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PUBLIC MEETING OF THE  
NEVADA DAIRY COMMISSION  
TRANSCRIPT OF PROCEEDINGS

Wednesday, August 27, 2014

Sparks, NV

Reported By: SUSAN E. BELINGHERI, CCR #655

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APPEARANCES

COMMISSION MEMBERS

Christopher Cook - Chairman  
John Collier, Commissioner  
Troy G. Crowther, Commissioner - Via Videoconference

Donnell Barton - Operations Manager  
Kathy Easley - AA3

Dennis Belcourt, Deputy Attorney General - Via Telephone  
Ron Martin, Anderson Dairy - Via Videoconference  
Damon Hernandez - Via Videoconference

**Meeting - 8/27/2014**  
**Nevada State Dairy Commission**

1 SPARKS, NEVADA; WEDNESDAY, AUGUST 27, 2014; 9:00 A.M.

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4 CHAIRMAN COOK: Let's convene this August  
5 meeting of the Nevada State Dairy Commission.

6 Ms. Barton, would you open the meeting,  
7 please.

8 MS. BARTON: Yes. This is the time and  
9 place set for the regularly scheduled meeting of the  
10 Nevada State Dairy Commission for the month of August,  
11 2014. This meeting has been scheduled and noticed in  
12 compliance with pertinent statutes, including the open  
13 meeting law.

14 A copy of the agenda has been handed to the  
15 court reporter with the request that it be part of the  
16 official transcript of these proceedings.

17 My name is Donnell Barton, administrator for  
18 the Department of Agriculture, Food and Nutrition  
19 Division. And present today are: Mr. Christopher Cook,  
20 chairman; Mr. Troy Crowther, member of the commission;  
21 and Mr. John Collier, member of the commission.

22 Those who present statements for evidence to  
23 the commission during this meeting are requested to fist  
24 be acknowledged by the chairman and to identify  
25 themselves for the record.

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1                   CHAIRMAN COOK: Thank you. Would you  
2 proceed to the first agenda item, please.

3                   MS. BARTON: Yes. So the first meeting  
4 agenda item is public comments and discussion. So are  
5 there any public comments?

6                   CHAIRMAN COOK: Seeing none, let's move on  
7 to number two.

8                   MS. BARTON: Okay. So for the second agenda  
9 item it is approval of the minutes for the July 16th  
10 Dairy Commission meeting.

11                  CHAIRMAN COOK: Okay. I'll entertain a  
12 motion from either of the other commissioners.

13                  MR. COLLIER: Mr. Chairman, I move we accept  
14 the minutes of the last meeting as correct in the  
15 booklet, and I move it for action.

16                  MR. CROWTHER: Second.

17                  CHAIRMAN COOK: Having a motion and a second  
18 and no dissenting votes, the July meeting minutes are  
19 approved.

20                  MS. BARTON: The next one, the next is the  
21 staff report, and for that, just a couple of quick  
22 things.

23                         The, the first is is that we are going  
24 through a restructuring and reclassification of  
25 positions within the Food and Nutrition Division, and so

1 through that process the dairy operations manager's, Tom  
2 Orzech's position was abolished, and his official last  
3 day is August 31st. So we are giving him admin leave  
4 through August 31st.

5 And haven't heard officially, but  
6 unofficially I've heard that he's retiring. Because he  
7 had the opportunity to either retire or to be able to be  
8 put on a layoff list so that he could again apply for  
9 another state position. And I haven't officially heard  
10 from personnel, but unofficially I've heard that he's  
11 looking heavily at retirement. He's thinking of going  
12 that way.

13 CHAIRMAN COOK: Okay. And so his duties  
14 will be taken over by you?

15 MS. BARTON: By me and Lynn Hetrick.

16 CHAIRMAN COOK: Okay.

17 MS. BARTON: And the other duties that had  
18 been Tom's have been spread out across the -- and that  
19 had been happening over a period of time. So budget has  
20 gone to our fiscal services director, the purchase  
21 orders, signing off of all of those, came to me for  
22 signature, Anna Vickrey has been put in charge of the  
23 dairy lab and over all of the environmentalist. And  
24 then Damon Hernandez, who's down in our Las Vegas  
25 office, is now supervising all of the applications.

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1                   CHAIRMAN COOK:   Okay.

2                   MS. BARTON:   Okay?   And then just as an  
3   update for you as well on staffing, going forward in the  
4   budget we're requesting a microbiologist for the  
5   2016-'17 budget.   So we'll see if that gets approved in  
6   the budget.   And that will be somebody who's working in  
7   the new dairy lab.

8                   And then we're also requesting upgrades for  
9   the environmentalist position.   So for Erica Ryan, Anna  
10   Vickrey and Lisa Burnett, we've got the paperwork over  
11   at state personnel right now, where they're going  
12   through and looking to see -- because they've taken on  
13   those laboratory, the dairy lab responsibilities, so  
14   we're looking to upgrade their positions.   So we'll be  
15   going through that process.   And that normally takes  
16   about four to six weeks to go through that process.

17                  CHAIRMAN COOK:   And Lisa will still be doing  
18   the inspections?

19                  MS. BARTON:   Yes.

20                  MR. COLLIER:   What is Kathy's function?

21                  MS. BARTON:   Kathy is still doing the same  
22   thing.

23                  CHAIRMAN COOK:   She's the glue that holds it  
24   all together.

25                  MS. BARTON:   She is.   So just as an example,

1 she's still receiving the applications and renewals, but  
2 those are now going down to Damon, and Damon and his  
3 staff are approving those applications and renewals as  
4 part of their, as part of their process.

5 CHAIRMAN COOK: Okay.

6 MS. BARTON: Okay? And then I'm going to  
7 turn it over to Damon and ask him to just give you guys  
8 a quick audit update.

