brain diseases and disorders. The remaining proceeds went to the Shriners' Burn Centers, which will help families with hospital transportation expenses.

The remaining equipment will be donated to the Madison County School system, specifically Lynn Fanning Elementary and Riverton Elementary. Any remaining items will be distributed to other schools as needed.

(cont. from front page)

Sales Engineer Locations



"ISCO's expanded service area to better serve our customers"

HDPE pipe is growing in popularity among engineers and municipalities. In Europe, HDPE pipe is used for over 85% of all potable water applications. In the U.S., HDPE pipe only recently received AWWA approval and currently only accounts for less than 1% of the total market for potable water pipe. Europe is much further advanced than we are in the use of plastics. Their tremendous success with HDPE pipe is beginning to cultivate a great deal of interest on this side of the ocean. We have municipalities in the Midwest that are raving fans of our product. We are looking forward to introducing it in the Southeast.

Win For All

We see this acquisition as a "Win" for all parties involved. Not only do we have a great opportunity ahead of us, but our increase in size, knowledge and capabilities will provide our customers with a much greater value for their dollar.



As I mentioned in the first edition of The ISCO PIPELINE newsletter, this quarterly publication is designed to help keep you informed of the many exciting things happening at ISCO. Never in our 37-year history have we had so many exciting changes than we have experienced in the past 3 months. On the same day, we made verbal agreements to both sell our Irrigation Division and purchase the business of Fluid Controls. Both of these calculated strategic decisions were made in the best interest of our employees and customers. We have now doubled our service area for the supply of HDPE pipe and appurtenances. With this acquisition, we picked up 30 extremely knowledgeable employees. I was very familiar with Fluid Controls' reputation in the Southeast for quality products, but I was pleasantly surprised at the quality of their staff. They make a great addition to our team. We now have excellent distribution sites and experienced personnel located throughout the Midwest and Southeastern United States. ☺ Fluid Controls was the first acquisition of ISCO Industries since we began in 1962. Our biggest challenge is converting two companies into one. We will not operate ISCO and Fluid Controls as two separate companies; we have merged them into one. The knowledge pools and cultures of each company are now united to create a much stronger ISCO Industries, LLC. ☺ I hope you enjoy reading this edition of our newsletter and thank you for supporting our company!

Sincerely,

Jimmy Kirchorfer, Jr., General Manager

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CHECK THIS OUT!

Trenchless Technology featured an article in April's issue on ISCO. If you would like a copy, call 1-800-345-ISCO.

ISCO has just automated its telephone system. Now, it's even easier to access your sales representative or customer service specialist.

1.800.345.ISCO – the only number you need to know for HDPE pipe, fusion, and fabrication.

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