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PUBLIC MEETING OF THE

7

NEVADA DAIRY COMMISSION

8

TRANSCRIPT OF PROCEEDINGS

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Thursday, December 18, 2014

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Fallon, NV

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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

Lynn Hettrick, Deputy Director, Dept. of Agriculture  
Kathy Easley, AA3  
Anna Vickrey, Dept. of Agriculture  
Lisa Burnett, Dept. of Agriculture  
Bryan Stockton, Deputy Attorney General

Al Trace, Dairy Farmers of America  
Pete Olsen, Sage Hill Dairy  
Roger Ligtenberg, Desert Hills Dairy

Kimberly Whitfield - Via Videoconference  
Damon Hernandez - Via Videoconference  
Ron Martin, Anderson Dairy - Via Videoconference

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**Nevada State Dairy Commission**

1 FALLON, NEVADA; THURSDAY, DECEMBER 18, 2014; 1:14 P.M.

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4 CHAIRMAN COOK: Let's go ahead and convene  
5 this meeting, the December meeting of the Nevada State  
6 Dairy Commission.

7 Mr. Hettrick, would you open the  
8 proceedings, please.

9 MR. HETTRICK: Yes, Mr. Chairman.

10 This is the time and place set for the  
11 regularly scheduled meeting of the Nevada State Dairy  
12 Commission for the month of December, 2014. This  
13 meeting has been scheduled and noticed in compliance  
14 with pertinent statutes, including the Open Meeting Law.

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

18 My name is Lynn Hettrick, deputy director  
19 for the Department of Agriculture. Present today are:  
20 Mr. Cook, Mr. Christopher Cook, Chairman of the Dairy  
21 Commission; Mr. Troy G. Crowther, member of the  
22 Commission; Mr. John Collier, member of the Commission.

23 Those who present statements or evidence to  
24 the Commission during this meeting are requested to  
25 first be acknowledged by the chairman, to identify

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1 themselves for the record.

2 CHAIRMAN COOK: Would you proceed to the  
3 first agenda item.

4 MR. HETTRICK: Yes, Mr. Chairman.

5 The first item on the agenda is public  
6 comment.

7 CHAIRMAN COOK: Anybody here from the public  
8 care to make a comment at this point? Anybody down  
9 south want to make a comment? No?

10 Seeing none, let's proceed to the next item,  
11 please.

12 MR. HETTRICK: All right. Item number two  
13 for possible action is a license application. It's a  
14 peddler-distributor license. It's for Sidra Market on  
15 East Warm Springs in Las Vegas, Nevada.

16 The applicant seeks a license to distribute  
17 yogurt in the Southern Nevada Marketing Area. The  
18 applicant's prices and costs have been reviewed by  
19 members of the Dairy Commission staff, and they are in  
20 compliance with this agency's laws and regulations. The  
21 applicant will be responsible for the assessments.

22 CHAIRMAN COOK: Do we have anybody  
23 representing this applicant present?

24 COMMISSIONER CROWTHER: Not here.

25 CHAIRMAN COOK: Anything that the staff

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1 would care to add to this?

2 MR. HETTRICK: It's very straightforward,  
3 Mr. Chairman. This is an Indian market, apparently.  
4 They're buying products that, based on the application,  
5 are produced by using specific products from the Indian  
6 market. It's nothing they can buy in the local market,  
7 and they're going to import that product and market it  
8 in Las Vegas.

9 CHAIRMAN COOK: Do you know where it's  
10 coming from?

11 MR. HETTRICK: I do not.

12 CHAIRMAN COOK: Okay. Any of the  
13 commissioners have any questions?

14 COMMISSIONER COLLIER: I have none.

15 COMMISSIONER CROWTHER: No questions.

16 CHAIRMAN COOK: Okay. Seeing no questions  
17 from the commissioners, any questions from staff or the  
18 public?

19 Seeing none, I'll entertain a motion.

20 COMMISSIONER COLLIER: Mr. Chairman, I move  
21 that we accept the peddler-distributor application for  
22 Sidra Market in Las Vegas, Nevada, to distribute yogurt  
23 in the Southern Nevada Marketing Area.