9 CHAIRMAN COOK: We just lost him. There.

10 MR. HERNANDEZ: Hello? Can you guys hear me  
11 okay?

12 MS. BARTON: We can, and we can see you.

13 MR. HERNANDEZ: Okay, great. Well, it's a  
14 pleasure to be here today. Pleasure to meet all of you  
15 also.

16 So I just want to give a real brief report  
17 on the audit status. I'll start off with just  
18 confirming as of today there's 219 registered licensees,  
19 and 21 percent of those are zero reporters, 79 percent  
20 of those are active reporters. Five percent of the  
21 active reporters were butter only, which as the board  
22 knows, the commission knows, is no longer reporting.  
23 And the estimated fiscal impact to the reserves is  
24 around \$10,000 a month less coming in, or \$120,000 a  
25 year less coming into the budget, as was designed when

1 that action was put into place.

2 Today we have, we have audited 65 percent of  
3 the entire licensee population that's required to be  
4 licensed -- I mean, audited, each biennium. So each  
5 biennium we need to audit everyone at least once. We're  
6 65 percent of the way through the licensed operators.  
7 We're 57 percent through the biennium. So we're well on  
8 track to meet that goal, and that was a major goal  
9 through a performance measure last go-round biennium.  
10 So we're doing fine that way and looking forward to  
11 completing that goal.

12 CHAIRMAN COOK: The audits --

13 MR. HERNANDEZ: That's basically it.

14 CHAIRMAN COOK: Are the audits resulting in  
15 any discoveries of noncompliance?

16 MR. HERNANDEZ: Yes. Let me talk about that  
17 a little bit too. So there's been a couple of changes  
18 in how the audits have been assigned. For example, when  
19 an audit is assigned to an auditor by myself, the  
20 auditor reviews the account and then proposes an audit  
21 plan for the licensee which could result in either an  
22 investigative audit, which is kind of a topical audit,  
23 just basically make sure that the accounting is correct,  
24 on a remittance audit, which is a little more detail,  
25 we'll review the remittances in a lot more detail, or a



1 detailed audit, where we really review all aspects of  
2 the account. And the auditor proposes that, the reasons  
3 why they want to go a direction, and then I will approve  
4 that based on the specific situation.

5 So a couple things we're trying to  
6 accomplish. We don't want to spend a lot of audit hours  
7 on a licensee who has, basically has had a clean record  
8 and has been doing things in compliance with the  
9 regulations and statutes. At the same time, we don't  
10 want to miss a detailed audit on a licensee who may  
11 warrant by, after review of the account some additional  
12 investigation.

13 So it's really a way to manage the audit  
14 resources in an efficient manner and put our, our labor  
15 resources where we need them and, and do not put them  
16 where we don't need them.

17 Another thing, another minor change that  
18 we've made was previously the entire population of the  
19 licensees were divvied up amongst the auditors. So each  
20 auditor would have a slice of the pie, so to speak.  
21 Whatever the pro rata is based on how many auditors  
22 there are and how many licensees there are.

23 We now have the entire population of the  
24 licensees, and we assign them on an individual basis in  
25 the manner that I just went over. So each, each

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1 individual audit is looked at specifically going in,  
2 during the audit, and before it's actually submitted.  
3 So it's, it's a way to keep a lot closer track on how  
4 the auditors spend their time and also the results of  
5 the audit.

6 MR. COLLIER: How many auditors do we have?

7 MS. BARTON: Five.

8 MR. COLLIER: Five.

9 MS. BARTON: Two here in Carson City and  
10 three in Las Vegas.

11 CHAIRMAN COOK: Are the audits taking place  
12 on site or are they all done remotely?

13 MR. HERNANDEZ: The vast majority of them  
14 are done as desk audits. As needed we will go on site.  
15 Usually those occasions are reserved for if we're  
16 anticipating an audit that's going to entail a lengthy  
17 review of documents that are either, it's either  
18 unwieldy to spend electronically or box up and send, we  
19 can go out on site.

20 There are a couple of licensees who are  
21 headquartered outside of state. We have requested  
22 budget dollars in the event that we need to go out of  
23 state. But this last fiscal year we, we had the same  
24 anticipation, but with very good communication, also  
25 good rapport developed with a lot of the licensees, we

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1 were able to actually complete the audit without having  
2 to travel out of state, again saving the Dairy  
3 Commission and the State in travel.

4 But to answer your question, most of them  
5 are desk audits, and the vast majority of the licensees  
6 cooperate with the request for documentation and also  
7 are able to send that electronically or through the  
8 mail.

9 CHAIRMAN COOK: Okay.

10 MR. COLLIER: So whose budget, where does  
11 the budget fall for to pay for the auditors?

12 MS. BARTON: Out of the, out of the Dairy  
13 Commission.

14 MR. COLLIER: The Dairy Commission. Out of  
15 the money we collect?

16 MS. BARTON: Correct. And if, if the agency  
17 should need auditors to do something else, then those  
18 auditors would be paid out of that budget.

19 MR. COLLIER: Of the requesting --

20 MS. BARTON: Division.

21 MR. COLLIER: -- division?

22 MS. BARTON: Correct.

23 MR. COLLIER: Okay.

24 MS. BARTON: So as an example, some of the  
25 auditors do work for the Food and Nutrition Division,

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1 but they're doing it for either the commodities or the  
2 child nutrition funds. And so when that happens, then  
3 we pay into that account for their time spent on those  
4 audits.

5 MR. COLLIER: Are they doing audit functions  
6 for those divisions?

7 MS. BARTON: For Food and Nutrition, yes.

8 MR. COLLIER: So that's kind of a  
9 specialized type of job for the individuals within the  
10 Department of Agriculture.

11 MS. BARTON: Correct.

12 CHAIRMAN COOK: Troy, do you have any  
13 questions?

14 MR. CROWTHER: No. No. I'm just listening,  
15 kind of taking it in, here.

16 CHAIRMAN COOK: Okay. John, any more  
17 questions?

18 MR. COLLIER: No.

19 MS. BARTON: Okay. A couple more things  
20 from me, then. Just to give you an update on the  
21 reserve balance, we have \$541,972.83.

