

CALIFORNIA CITRUS NURSERY BOARD

MINUTES OF MEETING

December 10, 2008

Lindcove, California

CDFA representative Glenn Yost called a meeting of the California Citrus Nursery Board to order at 10:02 a.m. on Wednesday, December 10, 2008 at the Lindcove Research Station in Lindcove, California. Roll was taken, showing a quorum was present with the following in attendance:

Members

Don Dillon

Lane Miller

Gary Moles

Larry Rose

Bob Zuckerman

Public Member

Robert LoBue

Alternates

*Jose Lima

Jackie Maxwell

*Leonard Massey

Staff

JD Allen, MMS

Jim Melban, MMS

Glenn Yost, CDFA

Guests

Patrick Thalken, CDFA

Susan McCarthy, CDFA

Aaron Dillon, Four Winds Growers

Brian Specht, Youngs Nursery

Tim Golden, Colorama Nursery

Georgios Vidalakis, UCR/CCCP

Tim Williams, UCR

Beth Grafton-Cardwell

** Alternate acting in lieu of member*

Reorganization of Board

Yost reported that the nominations and elections have been completed and the Director had appointed the new board to three-year terms, (Exhibit "A" Attached). He called for nominations for Chairman and Rose nominated Zuckerman with a second from Moles. When no further nominations were made, the Board elected Zuckerman on a unanimous ballot. Yost called for nominations for Vice Chairman, and Lane nominated Gary Moles with a second from Dillon. When no further nominations were heard, Moles was elected on a unanimous ballot. At this point, Zuckerman took over the meeting and welcomed the new members to the Board.

Zuckerman said that the Public Member's term had also expired and action needed to be taken on that position. Moles moved with a second by Rose that Robert LoBue be appointed as public member. When no further nominations were heard, LoBue was elected on a unanimous ballot.

There was also discussion on the seating of the Alternate Members, on a motion by Rose with a second by Lane, it was decided that Lima would be the first alternate, Massey would be the second alternate and Maxwell would be the third alternate during the 2009 year. The motion carried unanimously.

Minutes of Previous Meeting

On a motion by Rose and a second by Moles, the minutes of the meeting of August 20, 2008 were approved as mailed.

Prior to hearing from Don Dillon, the Research Committee Chairman, Melban explained that he had contacted all the assessment payers to try to determine what the assessment income for 2008 would be. He said the results showed that the Board would probably receive about \$30,000 more than had been

budgeted in December of 2007. This was information that was not available to the Research Committee when it met in October and would have an effect on the projects that were recommended by the Committee for the Board to review.

Committee Reports

Research Committee – Research Committee Chairman Don Dillon reported that the Committee had met in October and would like to have recommended more projects than it did.

Since Melban had indicated there would be more income and thus more carryover funds into the next year, he wanted the Board to look at some of the projects that were considered, but not recommended. He reviewed the recommendations of the Research Committee amounting to \$202,162 but said he wanted the Board to review some of the other proposals.

The first was the “Annual Citrus Tristeza Virus Indexing” by Grafton-Cardwell who said that there was some confusion when she made her proposal to the Committee and as a result her proposal was not funded. She said that the indexing is imperative to the industry and she will be doing what the industry needs to have done. After discussing the project, it was agreed that it was needed and the \$13,225 amount was approved with the amendment as suggested by the Board.

Vidalakis then spoke to his proposal saying he had submitted two proposals--one for \$94,616 and another for \$42,000 for a new staff person. The Committee has recommend funding \$12,000 of the new staff person. After investigating other possible funding for his projects, Vidalakis suggested that he could combine both of his proposal into one for a total of \$106,616 from the Board. The Board agreed with his proposal.

