

Commission Meeting - 3/19/2015
Nevada Dairy Commission

1 STATE OF NEVADA
2 DEPARTMENT OF AGRICULTURE

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7 NOTICE OF PUBLIC MEETING
8 OF THE NEVADA DAIRY COMMISSION
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14 TRANSCRIPT OF PROCEEDINGS

15 March 19, 2015

16 Sparks, Nevada

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23 Reported by: Karen Bryson
Certified Court Reporter #120
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APPEARANCES

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4 CHRISTOPHER COOK, Chairman
5 JOHN COLLIER, Commission Member
6 TROY CROWTHER, Commission Member (via videoconference)
LYNN HETTRICK, Deputy Director/Department of Agriculture

7

8 ALSO PRESENT:

9 DENNIS L. BELCOURT, Deputy Attorney General
KATHY EASLY
10 DAMON HERNANDEZ (via videoconference)
KIMBERLY WHITFIELD (via videoconference)
DAVE COON (via videoconference)
11 ERICA RYAN (via videoconference)

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1 SPARKS, NEVADA, THURSDAY, MARCH 19, 2015, 1:00 P.M.
2 ---oo---

3 MR. COOK: It is now one o'clock. Let us
4 convene the March meeting of the Nevada State Dairy
5 Commission.

6 Mr. Hettrick, would you begin the proceedings,
7 please.

8 MR. HETTRICK: Yes, sir, Mr. Chairman.

9 This is the time and place set for a regularly
10 scheduled meeting of the Nevada State Dairy Commission for
11 the month of March 2015. This meeting has been scheduled
12 and noticed in compliance with the pertinent statutes,
13 including the open meeting law.

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

17 My name is Lynn Hettrick, Deputy Director for
18 the Department of Agriculture.

19 Present today are Mr. Christopher Cook,
20 chairman of the commission; Mr. Troy Crowther, member of
21 the commission; Mr. John Collier, member of the
22 commission.

23 Those who present statements or evidence to the
24 commission during this meeting are requested to first be
25 acknowledged by the chair, and to identify themselves for

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1 the record.

2 First item on the agenda, Mr. Chairman, is
3 public comment.

4 MR. COOK: Do we have anybody from the public
5 wishing to make a comment at this point? I don't see
6 anybody here.

7 Anybody down there, Troy?

8 MR. CROWTHER: We have some public but no
9 interest in comment right now.

10 MR. COOK: All right. Okay.

11 Let's move on to the second item, please.

12 MR. HETTRICK: Next item on the agenda for
13 possible application -- or, action is a license
14 application, a peddler-distributor license, for Nature's
15 Best Distribution LLC. They're from Naperville, Illinois.
16 The representative is Christopher Meyers.

17 The applicant seeks a license to distribute a
18 full line of dairy products in northern and southern
19 Nevada marketing areas.

20 The applicant's prices and costs have been
21 reviewed by members of the Dairy Commission, and are in
22 compliance with this agency's laws and regulations.

23 The applicant will be responsible for the
24 assessments.

25 MR. COOK: Do we have anybody representing this

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1 applicant present?

2 I guess not.

3 Is there anything that the staff would care to
4 add to this?

5 MS. EASLY: Kathy Easly.

6 This applicant had a license prior to this but
7 they changed their corporate structure, and they're just
8 reapplying with the new corporate structure.

9 I -- they're continuing to send in their
10 reports, and I'm just hanging onto them until we get their
11 correct new number.

12 MR. COOK: Okay. Have they physically changed
13 their name? Are they Nature's Best and that's what
14 they've always been licensed under?

15 MS. EASLY: Well, they've always been licensed
16 under Nature's Best, but the corporate is now Nature's
17 Best Distribution LLC, and the dba is Nature's Best
18 powered by KeHE.

19 MR. COOK: Okay.

20 MS. EASLY: And so because of the corporate
21 change they needed to reapply for a new license.

22 MR. COOK: Okay. So this is just a formality
23 then.

24 MS. EASLY: Uh-huh.

25 MR. COOK: All right. And they're current on

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1 all their assessments and --

2 MS. EASLY: Yes, they are. In fact, I have the
3 last two months right here waiting for their new license.
4 They -- even though they don't have a number yet they're
5 still sending in their reports and stuff, so.

6 MR. COOK: Okay. All right. Good.

7 Any questions from either of the other
8 commissioners?

9 MR. COLLIER: I have none.

10 MR. CROWTHER: No questions.

11 MR. COOK: Questions or comments from staff or
12 public?

13 Seeing none, I'll entertain a motion.

14 MR. COLLIER: Mr. Chairman, I entertain -- I'll
15 submit a motion for Nature's Best Distribution LLC out of
16 Naperville, Illinois, to distribute a full line of dairy
17 products in northern and southern Nevada marketing areas.

18 MR. CROWTHER: Second.

19 MR. COOK. Okay. Having a motion and a second
20 to grant the license application of a peddler-distributor,
21 and having no dissenting votes, the motion carries, and
22 the license is granted.

23 MR. HETTRICK: Next for possible action is a
24 peddler-distributor license amendment application by
25 Core-Mark International, Las Vegas division, Las Vegas,

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1 Nevada. Jennifer Nobel is the controller and the
2 applicant.

3 The applicant seeks a license amendment to add
4 the fluid label Fairlife to their current license in the
5 southern Nevada marketing area. Temporary approval was
6 granted.

7 The applicant's prices and costs were reviewed
8 by the Dairy Commission staff. They're in compliance with
9 all the agency's laws and regulations.

