

# Washington Manufacturing Alert

The Newsletter  
Of The State's  
Most Important Industry

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**Newsire:** Spokane-based Matrical Bioscience is acquired; purchasing managers stay in optimistic territory; AIM Aerospace workers in Sumner vote for Machinists union; Northwest Pipe warns of third-quarter weakness; Clear-Sign Combustion signs development agreement; plus other news items. **Page 4**

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## Water's Running? Seametrics Meters Measure How Much

In a video on the company's website, Seametrics Inc. Co-founder and Chief Executive Curt Burnett cites the business-management adage, "You can't control what you can't measure."

Businesses of all types increasingly want to control a crucial production input — water.

But to know how to control it (and to control how much they're spending on an increasingly expensive commodity), they need to know how much they use.

That's where Seametrics' products come in. The Kent-based company specializes in water meters — both mechanical and electronic — to measure water use in industrial, municipal

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## Soup's On: Seattle Investment Firm Adds To Food Processing Portfolio

BY BILL VIRGIN  
Editor/Publisher

Joshua Green Corp. is one of Washington's oldest business legacies, with its roots in the namesake founder's ventures in banking, shipping and insurance.

The company isn't in the founder's original lines of business these days. Instead its current portfolio contains several investments in manufacturing, including one of the largest subsectors within the industry — food processing and manufacturing.

The Seattle-based company has just increased its commitment to that sector, with the acquisition of Harris Soup Co., a Portland maker of refrigerated soups, entrees, side dishes and desserts sold under the brand name Harry's Fresh Foods. Also investing in the deal is Jamie Colbourne, chief executive of JGC Foods. Terms weren't disclosed.

Joshua Green Corp. already owns Cuizina Food Co., a Woodinville producer of bulk-packaged frozen soups and sauces sold to warehouse stores like Costco, food-service companies and private-label food companies. Cuizina and Harry's together will have more than 450 employees; layoffs aren't expected.

Cuizina and Harry's, which will operate as divisions of one company, offer some attractive synergies, Colbourne says. Cuizina's Woodinville facility focuses on frozen products, while the Harry's facility produces refrigerated fresh products. "They're perfectly complementary," he says. "This provides another avenue for our sales team with Harry's, which is larger, to sell frozen products to their customers."

The two also have minimal overlap in target markets. Harry's products are sold to consumers through major national retailers (and in Canada and Mexico through Costco). Cuizina, Colbourne says, is more of a food ingredients supplier. You won't see an item on a retailer's shelf sold under the Cuizina name, but you might buy an item sold under a store brand that includes Cuizina ingredients.

In either case, he adds, the food retailing and service channels "require both frozen and fresh and we can fill both needs."

Both Harry's and Cuizina supply what's referred to in the trade as home-meal replacements. "It's a growing category," Colbourne says. "The consumer now is going in looking for a complete package. They take it home in a fresh form and heat it; it's already cooked."

Stan McCammon, president and chief executive of Joshua Green Corp., says food companies like Cuizina and Harry's may not offer the eye-popping returns of tech investments, but they fit well with the company's overall philosophy.

"Food is an important part of everyone's everyday life," he says. "It's not going to be innovated away any time soon. I also don't think the production and manufacturing of food can be easily outsourced. When I think about things one can be invested in for long periods of time, food comes with that kind of attribute."

Not that food is a no-growth business. "It's an area one can be invested in profitably," McCammon says. "Every business comes with its own set of challenges. ... What we look for are opportunities that allow us to grow a little bit with some degree of forecasting capability. Stability is important to us. We're

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## Joshua Green Corp. Adds To Food Production Portfolio

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looking to generate consistent returns over long periods of time. To use a baseball metaphor, we're not trying to hit home runs. If that happens, that's terrific. But if we can move from base to base, we're satisfied as long as we can stay at bat and continue to produce."

Not surprisingly, then, neither McCammon nor Colbourne predict dramatic moves or changes for Joshua Green's food division. Says McCammon, "We need to digest this acquisition first and really understand what our strengths are."

Colbourne says there's plenty of market opportunity close to home. "We'd like to see more penetration in the Pacific Northwest," he says. "Having been in the Pacific Northwest food business for quite some time, we feel there's a great need for local and we're a local company. Without going outside our existing market there's great opportunity."

He's also not looking for expansion of product lines any time soon. "We want to stay somewhat narrowly focused," he says. "We think we've got pretty good coverage right now."

"We'll certainly be open to growing the existing business at both Cuizina and Harry's," McCammon adds. "We'll grow this investment organically. Acquisition could well be part of our strategy long-term."