Dillon also said that the Research Committee had reviewed two proposals from Mikeal Roose but did not feel like they could fund either of them based on the previous financial data. The discussion that ensued suggested that the Board would like to continue to fund Roose’s work entitled, “Breeding New Citrus Scion Program” for \$20,000. The total projects before the Board included:

Research Projects – Acct #510		
Leafminer Management	Grafton-Cardwell	28,249
Breeding New Citrus Scion Varieties	Roose	20,000
Development and Detection of Phytoplasmas	Lee	25,000
Use of DTBIA for detection of CTV	Yokomi	10,296
Application of Real Time PCR for Detection of <i>Spiroplasma Citri</i>	Yokomi	18,000
Good Bud—Bad Bud	Krueger	6,811
Account 510 Total		\$108,356

Testing Projects – Acct #511		
Cooperative Registration Testing	Vidalakis	106,616
Registration Testing for CTV		14,000
Annual citrus Tristeza Virus Index	Grafton-Cardwell	13,225
Account 511 Total		\$ 133,841

Board Action #08-03 – Rose moved, seconded by Moles, that the Board accept the Research projects as shown above.

MOTION CARRIED UNANIMOUSLY

Education Committee – Committee Chairman Moles explained that during the year the main project of the Education Committee had been the creation of the Infobook website. He said that at the beginning of the year it was anticipated that each of the Committee members would be responsible for specific jobs in getting the total project completed. As it turned out, Monfort Management wound up having to do a lot of the computer work as well as working with the web designer and this meant doing work above what was felt to be part of the Management contract. Melban said he had researched the “extra” time spent by staff and it amounted to \$6,200. He said the Committee had reviewed the matter but felt it should be a Board decision.

Following some discussion Rose moved with second by Maxwell that Monfort be paid the \$6,200 for their additional work on the InfoBook. The motion carried unanimously.

Moles then told the Board that his Committee had reviewed a second year of the proposal entitled “Extending Knowledge on Citrus Commercial Varieties and Related Citrus Germplasm” from Georgios Vidalakis and Tracy Kahn of UC Riverside. Vidalakis reviewed the website and told the Board of the progress. Moles said the Committee reviewed it and is recommending fully funding the proposal.

Board Action #08-04 – Moles moved, seconded by Dillon, that the Board accept the Kahn proposal for the full amount of \$18,686.

MOTION CARRIED UNANIMOUSLY

Moles also reported that his Committee is planning to have quarterly newsletters beginning in April 2009, would like to consider helping Vidalakis with a Spring workshop, and help support the HLB/APC work of Mary Lou Polek in educating nurseries about the disease.

Industry Committee – Zuckerman indicated that there had not been much activity on the Industry Committee. He said he has tried to develop a relationship with the CRB but that had not worked out yet. He said he had contacted the Chair and Vice Chair of CRB to see what can be done so the two boards could work more closely together to create a viable working committee. Zuckerman asked Lane Miller if he would be the new Chairman for 2009 and Lane accepted.

Fiscal Matters

Melban reviewed the financial report (Exhibit “B” Attached) and stated that he had returned some assessment money from 2007 because two entities had paid assessment erroneously. He said that all the expenses were going as planned but because of the investigation he had done about the anticipated income for 2008, he would like the Board to revise it’s 2008 budget to reflect the changes. After some discussion,

Board Action #08-05 – Moles moved, seconded by Rose, that the Board accept the proposed revised budget as presented by Melban, encompassing the additional income funds from assessment as noted in Exhibit “C”. In addition, total income and carryover; total expenditures and reserve were adjusted accordingly.

MOTION CARRIED UNANIMOUSLY

Management Proposal

Melban presented the Monfort Management Services (MMS) proposal for 2009, noting that the proposal was the same as last year.

Board Action #08-6 - Dillon moved, seconded by Moles, to approve the following resolution:

RESOLUTION C

Retaining Monfort Management Services, Inc. to Supply Management Services for the 2009 Fiscal Year

WHEREAS, Monfort Management Services, Inc. has provided the necessary office facilities and staff services, and the Board Manager has performed in a satisfactory manner, and

WHEREAS, Monfort Management staff members are also involved in the management of other advisory boards or commissions, which allows MMS, Inc. to minimize the expenses of the involved board by the sharing of such expense items as multi-purpose trips, memberships, subscriptions, or certain purchases.