22 CHAIRMAN COOK: Why the big jump? Wasn't it  
23 down around three hundred, two hundred last time?

24 MS. BARTON: I would have to go back and  
25 check. When Lynn and I discussed this yesterday, he did

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1 not tell me that piece.

2 CHAIRMAN COOK: I think it was.

3 MS. EASLY: I think what's happening --  
4 Kathy Easley, for the record.

5 CHAIRMAN COOK: Our auditors are doing a  
6 good job.

7 MS. EASLY: Well, no. Yes, they are. Yes,  
8 they are. But with the decrease in employees --

9 CHAIRMAN COOK: Oh. Oh.

10 MS. EASLY: -- there's a lot of savings  
11 in --

12 CHAIRMAN COOK: Costs.

13 MS. EASLY: -- on the payroll side. And so  
14 that's what, I think, is helping it to rise again.

15 MR. COLLIER: Can I ask one other question?  
16 How many -- what is the budget for the Dairy Commission?  
17 What is the annual budget for the Dairy Commission?

18 MS. BARTON: I'd have to go look for you. I  
19 would have to go get that for you to tell you what the  
20 annual budget is. And we can do this in September. I'd  
21 be happy to share with you what is the budget for our  
22 current year, for '15, and what we're proposing as the  
23 budget for '16-'17, for the biennium.

24 MR. COLLIER: Well, I think that would be a  
25 pertinent piece of information that we, as the Dairy

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1 Commission, should know.

2 MS. BARTON: Sure. Sure. I'd be happy to  
3 do that.

4 MR. COLLIER: And how many people that  
5 sustains.

6 MS. BARTON: I can tell you, it sustains  
7 eight staff.

8 MR. COLLIER: Eight staff. So what are the  
9 other three staff? Is Kathy included in that budget?

10 MS. BARTON: Yes.

11 MR. COLLIER: So we understand what she  
12 does. So what do the other two people do?

13 MS. BARTON: So we have the five auditors --  
14 maybe I miscounted. We have the five auditors, and then  
15 we have three folks from, the environmentalists, and  
16 Kathy. So nine staff.

17 MR. COLLIER: So the environmentalists, are  
18 they doing checks on milk quality, or is that what their  
19 purpose is?

20 MS. BARTON: Yes.

21 CHAIRMAN COOK: They're the ones doing the  
22 inspections of farms.

23 MS. BARTON: Inspections. And the  
24 processing plants.

25 CHAIRMAN COOK: Certifying the haulers.

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1 MR. COLLIER: Okay.

2 MS. BARTON: All of those things.

3 MR. COLLIER: Okay.

4 MR. CROWTHER: Chris? Chairman?

5 CHAIRMAN COOK: Yes?

6 MR. CROWTHER: I was just looking in the  
7 minutes. The last time the reserve was \$348,392. So  
8 you're right, that is quite a jump.

9 CHAIRMAN COOK: I'm just, I'm concerned that  
10 that will draw any unwanted attention from --

11 MS. BARTON: Correct.

12 CHAIRMAN COOK: -- the legislature --

13 MS. BARTON: Correct.

14 CHAIRMAN COOK: -- since we've been directed  
15 to try to --

16 MS. BARTON: Keep it down.

17 CHAIRMAN COOK: -- keep that money down.

18 MS. BARTON: I agree.

19 CHAIRMAN COOK: So I propose we move the  
20 next Dairy Commission meeting to Oahu. You don't have  
21 to put that in the minutes.

22 MR. COLLIER: I'll second that.

23 MS. BARTON: I will say this, which leads me  
24 to the next point, we do have some plans for spending  
25 the money.

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1 MR. COLLIER: Oh, of course.

2 MR. CROWTHER: Can I ask, how is that lab  
3 coming along? Is it completed up there?

4 MS. BARTON: I'm sorry, I did not hear that.

5 CHAIRMAN COOK: The lab.

6 MS. BARTON: No, the lab is not completed.  
7 That's part of my spending plan I was going to talk a  
8 little bit about.

9 MR. CROWTHER: Okay.

10 MS. BARTON: And I'm not going to request  
11 approval today, I just wanted to give you a heads up  
12 that this is what would be coming.

13 CHAIRMAN COOK: Okay.

14 MS. BARTON: So the first thing is to  
15 purchase a trailer for the cow that's out in our lobby.  
16 And that trailer will probably cost about \$13,000,  
17 and -- I know. What I'm not sure -- and the reason the  
18 \$13,000 trailer is that it would be equipped to be able  
19 to have video screens and have power --

20 CHAIRMAN COOK: Oh.

21 MS. BARTON: -- so that -- and, and the  
22 picture that Lynn showed me yesterday, it would have a  
23 walk-in door where you could walk in, it has an awning  
24 that comes out, sides flip up. And the back has a ramp,  
25 so the cow could come out of the trailer. The awning



1 could be used if we've got, you know, lots of sun, or  
2 rain, which doesn't happen a lot in Nevada. The video  
3 screens can either be used inside or outside, so that we  
4 can be running educational videos, as well as having the  
5 folks come through if they want to milk the cow.

6 So the trailer was located in Georgia. And,  
7 but we're not sure that that's the one we're going to  
8 purchase, because our next problem is trying to figure  
9 out how to get it here if we purchase it in Georgia.  
10 And Lynn thought that the shipping cost could be about  
11 \$3,000, so he was trying to see if he could find  
12 something closer, when we were talking yesterday  
13 afternoon.

14 MR. COLLIER: Is this a pre-built trailer?

15 MS. BARTON: Yes.

16 MR. COLLIER: Specifically for this purpose?

17 MS. BARTON: It can be used for any purpose,  
18 because it has those features. And Lynn felt like that  
19 trailer would be the best fit for being able to take the  
20 cow out to different places and being able to hook up  
21 educational videos through the video screens, the  
22 trailer already having all that power set up in it so  
23 it's already wired electrically, it has storage spots so  
24 that we can put the equipment in there. And we  
25 shouldn't use, shouldn't lose the electronic equipment.