Acquisitions of regional food producers are driven by consolidation in food retailing, he says. "Scale matters. Your customer is really your channel partner. When we think in terms of what happened from a channel perspective, you have national channels like Costco and Sam's and Safeway and Kroger.

"Those industries have all gone national. They're interested in having suppliers that have the capability to supply nationally," and reducing the number of suppliers they deal with nationally. "The ability or opportunity to take some of these otherwise local operators and combine them [to produce] a little bit more scale probably has benefit."

Cuizina got its start, according to a company history,



**MCCAMMON**



**COLBOURNE**

in an Italian restaurant opened in Seattle in 1962. Two sons of the owner started a business in 1984 to sell individually quick-frozen pasta to the food-service market. Joshua Green Corp. bought Cuizina in 2012.

The investment portfolio of Joshua Green Corp., owned by his descendants, has other manufacturing holdings in the recreation category, including Bainbridge Island fly-fishing rod maker Sage, Idaho Falls-based fly line maker Rio Products and fly-fishing-gear designer Redington.

It also has investments in commercial real estate developer and manager Urban Renaissance Group, wholesale beverage distributor The Odom Corp., food and beverage container designer Pacific Market International (whose brands include Aladdin and Stanley) and PlayNetwork, which provides customized sound and video for business.

None of those counts as flashy, which is fine by McCammon. "Trends, fads, things that can be replaced by next year's technology, that's just not where we're comfortable, it's just not where our experience is," he says. "We leave those opportunities to others. In doing that, we probably miss out on truly great wealth-making things that happen overnight. But hopefully in the process we avoid some of the flash-in-the-pans that might materialize."

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## Seametrics: Finding “Our Own Odd Little Niches” In Metering

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water treatment and agricultural settings.

Seametrics recently announced the appointment of a new chief executive, Asrat Mikhail (Mike) Yitref, currently vice president of sales in the U.S. for Endress + Hauser Inc., a Swiss industrial automation and measurement company. Yitref is a University of Washington graduate.

Seametrics was founded in 1989 by Burnett and Jim Frederick, who had been working for Romac Industries, a Bothell company that supplies pipe and related products for water transmission. The founder of that company was Manford McNeil. Recalls Burnett, “Just watching him convinced me that running a manufacturing company was about the only job worth having.”

Burnett got his chance to do just that when Romac, in a cost-cutting measure, decided to drop a metering research project he’d been working on. “I offered to take it away and continue it on my own,” he says.

The company grew steadily through the 1990s with mechanical meters, then moved into meters that measure magnetic fields to compute flow instead of relying on moving parts. “That had been our goal for years but we just didn’t have the technical horsepower to pull it off,” he says.

Today Seametrics is a company of about 70 employees, including a dozen engineers, with an array of meter types and sizes. While it’s not a big company compared to some of the giants in the industry, it’s been successful in finding what Burnett calls “our own odd little niches.”

One of those is non-moving-part meters used for agricultural irrigation. Seametrics meters can be found by the thousands in irrigation districts from Texas to New Zealand.

“It’s kind of a narrow niche,” Burnett says. But with conventional irrigation meters relying on mechanical propeller-style measuring devices that get fouled by sand in water and require rebuilding every few years, Seametrics has found a ready market for battery-powered electronic meters. Seametrics also makes a meter used in pesticide application.

The industrial market abounds with specialized applications for Seametrics’ products. One big market is meters on cement, airport fire and highway de-icing trucks. Another is industrial cooling towers (meters are useful for gauging how much chemical treatment to add to the water in those tanks).

Other places to find Seametrics meters: On a dewatering system for construction-site runoff, and on the filtration system at a water park. Burnett says the next big area of emphasis to increase business is municipal wastewater treatment facilities.

A reliance on segments that are less susceptible to economic swings helped Seametrics endure the recession

better than many companies. After a 12 percent decline in 2009, the company had a big jump in business in 2010, he says.

Burnett is encouraged about market prospects. “The industry seems endlessly promising,” he says. “Any time you see the words ‘water shortage,’ our business just went up a little. We’re not worried about running out of market.”

Of greater concern is Seametrics’ own ability to manage and finance growth. “We’re looking for financial stability,” he says. “We plow everything back in. There’s never a reserve, I’d like to get past that, and develop more resilience.” Doing so is one of the prime tasks on the new CEO’s to-do list.

