



Associated Addition

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August 2011

REGULATORY PARTICIPATION PAYS OFF (Occasionally)

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We're on the Web

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Need help with:

Order pick-up

Brian Christnagel

866-345-5861 ext. 211

Status on an order

Ryan Kapsner

866-345-5861 ext. 246

OR

Jammy Harroun

866-345-5861 ext. 221

Quality

Alan Baer

866-345-5861 ext. 206

OR

Christine Doering

866-345-5861 ext. 212

Associated Finishing is constantly looking for opportunities to gain efficiencies and control costs. One major cost we are trying to control is rising utility rates. I have been in close contact with the Minnesota Public Utilities Commission (MPUC) which regulates our state's public utilities such as natural gas and electricity. We have seen rate increases in the past few years for natural gas delivery and electricity supply. We are currently paying record delivery prices for NG although the commodity price has dropped substantially over the past two years. We are also paying record high electricity rates while our utility is again trying to raise our energy charge. Every year or two we will continue to see attempts to raise rates until we can generate enough feedback to put a stop to it.

I do not have a problem paying the going rate for natural gas and electricity, but I am urging you to study your utility invoice and check to see where all of those riders and fees are going. Do you realize that our legislature has added 4 riders to our electric bill in the past 2 years that now account for 4% of our invoice? Did you know that our Conservation Improvement Rider increased by 115% last year? This is our money and I want to have a say in where it is going. Rates are going to increase drastically. I believe we all need to get involved to make a difference

We do have one success story in the past year regarding being active in our regulatory processes. The EPA proposed amendments to the emission guidelines for commercial and industrial solid waste incineration

units (CISWI). Someone decided to classify burn-off ovens with incinerators and require extremely expensive emission controls testing which would have made the ovens too expensive for many to operate. This policy would have changed the processes of thousands of metal finishers in the country not to mention many other industries. When I learned of this policy I notified our oven supplier and started to write letters to the EPA and others who may listen. One letter went to *Products Finishing Magazine* which then got on board and wrote a few articles about the proposed EPA policy. I was a bit nervous having been quoted by *Product Finishing* (Oct. 2010) saying "The EPA is misinformed". But several months and close to 5,000 public comments later the EPA took burn-off ovens off of the emissions classification. This was a huge victory for the finishing industry, not to mention the ripple effect it would have had on the economy.

It is tough to keep up on these issues as they pop up but we need to be informed on the processes of how these regulations get made in order to be represented fairly.

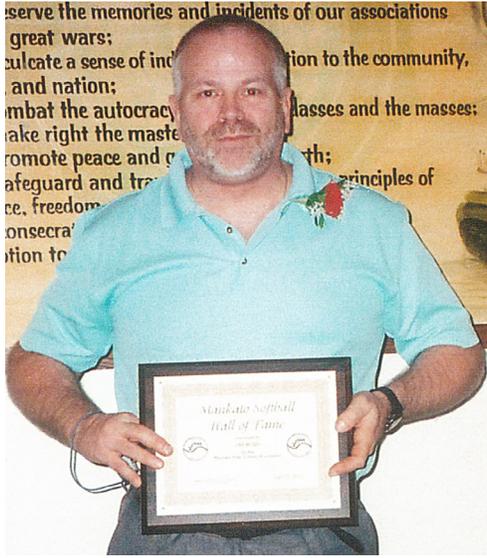
Kelly McCabe
Facilities Manager

GOLF ANYONE?

AFI participated in the Twin City Chemical Coaters Association International Golf Classic, held at The Links at Northfork Golf Course in Ramsey, Minnesota. Our twosome, Ann Austad and Ryan Kapsner had a wonderful day of golf. AFI was one of 18 hole sponsors for this event.



Softball Hall of Fame!



The Mankato Softball Association inducted Jay Rush, an AFI employee, into the Mankato Softball Hall of Fame. The event took place on April 29, 2011 at the American Legion downtown Mankato. Jay has been playing softball since he was 14 years old. He started playing with his church's youth group. He has played softball for over 33 years. Jay has also umpired and coached but according to Jay, "He just loves playing softball". Jay's most memorable softball game was when he was up to bat five times and hit five home-runs. Jay can also remember when they won a state tournament. Jay is very modest about his award. Jay has worked at AFI for two years and he is a very vital employee, he is a painter on the JCI and blue line.