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1                   MR. COLLIER:  So let me ask one additional  
2 question --

3                   MS. BARTON:  Okay.

4                   MR. COLLIER:  -- in relation to the trailer.

5                   MS. BARTON:  Okay.

6                   MR. COLLIER:  Who in the Department of  
7 Agriculture is going to go do all this?

8                   MS. BARTON:  We have different staff members  
9 that would be able to go out and drive the trailer.  So,  
10 like, it could, it could, my guess is that it will be  
11 the PIOs, the public information officers, who would be  
12 taking the trailer out and utilizing that.  I know at  
13 the Nevada 150 Fair that was held down in Carson, Lynn  
14 went and worked the fair part of the time, and then our  
15 PIOs went out and worked the fair.

16                   We have a couple of PIOs in the Food and  
17 Nutrition Division that are working specifically on the  
18 new meal pattern money that's promoting the new school  
19 meal pattern, and so we've utilized those folks to help  
20 us as well.  And because --

21                   MR. CROWTHER:  Are the funds for this solely  
22 coming from the Dairy Commission, or is this a shared  
23 responsibility?

24                   MS. BARTON:  At this point this, this  
25 trailer would be for the cow, and would be with the,

1 with the Dairy Commission. We're also looking at  
2 purchasing another trailer that would be capable of  
3 having a refrigerator and a cook stove and a sink in it  
4 so that we'd be able to do demonstrations. That trailer  
5 would be purchased out of our meal pattern money, which  
6 is federal funds.

7 And so those two trailers might go together  
8 on different places. And, and we haven't finalized what  
9 that trailer is going to look like, so there's the  
10 possibility that sometimes the cow might be able to fit  
11 in that trailer and when we get someplace the cow would  
12 come out but we would still have the other trailer to do  
13 something.

14 Those are things that we're working on right  
15 now.

16 CHAIRMAN COOK: The first trailer, the  
17 intent is to just to use it to transport, or will the  
18 cow remain in the trailer and people file through?

19 MS. BARTON: I think that the, the trailer  
20 will be used both to transport and for people to be able  
21 to file through and learn more about the dairy --

22 CHAIRMAN COOK: But it's not intended that  
23 the trailer, take it there and then it's unloaded from  
24 the trailer and set outside?

25 MS. BARTON: No. No, no. No.

1 CHAIRMAN COOK: So it basically would be  
2 permanently residing in the trailer.

3 MS. BARTON: I believe so. Lynn has  
4 indicated that there might be a couple of places where  
5 we might bring the cow out. She talked about several  
6 different places that we would take the trailer to, like  
7 county fairs, the big agriculture meeting that's held  
8 over in California, that those would be places that we  
9 would go with the trailer. And so in that particular  
10 instance, it might be that the cow did come out of the  
11 trailer.

12 MR. CROWTHER: I've got a question. I, I, I  
13 misunderstood, I guess. I thought this cow was  
14 something that had -- I'm thinking of, for example, the  
15 Clark County Nevada Fair, okay, where their booth is  
16 inside a Pavilion and, which I understand is how the, is  
17 it the Temecula, or the, the fair was also. How are you  
18 going to pull a trailer inside a pavilion for people to  
19 come and see this cow?

20 MS. BARTON: And in those cases, that's when  
21 the cow would be moved out of the trailer and be taken  
22 in. If it's a place where we can't take the trailer in,  
23 then we would take the cow out and use it that way. But  
24 it can also be in the trailer.

25 MR. CROWTHER: Is this something that's

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1 going to go statewide, then?

2 MS. BARTON: Yes. Yes. So it could be used  
3 at the different fairs.

4 CHAIRMAN COOK: Hey, Troy?

5 MR. CROWTHER: Yeah?

6 CHAIRMAN COOK: We'll trade you the cow for  
7 the Fremont cannon.

8 MR. CROWTHER: Not a chance.

9 MR. COLLIER: We could use the same trailer  
10 to transport the cannon back up here.

11 CHAIRMAN COOK: Yeah.

12 MR. COLLIER: You keep the cow.

13 MS. BARTON: We like the cow.

14 CHAIRMAN COOK: Will the cannon fit with the  
15 cow?

16 MS. BARTON: It probably would. And I don't  
17 know if at the last meeting they got a chance, but at  
18 the Nevada 150 Fair, the cow was very popular. They  
19 said it was a big draw, lots of people came in and  
20 wanted to milk the cow. That gave them the opportunity  
21 to talk more about the Dairy Commission, Department of  
22 Agriculture. So it was very successful.

23 MR. CROWTHER: How does, how does one go  
24 about scheduling the cow?

25 MS. BARTON: Just give us a call and we'll

1 get it scheduled.

2 MR. CROWTHER: I mean, is this something  
3 that is on the website that is, you know, here's how you  
4 schedule the cow, it's available, here's what it does?

5 MS. BARTON: You know, that's a good idea.  
6 I do not believe that's it's on the website, and I think  
7 that's one of the things that we could do, is get it on  
8 the website. So that people could ask that it, to be  
9 scheduled.

10 MR. CROWTHER: Okay.

11 MS. BARTON: Okay. Ready for my other  
12 request?

13 CHAIRMAN COOK: Well, one last question on  
14 the trailer. Is that something that's going to require  
15 legislative approval, or is it going to be just us?

16 MS. BARTON: Just you guys.

17 CHAIRMAN COOK: Okay.

18 MS. BARTON: And I, and I believe all the  
19 things that I'm talking about probably will not require  
20 legislative approval. I'll double-check on that.

21 So the next, the next --

22 MR. CROWTHER: I'm sorry. One more.

23 MS. BARTON: Okay.

24 MR. CROWTHER: Back to the cow.

25 MS. BARTON: Okay.

1 MR. CROWTHER: We currently do not have a  
2 trailer. How are we getting the cow around now to these  
3 different places?