24 COMMISSIONER CROWTHER: Second.

25 CHAIRMAN COOK: Having a motion and a second

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1 and no dissenting votes, the motion carries and the  
2 license is granted.

3 MR. HETTRICK: Number three on the agenda,  
4 Mr. Chairman, for possible action is approval of the  
5 minutes from the November 19th, 2014, meeting. We have  
6 a copy of the minor corrections to those minutes, and  
7 unless somebody else has additional changes, would  
8 appreciate a motion to approve the minutes as amended  
9 per these changes.

10 CHAIRMAN COOK: Okay.

11 COMMISSIONER CROWTHER: Okay. Mr. Chairman,  
12 I'll make a motion to approve the minutes with the  
13 indicated corrections of the November 19th, 2014, Nevada  
14 State Dairy Commission meeting.

15 COMMISSIONER COLLIER: Mr. Chairman, I'll  
16 second that motion.

17 CHAIRMAN COOK: Okay. A motion and a second  
18 and no dissenting votes, the motion carries, the minutes  
19 are adopted as amended.

20 MR. HETTRICK: Next on the agenda, Mr.  
21 Chairman, item number four for possible action, approval  
22 of dairy requests for pest abatement program matching  
23 funds for the starling abatement program that the  
24 Commission approved previously.

25 Since our last meeting, this has been fully

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1 approved by the budget office and the LCB and is ready,  
2 the whole program is ready to go forward, and we simply  
3 are waiting for people to indicate that the work has  
4 been done and submit the appropriate billing, and so on.

5 CHAIRMAN COOK: Okay.

6 MR. HETTRICK: I think we now have seven  
7 dairies that have previously applied for the opportunity  
8 to present bills.

9 CHAIRMAN COOK: And this is?

10 MR. OLSEN: Pete Olsen, Sage Hill.

11 CHAIRMAN COOK: This would be a new  
12 application for --

13 MR. OLSEN: Yeah.

14 MR. HETTRICK: Yeah.

15 CHAIRMAN COOK: How pervasive is the problem  
16 at your farm?

17 MR. OLSEN: We're getting into the season  
18 where it's starting to get bad.

19 MR. HETTRICK: This time of year is  
20 interesting, Mr. Chairman. Recently in some of the  
21 dairy magazines that I see, there have been multiple  
22 articles about starlings, the problems with starlings,  
23 the cost of starlings. It's amazing, I saw a figure in  
24 an article the other day, if you lost 13 cents a cow a  
25 day on a, I think it was a 4,500 cow dairy, which was

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1 pretty large, but the number per year if you lost that  
2 feed loss, was \$213,000 a year. Huge, huge number.

3 MR. OLSEN: They don't pick out the cheap  
4 stuff. They go for the concentrate.

5 CHAIRMAN COOK: Well, that's what -- who was  
6 it that was at the last meeting said they estimated they  
7 ate four ounces of feed per bird per day?

8 MR. OLSEN: Yeah. And all that stuff is  
9 \$400 to \$800 a ton that they're picking out.

10 MR. HETTRICK: So it's a significant  
11 problem. We're really hoping this program is utilized  
12 and proves to be a benefit. We think it will.

13 MR. OLSEN: Anything helps. Right now with  
14 the warmer weather, it seems like they're not as bad as  
15 they've been in the past, but as soon as it gets cold,  
16 they'll congregate.

17 MR. HETTRICK: Easy source of --

18 MR. OLSEN: Absolutely.

19 CHAIRMAN COOK: So if, if you and the other  
20 seven dairymen all knock down starlings, what's to  
21 prevent starlings from other areas coming in, from other  
22 dairies that aren't participating coming in and feasting  
23 on your now available feed?