THEREFORE BE IT RESOLVED that the Board approve the retention of Monfort Management Services, Inc. for the 2008 Marketing Season for a total amount of \$30,000, with the Board to be billed in twelve equal monthly installments of \$2,500, which shall cover the following:

1. The services of Jim Melban as Board Manager and JD Allen as Assistant Manager,
2. The services of MMS's secretarial, bookkeeping and clerical staff on an as-needed basis, and
3. The furnishing of Office space, utilities, special phone equipment, postage meter, mailing system, micro-computers and printers and other miscellaneous equipment, and

BE IT FURTHER RESOLVED that when appropriate opportunities arise for cost-sharing with the other boards managed by Monfort Management Services, Inc., an officer of MMS, Inc. be authorized to pro-rate such shared costs based on a suitable formula calculated to distribute the costs according to the benefit derived by each board involved. This distribution may be on an

equal basis, a percentage of usage basis, or according to the direct benefit obtained by each board, based on such things as the time spent on a trip.

BE IT FURTHER RESOLVED that the Board recommend that the Department approve establishing a contractual relationship between the Board and Monfort Management covering the provision of the aforementioned services and facilities, and that the Board Chairman be authorized to sign said contract, and approve the appropriate invoices involved on behalf of the Board.

MOTION CARRIED UNANIMOUSLY

Budget Development

Melban walked the Board through the budget worksheet, noting that the Board had already voted on and passed Resolution C, the management contract.

Board Action #08-7 - Massey moved, seconded by Rose, to approve Resolutions A and B as follows:

RESOLUTION A

Crop Estimate and Rate of Assessment

WHEREAS, the California Citrus Nursery Board provides that the Board recommend a rate of assessment for each marketing season, and

WHEREAS, the Board has estimated a crop value of \$26,000,000 to be produced in the 2009 season, and

WHEREAS, the Board has considered the estimated expenditures in its preliminary 2009 budget,

BE IT RESOLVED that the Board recommend to the Secretary that the assessment rate for the period January 1, 2009 thru December 31, 2009 be one percent on the first sale of propagated citrus.

RESOLUTION B

2009 Preliminary Budget

WHEREAS, it is estimated that there will be a carry-over of \$420,000 from the Board's 2008 budget, and

WHEREAS, the attached preliminary budget (Exhibit "D") reflects estimated income and expenditures for the 2009 marketing season,

BE IT RESOLVED that the Board recommend the approval by the Department of Agriculture of the attached preliminary budget and authorization of the transfer of the estimated carry-over to the 2008 budget.

Other Business

Chairman Zuckerman said that it would be good to have a better idea of the income for the year sooner rather than later, and he suggested that staff get a report from all the assesses in September showing what their yearly assessment will be. That report should be available by September 15th so the Research Committee will have a better idea of income when it reviews the research projects for the following year. Dillon moved with a second by Massey that the Staff survey the industry for the September 15th report and the motion carried unanimously.

Zuckerman asked about the possibility of the State helping with some of the registration fees for testing. McCarthy said even if the State were to charge the growers more for the testing, there is no way for the State to pay the Marketing Order. She suggested that possibly something could be done through legislation.

Chairman Zuckerman then brought up the subject of assessing the industry another way as was brought up last year. He indicated that it had been suggested that the assessment be on a per tree basis rather than a dollar amount. He also said there is the question of “Ranch” nurseries not being assessed because they do not invoice themselves for their trees that move within their properties. LoBue also brought up the idea of assessing the budwood rather than the trees. It was suggested that possibly the Industry Committee could look into the matter this year.

HLB Report

Don Dillon attended an HLB conference in Florida and gave a verbal report to the Board as well as giving a hand out to the Board, which is attached as Exhibit “E”. All the Board members agreed that the disease is something that must be dealt with in order for the industry to survive.

Announcements

Yost reported that Joe Monson, a new economist, has been assigned to the Citrus Nursery Board and would be attending the meetings in the future.

Adjournment

There being no further business, the meeting was adjourned at 1:55 p.m.

Certification of Minutes

I, Jim Melban, Manager of the California Citrus Nursery Board, do hereby certify that to the best of my knowledge, the foregoing is a true and correct copy of the minutes of a meeting of the California Citrus Nursery Board held in Lindcove, California on December 10, 2008.

Jim Melban, Manager