10 The applicant will be responsible for the
11 assessments.

12 MR. COOK: Okay. Anybody representing this
13 applicant present down there?

14 MR. CROWTHER: No.

15 MR. COOK: No? Okay.

16 Is there anything else the staff would like to
17 add to this?

18 MR. HETTRICK: Again, it's just an amendment.
19 They're adding to their existing license. Core-Mark has
20 been a licensee for sometime.

21 MR. COOK: All right. I'm familiar with the
22 names. So --

23 MS. EASLY: This is the Coca Cola label.

24 MR. HETTRICK: Yeah, Fairlife.

25 MR. COOK: Oh, is this -- is this the one that

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1 we --

2 MR. HETTRICK: Yeah.

3 MS. EASLY: Approved last month.

4 MR. COOK: So Core-Mark is going to distribute
5 it?

6 MS. EASLY: Down south, uh-huh.

7 MR. COOK: That's interesting. You'd think
8 that maybe the Coca Cola distributor would be.

9 MR. HETTRICK: I think because Core-Mark
10 handles dairy products they probably feel it's a better
11 fit since it's basically a dairy product.

12 MR. COOK: Okay.

13 MR. HETTRICK: So.

14 MR. COOK: Okay. Any questions from the other
15 commissioners?

16 MR. COLLIER: No, I have none.

17 MR. COOK: Troy, any questions?

18 MR. CROWTHER: No.

19 MR. COOK: Comments? Questions or comments
20 from the public?

21 Seeing none, I'll entertain a motion.

22 MR. CROWTHER: Mr. Chairman, I'll make a motion
23 that we approve the peddler-distributor license amendment
24 application by Core-Mark International, Inc., Las Vegas
25 division, Las Vegas, Nevada, to add the fluid label

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1 Fairlife to their current license in the southern Nevada
2 marketing area.

3 MR. COOK: Let me interrupt and see if you
4 would care to correct that to a processor distributor --
5 it's --

6 MR. HETTRICK: I said it wrong. My fault.

7 MR. COOK: Is it a --

8 MR. HETTRICK: I don't think you're -- no, it
9 should be a peddler-distributor. Isn't it?

10 MR. COOK: Okay. The --

11 MS. EASLY: Oh, I -- I -- yeah.

12 MR. COOK: Okay. Peddler-distributor. The
13 motion stands.

14 Go ahead.

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

17 MR. COOK: Okay. Having a motion and a second
18 and no dissenting votes, the motion carries. The license
19 is granted.

20 MR. HETTRICK: Next on the agenda is --

21 MR. COOK: The minutes?

22 MR. HETTRICK: -- the minutes.

23 And we have minor changes to the minutes. And
24 other than that, they're -- if you would, Mr. Chairman, we
25 just need a motion to approve the minutes with the -- with

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1 the noted changes.

2 MR. COOK: Okay. I will entertain that motion.

3 MR. COLLIER: Mr. Chairman, I move that we
4 accept the minutes of our last meeting.

5 What was the date of our last meeting?

6 MR. HETTRICK: That was the -- it would have
7 been the February meeting.

8 MR. COLLIER: Mr. Chairman, I move that we
9 accept the minutes of the February 2015 meeting.

10 MR. COOK: With the noted corrections.

11 MR. COLLIER: With the noted corrections, yes,
12 sir.

13 MR. CROWTHER: Second.

14 MR. COOK: Have a motion and a second and no
15 dissenting votes. The motion carries. And the minutes,
16 as amended, will be adopted.

17 MR. HETTRICK: All right. Next on the agenda,
18 Mr. Chairman, is an update on the pest abatement program.

19 They've actually had, I believe, five dairies
20 at least that have now taken part in it the last I heard.
21 They sent some pictures. I sent you a copy of the one
22 picture --

23 MR. COOK: You did. Pretty impressive.

24 MR. HETTRICK: -- that we got.

25 It was really impressive. I should have

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1 brought it. But it showed the birds in the feed trough
2 out in front of the dairy cows. And it just looked -- I
3 mean, literally the ground was covered with birds.

4 And they said that the first application they
5 did at the first dairy they estimated that they --
6 they eliminated a quarter of a million starlings at that
7 one dairy.

8 MR. COLLIER: Wow.

9 MR. HETTRICK: That's how many birds --

10 MR. COOK: That was at one dairy.

11 MR. HETTRICK: Yeah.

12 MR. COLLIER: Wow.

13 MR. HETTRICK: It's incredible. I mean, it's
14 just -- the sky turns black when they fly and they scare
15 them up. It's amazing.

16 So the dairymen are very pleased, and they
17 continue to work on the program, and they -- they're
18 eligible to go back for a second round. Obviously if
19 they've done five dairies, the total amount of money we've
20 spent thus far is \$10,000 maximum.

21 Depends on the actual billings. But the most
22 we could have spent is \$10,000. So we have 50,000
23 budgeted to do that. So some of those dairies may reapply
24 for a second application. We'll see what happens.

25 MR. COOK: Now, the last we talked about this

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1 there was some issues with the weather, the temperature
2 hadn't driven the birds in yet I'm assuming?

3 MR. HETTRICK: Actually what happened was, if
4 you remember the meeting that we had where Jack Spencer
5 actually came and we talked about doing this, he's the man
6 who does the applications, and at that time when we got
7 all done discussing the program, it was pointed out that
8 it hadn't been through IFC as a work program and been
9 approved yet.

10 And so Jack Spencer went out, and it got cold,
11 and the birds were indeed an issue, but Mr. Spencer was
12 under the impression that it hadn't been approved. Well,
13 it had been approved, like, three days later, and he
14 didn't know that.