24 MR. OLSEN: Nothing, but I think part of the  
25 program is they bait them with regular grain first, so

1 that kind of brings them, concentrates them in. And  
2 then just after baiting in the same spot, then the  
3 poison is applied, yeah, because they'll all be  
4 congregated there. So that's the idea. And that's  
5 another reason why this program should help us to get  
6 more dairies involved, you know, because then it does,  
7 the more dairies the better.

8 CHAIRMAN COOK: Yeah. We'd like to get all  
9 that money spent knocking starlings down, if we could.

10 MR. HETTRICK: Looks like we've got one more  
11 gentleman coming. I was just looking outside. I think  
12 he went around the front. That may be another dairy  
13 that would like to request inclusion in the program. So  
14 I think we'll just stall a little bit, here.

15 COMMISSIONER CROWTHER: Hey, Lynn? It  
16 seemed like we talked a little bit about, last time, the  
17 possibility of providing some funding to help baiting,  
18 the baiting program. Because that, that seemed to be  
19 one of the challenges that dairies had, was funding that  
20 part of the program.

21 MR. HETTRICK: The way this is set up, they  
22 can actually fund whatever they want to up to the \$2,000  
23 per request, or per application. It's not limited to  
24 saying it has to be only the, the Starlicide eradication  
25 or the labor that's involved. It could be any of the

1 things that are a part of that program.

2           Additionally, they can come back. So if  
3 they use this once -- right now we have eight dairies,  
4 that I'm aware of, that have applied, and on our \$2,000  
5 limit, that's \$16,000. We have an approval for \$50,000.  
6 So any of these dairies of these eight could come back  
7 any time, as far as we're concerned, and ask again and  
8 say we'd like to, to apply for a second go-round. That  
9 kind of thing. So we have no issue with that, whatever.

10           So to the text extent that we can, yes, I  
11 think we can do that without an issue. It just simply  
12 says eradication, and that's a part of the process and  
13 we can do it.

14           COMMISSIONER CROWTHER: Okay. Was there,  
15 was there some, somewhere, it seemed like the discussion  
16 went towards buying this in bulk, somehow being able to  
17 provide funds to get this stuff in bulk.

18           MR. HETTRICK: Yeah, and that's interesting,  
19 and I'm glad you brought that up, Troy. I went back and  
20 actually looked at the chemical that is being used to do  
21 this, and they actually recommend that you don't buy and  
22 store the chemical. We would have to have, we would  
23 have to know that we were going to have a fairly  
24 significant use of the chemical to buy in bulk so we  
25 don't have it become impotent and not do the job it's

1 supposed to do.

2 So the way we had discussed, and perhaps  
3 that's what you recall, is that we might be able to buy  
4 this and store it over some long period of time and get  
5 a really good price, but the way --

6 COMMISSIONER CROWTHER: Right.

7 MR. HETTRICK: -- it looked to me from what  
8 I saw on the internet, we wouldn't want to do that  
9 because it could become ineffective.

10 COMMISSIONER COLLIER: So it has a shelf  
11 life to it.

12 MR. HETTRICK: Yes. Apparently it has a  
13 fairly rapid deterioration rate.

14 CHAIRMAN COOK: That's sort of counter to  
15 what the USDA guy told us.

16 MR. HETTRICK: Yeah, I know. And I stumbled  
17 on it. I wasn't looking to see the shelf life, I went  
18 on to see if I could find it in bulk and it said, you  
19 know, it's not recommended to store this, I don't  
20 remember the number now, but it was like you wouldn't  
21 want to buy more that you'd use in two or three months,  
22 the way it looked to me.

23 COMMISSIONER COLLIER: Is there a season, I  
24 mean, is there a period of time, like from November to  
25 March, I mean, is that the time when the starling

1 problem is the worst?

