

A SALUTE TO AN RMS CUSTOMER

AGGREGATE INDUSTRIES

Quality-minded sand and gravel producer ups production with new plant



Dan Quie,
Area Manager



Bob Kachinske,
Elk River Plant
Manager

Elk River Plant Manager Bob Kachinske monitors the plant's classifying control screen via computer, which displays the plant's layout, production and automatic controls.

Being one of the world's largest producers of aggregate materials might allow a company to rest on its laurels, knowing its name alone will probably draw customers to it. But the people of Aggregate Industries believe that's not the way to do business.

"Our aim is always to make a quality product that's in spec, clean and meets the customer's needs," said Bob Kachinske, Plant Manager of Aggregate Industries' Elk River facility in a suburb of the Twin Cities. "If we do that, we'll continue to be one of the top producers in the market. There's always going to be someone ready to take our place if we slip up. We're committed to not letting that happen."

With corporate headquarters in Switzerland, Aggregate Industries ranks among the global leaders in aggregate production. Its United States operations are split into seven regions, including the North Central Region that's headquartered in the Twin Cities area. The

North Central Region services the upper Midwest, including the Minneapolis-St. Paul metro areas, as well as the Fargo, N.D., area.

The North Central Region has three divisions: aggregate production, ready-mix concrete, and concrete products, such as cement blocks. The aggregate production side comprises six sand and gravel operations and four limestone quarries in the Twin Cities metro area.

One of the company's locations is the Elk River plant, which Aggregate Industries acquired in 1995 after buying the gravel and mineral rights and existing equipment from the previous owner. The nearly 600-acre site contains reserves that will last the company well into the future.

Upping production

"We're primarily producing concrete aggregates. Sand and coarse aggregate goes into concrete products, such as ready-mix and precast," said Area Manager Dan Quie. "The plant also produces manufactured sand and bituminous aggregate that are used in asphalt paving and road base. We sell much of what we produce to our own ready-mix and concrete products divisions, but we do service a large number of outside customers as well."

Aggregate Industries has more than doubled the facility's production since acquiring it. When the company took over, production stood at 600,000 tons per year. Last year it mined 2 million tons, with a finished product total of 1.2 million tons.

Elk River runs two eight-hour shifts, five days a week, employing 15 people who are dedicated to ensuring each of the six wash products they produce at the plant are of the highest quality.



“Good people make the business tick,” observed Quie. “We have a great core group at Elk River who really care about the customer. They know about the community in the metro area and understand our customers’ expectations. They’re committed to making the finest product on the market. That says a lot about the outstanding quality of the people we have working for us.”

New plant comes online

Quality assurance also comes from investing in top-of-the-line equipment, according to Quie and Kachinske. In 2004, Aggregate Industries began preparing the site for new plant equipment at the Elk River location. Planning began nearly five years ago, when the company started mining a large area to the west of its original location. As it took material out, Aggregate Industries kept in mind its plan for the site and how to use it to its advantage once the budget was in place for the new plant.

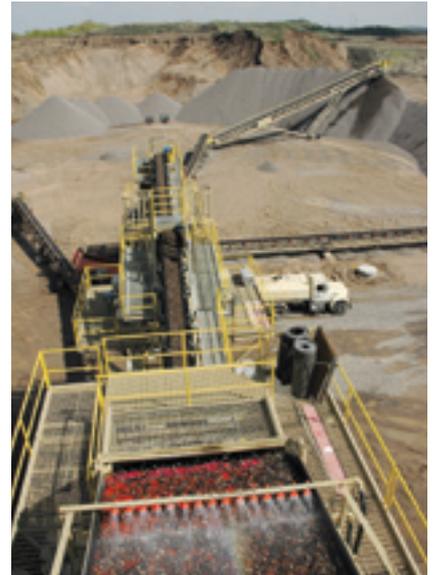
“We mined the area with a general plan of where we would locate the new plant,” said Quie. “We began grading in the winter of 2004, building the area up 18 feet from the mine floor to match our end-use plans. We used a large amount of fill sand that we had set aside during our desanding operations. We developed our freshwater and settling ponds during that time as well.”

Grading continued through the summer of 2005, setting the company up for installation of new equipment, which began late that year. Once grading was complete, footings for the new plant were poured and electrical conduits installed to provide power. Assembly of the plant began in December 2005.