The appointment of a new CEO doesn’t mean Burnett is cutting back on activity. He’s also involved in a start-up venture in Ballard, Sound Water Technology, that is developing a meter that uses ultrasound to measure water flow. “It clamps on the outside of the pipe so you don’t have to cut into it,” he says. The three-employee company hopes to launch production in October. “As the new CEO frees up my time, I’m going to be working on the sales end and setting up their distribution network and sales reps.”



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## Newsire: The Latest In Washington Manufacturing

**SPOKANE:** Brooks Automation Inc. of Chelmsford, Mass., plans to acquire Matrical Bioscience Inc. for \$10 million. Matrical, founded in 2001, manufactures equipment used by the biotech, pharmaceutical, medical research and agricultural industries for storing, preparing and testing biological samples.

**BELLEVUE:** Optimism about business conditions grew in July among regional purchasing managers, according to the latest survey from the Institute for Supply Management's Western Washington chapter. The index for current conditions gained 4.1 points from June, to 63.1. The 90-day outlook score added 2.6, to 58.0. A score above 50 indicates an expanding economy. Production, new orders, and employment, both for current conditions and the three-month outlook, were ahead of June, but purchasing managers reduced their readings on current and forecasted inventories and prices. Supplier lead times were reported slightly longer, but are expected to be shorter in 90 days.

Items in short supply include plating services, while items that have increased in price include custom micro-switches, lumber, crating and corrugated boxes, purchasing managers said.

**SUMNER:** Workers at AIM Aerospace voted by a three-to-two margin to join the International Association of Machinists and Aerospace Workers, IAM's District 751 and the National Labor Relations Board said. The vote covers more than 250 workers at the Sumner plant, which supplies both Boeing and Airbus.

**SEATTLE:** Silicon Energy, the Marysville manufacturer of solar panels, has been selected by Seattle City Light as the supplier of photovoltaic modules for a 49-kilowatt array at the Seattle Aquarium.

**TUKWILA:** ClearSign Combustion Corp. has signed a commercial development agreement with a large waste and energy services company to test its technology for reducing air emissions by shaping combustion flames with electromagnetic fields. ClearSign didn't name the company, but said its systems will be tested at waste-to-energy facilities in the U.S. and internationally.

**SEATTLE:** GE Global Research and several local health-care research institutions are working on the development of a medical device, about the size of a deck of playing cards, that will be able to detect infectious diseases in less than an hour using a nasal swab. Participants in the research project include the University of Washington, Seattle Children's, Epoch Bioscience and PATH. The research is funded by the Defense Advanced Research Projects Agency and the

National Institutes of Health.

**VANCOUVER:** Northwest Pipe Co., a maker of welded pipe for energy and water transmission, said second-quarter sales were down 11 percent from a year ago, and warned that it sees weakness extending into the third quarter. "Based on current market conditions, we believe the third quarter will be our weakest quarter in 2013," said Chief Executive Scott Montross in a release. "While a trade case has been filed against nine nations importing oil country tubular goods into the United States, we have not yet seen a significant improvement in sales prices or volumes." The company said its order backlog in the water transmission segment was \$115 million at the end of the second quarter, compared to \$245 million a year ago.

**PORT ANGELES:** Armstrong Marine has delivered a 35-foot aluminum catamaran crew boat to Freedom Maine, which delivers marine equipment to the Arctic.

**OLYMPIA:** The Department of Commerce says it will be administering a \$15 million revolving loan pool, created by the Legislature in its most recent session, for energy efficiency and renewable energy projects. According to the Washington Clean Tech Alliance, the loans will finance retrofits, wind energy, solar energy, digesters, and export assistance. The loans will be made through non-profit organizations, require a one-to-one dollar match and must meet market criteria.

The department will also be making energy efficiency and solar-energy grants for public buildings. Of the \$25 million available over two fiscal years, \$5 million is intended for Washington-manufactured solar systems, the alliance said.

**LACEY:** Hummingbird Scientific, a manufacturer of electron microscopes, has moved into a new engineering, manufacturing, assembly and research facility. The company has also established a microfabrication division to produce customized chips and devices.

**TUKWILA:** Andrews Space said it has received an order from an undisclosed customer for two Earth-imaging satellites, to be delivered in 2014.

### PERSONNEL FILE

■ Modumetal, a Seattle company developing nanolaminated alloys, named Michael Henderson vice president of operations and engineering. He has held positions with Seagate Corp. and Avaya Corp.

■ AeroGo Inc., a Tukwila maker of air casters for moving large loads, named Rick Ruelle director of compliance and customer service.