15 So along the way I got a phone call from Pete
16 Olsen at one of the dairies and said, when are we going to
17 be able to do this? Because Jack Spencer says it's not
18 funded.

19 And we went back and checked, and it had been
20 funded for over 30 days, and they didn't realize it. So
21 we immediately contacted Jack and said, hey, the funding's
22 in place, go ahead and do it. And they -- they treated
23 four or five dairies within just a few days and made a big
24 difference, big difference, so.

25 But everything's on board. We're doing well.

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1 And everybody knows it's up and running, and it's going
2 well.

3 MR. COLLIER: So were the weather conditions
4 proper at the time that they actually made the
5 application?

6 MR. HETTRICK: Yeah, it -- they -- it had
7 gotten cold enough that it had driven the birds into the
8 dairies. And once they're there, they stay there because
9 the abundance of feed and --

10 MR. COLLIER: Sure.

11 MR. HETTRICK: -- all the rest.

12 So they were there. So they had -- yeah, they
13 had very good results.

14 MR. COLLIER: Yeah. Great.

15 MR. HETTRICK: Yeah, so it worked out quite
16 well. It's just that we could have done it earlier.
17 Would have been nice if --

18 MR. COLLIER: Yeah.

19 MR. HETTRICK: -- we could have.

20 Would have saved them some more money.

21 MR. COOK: What did we figure in our little
22 exchange, our email exchange, the financial cost to the
23 dairy was of all of that loss of feed to the birds?

24 MR. HETTRICK: We estimated, wasn't it \$62,000
25 a month? Something like that. That we estimated they

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1 were losing.

2 MR. COLLIER: Is that per dairy?

3 MR. HETTRICK: That would have -- well, in that
4 dairy that we --

5 MR. COLLIER: For that number --

6 MR. HETTRICK: Yeah, we estimated 250,000 birds
7 would eat \$62,000 worth of feed a month.

8 MR. COLLIER: Wow.

9 MR. HETTRICK: That's what I remember. It's
10 incredible. I mean, you put those kinds of numbers out
11 there, and makes a big difference.

12 MR. COOK: Or introduced species.

13 MR. HETTRICK: Yeah.

14 MR. COOK: Non-native species.

15 MR. HETTRICK: Yes.

16 All right. Next -- that's all I have for the
17 staff report and the -- and the pest abatement report.

18 You have your price sheets for milk pricing.

19 You can look at those and see that prices indeed dropped
20 from a high of around 26 bucks, 25 and change, down to
21 sixteen seventy, sixteen ninety. I think that still
22 leaves a minor or a small profit margin. If it goes much
23 lower, it will be an issue.

24 But, you know, it is what it is. Feed costs,
25 at least right now, are low. Transportation costs are

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1 down somewhat. So maybe a little offset for them but not
2 a great deal.

3 MR. COOK: Is there any discussions going on
4 within the dairy community of reviving the herd reduction
5 programs? The CWT program?

6 MR. HETTRICK: Not -- not here, Mr. Chairman,
7 because obviously we're still looking for about 10,000
8 cows just to provide enough milk for the dry milk plant.
9 What's going on in California or other neighboring states,
10 I don't know right now.

11 But here obviously we're still looking -- and,
12 oh, by the way, I should bring that up as part of the
13 program for the staff report.

14 The Vlot Dairy in Smith Valley did get their
15 CAFO permit. It was issued about -- now about two weeks
16 ago. And CAFO is C-A-F-O. And -- and they are
17 proceeding.

18 I don't remember if you saw the email or not
19 that we got from them saying that they had about 3,000
20 bred dairy cows that were going to calve in the month of
21 April, and they had to put them in a facility somewhere to
22 milk them. And they weren't going to get them in the
23 existing facilities they have. So they needed that dairy
24 to open.

25 The director of the Department of Ag and myself

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1 went down and met with the Nevada NDEP, and they explained
2 to us the issues that were going on and what needed to be
3 done. The dairy decided that they were better off -- they
4 initially were under the impression they were going to be
5 fined for a non-compliance issue, but they -- that they
6 disagreed with. And they didn't want to pay a fine. So
7 they were considering appealing the decision of NDEP.

8 It turned out that they indeed had a
9 non-compliance issue, but NDEP didn't fine them for it.
10 The fine was zero. They decided to go ahead and proceed
11 then to drop all their -- they were going to file a
12 complaint and a reverse appeal action.

13 And they dropped all of that, went ahead and
14 paid a fee that was the balance of what they needed to pay
15 to get the permit. And the permit was issued within, I
16 think, 48 hours.

17 MR. COLLIER: Why did they need a permit?

18 MR. HETTRICK: A dairy the size of Vlot Dairy
19 has to have now what's called a confined animal feeding
20 operation permit from the federal government.

21 MR. COLLIER: Is that the CADOT?

22 MR. HETTRICK: That's the CAFO.

23 MR. COLLIER: CAFO.

24 MR. HETTRICK: Yeah. And we administer it but
25 it's a federal government CAFO permit. It has to meet the

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1 federal standards.

2 MR. COLLIER: Uh-huh.

3 MR. HETTRICK: We have been doing that -- the
4 dairy, when they started, knew they had to have the CAFO
5 permit. And they have to have a CAFO permit to build
6 their lagoon to store the liquid waste.

7 The problem was that they sat and waited for
8 the permit. The dairy wouldn't have been finished for
9 another probably eight -- six, eight months, so they
10 decided -- they went to NDEP and said, we know we don't
11 have a permit. We're going to go ahead and build the
12 lagoon anyway because we know we're going to comply with
13 the requirements and we know we're going to get a permit.