2 MR. OLSEN: Yeah. Yeah.

3 COMMISSIONER COLLIER: How many times during  
4 that season do you apply for the destroying of the  
5 birds --

6 MR. OLSEN: We've never actually done it on  
7 my dairy. It's been done at my dad's dairy, Hillside  
8 Dairy. The most I know of is maybe one, one time they  
9 try and hit them during the season.

10 MR. HETTRICK: It seems to be pretty  
11 effective.

12 MR. OLSEN: Yeah, it is.

13 COMMISSIONER COLLIER: So that seems to be  
14 sufficient, is a one-time application?

15 MR. OLSEN: It seems like it, yeah. It  
16 definitely knocks them down. You get calls from the  
17 neighbors, I'm sure you see it in the news, where, oh my  
18 gosh, why are there a hundred dead starlings in my yard.  
19 It could have been because there's Starlicide being used  
20 somewhere.

21 MR. HETTRICK: Yes.

22 CHAIRMAN COOK: Don't the animal damage guys  
23 try to go out and get those birds picked up?

24 MR. OLSEN: They do, yeah. Most of them are  
25 where they're roosting, or whatnot.

1 MR. HETTRICK: We have another gentleman  
2 here, whom I recognize.

3 MR. LIGTENBERG: Boy, you're benevolent  
4 today.

5 MR. HETTRICK: And I believe he probably, I  
6 believe he probably wants to also apply for the, or put  
7 in a request to be an applicant for the program. But  
8 I'm going to let you introduce yourself for the record.

9 MR. LIGTENBERG: Roger Ligtenberg, Desert  
10 Hills Dairy.

11 MR. STOCKTON: Which dairy?

12 MR. LIGTENBERG: Desert Hills.

13 MR. HETTRICK: That makes nine that are here  
14 for the program.

15 MS. EASLY: No, eight.

16 MR. HETTRICK: Eight? Oh, I'm sorry.

17 You're right. And actually, Mr. Ligtenberg's  
18 son-in-law, Chad Turner, is the one who started this  
19 some time ago, about almost a year ago now, and asked  
20 for the program to get started. We did that first  
21 approval, and that never did work out because of the way  
22 it needed to be contracted, or they wanted it to be  
23 contracted. So we changed it back to where it was  
24 individual applications, so we could actually put the  
25 money through the Dairy. And that made it easier, we

1 didn't have to do a five-year contract with the USDA to  
2 get this done.

3 MS. VICKREY: And Roger does represent two  
4 dairy farms?

5 MR. HETTRICK: Okay.

6 MS. EASLY: So it was nine.

7 MR. HETTRICK: So it will be nine. Okay.  
8 Great.

9 Any comments you'd like to make, Roger,  
10 about --

11 MR. LIGTENBERG: No. We just have to do  
12 something, because it's filthy problem that we have to  
13 do something about, and you can't -- that's the only  
14 thing that works, the Starlicide. You can hire a  
15 hundred guys in there, it's not the way to do it. You  
16 know, shooting them. It just doesn't work. But if you  
17 poison them, the day that you poison them, they will be  
18 gone the next day.

19 And where they go is, the ones that don't  
20 die, go to the neighbors'. And if they don't do it,  
21 they'll stay there. They won't come back. So what he's  
22 saying is true, other than by me, the Mecinnis', they  
23 would go to Mecinnis' and then they would do it, and  
24 then they'd come back and we'd have to do it again. So  
25 it was back and forth with us.

1           But, yeah, you slaughter them. And there  
2 are so many, I used to tell the boys, you know, it seems  
3 like we'd kill them and then the next day a hundred come  
4 to the funeral, you know. They're just horrible. And  
5 they're so filthy, you know.

6           MR. HETTRICK: Okay. Any other comments  
7 with regard to that? Mr. Chairman --

8           COMMISSIONER CROWTHER: Is there any kind of  
9 a public information program where, you know, just so  
10 that when, you know, the community sees birds falling  
11 out of the sky they, they don't get all upset that maybe  
12 their pets are going to get sick by eating them, or  
13 something?

