

Storage facility helps endive producer save on energy, transport

MELANIE TURNER | STAFF WRITER

California Vegetable Specialties of Rio Vista, the largest producer of Belgian endive in the U.S., has built a \$3.5 million cold-storage facility that is expected to save the company hundreds of thousands of dollars per year in energy costs.

By building the 19,000-square-foot facility next to its production plant, the company also is eliminating transportation costs to a storage facility it had rented about two hours away.

California Vegetable Specialties financed 60 percent of the cost and paid for the rest with a loan from the Bank of Stockton. Affordability and energy efficiency were key objectives, said company president Richard Collins.

The building cost about \$300,000 more than a standard insulated metal building. "For not a whole lot more money we were able to get a lot more insulation," he said.

The unique design for the cold-storage facility features an energy-efficient wall invented by Gary Black, a professor of architecture at the University of California Berkeley and president of Integrated Structures Inc.

The Rio Vista facility marks the first application of the latest version of the wall design. Earlier versions have been used in a few wineries and a couple of high-end homes.

Anticipated energy savings from the super-insulated "energy mass wall" construction could pay for the entire building in 17 years, Black said. The \$300,000 price difference will be paid for in less than three years, he said.

The walls are made with a 3-inch skin of concrete on the outside and inside, tied together with a plastic rebar. Sixteen inches of two kinds of foam are placed in the core.

That gives the wall an insulation value, or R-value, of 100. A typical 6-inch wall has



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California Vegetable Specialties President Richard Collins' new cold storage facility features an energy-efficient wall that could save an estimated \$50,000 per year in power costs.

an R-19 rating, while Title 24 of the California Energy Code mandates cold storage buildings have a minimum of R-28.

Modern Building of Chico was the general contractor on the project, which was completed in five months.

The building was fully operational last fall, and Collins is still figuring out how much he expects to save on his energy bill. He said it will be "significant," or an estimated \$50,000 per year — from the design alone.

Black estimates the savings will be \$100,000 per year because the endive business will be able to shut off the electricity during peak pricing periods, between noon and 6 p.m.

"Because of the high insulation and

high thermal mass, he can buy energy at midnight and store it in those walls and when noon comes shut down the refrigeration," Black said. "That saves a heck of a lot of money."

California Vegetable Specialties, which grows only endive, will produce more than 4 million pounds this year, most of which is sold in California. About 60 percent is sold to restaurants. The rest is sold to Raley's, Whole Foods and other specialty grocers. Endive retails for between \$3 and \$5 per pound.

Belgian endive — pronounced on-deev, according to Collins — is a slightly bitter vegetable most often used in salads and appetizers. It is a member of the chicory family, which includes escarole and

radicchio.

In its 30th season, California Vegetable Specialties produces endive year-round. It is the largest producer of red endive in the world and the largest producer of Belgian endive in the U.S. The company has a work force of 65 year-round and hires another 15 for a three-month chicory roots harvest — a first step toward producing endive.

The roots are grown on 250 acres throughout Northern and Central California, then dug up and put in cold storage for two weeks to 10 months, depending on the variety and time of year. The roots are then put into a dark, humid production house with a mild temperature to produce endive.

The company does about \$8 million per year in revenue and is profitable "for the most part." In November 2008, when the recession hit bottom, Collins said he had to discard 30,000 boxes of endive.

"People were buying carrots, potatoes and onions," he said.

It was by happenstance that Collins started growing endive — and that his company used the "energy mass wall" construction technique to create a highly efficient cold-storage facility.

Collins is not from a farm family but "always wanted to be a farmer." In 1978 he was washing dishes for a Sacramento French restaurant when the owner, who knew of his quest and paid \$4 per pound for endive, suggested he grow them. Collins tried and failed, so he traveled to Europe to learn from endive farmers in Belgium, Holland and France.

"It took us 10 years to really get good at growing it here," he said.



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State's Blue Shield head announces retirement

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Bruce Bodaken, a leader in state and national efforts to reform the health care system and cover the uninsured, will retire as chairman, president and CEO of Blue Shield of California at the end of the year.