We congratulate you Jay!!



Kaizen Japanese word meaning continuous change

Kaizen Korner Continues (Corner Continues)

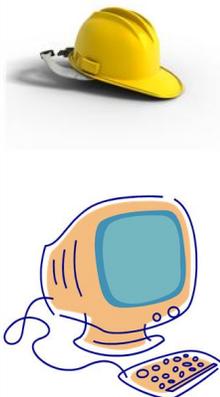
Fourteen employees participated in Kaizen's during the first and second quarters. Each quarter the AFI employees are given opportunities to submit their performed Kaizen. First quarter Kaizen's were received from Bill Muldoon (1), Cal Schultz (1), Terry McMichael (2) Andrew Forsyth (1), Jarrod Schreyer (3), Curt Sieg (2), Will Flowers (3), Adam Carpenter (1), Larry Olfert (2), Christine Doering (1). Second quarter we had four submit a Kaizen-Becky Baer,

Connie Kump, Ashley Niss, and Theresa Morales. Employees are encouraged to find ways to make their job easier and save money. The committee reviews each Kaizen and figures the cost and time savings to AFI. The Kaizen program has proven over and over again that lean practices and implementation are worth while.

Read about our next Kaizen winners in the December 2011 newsletter.



Under Construction



AFI is working on a computer up-grade. The up-grade will enhance our scheduling and allow us to better serve our customers. This up-grade will take a few years to refine and will be a work in progress until we get all the bells and whistles we need and want from our program.

Seven Wonders of the World

A group of grade school students were asked to list what they thought were the "Seven Wonders of the World" The following received the most votes:

1. Egypt's Great Pyramids
2. Taj Mahal
3. Grand Canyon
4. Panama Canal
5. Empire State Building
6. St Peter's Basilica
7. China's Great Wall

While gathering the votes, the teacher noticed one student not

finished yet. She asked the girl if she was having trouble with her list. She replied, "Yes, a little", "I could not make up my mind there were too many". Here was her list:

1. To See
2. To Hear
3. To Touch
4. To Taste
5. To Feel
6. To Laugh
7. To Love

I believe she was right. Thank God for at least one of these everyday. I know I do.

Honoring Those Who Have Served Our Country



In May and November Americans honor those who have served our country. In May, Memorial Day, in November, Veteran's Day. One of AFI's customers, Dotson Iron Casting from Mankato, found a way to honor those who have served year around. This bookend honor casting was designed by pattern maker John Hatcher at Dotson Company with assistance from three other Vietnam Era veterans. Each leaf was individually carved from wax and placed on the master pattern. The book end is given to employees who have served in the United States Armed Forces. An employee can also honor a family member, friend or neighbor with an honor casting. Dotson's one requirement is that it must be personalized with a name plate. Dotson was paying to have these castings powder coated when AFI approached Dotson to

powder coat the castings at no charge. In exchange we asked if AFI employees could also honor our employees with these castings. We have partnered on this project for several years now. The honor casting weighs about seven and a-half pounds and is powder coated a beautiful bronze color. On the back of the leaves is stamped the branches of the armed services, Army, Marines, Navy, Air Force, National Guard and Coast Guard. Dotson also partnered with a company that supplies the plaques for the castings at no charge. Recipients can have the name of the person, rank, years served and special information printed on the plaque. We want to thank Dotson for allowing AFI to be part of this worthy project.

AFI honors our employees who served our Country

- Ann Austad
- Alan Baer
- Jessy Harroun
- Tony McMichael
- Bill Muldoon
- Dexter Oswald
- Jarrold Schreyer
- Ted Schreyer
- Cal Schultz



God Bless the USA!



Steak or Chicken?



On May 5th, AFI catered in Steak and Chicken dinners for all the employees. Busters brought the grill and set up outside the plant. We also enjoyed potato salad, buns and pop. The Steak/Chicken

Fry was in appreciation for reaching and exceeding work expectations. It was enjoyed by all. Thank you AFI employees, and keep up the good work!



The outdoor seating was a bit chilling but enjoyed by some, the rest ate in the lunch room. Wimps!



John Kapsner Vice President and Ted Schreyer, President, served up the extras and Busters cooked the steak and chicken.