14 And the NDEP said, well, technically it's
15 against the law but you can do that. If you want to do
16 that, and we understand what you're doing and why you're
17 doing it, you got a lot of money invested here and you
18 need to go as fast as you can go. They allowed them to go
19 ahead. Didn't give them a formal okay or approval. They
20 just said if you want to do it, you can do it.

21 Well, NDEP didn't have a problem with that, but
22 the local residents who didn't want the dairy there went
23 and looked up CAFO permits and found out that you're
24 supposed to have a permit before you build a lagoon. So
25 they filed the complaint.

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1 And NDEP had no choice but to find that they
2 were in violation because they started the lagoon prior to
3 having the permit in hand. But NDEP also went back and
4 said the reality of the situation is we knew what you were
5 doing, you built it to code, there is nothing wrong with
6 it, and it's a technical violation. It's not -- you
7 didn't --

8 MR. COOK: Just the act of building the
9 permit -- or --

10 MR. HETTRICK: Building the --

11 MR. COOK: -- building the lagoon --

12 MR. COLLIER: Wow.

13 MR. COOK: -- but not putting anything in it,
14 just building it.

15 MR. HETTRICK: Just building it --

16 MR. COLLIER: Wow.

17 MR. HETTRICK: -- was a violation of the
18 federal statutes.

19 MR. COLLIER: Isn't that amazing?

20 MR. HETTRICK: Yeah. So, anyway, it worked out
21 very nicely. NDEP worked very -- very nicely with them
22 and said we realize what you did. You built it to code.
23 We know you started too soon, but this is a technical
24 violation. Everything is right. There's no penalty.

25 But we have to -- we have to go through the

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1 process of saying that you have been -- you had a
2 complaint filed. You have -- we have to adjudicate the
3 complaint. We have to go -- they had to go through all
4 the work. And that's what they did.

5 So took a little more time, but they -- in the
6 end they were very good about it, and said, okay, the day
7 that this thing's over and you pay the fee, that there's
8 some fee they had to pay, we'll issue the license within
9 48 hours. And they did.

10 MR. COOK: So they're all ready to go up --

11 MR. HETTRICK: They think now that they will
12 actually start putting cows in there, I believe, in late
13 April. They'll actually start bringing in cows and start
14 producing milk in that facility in late April, so.

15 MR. COOK: I know we had discussed at one of
16 the meetings, I think the last meeting, about maybe doing
17 something in the way of recognizing them with a grand
18 opening or welcome to the state, or --

19 MR. HETTRICK: Yeah, I think it would be really
20 nice if we actually tried to do something. I don't know
21 what their facilities are out there. I would like to go
22 out and visit. I have not been able to go out and visit
23 yet.

24 But if they have the facilities and give them a
25 chance I think to actually get their feet under them so

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1 they're comfortable and that things are working and they
2 don't feel like we're there and they're having some kind
3 of issue, and then I think it'd be really great if we went
4 out there and actually flew Troy up here and went out
5 there and held a meeting --

6 MR. COLLIER: Yeah.

7 MR. HETTRICK: -- at their place or near their
8 place.

9 MR. COLLIER: That'd be great. That'd be
10 wonderful.

11 MR. HETTRICK: And did a little tour and let
12 them know the Dairy Commission's appreciative.

13 MR. COOK: Try to get them a little publicity
14 and --

15 MR. HETTRICK: Try to, yeah, absolutely, we can
16 do that.

17 MR. COOK: Governor's proclamation or something
18 and welcome to --

19 MR. HETTRICK: I don't know -- yeah, I don't
20 want to obligate the governor to do something --

21 MR. COOK: No --

22 MR. HETTRICK: There's some people that --

23 MR. COOK: The usual --

24 MR. HETTRICK: -- are not -- are not terribly
25 happy out there about the dairy being there.

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1 But I think that's going to get better over
2 time. These people are very good operators. They care
3 about what's going on there. The dairy, I have not seen
4 it, but Anna approved the plans and then has been out
5 there multiple times. In fact, she was out there just a
6 few days ago, and she says it's absolutely beautiful.

7 It's the Taj Mahal --

8 MR. COLLIER: Where did they --

9 MR. HETTRICK: -- of dairies.

10 MR. COLLIER: Where did they move from?

11 MR. HETTRICK: They're not moving. This is an
12 addition. They have a dairy --

13 MR. COLLIER: Oh.

14 MR. HETTRICK: -- in I think Pleasanton or
15 somewhere north bay area. But this is an addition.

16 They're adding --

17 MR. COLLIER: So they're a California
18 operator --

19 MR. HETTRICK: They're a California -- yep.

20 MR. COLLIER: -- that's establishing a new
21 facility here as part of their operation.

22 MR. HETTRICK: Correct.

23 MR. COLLIER: Wow.

24 MR. HETTRICK: Yeah. And the -- and the number
25 I heard was ten million dollar investment in the dairy.

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1 And by the time you add the cattle and everything else,
2 the inventory it'll take to open it up, it's more like 20
3 to 23 million dollar investment.