Chief operating officer Paul Markovich will become president and a board member June 1. He will become CEO on Jan. 1, 2013, after Bodaken retires.

Bodaken's departure comes as a surprise because most of his tenure at Blue Shield has focused on social responsibility and building the health care safety net. He's leaving in the midst of massive change that could deliver the kind of accountability and universal coverage he has advocated.

When he took the job, Bodaken said he talked of a 10-year tenure. He's been there more than 12. "There's always a need for new eyes," he said Wednesday.

Bodaken, 60, stayed on to oversee changes at the health plan under federal health reform, but that will play out over years.

The California Health Benefits Exchange will kick off in 2014, but it will take a couple of years to see if it works.

"I'll be involved in some of that this year, but the next person should be running the show no later than 2013," he said.

Depending on what happens when the U.S. Supreme Court rules on the health care law next month — and who is in the White House next year — there may be a role for him at the national level, Bodaken said.



Bruce Bodaken

Hired by Blue Shield as chief operating officer in 1994, Bodaken became chairman and CEO in 2000.

In 2002, he became the first health plan chief in the nation to propose a specific plan for universal coverage. The plan is similar in structure to the Affordable Care Act enacted by Congress in 2010.

The nonprofit San Francisco-based health plan was a far different company when Bodaken came on board.

"It was on the brink of not being able to make it," he said.

The company was living off investments instead of operating income. There were 1.4 million members. Revenue has tripled; membership has more than doubled, reaching 3.3 million.

Now a solid company with more than \$8.3 billion in annual revenue, the focus has shifted to making health care more affordable.

In 2011, Blue Shield became the first health plan in the nation to cap its net income at 2 percent of revenue and return the difference to its customers and the community. The company paid out nearly \$475 million last year.

"Bruce has championed health care coverage for all while running one of the premier health plans in the nation," said Patrick Johnston, president and CEO at the California Association of Health Plans. "His positive impact will have a lasting effect."

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Workplace break case winners can't collect lawyers' fees, high court rules

KATHY ROBERTSON | STAFF WRITER

The California Supreme Court has ruled that the winning party in meal and rest break cases cannot recover attorneys' fees.

In an unanimous decision in Kirby v. Immoos Fire Protection Inc., the court ruled recently that neither employees nor employers who prevail can collect legal fees.

The decision could reduce wage-and-hour litigation by making employees think twice before filing a lawsuit and encourage more to file complaints with the state labor commissioner instead, observers say.

Local sprinkler fitter workers sued Immoos Fire Protection of Sacramento and area builders in 2007 on seven wage-and-hour issues that range from unfair business practices to failure to pay overtime or wages owed at each pay period.

The workers later settled with some of the defendants and the case was dismissed. Immoos did not settle and demanded attorney's fees.

Mixed lower court rulings brought the matter to the state Supreme Court.

The court looked at whether attorneys' fees could be awarded in meal-and-rest break cases under either of two laws:

• Labor Code Section 218.5, which says

attorneys' fees should be awarded to the prevailing party in "any action brought for the nonpayment of wages," or

• Labor Code Section 1194, which says employees who win any action for unpaid minimum wages or overtime should be awarded attorneys' fees.

Neither section of the law authorizes attorney fees to the winning party in a meal and rest break complaint, the Supreme Court ruled. That's because these cases are not about nonpayment of wages but failure to provide meal and rest periods, the court ruled.

"This is a great decision for all California employers except my guy — he got stuck paying his own legal fees," said Bob Rediger, a Sacramento attorney who represents the fire district. "I expect it will dissuade actions brought by disgruntled employees or attorneys who want to parlay them into class actions, because there won't be money in it."

Workers can file wage and hour complaints with the state labor commissioner, but the payouts typically aren't as big as those filed in court.

"My office is defending three class actions and one attorney already has called to settle the case," Rediger said. "Another said he was not going to pursue the matter."

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