14          MR. HETTRICK: There's no formal program  
15 that we do. I know that, I think last time when Jack  
16 Spencer was here he said there was some public,  
17 something they did publicly that informed, or at least  
18 they responded to questions, I guess.

19          That's another thing I did look up on the  
20 Starlicide, and it's actually digested by the bird, and  
21 the very reason that it kills the bird is that it's  
22 digested and ends up in their liver, I think. And it  
23 kills the bird, but it becomes harmless at that point.  
24 It's harmless to anything that -- they could eat the  
25 birds on the ground, it wouldn't matter. It's totally

1 harmless.

2 COMMISSIONER CROWTHER: Right. That's what  
3 we were told, and I understand that, but I don't know if  
4 the public understands that or if they're going to be,  
5 you know, real concerned.

6 MS. VICKREY: I'm working with our public  
7 information officer in the areas that we're going to be  
8 applying the Starlicide that will put out some  
9 announcements in the local papers ahead of time.

10 COMMISSIONER CROWTHER: Okay, good.

11 MS. VICKREY: To inform people if they have  
12 dead birds on their property what to do with them. And  
13 just make, something to make them aware that these are  
14 an issue, you know, they're dirty creatures and, you  
15 know, we apologize, but they do have to be taken care  
16 of.

17 CHAIRMAN COOK: Okay. Move on to the next  
18 item.

19 MR. HETTRICK: All right, Mr. Chairman.  
20 Thank you.

21 Next is the staff report. In your packets  
22 you have pricing information, three different sheets, or  
23 right in front of you you have that information. The  
24 one thing we're seeing is a pretty significant reduction  
25 in price, about \$4 a hundred weight, between December

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1 and January. And the other thing that we're hearing and  
2 seeing is it's anticipated that milk prices are going to  
3 dip significantly over the next six to eight months.

4 COMMISSIONER CROWTHER: Lynn?

5 MR. HETTRICK: Yes, sir?

6 COMMISSIONER CROWTHER: Lynn? I don't seem  
7 to have that. Can you email that down to me? I don't  
8 need it for this moment, but I'd like to eventually get  
9 it.

10 MR. HETTRICK: Yes. Kathy will send it down  
11 to you. She said yes.

12 COMMISSIONER CROWTHER: Thank you.

13 MR. HETTRICK: They're approved. Yeah,  
14 staff approval. We can make a motion if you'd like,  
15 Bryan.

16 MR. STOCKTON: I just didn't know how the  
17 program was set up.

18 MR. HETTRICK: I don't think we've taken a  
19 vote at the previous meetings to approve the individual  
20 dairies that came. Do you remember, Chris?

21 CHAIRMAN COOK: No, I think they just show  
22 up and state their interest in participating.

23 MR. HETTRICK: Yeah.

24 MR. STOCKTON: Okay.

25 MR. HETTRICK: So I think we're okay.

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1 MR. STOCKTON: Okay.

2 MR. HETTRICK: I appreciate that.

3 Okay. So the price issue looks like it's  
4 probably related to the fact that prices have been very  
5 good, we're starting to see a little over production,  
6 and perhaps that's going to play into it a little bit.  
7 Also that I think commodities have gone down somewhat,  
8 and there's a formula used in which the federal  
9 marketing orders that determine milk price based on feed  
10 costs, and that seems to be dropping, and milk price  
11 tends to follow that. So, you know, the formula says  
12 it's going down. So we anticipate a reduction in milk  
13 prices.

14 Based on what we know, the dairies have been  
15 doing pretty well to this point for the last six to  
16 eight months, or maybe a little more, but obviously we  
17 may hear that there's some issue in the future.