4 MS. BARTON: We do have a, we do have a  
5 trailer here at the Department of Agriculture. It is  
6 like a stock trailer. So that's what we use to get it  
7 down to Carson City.

8 MR. COLLIER: Is this trailer going to  
9 require a specialized truck to pull the trailer?

10 MS. BARTON: No. No.

11 MR. COLLIER: So we'll be able to use the  
12 present equipment --

13 MS. BARTON: Correct.

14 MR. COLLIER: -- that the Department of  
15 Agriculture has in the way of vehicles --

16 MS. BARTON: Yes.

17 MR. COLLIER: -- to transport this trailer.

18 MS. BARTON: Yes. And just to let you know,  
19 we've looked at a variety of things. Because Commodity  
20 Foods moved in with us -- they have a surplus  
21 semi-trailer. And so at one point in time we were  
22 thinking about utilizing the semi-trailer, it's got a  
23 lift. So we would be able to take the cow and bring it  
24 down. But as we started talking to folks about  
25 utilizing that semi-trailer, the shock system on that,

1 they said if we were trying to put video equipment in  
2 there, we would be replacing it probably every time we  
3 took a trip, because it just doesn't have that stability  
4 in there and we'd just be shaking things to death.

5 CHAIRMAN COOK: Probably restrict your  
6 access because of the size of the thing.

7 MS. BARTON: Correct. And then that would  
8 also require us to have a CDL driver. And so after we  
9 looked at all of that, that's why we chose to go with a  
10 regular-sized trailer that can be pulled by a truck.  
11 And so that any of us could drive that truck.

12 MR. CROWTHER: How much more equipment -- I  
13 mean, you're talking about the size of a semi-trailer.  
14 How much more equipment is there besides the cow?

15 MS. BARTON: We had, at that point in time  
16 we had grand plans for this semi-truck, that it could be  
17 used, it would have quite a few video screens, we would  
18 be able to demonstrate all of the different areas of the  
19 Department of Agriculture. And we would have pooled  
20 money to do all of those things. But again, as we  
21 looked at the feasibility of that, that, it was always  
22 going to require us to have a tractor to be able to pull  
23 the trailer, we were going to have to have a CDL  
24 licensed driver. And then the, and for me the major  
25 stumbling block was that the equipment, or not the



1 equipment, but the trailer couldn't be stabilized so  
2 that we wouldn't, we would probably do more damage to  
3 video equipment than not. So it just didn't, it was not  
4 a feasible alternative for us.

5 MR. CROWTHER: It just seems like with, you  
6 know, somebody with specialized, I don't know if it's  
7 going to require a specialized license to, to, and the  
8 right vehicle to pull this trailer, as well as if we're  
9 talking about all of this video equipment and electronic  
10 equipment, it's going to require somebody specialized in  
11 that area to set the thing up. How many extra  
12 employees, then, are we talking about to, to -- like if  
13 we want to bring the cow down to Southern Nevada, how  
14 many employees are we talking about, resources it's  
15 going to require to bring that down?

16 MS. BARTON: I think we're only looking at  
17 two employees. Because with the new trailer, it's just,  
18 it's just a regular trailer that can be pulled on the  
19 back of a regular pick-up truck. And so I would, would  
20 say that we would have two staff members who would be  
21 coming down so that they would have the ability to, to  
22 operate the booth and give each one of them a break.  
23 And the equipment would be placed in that trailer and  
24 already hooked up, so we won't have to worry about being  
25 specialized to hook that up.

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1                   Now, saying that, I also know from past  
2   experience that the best laid plans can go south on you.  
3   And so we're, but that's our, that is what we're trying  
4   to do, is to get a trailer that's self-sufficient, that  
5   when you roll out of here all you're going to have to do  
6   is plug into electricity and you're good to go.

7                   MR. CROWTHER: Just like my computer at my  
8   desk.

9                   MS. BARTON: That's what we're hoping for.

10                  MR. CROWTHER: Yeah.

11                  CHAIRMAN COOK: It always boots up.

12                  MR. CROWTHER: You know how that goes. I  
13   mean, you know, all, if everything goes as planned and  
14   everything, it sounds like it could be a real attraction  
15   at a lot of events. Just, you know, hopefully it will,  
16   we'll be able to make it around to all of the, all of  
17   them that are going to request it.

18                  MS. BARTON: That, that is, that's our  
19   intention. And we do have money in the, in the  
20   marketing budget. So that's where the funding for this  
21   trailer would come from, is out of that marketing  
22   budget.

23                  MR. COLLIER: Is that separate from the  
24   Dairy Commission?

25                  MS. BARTON: No, it's part of the Dairy

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1 Commission budget. There's a piece in the budget for  
2 marketing, and that's where the funds would come from.

3 MR. COLLIER: It would be nice for us as  
4 commissioners, I think, and I would think Troy would  
5 agree with this, being he's CPA, for us to see the  
6 budget.

7 MS. BARTON: Sure. I don't have a problem  
8 with that at all. We can do that.

9 MR. COLLIER: I think that would be very  
10 appropriate.

11 MS. BARTON: Okay. We'll do that next  
12 meeting, then.

13 And then the final -- anything more about  
14 the trailer before I move on?

15 CHAIRMAN COOK: No, please move on.

16 MS. BARTON: And the final thing is for the  
17 dairy lab. You know, we were FDA certified back in  
18 June, but one of the things that the FDA really requires  
19 is documentation. And I don't know if you've noticed  
20 that when they print out from a test, for me it looks  
21 like a cash register receipt. So those are kinds of  
22 things that are easy to lose.