4 MR. COLLIER: How many jobs did it create?

5 MR. HETTRICK: Ultimately that one will create
6 probably a hundred jobs. I mean --

7 MR. COLLIER: Wow.

8 MR. HETTRICK: -- there will probably be maybe
9 20 on the dairy. But they're going -- the associated
10 jobs, truck drivers, and fees --

11 MR. COLLIER: Wow.

12 MR. HETTRICK: -- supply and everything that
13 goes with it.

14 MR. COLLIER: And there's opposition to that
15 in -- where are they? In Yerington?

16 MR. HETTRICK: No. They're in Smith Valley.

17 MR. COLLIER: Smith Valley? And there's
18 opposition to that?

19 MR. HETTRICK: Yeah. People that have a home
20 close to it think that the -- the dairy --

21 MR. COLLIER: The smell.

22 MR. HETTRICK: -- is going to ruin their --
23 value of their home.

24 And they -- they've talked about, well, they're
25 going to poison our water because of the lagoon and the

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1 fact that they're going to put their liquid waste out,
2 and, oh, the silage is going to drain liquid into the
3 ground, they're going to poison -- and we pointed out to
4 them, if they poison your water, they're going to poison
5 their own water.

6 Their well's on their site. And your well's
7 not on their site. So they're going to poison their own
8 water first, and those animals aren't going to be there if
9 that's true. And it's just not true. It's against the
10 law to poison the water and have all those things.

11 So they're going to have to deal with all those
12 issues. But, you know, if people are dissatisfied, then,
13 they're going to complain about it. And that's what we
14 have seen.

15 MR. COOK: Well, maybe we can work something
16 out with the DFA and Al.

17 MR. HETTRICK: Yeah. I think they'd love to
18 have us do something. It'd be fun to do it. But I don't
19 want to obligate Vlot --

20 MR. COOK: No --

21 MR. HETTRICK: -- until we have a chance to let
22 him get --

23 MR. COOK: -- I under --

24 MR. HETTRICK: -- started and --

25 MR. COOK: I understand. We just want to -- I

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1 think we just want to acknowledge the -- and appreciate --

2 MR. COLLIER: Yeah.

3 MR. HETTRICK: Yeah.

4 MR. COOK: -- their investment and their
5 contribution to the state's economy and let them know that
6 their --

7 MR. HETTRICK: Welcome.

8 MR. COOK: Their immediate neighbors my not
9 welcome them but --

10 MR. COLLIER: We do.

11 MR. COOK: -- we do.

12 MR. HETTRICK: But we do. State of Nevada
13 does.

14 MR. COOK: The industry does and the --

15 MR. HETTRICK: Yeah.

16 MR. COOK: -- state does, so --

17 MR. HETTRICK: Yeah. No, I -- I totally agree.
18 I think that'd be wonderful, and we should -- we'll work
19 on that. We'll get with Al and we'll work that out.

20 MR. COOK: Okay.

21 MR. HETTRICK: Okay.

22 MR. CROWTHER: May would probably be a good
23 month for me to come up if you want to just throw that
24 date out to them.

25 MR. HETTRICK: Okay.

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1 MR. COOK: We were thinking April 15 is an easy
2 date to remember.

3 MR. CROWTHER: Thank you. Thank you.

4 MR. HETTRICK: Get you out of the work down
5 there, Troy.

6 MR. COLLIER: May's only 15 days later.

7 MR. HETTRICK: Yeah. All right.

8 Damon, you want to give us a report on the
9 budget summary you prepared?

10 MR. HERNANDEZ: Sure.

11 Real briefly, couple things from last meeting,
12 just wanted to clarify.

13 We were talking about line item 4761, \$63,929,
14 Troy had asked what that was. It was initially showing a
15 label as traffic safety. But actually what that was
16 coming in was a reimbursement for the auditor position
17 that went to another budget account?

18 And this is just a reimbursement back to this
19 budget account for the time that we were still -- the
20 compensation was coming out of our account until it got
21 transferred over to the proper budget account. This is a
22 reimbursement of those funds, so. And I also relabeled it
23 so it's a little bit more clear.

24 And I also just wanted to make a clarification,
25 last time I was speaking about an allocation, and I was

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1 looking actually at the reserve accounts when I said that.
2 So I wanted to clarify that. The allocation budgeted for
3 this year is at 251,536, of which 185,285 has been
4 allocated. So I just wanted to make that clarification.

5 And with that, going to the summary as of
6 today, net revenue year to date is at \$514,899.68. Net
7 year -- net revenue year to date excluding the balance
8 forward is at \$48,728.68. [sic] And projected net revenue
9 would be -- this is excluding the balance forward,
10 \$183,886.05. And projected balance forward fiscal year
11 end is \$650,062.05.

12 Thank you.

13 MR. HETTRICK: Okay. Anybody have any
14 questions on that?

15 MR. COOK: You might want to make some comments
16 about balance --

17 MR. HETTRICK: Balance forward? The --

18 MR. COOK: -- forward.

19 What you see changing.

20 MR. HETTRICK: The balance forward is -- we --
21 we worked, as you well know, diligently over the last
22 three to four years trying to reduce the balance forward.
23 But we keep implementing all these cost saving measures
24 and we keep generating more and more reserve balance,
25 which the state, by the state rules -- it's not hard and

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1 fast -- but the state rules generally are that you don't
2 have more than three months of operating. So we're
3 definitely going to be needing to reduce our balance
4 forward.

5 The -- if -- in our budget request we have a
6 request for a microbiologist to actually do the testing in
7 the lab that we've got set up right now. Anna and Lisa
8 are not only doing the pulling of the samples and all the
9 inspections and everything they have to do, but they're
10 coming back here and running all the samples as well.

11 And so we need to get somebody in the lab to do
12 that on a regular basis. And that will also allow us to
13 take on some additional work because right now the two
14 gals can't do all of that and take on additional work.