18 Beyond that, we do have a, a 2015 Commission  
19 meeting schedule in front of you. Do you have that,  
20 Troy?

21 COMMISSIONER CROWTHER: Oh, yes. I'm sorry.

22 MR. HETTRICK: Okay.

23 COMMISSIONER CROWTHER: Yes.

24 MR. HETTRICK: These meetings are all on  
25 Wednesday, and as you all recall, at the last meeting we

1 learned that the dairymen felt that it would be more  
2 beneficial if we'd do these meetings on Thursdays. This  
3 had been done, set up some time ago to present here and  
4 approve for next year, but the question now is would you  
5 like to move these all to the Thursday, which seems to  
6 be a better day.

7 And, and frankly, we don't get a lot of  
8 participation from the dairies generally, and expectedly  
9 so. Most of the time it's license applications and  
10 things that don't pertain to the dairies. So it's not  
11 like they don't care, it's just simply we just don't  
12 generally get a lot of participation. However, if we  
13 want that participation, it seems Thursday is the better  
14 day.

15 COMMISSIONER CROWTHER: We have one public  
16 here --

17 MR. MARTIN: It doesn't matter to us.

18 COMMISSIONER CROWTHER: Okay. I'm fine with  
19 it. Are we still talking about one o'clock also, or  
20 back to the nine o'clock?

21 MR. HETTRICK: Yes, I think that's --

22 MR. OLSEN: Just from a dairyman's  
23 perspective, an afternoon meeting is, it's easier to  
24 make, for us. We really appreciate you guys having it  
25 in Fallon. Not all of them have to be in Fallon, like

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1 you said, most of them are approval for licensing, but  
2 periodically it would be nice.

3 CHAIRMAN COOK: Well, we've actually talked  
4 about trying to do at least maybe one a quarter --

5 MR. OLSEN: That would be great.

6 CHAIRMAN COOK: -- out here.

7 MR. OLSEN: And with good notification --

8 CHAIRMAN COOK: We're here --

9 MR. OLSEN: -- to the dairymen, maybe.

10 CHAIRMAN COOK: -- if Roger wants us here.

11 MR. LIGTENBERG: Not for one dairy.

12 MR. HETTRICK: Frankly, we were a little  
13 surprised at that last meeting when we were told that  
14 Wednesday was a bad day and that 9:00 in the morning was  
15 a bad time. We had, it had been that way for years, and  
16 nobody had really said anything to us. We didn't know.  
17 So when somebody said, well, jeez, it would be a lot  
18 better if we moved it to Thursdays in the afternoon,  
19 this is the next meeting, and we changed it.

20 MR. OLSEN: We appreciate that.

21 MR. HETTRICK: We're happy to accommodate to  
22 the best of our ability, but good to have the input. We  
23 appreciate it when somebody comes and tells us what we  
24 can do better.

25 CHAIRMAN COOK: So Troy, if we move the

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1 meetings to Thursday that will free, free you up for the  
2 April meeting?

3 COMMISSIONER CROWTHER: I guess. Let's see.  
4 April -- yeah. Yeah.

5 MR. HETTRICK: For those that don't know,  
6 Troy is a CPA. So --

7 CHAIRMAN COOK: That means you'd have to  
8 delay your vacation for a day.

9 COMMISSIONER CROWTHER: Well, hey, maybe  
10 I'll come to Reno on vacation.

11 MR. HETTRICK: You can join us. It would be  
12 fine.

13 CHAIRMAN COOK: Yeah, if we do a Fallon  
14 meeting for the April meeting, you can fly up here and  
15 then just stay up here.

16 COMMISSIONER CROWTHER: There you go.

17 MR. HETTRICK: All right, so --

18 COMMISSIONER CROWTHER: Yeah, I, I, I'm good  
19 with Thursdays.

20 MR. HETTRICK: All right.

21 CHAIRMAN COOK: John, problem with you?

22 COMMISSIONER COLLIER: It's fine. I mean,  
23 if it's -- are we going to do it on a regular ongoing  
24 basis, every Thursday at one o'clock?