23 So we have a new IT staff member for the  
24 Food and Nutrition Division, and we asked him to go look  
25 and see what solution he could come up with. And what

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1 he's come up with is a scanning device as well as a  
2 server. So he's in the process of getting a budget put  
3 together for what the scanning equipment and server will  
4 cost. I'm anticipating coming back to the Commission in  
5 November to give you an overview of that cost and what  
6 that would require.

7 CHAIRMAN COOK: To scan --

8 MS. BARTON: To scan all of the --

9 CHAIRMAN COOK: -- these print-outs, or --

10 MS. BARTON: We're hoping eventually that it  
11 could scan everything. So that when they're out in the  
12 field they would be able to scan in their testing from  
13 the field. But it's all the things there, so that when  
14 FDA comes in and wants the documentation, that it will  
15 be scanned into a file and they'll be able to pull it up  
16 on a computer --

17 CHAIRMAN COOK: Okay.

18 MS. BARTON: -- and say for this dairy  
19 here's what we have and this is why we did what we did.

20 CHAIRMAN COOK: Effectively trying to go  
21 paperless as much as possible --

22 MS. BARTON: Correct.

23 CHAIRMAN COOK: -- on the test results --

24 MS. BARTON: Correct.

25 CHAIRMAN COOK: -- for the labs.

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1 MS. BARTON: Right.

2 MR. COLLIER: And this would be our  
3 environmental employees that are doing this?

4 MS. BARTON: Correct.

5 MR. COLLIER: The ones doing the inspections  
6 of the --

7 MS. BARTON: Correct.

8 MR. COLLIER: -- dairies.

9 MS. BARTON: So we're trying to go paperless  
10 and to become more efficient with that. And, and we  
11 just were concerned with all of those little pieces of  
12 paper, that something could get lost. And going through  
13 that FDA inspection, there's just not room for error  
14 with those folks. So we, we were looking for what would  
15 be the best solution for us to be able to keep all of  
16 that documentation. And that's why we decided to go  
17 that direction.

18 And that concludes my report, unless --

19 CHAIRMAN COOK: And the server will be  
20 unique to the lab, will be exclusive to the lab?

21 MS. BARTON: Yes.

22 CHAIRMAN COOK: Okay. Okay. Any questions?

23 MR. COLLIER: Is there a, is there an  
24 overall game plan that you folks from the Department of  
25 Agriculture have for the Dairy Commission that you would

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1 like to share with the Dairy Commission?

2 MS. BARTON: So --

3 MR. COLLIER: Is there a plan? Is there a  
4 long range plan, short range plan? I mean, do you have  
5 any other concepts or ideas or things of what you want  
6 to try to accomplish, you know, as part of the Dairy  
7 Commission? Now that, now that we're running a surplus,  
8 a very substantial surplus --

9 MS. BARTON: Yes.

10 MR. COLLIER: -- I'm very aware and have  
11 been sensitive to the fact that there's always an  
12 appetite. Here's a pool of money, so now we can do some  
13 additional things. Even though we don't have the people  
14 to do them, but maybe we need to have new people to do  
15 these things. And all I'm asking is is there some kind  
16 of plan or direction that, that you folks from the  
17 Department of Agriculture are headed with, with what the  
18 Dairy Commission does and what you want to accomplish?

19 MS. BARTON: And I think that we really  
20 would need to sit down and talk with you folks about  
21 that plan and how we want to move things forward. I'm  
22 not aware of a specific plan for the Dairy Commission.

23 MR. COLLIER: Well, I think at some point it  
24 would be appropriate --

25 MS. BARTON: I agree.

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1           MR. COLLIER:  -- for the director of the  
2 Department of Agriculture and Lynn and you to get your  
3 heads together and come back to us and say here's how we  
4 see this thing unfolding.

5           MS. BARTON:  Okay.

6           MR. COLLIER:  Don't you?  I think it would  
7 be nice to share that with us, so that we can --

8           MS. BARTON:  Sure.

9           MR. COLLIER:  -- we can, you know, it's part  
10 of what you call the buy-in process.

11          MS. BARTON:  Sure.

12          MR. COLLIER:  Or if we see some pitfalls in  
13 the thing, that perhaps we could, you know, help you  
14 with that.

15          MS. BARTON:  Sure.  No, I agree with you.  
16 So I will put that down and talk with Lynn and Jim and  
17 get them going on some stuff.

18          MR. COLLIER:  Very good.

19          CHAIRMAN COOK:  Donnell, I have another  
20 question regarding the marketing, promotional efforts.

21          MS. BARTON:  Okay.

22          CHAIRMAN COOK:  In any of these plans that  
23 you've laid out here, is there an inclusion for what we  
24 have done in the past, using the, this cow costume and  
25 that sort of thing?  Has there been any thoughts given

1 to capitalizing on the equipment and the things that  
2 we've already purchased?

3 MS. BARTON: I believe so. I think that  
4 those would be things that they would put into that  
5 marketing plan. I don't believe -- I think for this  
6 first year with us coming together, that we've focused  
7 on trying to get the division organized and how we can  
8 be more effective and efficient with certain kinds of  
9 things. Internally we're still working on policies and  
10 procedures, trying to get that Food and Nutrition  
11 Division reorganized so that we can get them up. So  
12 we're doing a reclassification.

13 So I think those are things to come. And  
14 yes, I do think that with as much money as we've put  
15 into those costumes, because we have one north, one  
16 south, that those should be things that we should  
17 utilize. So I do see that.

18 And I know that at the Nevada 150 Fair, we  
19 had bought coloring books, and those were handed out.  
20 And I know that Jim, when we first moved in, had wanted  
21 to see how we might be able to work with the Dairy  
22 Council. Because the Dairy Council supposedly has lots  
23 of materials. So is there a way that we could can work  
24 together to also utilizes some of their materials.

25 So I do think that that's part of what we



1 need to do, is sit down, for the agency to come up with  
2 a marketing plan for the Dairy Commission, as well as  
3 for other pieces of the Food and Nutrition Division.