15 And we'd like to be able to take on additional
16 work. And DFA at the powder plant has indicated an
17 interest at least in us doing some additional work for
18 them. So we'd like to do that. It would help pay for
19 things.

20 We probably have to find another way to reduce
21 if we actually get the additional work; however, it would
22 be a nice problem to have. So we're hoping that we can
23 move that way.

24 We're also looking -- we talked some time ago
25 about buying a trailer to haul Moo Lissa around. She

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1 remains extremely popular, and she's going to multiple
2 events in the next 30 days.

3 She went to the National Ag Day Recognition
4 yesterday in San Rafael Park. It was the biggest hit out
5 there from what I heard. And everybody loves her. And
6 we've got -- she's going to ag day at the legislature on
7 April 2nd.

8 She's going to Winnemucca schools on April 9th,
9 and she's going to be at a -- at a Montessori school
10 fund-raiser function called Kids on Big Rigs on April
11 25th. So she's very popular and --

12 MR. COOK: How are we getting her moved around
13 now?

14 MR. HETTRICK: The way we're getting her moved
15 around now is I'm loaning the state my trailer.

16 MR. COOK: Oh, okay.

17 MR. HETTRICK: So they're using my trailer to
18 move her around. And --

19 MR. CROWTHER: Are we going -- are we going to
20 be able to get her down here to the Clark County Fair?

21 MR. HETTRICK: Yeah, actually I think the
22 intention is we will get her down to the Clark County
23 Fair. I hope we can buy the trailer before that. But
24 we'll see. If not, we -- we probably can get her down
25 there anyway. But we're just going to have to work that

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1 out.

2 I'd forgotten the dates, Troy. Do you
3 remember?

4 MR. CROWTHER: Well, I think it's like the
5 10th -- the 9th, 10th, 11th, or something like that, of
6 April?

7 MR. HETTRICK: Of April? No, 9th of April
8 she's going to be in Winnemucca.

9 MR. CROWTHER: Because that's a -- that's a
10 huge event --

11 MR. HETTRICK: I know.

12 MR. CROWTHER: -- down there.

13 MR. HETTRICK: I know.

14 And I know we're added. I know we're added
15 because as I think about it, Amber said she was going, as
16 I recall.

17 MR. COOK: Maybe we could get a southern
18 California Moo Lissa.

19 MR. HETTRICK: Well, we've got the money for it
20 but --

21 MR. COOK: Her sister.

22 MR. HETTRICK: -- I don't know if they'll let
23 us buy another one and try to store it. Maybe when we get
24 the new building.

25 I should comment on the new building as well, I

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1 guess.

2 MR. COOK: New building.

3 MR. HETTRICK: Yeah. We --

4 MR. COOK: In the south.

5 MR. HETTRICK: In the south. We -- we have
6 been negotiating back and forth to have some space in the,
7 what's now called the metro building in Las Vegas? It's
8 the former metro police department, motorcycle facility.
9 It's only about a block from our existing building where
10 Troy and Damon are sitting right now. And it -- it was
11 built in 1978.

12 It's been -- the metro department quit
13 occupying the building a few years ago. The land reverted
14 back to the State of Nevada so we got the building. The
15 idea was to move buildings and grounds, public works, and
16 the dairy -- I mean, not dairy, NDA into that building.
17 So they can knock down the existing Sahara DMV and all the
18 buildings on that site and build a new DMV in Las Vegas on
19 Sahara.

20 That's gone back and forth -- too long a story
21 to tell all up here -- but in the end we went to the
22 legislature and said we need the whole building, and we'll
23 just take it on ourselves if you'll just let us do it.

24 You can save \$280,000 in general fund
25 appropriation that you're willing to spend to remodel it.

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1 We'll do it. Because the savings that we'll make and the
2 generated income that we should get down the road we can
3 afford to fix it.

4 And the legislature and the governor's office
5 said go for it. We don't want to spend the 280. And if
6 you guys want it -- the 280 was going to be to only occupy
7 5,000 feet of a 17,000-foot building. We said we'll just
8 take it all on and do it ourselves and occupy the whole
9 building.

10 So as of right now we're in the process. We're
11 getting the bids. We're getting the engineering done that
12 we have to do. And we anticipate that between July and
13 certainly no later than September, but hopefully in July,
14 we're actually going to be able to start moving people
15 over there and put them into that building.

16 And then we will continue ongoing upgrades,
17 that type of thing, over time. But it's going to be a lot
18 bigger, lot nicer, big conference room. They won't have
19 to sit in the lunchroom to do their videoconferencing, we
20 hope, and those kind of things.

21 So we're -- we'll -- we're looking forward to
22 that. We're excited about it. It should be a nice
23 addition for us. So we say new building. It was built in
24 1978 so it's not quite --

25 MR. COOK: New to us.

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1 MR. HETTRICK: -- new.

2 But it's new to us, yeah. And it's a big
3 improvement over the building we have, which was probably
4 built in 1978. And it's only about 6,000 square feet
5 so -- and we'll be able --

6 MR. COOK: Now we never did relocate the
7 southern Nevada Dairy Commission office to --

8 MR. HETTRICK: Yeah. Oh, yeah. Yeah. Yeah.

9 MR. COOK: Oh, okay.

10 MR. HETTRICK: Kimberly's sitting right there.
11 She works in that office right there. Yeah, we closed --
12 that's part of why we have a big balance forward. We
13 saved all the rent on that facility --

14 MR. COOK: Okay. Okay.

15 MR. HETTRICK: -- and all of those things.
16 It's just been ongoing, so.

17 And then, finally, the last thing I should
18 mention -- we'll -- they'll -- we'll have some expense
19 there for the Dairy Commission, also, doing some of the
20 updates. We'll have a -- kind of a mini lab and some area
21 to probably gather samples and put them together to get
22 them mailed off for testing and some of those things. So
23 we'll have a little expense there that'll impact our
24 bottom line here.