25 MR. HETTRICK: Yeah, we'd just move it to

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1 Thursday at one o'clock.

2 COMMISSIONER COLLIER: Okay.

3 MR. HETTRICK: So we'll have Kathy re-do  
4 this schedule and probably bring it back to the next  
5 meeting, and you guys can just preview in advance. We  
6 don't need to approve them, but you can look at it and  
7 confirm it.

8 CHAIRMAN COOK: Okay.

9 MR. HETTRICK: Okay? All right.

10 MS. EASLY: Do you want to set any dates of  
11 these to be in Fallon at this time?

12 COMMISSIONER COLLIER: Once a quarter?

13 CHAIRMAN COOK: April would probably be a  
14 good one, or March, because then we could follow up on  
15 the abatement program and see how successful it's been.

16 MR. HETTRICK: Yeah, and we might get more  
17 participation from the folks that have an interest in  
18 that.

19 MS. EASLY: March or April? April?

20 MR. HETTRICK: Yeah, let's do April.

21 COMMISSIONER CROWTHER: April would be best  
22 for me, if I'm going to come out to Fallon.

23 MR. HETTRICK: Okay.

24 COMMISSIONER CROWTHER: Which I'll try to  
25 do.

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1 MR. HETTRICK: Okay. We'll say April for  
2 now --

3 COMMISSIONER CROWTHER: Okay.

4 MR. HETTRICK: -- as the first one, and then  
5 we can look at that calendar next time, and maybe you  
6 guys can look to see you've got something else you'd  
7 really prefer to have a specific one in Fallon after  
8 that.

9 All right. Anything else? I don't have  
10 anything else under staff report.

11 CHAIRMAN COOK: Okay. Do you want to cover  
12 the, the budget?

13 MR. HETTRICK: Yeah. Is Damon there? It  
14 looks like Damon is there.

15 MR. HERNANDEZ: I'll walk through this real  
16 briefly, here. Okay. So net revenue year-to-date,  
17 total is \$325,006.56. Net revenue year-to-date,  
18 excluding that balance forward we had at the beginning  
19 of the year, that was \$466,076. Excluding that, our net  
20 revenue is, we're under budget by \$141,169.44. So the  
21 projected net revenue at the end of the fiscal year,  
22 again without that beginning of the year balance, or the  
23 reserve, rather, will be \$30,844.31. And the projected  
24 balance, with that beginning balance, at this time is  
25 projected at \$497,060.31.

1 Real briefly on the audit front, we're in  
2 real good position again to complete an audit on all the  
3 licensees during this biennium. We're at 86 percent  
4 complete with all the auditing licensees, and at New  
5 Year's Eve we'll be at 75 percent done with the  
6 biennium. So we're in real good position to hit that  
7 mark, as we have been from pretty much since the  
8 beginning of the year.

9 Currently we've got about 220 licensees on  
10 record. We're currently going through the renewal  
11 process, that may change slightly, plus or minus,  
12 depending on how the process goes.

13 MR. HETTRICK: Damon, do these numbers  
14 include the reimbursement for Jeama Bowers, or did that  
15 come too late for you to get them into these numbers?

16 MR. HERNANDEZ: I don't think they're in  
17 these. Those should probably be reflected in the next  
18 month.

19 MR. HETTRICK: Okay. Just for the people  
20 that are here to know what's going on, a little comment  
21 about the budget side of this. When we moved, when we  
22 merged with the Department of Agriculture last July,  
23 July a year ago -- I'm sorry, July 2013, let's get that  
24 correct, Food and Nutrition division did not have a  
25 grant writing specialist, and one of our employees in

1 the Dairy Commission was a grant writing specialist.

2 They moved her across because they needed  
3 service immediately to take care of the USDA grants that  
4 we receive in the Department of Agriculture. She worked  
5 for the Department of Agriculture Food and Nutrition  
6 division, not for the Dairy Commission, for the last  
7 year. The Dairy Commission just received, we just  
8 received approval to reimburse the Dairy Commission for  
9 her salary from the, from the Food and Nutrition. So  
10 we'll also gain another \$76,000 back into this account.