Aggregate Industries purchased the Kolberg-Pioneer (KPI) equipment that makes up the plant from Road Machinery & Supplies. Company officials worked with RMS Aggregate Sales Specialist Brad Sykora and COO David Johnson to select and spec the plant components. New Kolberg-Pioneer equipment includes an 8-foot by 20-foot, two-deck, dry, vibrating screen; two three-deck, 8-foot by 20-foot, wet, vibrating screens; a 12-foot by 48-foot stationary classifying tank; a Pioneer 2500 vertical-shaft impactor; a 36-inch dewatering sand screw; and several pieces of



New Kolberg-Pioneer equipment at Aggregate Industries’ 600-acre Elk River Plant includes an 8’x20’, two-deck, dry, vibrating screen; two 8’x20’, three-deck, wet, vibrating screens; a 12’x48’ stationary classifying tank; a Pioneer 2500 vertical-shaft impactor; a 36-inch dewatering sand screw; and several pieces of stacking and conveying equipment.



No. 4 product travels through the primary wash screen. Conveyors move material to the Pioneer 2500 vertical shaft impactor, then to a secondary wash plant.

stacking and conveying equipment.

“Our goal was to have one supplier that could provide all the equipment we needed for the plant, someone who could tie everything together,” Quie described. “We found that with Road Machinery. We were looking for a comfort level on the engineering side as well, and that came from working with KPI. We’ve done projects with KPI before, and Brad Sykora and Dave Johnson at RMS have been very good to work with. They’ve got credibility and integrity, and they’re willing to go the extra mile for us.

“That’s what we expect from a dealer,” he continued. “We want straight answers and service when we need it, because when we’re down,

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New plant boosts production

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we're losing money. Having a good relationship with our dealer is very important, and we've developed a good one with RMS and KPI.

"Plus, we have a history with KPI," he added. "We bought a facility in Apple Valley that had just erected a Kolberg-Pioneer plant, and it was very, very productive and trouble-free. We also put up a wash plant at our St. Croix location, which had a very short timeline for completion. KPI was able to deliver the engineering and the product to meet our deadline. And everything fit the way it was supposed to, which means a lot when you're putting a plant together in the dead of winter on a tight budget."

A combined effort

Putting the Elk River plant together took a combined effort of several individuals,

(L-R) Loader Operator Kevin Narr, Crushing Plant Operator Tom Kanyetzny, Foreman Ron Mausolf and Washplant Operator Scott Halverson (not pictured) were instrumental in building the Aggregate Industries Elk River plant.



(L-R) RMS COO David Johnson is with Aggregate Industries Area Manager Dan Quie, Elk River Plant Manager Bob Kachinske and RMS Aggregate Sales Specialist Brad Sykora.



including Kachinske and other Aggregate Industries employees, a hired crane company, as well as a Kolberg-Pioneer technician. In less than four months, the plant was operational.

"We had budgeted for the plant to be running by April 15, 2006, but we were running material through about a week ahead of that," recalled Kachinske. "I'm proud of everyone's efforts in getting the plant up and running. It's been humming along well."

That's in large part due to Aggregate Industries' aggressive preventive maintenance philosophy. Crews shut down the plant at 10 p.m. each night for two hours of maintenance.

"Our guys go through everything and ensure it's in proper working order," explained Quie. "They're greasing, checking bearings and screens, looking for any potential trouble spots. If they see an issue, they address it before it becomes a major problem. Our proactive approach led to a 93 percent plant availability in its first year. That is phenomenal in this industry."

Production at Elk River runs from early April to about the first of December. Aggregate Industries has already seen a boost in production numbers since the plant started operations nearly a year ago. Kachinske noted the company targeted production of 600 tons per hour at the wash plant.

"Early on, we're seeing an increase of about 34 percent with a decrease in labor costs," reported Quie. "Maintenance costs should go down as well because we won't have to spend so much time during the winter overhauling old, tired equipment. We expect to see a significant savings on our winter repairs."

Aggregate Industries kept the future in mind when it chose the Kolberg-Pioneer equipment. Quie said the company bought the equipment with the intention that it would last beyond the years of reserves within Elk River.

"The plant is going to live past the life of this deposit," he noted. "That's 12 to 15 years down the road. I expect that equipment will be in good enough shape to move it to another site." ■