

Name of Organization: Nevada Board of Agriculture  
Date and Time of Meeting: March 25, 2009 @ 9:00 am  
March 26, 2009 @ 9:00 am  
Place of Meeting: University of Nevada Cooperative Extension  
5305 Mill Street  
Reno, NV 89502  
Telephone: (775) 784-4848

---

Minutes

March 26, 2009

**1. Call to order by Chairman Alan Perazzo.**

The meeting was called to order by Chairman Alan Perazzo. Chairman Perazzo requested a roll call.

Board Members Present:

Marta Agee  
Paul Anderson  
Dan Hetrick  
Jim Johnson  
Ramona Morrison  
Alan Perazzo  
Benny Romero  
Boyd Spratling  
Hank Vogler

Board Members Absent:

Dave Barton  
Dean Baker

Staff Members Present:

Tony Lesperance  
Sandie Foley  
Katie Armstrong  
Phil LaRussa  
Mark Jensen  
Lon Beal  
Bill Striejewske

Guests:

Nancy Lesperance, Liberty L & L  
Peter Krueger, Nevada, NPMA  
Daany Stapleton, NPMA  
John Sande, Jones - Vargas  
Lawrence Waugh, Western Energetix  
Gus Wegren – Farm Service Agency  
Randy Wright, Air Quality  
Mike Ingham, WSPA  
Don Alt, Nevada Livestock Assoc.

## **1. Call to order by Chairman Alan Perazzo**

The meeting was called to order by Chairman Alan Perazzo. Chairman Perazzo called for introductions.

Jim Johnson reported that Board member Dave Barton is improving dramatically. He expects to be out of rehab and home within 2 weeks. He hopes to return to work in the near future.

## **8. Measurement Standards**

Petroleum Technology Bureau (Striejewske)

### **F. Update and discussion on various fuel and legislative issues which are ongoing and possibly to come. These include the 38<sup>th</sup> Parallel and proposed changes to NAC 590.065.**

Bill said he wanted to do a brief review of the events of the past several years as they relate to the issue of 38<sup>th</sup> Parallel. A review for Board members who have been involved as well as the for information value of the newer Board members. Also, a review of SB 324 which is in the 2007 Legislative session about which there is some confusion

In calendar year 2004, the Board of Agriculture was approached by in-state fuel distributors represented by the Nevada Petroleum Marketers and Convenience Store Association on the question of the existing differentiation of winter fuel volatility standards at the 38<sup>th</sup> Parallel. The advantage of having a single year-round standard is that fuel from Salt Lake City and Northern California can be shipped into Southern Nevada excluding Clark County to handle fuel shortage periods. A regulatory change would not affect petroleum standards within the entirety of Clark County as the County is under State implementation plan for air and fuel quality standards. The only areas affected by a potential regulatory change would be Beatty, Pahrump, Amargosa Valley and Lincoln County. Staff looked at the technical aspect of existing winter fuel quality standards below the 38<sup>th</sup> Parallel and found no technical reason why the fuel volatility standard used in Northern Nevada could not be applied in Southern Nevada during the cooler winter months. At issue is whether the introduction of slightly more volatile fuel in Southern Nevada would adversely affect vehicle drivability or performance. The proposed amended winter fuel volatility standard would be the same standard that has been in effect in Southern Utah.

The regulation change was proposed to the Board of Agriculture and not receiving any adverse public comments to the new regulation, the Board adopted the amendment to NAC 590.065 on May 7, 2004. The amended regulation allows for the use of slightly more volatile fuels in Southern Nevada during the winter months excluding Clark County. After adoption of the regulation, the Western States Petroleum Association (WSPA) and the American Automobile Manufacturers

Association (AAMA) voiced opposition to the regulation indicating that the Board of Agriculture did not use science as a basis for the regulatory change.

In response to the opposition by WSPA and AAMA, meetings were conducted to determine means to address the concerns of both organizations. Five organizations, WSPA, AAMA, the Department of Agriculture, the Nevada Department of Energy, and the Nevada Petroleum Marketers combined resources to commission the Desert Research Institute (DRI) to conduct a third party review on the technical issues and to provide a report on their findings.

The report from DRI was released in 2007 and did not provide new information on the subject that had not been previously disclosed and reviewed by the Board. The report concluded that bringing more volatile fuels in Southern Nevada during the winter months could lead to a high probability or likelihood of vehicle drivability problems, however, the report could not discern if there was a corresponding increase in the reported or confirmed vehicle problems under the new regulation.

Over the past several years, there were 3 separate hearings in opposition to the new regulation in front of the Board of Agriculture, both WSPA and AAMA requesting rescission of the regulation. The draft of the DRI report was reviewed at the December 5, 2006 Board of Agriculture meeting in Las Vegas. The content of the draft report and the arguments brought forward by WSPA and AAMA had not persuaded a single member of the Board to rescind the regulation.

And that brought things pretty much to the 2007 Legislative Session at which SB 324 was adopted and I think the pertinent sections are Sections 1.A that says, "based upon scientific evidence which demonstrates that any motor vehicle fuel which is produced in accordance with specifications is of sufficient quality to ensure appropriate performance when used in a motor vehicle in the State". And Section 2 that says, "the Board of Agriculture shall adopt by regulation, procedures for allowing variances from the specifications for motor vehicle fuel adopted pursuant to this section".

Last week, Director Lesperance, Deputy Attorney General Armstrong, and I met with the lawyer for WSPA, Mr. Sande, and Senator Townsend, a sponsor of the bill, to discuss progress towards its completion. We stated Section 2, concerning the variance procedure, had been adopted as a temporary regulation, with plans to make it a permanent regulation.