11 Which brings me to the point that the  
12 estimate is \$497,060, as you see. Our current  
13 expenditures are probably running something in the  
14 neighborhood of \$500,000 a year, or a little more. I  
15 don't know. Damon might be able to give me a number  
16 better than that. But it seems pretty clear that we  
17 have significantly more reserves at this time than the  
18 state government likes us to have, and it's possible  
19 that during the budget process we're going to see them  
20 pull some reserve off of the Dairy Commission. We'll  
21 see.

22 It shouldn't impact us, because the fact is  
23 we're running well under what we were budgeted for  
24 because of the changes that have taken place, and the  
25 fact that we're saving rent, we're saving outside

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1 expenditure for laboratory testing and on and on and on.  
2 We've changed our system significantly since we've  
3 moved. So we don't expect it to have any negative  
4 impact, I'll just let you know that it's possible  
5 they'll pull reserves off of us.

6 CHAIRMAN COOK: So next year we're going to  
7 try to hire a microbiologist?

8 MR. HETTRICK: That's in the budget for this  
9 go-round, if it gets approved. And if it is approved,  
10 that would be effective October 1, probably. July 1 for  
11 the money, but I don't know how quickly after they  
12 actually approve it we can go out and hire somebody. So  
13 probably around October 1 we can hire a microbiologist,  
14 yes. And that's in the budget for us to do.

15 CHAIRMAN COOK: All right.

16 MR. HETTRICK: That opens the opportunity to  
17 do a lot more things if we have an on-staff  
18 microbiologist. We're excited about that.

19 CHAIRMAN COOK: Okay. Any other --

20 COMMISSIONER CROWTHER: Are there any, are  
21 there any expenditures that have yet to go out for the  
22 lab, the new lab?

23 MR. HETTRICK: No, we're done. I think  
24 Anna's got pretty much everything she needs. How about  
25 training, Anna, is there more training?

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1           MS. VICKREY: We don't have any more  
2 training, but we will have a little more travel, because  
3 we do have to certify the other state labs. So that  
4 will be coming up. We do have certifications to  
5 maintain, so that will require some travel here and  
6 there.

7           We just started officially testing this  
8 week, so we don't know the true breakdown on the cost  
9 month to month, but we should know that, have a good  
10 idea in the next couple of months on that.

11           But yes, we do look forward to getting a  
12 microbiologist, trust me.

13           MR. HETTRICK: Yeah, we've got these two  
14 ladies up here doing all the testing, all the travel out  
15 to Fallon to pick up all the samples and everything,  
16 plus doing all of the laboratory work as well. So we're  
17 keeping them busy.

18           CHAIRMAN COOK: Okay. Anything else? All  
19 right. Let's move on to the next agenda item.

20           MR. HETTRICK: All right. Number six is  
21 consideration of any other matters relating to the dairy  
22 industry.

23           CHAIRMAN COOK: Anybody have anything they  
24 want to throw out on the table for consideration,  
25 discussion, general information?

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1                   Seeing nothing --

2                   MR. HETTRICK: Last item on the agenda is --

3                   CHAIRMAN COOK: Oh.

4                   MR. HETTRICK: -- one more opportunity for  
5 public comment and discussion.

6                   CHAIRMAN COOK: Oh, that's right. I thought  
7 we had that.

8                   Okay. Public comments?

9                   Nobody from the public is commenting, so I  
10 guess we can adjourn this meeting.

11                   (Meeting adjourns at 1:45 p.m.)

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CHRISTOPHER COOK, CHAIRMAN

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1 STATE OF NEVADA )  
COUNTY OF WASHOE ) ss.

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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 Thursday, the  
7 18th day of December, 2014, I reported the Nevada Dairy  
8 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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