25 Finally, the last thing we'd like to do, and we

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1 tried to apply for it through the budget, and they denied
2 it, but we're going to go back and push it again, and that
3 is, we need to upgrade the classifications for Anna and
4 Lisa.

5 Because they've taken on significant extra
6 duties in the -- in the functioning of that laboratory.
7 They've had to do the extra training. They've had to do
8 all of the actual laboratory work themselves as well.

9 And we're trying to get their classification
10 moved up so they get paid according to the work they're
11 actually doing. So we're working on that. That will have
12 some small impact on the bottom line. It won't be great.
13 But at least try to offset the fact that they're doing
14 extra work and not getting compensated for it now.

15 MR. COOK: Boy, can you imagine what it'd be if
16 we still had the butter assessments?

17 MR. HETTRICK: Oh, yeah, another hundred
18 thousand dollars. And we're going to have to adjust
19 somewhere along the way. I mean, this -- obviously even
20 with the expenses I'm talking about, if we're going to
21 generate, the way we sit right now, an additional \$183,000
22 this year?

23 You know, a new microbiologist might cost us
24 \$100,000. We'll have a one-time hit for the trailer,
25 maybe 15,000. Even if we add Anna and Lisa, and get some

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1 kind of classification change, probably another, maybe
2 10,000 a year. We're going to be looking to reduce
3 something, you know.

4 MR. COOK: Take a look at ice cream.

5 MR. HETTRICK: So. Yeah, I mean --

6 MR. COOK: Combination of ice cream and cottage
7 cheese.

8 MR. HETTRICK: And the cottage cheese one's
9 shrinking anyway so may be one that we ultimately just
10 want to do away with.

11 MR. COOK: Yeah.

12 MR. HETTRICK: Save reporting. We'll see. We
13 need to work on that. We haven't got to there yet, but
14 we'll certainly -- we're going to look at it.

15 MR. COOK: Okay.

16 MR. HETTRICK: Number seven, Mr. Chairman, on
17 the agenda is consideration of any other matters relating
18 to the dairy industry.

19 MR. CROWTHER: Lynn? I -- we didn't hear that
20 at all.

21 MR. HETTRICK: I'm sorry. I had a frog and
22 coughed there.

23 Number seven on the agenda is consideration of
24 any other matters relating to the dairy industry.

25 MR. COOK: Now's the time to throw it on the

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1 table if anybody has something for discussion.

2 MR. CROWTHER: Let me just -- I just checked
3 the dates, and the Clark County Fair is April 10th through
4 the 12th.

5 MR. HETTRICK: Yeah, there's no way we'll get
6 Moo Lissa down there for this one. I think Amber is
7 coming down there and we have a booth, but I'll have to
8 check that, Troy, to confirm that. She is our educational
9 outreach person. And I think she's going to be there
10 attending the fair that -- during that time.

11 MR. COOK: So it's --

12 MR. CROWTHER: Okay.

13 MR. HETTRICK: I think she'll have a Department
14 of Agriculture booth there rather than just the Dairy
15 Commission booth. So next time we need to plan on -- we
16 need to get Moo Lissa down there because the draw is
17 simply incredible.

18 We did the World Ag Expo, as you know, in
19 Tulare in February, and we estimated well over a thousand
20 people milked Moo Lissa in 24 hours that we were there
21 with the show open.

22 MR. COOK: She was the only fiberglass cow at
23 the --

24 MR. HETTRICK: They actually had one that was a
25 non-milker behind a fence that just stood there, but --

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1 and some of the stuff, I mean, it was incredible. We --
2 even -- we had people standing there, and at one point we
3 were on a -- on a -- against the wall of the dairy
4 building, and a street ran straight away from us that went
5 across about four blocks across the expo?

6 And we're all standing there talking to people
7 and looking around. And we look down the street, and
8 here's this little girl probably three years old with a
9 pink dress, black hair all curly, and she saw that cow and
10 she was running the whole last block to get to that cow.

11 Everybody standing around there was smiling and
12 laughing. It was hilarious. And she had to get to that
13 cow, boy, she was coming. And it just attracts people and
14 stops people that would never stop and talk to you. You
15 get a chance to talk to them and visit with them, and it
16 really is a big draw. So we definitely need to make sure
17 we book that into Clark County.

18 MR. COOK: Does the Dairy Council have a cow?

19 MR. HETTRICK: Somebody else has a cow. And I
20 don't know who it is in Nevada. But there's one other
21 group. I've never seen it anywhere.

22 MR. COLLIER: Really.

23 MR. HETTRICK: And I don't know who has it. I
24 just heard that somebody has one.

25 MS. EASLY: It used to be at the Clark County

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1 Fair.

2 MR. HETTRICK: It used to --

3 MS. EASLY: When I was doing it. When I was
4 still doing the Clark County Fair there was a milking cow
5 down there.

6 MR. HETTRICK: Really.

7 MR. COLLIER: What about Moo Lissa? I mean,
8 what about that head and that --

9 MR. HETTRICK: She's there, but the issue with
10 the head has become getting people to wear it for any
11 length of time. Kathy was the stalwart volunteer who did
12 that, and we had to have people stand behind her, kids
13 would almost knock her down, people would run up.