4           You may have seen recently on television  
5 we're doing a school meals initiative, so talking about  
6 the new national school lunch program. And so the First  
7 Lady of Nevada has done a commercial for us. And so  
8 there's PSAs running right now about trying to encourage  
9 kids and families to participate in the new meal  
10 pattern. And there's another PSA out right now on buy  
11 Nevada products.

12           So I think that internally we're also  
13 looking at developing a marketing plan for all of the  
14 different divisions and programs that are here at the  
15 Department of Agriculture. But our PIO probably began,  
16 probably about this time last year. So it's just been  
17 trying to catch up with things. And I don't know that  
18 we've had a good opportunity to sit down and really plot  
19 and think, and I'm hoping that's some of the things that  
20 we can do.

21           CHAIRMAN COOK: Is there any level of  
22 cooperation with the Dairy Commission and its efforts,  
23 promotional efforts, in the private sector and their  
24 various promotional organizations?

25           MS. BARTON: There has been some. I think

1 that we can do a better job. There has been some.  
2 We've reached out, we've gone over and talked and asked  
3 how we might be able to work. And so we've continued to  
4 try and keep that conversation going. But I do think  
5 that there can still be more to be done.

6 CHAIRMAN COOK: Okay. Questions? Comments?

7 MR. CROWTHER: I, I like John's comments  
8 about getting at least a 30,000-foot look at what  
9 overall plan there is to, for the Dairy Commission in  
10 working with the Department of Agriculture. You know, I  
11 think, I think, you know, we're certainly joined at the  
12 hip and need to be working together. But I'd like to  
13 see what that, what that plan is.

14 And I'll give you an example. I went last,  
15 last April to the Clark County, the southern -- well,  
16 the Clark County Fair, where in the past we've had  
17 Melissa and we've had, you know, it's been a great draw.  
18 And I went and looked for it this year, and there, there  
19 was a Department of Agriculture booth that said very  
20 little, if not, or nothing, about the Dairy Commission.  
21 And I was a little bit surprised.

22 So I, you know, and there was no, there were  
23 apparently no funds or there was no approval for the  
24 Dairy Commission to have their booth. And I would have  
25 anticipated that it would have been one in the same, but

1 it was not. And I, I think this is a good example of  
2 what John may be talking about.

3 MS. BARTON: Okay.

4 MR. COLLIER: Yeah. I would also add to  
5 that, you know, that the retailers are the ones footing  
6 the bill on this thing.

7 MS. BARTON: Sure.

8 MR. COLLIER: They're the ones paying into  
9 this fund through their taxation.

10 MS. BARTON: Sure.

11 MR. COLLIER: And so I think that what we  
12 can do to aid them in the promotion of milk usage in the  
13 State of Nevada would be, you know, something of value  
14 that would be more palatable for them, rather than --  
15 you know, because it's, it's obvious to me that the  
16 Dairy Commission does not promote, we're not in the  
17 business of promoting new dairies, and we're not in the  
18 business of helping the dairymen, per se, with his cow  
19 herd or that type of thing.

20 CHAIRMAN COOK: Well, that's not entirely  
21 true, because we, we basically, through the assessments  
22 that the processors largely are paying, we are financing  
23 the lab and financing the cost of inspections, and  
24 dairymen don't bear the brunt --

25 MR. COLLIER: That's correct.

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1                   CHAIRMAN COOK:  -- of that expense.

2                   MR. COLLIER:  That's correct.

3                   CHAIRMAN COOK:  So, you know, the intent  
4 when we started this effort a couple, three years ago  
5 was to try to promote the overall industry.  To try to  
6 grow the consumption of dairy products in the state and  
7 to try to grow the industry at all levels --

8                   MR. COLLIER:  Okay.

9                   CHAIRMAN COOK:  -- in the state, and use the  
10 resources of the Dairy Commission that were allowable  
11 for that purpose to do it.  And we have had some measure  
12 of luck and, you know, we have been diverted in our  
13 efforts in some ways.  But I think both of you are on to  
14 something that we --

15                  MS. BARTON:  Sure.

16                  CHAIRMAN COOK:  You know, we need to  
17 basically try to pull together some view, the three of  
18 us, as the commissioners --

19                  MS. BARTON:  Sure.

20                  CHAIRMAN COOK:  -- some view of what the  
21 overall plan is.  Where are we going with this, you  
22 know, what do we project all this is going to cost, you  
23 know, what do we hope to accomplish with it, do we have  
24 measurable goals along the way.  So, you know, we know  
25 if we're being successful in this effort or not.

1                   And quite honestly, I, you know, one of the  
2 things, I don't know whether you consciously touched on  
3 this, but, you know, the existing dairymen in the state  
4 don't necessarily want other dairymen coming into the  
5 state. But our role is not just to regulate them and to  
6 assist them, it's all aspects of the industry, and it's  
7 an economy-wide effort from our perspective. So we'd  
8 like to see more dairy cows come in, we'd like to see  
9 more dairy farms, we'd like to see, you know, more jobs  
10 connected with that.

11                   MS. BARTON: Sure.

12                   CHAIRMAN COOK: We'd like to see more dairy  
13 product consumed. We'd like to turn around the trend of  
14 declining dairy consumption to whatever degree we can,  
15 and use, use the resources of the Dairy Commission --

16                   MS. BARTON: Okay.

17                   CHAIRMAN COOK: -- to do that.

18                   MS. BARTON: Sounds like a good idea to me.  
19 So I don't -- I would be in agreement with you. So let  
20 me go back and we'll work on that --

21                   CHAIRMAN COOK: Okay.

22                   MS. BARTON: -- and we'll come forward.

23                   CHAIRMAN COOK: All right.

24                   MR. COLLIER: Very good.

25                   MS. BARTON: And that was, that concludes my

1 report.

2 CHAIRMAN COOK: Okay. I'm sure you probably  
3 can't answer this question, but I want to throw it out  
4 on the table.

5 MS. BARTON: Okay.

6 CHAIRMAN COOK: Any updates or any ideas of  
7 what's happening out in Fallon with the powder plant?

8 MS. BARTON: I know that it's up and  
9 operational. I know that we, with us getting the FDA  
10 approval, we're now able to issue free sale  
11 certificates, which allows them to produce. I know that  
12 we've now become an import state for milk, to bring the  
13 milk into Fallon for the dairy plant. Anna's told me  
14 that all of the milk in Fallon is going to the dairy  
15 plant.

16 CHAIRMAN COOK: Are you aware of any plans  
17 on the part of any of the farmers out there to increase  
18 their herd sizes?

19 MS. BARTON: I know that there's a new dairy  
20 being built in Yerington. And I want to say that it's  
21 going to be, I think they're looking at, like, a 3,000  
22 herd of dairy. But I don't think that that dairy will  
23 come online until sometime next year.

24 CHAIRMAN COOK: Is that a new operator, or  
25 is that one of the existing operators?

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1 MS. BARTON: I believe it's a new operator.

2 CHAIRMAN COOK: Okay. Well, I know the  
3 Frades sold their dairy out there, sold the land, I  
4 think, to the Peri brothers. Or the Peries. Not  
5 brothers.

6 MS. BARTON: Right. And so I don't know how  
7 they're going to use that property. And not that it  
8 impacts so much the Fallon dairy plant, I know there's a  
9 new sheep dairy out there in Fallon as well. And I  
10 would have to go back to look at my notes for how many  
11 head. It's not a big herd.

12 MR. CROWTHER: How does that affect Model  
13 Dairy now where they're getting their milk?

14 MS. BARTON: So say again? Ask me the  
15 question again.

16 MR. CROWTHER: Well, my understanding is  
17 Model Dairy used to get quite a bit of their milk from  
18 those Fallon producers, and where, are they now having  
19 to bring it over the mountain?

20 CHAIRMAN COOK: Well, I would suspect since  
21 they're getting class one prices out of Model, that's  
22 probably still being sourced in Fallon.

23 MS. BARTON: I can, I can check on that for  
24 you. I do not know the answer.

25 MR. CROWTHER: Well, yeah. I thought I just

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1 heard her say, though, that all of the Fallon milk was  
2 going to the plant.

3 CHAIRMAN COOK: Well, I think what Donnell  
4 meant, and if I'm incorrect in this, please correct me,  
5 is that there is no more Fallon milk going over the  
6 mountain. It's all staying on this side.

7 MS. BARTON: Correct.

8 CHAIRMAN COOK: And if it's not going to  
9 Model, it's going to the powder plant.

10 MS. BARTON: Correct.

11 MR. CROWTHER: Okay.

12 MS. BARTON: But I'll double-check to see if  
13 Model is still just using Nevada milk or if they're  
14 importing some milk. And the reason I say that is that  
15 probably a month ago up near the Idaho border but on the  
16 Nevada side there was a milk truck accident, and that  
17 milk truck was coming to Nevada to deliver a load. I  
18 just don't know where it was delivering the load, if it  
19 was going to the powder plant or if it was coming to  
20 Model Dairy. I just know that there was an accident out  
21 there, and it had been a serious accident.

22 CHAIRMAN COOK: That's quite a ways for milk  
23 to be --

24 MS. BARTON: I know. Because we had gotten  
25 a phone call. Because it was a serious accident, the



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1 highway patrol had called in to Anna and asked some  
2 questions, and she shared with me that information. So  
3 we just didn't know where the milk was going.

4 CHAIRMAN COOK: That would be expensive  
5 milk. So I wonder if there's a surplus issue up in  
6 Idaho.

7 MS. BARTON: I don't know. But we'll find  
8 out if Model is still just using Nevada milk or if  
9 they're getting it from some other place.

10 CHAIRMAN COOK: I'm also curious what that  
11 means for the Idaho situation, because that Chobani  
12 plant that went up there caused a lot of herd expansion,  
13 and you wonder if maybe they didn't over-expand --

14 MS. BARTON: Yeah.

15 CHAIRMAN COOK: -- and they had some surplus  
16 issues.

17 Okay, well, if there's no other questions or  
18 comments on that topic, let's move on to the next agenda  
19 item.

20 MS. BARTON: Okay. And the next one is  
21 consideration of any other matters relating to the Dairy  
22 Commission.

23 CHAIRMAN COOK: Anybody have anything to  
24 throw on the table for discussion?

25 MR. COLLIER: I have nothing.

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1 MR. CROWTHER: Nothing more.

2 CHAIRMAN COOK: At this point let's move on  
3 to the next one.

4 MS. BARTON: Okay. And public comments.

5 CHAIRMAN COOK: Now's your chance. If you  
6 missed it the first time, you can pipe up the second  
7 time.

8 MR. MARTIN: I have nothing.

9 CHAIRMAN COOK: No comments?

10 MR. MARTIN: Dave don't allow me to speak.

11 CHAIRMAN COOK: Okay. Well, if there's  
12 nothing else to be added to the record here, then we can  
13 adjourn this meeting of the Dairy Commission for August  
14 of 2014.

15 (Meeting adjourns at 9:45 a.m.)

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BOARD SIGNATURE PAGE

CHRISTOPHER COOK, CHAIRMAN

JOHN COLLIER, MEMBER

TROY CROWTHER, MEMBER

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1 STATE OF NEVADA )  
COUNTY OF WASHOE ) ss.

2

3

4 I, SUSAN E. BELINGHERI, a Certified Court  
5 Reporter and Notary Public for the County of Washoe,  
6 State of Nevada, do hereby certify that on Wednesday,  
7 the 27th day of August, 2014, I reported the Nevada  
8 Dairy Commission meeting;

9 That the foregoing transcript is a true and  
10 correct transcript of the stenographic notes of  
11 testimony taken by me in the above-captioned matter to  
12 the best of my knowledge, skill and ability.

13

14

Susan E. Belingheri, CCR #655

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