14 And you can't see out of it very well. It's so
15 hot, you can't wear it for more than about 20 minutes, and
16 we actually had to have a fan added to it to blow enough
17 air in the head to get her so she could breathe. I
18 mean --

19 MS. EASLY: And we had a cooling vest and --

20 MR. COLLIER: Wow.

21 MS. EASLY: -- bands and stuff now that made it
22 possible to go a lot longer. But, yeah, the kids would
23 rush you. And it's, okay, get back there, because here
24 they come.

25 MR. HETTRICK: People had to stand behind her.

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1 So she's an attraction, but she gets dirty really easy and
2 it's not easy. I mean, you got to have a place to go get
3 dressed, you got to -- you know, and then you got to have
4 somebody stand behind you the whole time.

5 You can't wear it for very long. And we were
6 talking about going through volunteers and the like to
7 wear it, and -- it's --

8 MR. COLLIER: So that's why you made the
9 transition from that feature to the --

10 MR. HETTRICK: It's --

11 MR. COLLIER: To the milkable cow.

12 MR. HETTRICK: Yeah. Well, and the fact that
13 so many people -- I mean, obviously the suit is just a
14 caricature of a dairy cow. The cow standing there and
15 actually milkable, so many people walk up there and they
16 don't -- kids in particular, they don't have a concept
17 where milk comes from. They think it comes from the
18 grocery store. You know, they don't have a concept.

19 MR. COLLIER: That's all they know.

20 MR. HETTRICK: So -- of course. And you can't
21 blame them. But this totally changes it. People walk up
22 and stand there and say, you know, this is where milk
23 comes from that you put on your cereal in the morning.
24 And it's like the lights go on. You know, it's a
25 revelation. So, yeah, it -- it --

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1 MR. COOK: We got a whole generation of kids
2 growing up thinking milk comes from plastic cows.

3 MR. HETTRICK: That's right.

4 MR. COLLIER: Comes out of a carton.

5 MR. HETTRICK: Changing their concept, yes.

6 So, anyway, we definitely need to schedule her
7 for Clark County without question.

8 MR. CROWTHER: Yeah, there's -- there's over
9 100,000 people come to this thing.

10 MR. HETTRICK: Yeah.

11 MR. CROWTHER: And I -- you know, just for the
12 reasons that you just -- just now mentioned, we need her
13 down here, too.

14 MR. HETTRICK: Yep. I totally agree. And
15 we're -- as soon as we get this covered trailer we can get
16 her down there. And it's going to be a lot easier because
17 we'll have a way to haul her, and it makes our display, it
18 makes the whole thing when we get there.

19 Because it's got -- it's going to have skin on
20 it and be wrapped. And it's going to have all the -- you
21 know, the brochures and everything, displays inside, so
22 it'll -- it'll make it a lot easier to do. It's been an
23 issue now because we don't have an easy way to haul her.

24 MR. COLLIER: What -- now, why is she going to
25 Winnemucca? Why is the cow going to Winnemucca?

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1 MR. HETTRICK: She -- people in Winnemucca
2 actually called up and the school district and asked us to
3 bring her out.

4 MR. COOK: They booked her.

5 MR. COLLIER: They booked her.

6 MR. HETTRICK: They booked her.

7 MR. COLLIER: They booked her before the Clark
8 County Fair booked her?

9 MR. HETTRICK: I -- I can't -- I don't want to
10 say how or why because I don't know whether the decision
11 was they wanted to do the booth down there this time as
12 NDA, as, you know, Department of Ag, or whether they
13 wanted to continue doing it as the Dairy Commission. I
14 don't know.

15 I wasn't involved in the decision about who was
16 going where and when. All I know is I was asked if there
17 was some way I could cover hauling the cow to Winnemucca
18 on the 9th of April. And I said, yep, if that's what you
19 want done, I'll take her to Winnemucca.

20 MR. COOK: Well, that's a one-day deal.

21 MR. HETTRICK: That's a one-day deal. I leave
22 here at six in --

23 MR. COOK: You don't need her --

24 MR. HETTRICK: -- the morning --

25 MR. COOK: -- until the 10th in -- in --

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1 MR. HETTRICK: But by the time you drive her
2 down there on the 11th and show up and the show's already
3 on, they probably don't want to come in and do the
4 unloading, and all the rest.

5 And I don't know what we have as a booth down
6 there, so I don't want to get into competing with
7 whatever's there. The gals made their decision as to what
8 they wanted to take down.

9 MR. COOK: Okay.

10 MR. HETTRICK: So.

11 MR. COOK: All right.

12 MR. HETTRICK: Where we are.

13 All right. The next thing is public comment.

14 MR. COOK: Last chance. Anybody have any
15 comments to offer?

16 Seeing none, then let us adjourn.

17 MR. HETTRICK: Thank you, Mr. Chairman. Thank
18 you all.

19 (Exhibit 1 marked.)

20

21 (1:35 p.m. proceedings concluded.)

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BOARD SIGNATURE PAGE

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7 CHRISTOPHER COOK, CHAIRMAN

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13 TROY CROWTHER, COMMISSION MEMBER

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19 JOHN COLLIER, COMMISSION MEMBER

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1 STATE OF NEVADA,)
2) ss.
3 COUNTY OF WASHOE.)
4
5
6

7 I, Karen Bryson, a Certified Court Reporter
8 and notary public in and for the County of Washoe, State
9 of Nevada, do hereby certify:

10 That on March 19, 2015, I reported the
11 proceedings in the matter entitled herein;

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

16

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Karen Bryson, CCR #120

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