It became clear that the intent of Section 1.a of Senator Townsend's bill was a review of the 38<sup>th</sup> Parallel change thru workshops and hearings. At the December 10, 2007 Board meeting, this body moved to go to workshop and hearing on NAC 590.065, so while the agenda does not include a request for workshop and hearings, that request has already been made and approved. Bill said that is his review of the events.

Chairman Perazzo said this is an action item. It is the Board's procedure to have a motion on the floor and a second and then we allow the public to make comment at

that time. He said we usually limit the public comment to 2 minutes. However, in this situation we will allow more (time), that he thinks it is important and feels that the Board needs to understand this issue more thoroughly.

Deputy Armstrong said this was an issue that Bill and I had spoken about and I advised him to put this on the agenda as an action item so he could take action because the bill is so old and it is something we need to move forward with. In reviewing the minutes from the December, 2007 meeting, it appears the Board did make a motion to consider specifications for motor vehicle fuel in NAC 590.065 to comply with the changes to NRS 590.070 which is SB 324 and that motion did pass. This Board has considered that in the past. The reason for bringing this forward was to decide where to go from here. So that action has already been made when I did do a review. The Board needs to hear all sides.

Chairman Perazzo asked DA Armstrong if we (the Board) needs to take action and Katie said no, it has already been done. This will not be an action item.

Paul Anderson advised all in attendance and is employed by Haycock Petroleum. He said if I believe that this topic and or any of the others will affect my employment, I will abstain from the vote.

Marta Agee asked for clarification. She said we have a standard for fuel in the winter clear across the state. That is where we are right now. And it is a temporary regulation and we are now being asked to make it permanent?

Bill Striejewski responded that the temporary regulation that I spoke about is the variance in terms of fuel supply disruptions and that was Section 2 of the SB 324. That is the only temporary regulation.

Marta asked right now the if 38<sup>th</sup> Parallel fuel is the same across the State? Bill said that is correct. Marta said that is what we are being asked to consider right now? Bill said that is correct.

Benny Romero said he thought there were 4 Board members that were present when this first came about, Jim Johnson, Dan Hetrick, Marta Agee and myself. Benny Romero said is there any thing new, absolutely new, to this whole bill? Chairman Perazzo told Benny that both sides are going to have an opportunity to speak.

Bill Striejewski said he was bringing it originally just as a review of the issue. He said various stakeholders still have concerns with the situation as it stands, but it became more urgent after our meeting last week with Senator Townsend.

John Sande of the Reno office of Jones-Vargas introduced himself. He said I am here today representing the Western States Petroleum Association and also the Nevada Franchised Auto Dealers Association which represents all the auto dealers in the State of Nevada. He said Alfredo Alonzo, who represents the Alliance for

Automobile Manufacturers, couldn't be here today. Mr. Alonzo is also supportive of my arguments today.

SB 324 was passed in 2007. It states that the State Board of Agriculture shall adopt by regulation specifications for motor vehicle fuel that based upon scientific evidence demonstrates that any motor vehicle fuel which is produced in accordance with the specifications is of sufficient quality to ensure appropriate performance when used in a motor vehicle in this state. It was sponsored by Senator Townsend at the 2007 Legislative Session to protect consumers and make sure that, also suppliers, that if there is a problem getting fuel for some reason, the bill said variance provisions will be adopted which you have been considering and you have temporary regulations. So, if for some reason the supplier can't meet the specifications because of some problem out there, maybe the pipeline goes down, they can go and apply to the Department of Agriculture for a variance under the regulations. We were very supportive of those and did testify in favor of them.

This bill was passed because of the 38<sup>th</sup> Parallel. We believe our industry as well as the car dealers believe that any specifications should be based upon scientific evidence. The 38<sup>th</sup> Parallel across the middle of Nevada was an ASTM (American Society of Testing Materials) standard and it was eliminated. We believe there was not scientific evidence to support this, but it is an obligation on the Board to make sure there are hearings and workshops to determine whether or not we are correct or other people are correct and that there is scientific evidence that indicates the elimination of the 38<sup>th</sup> Parallel is appropriate.

The reason we had a meeting with Senator Townsend was because he said when I pass legislation and I mandate something, or the legislature mandates a Board to do something, they should do it and do it in a reasonable period of time. And I know there is some confusion as to what was really necessary. But if you go back to the minutes of the December, 2007 meeting, which I did attend, there were some arguments there. Gina Session, your AG gave you advice saying you should hold hearings on this issue and there was a motion by Benny Romero which was seconded by David Cassinelli and passed with no objections basically to go to workshop and hearings to consider specifications for motor vehicle fuel. That's all we are requesting that you now continue on with what you did two years ago. Continue with what you said you were going to do and hold workshops and hearings on the issue on whether fuel specifications, and in our case that would be the 38<sup>th</sup> Parallel, whether the elimination of the 38<sup>th</sup> Parallel is supported by scientific evidence. Is there scientific evidence out there that indicates the fuel quality is adequate. And that is all we're asking.

Benny asked for a correction regarding the motion. He said he did not make the motion because he was the Chairman at the time. John Sande responded he was reading from minutes of the meeting. John said he apologized if the minutes are incorrect.

Boyd Spratling asked Mr. Sande if your only request is to go to workshop – do you have some underlying opinions on what should result from those workshops? Obviously, you are not just doing this just to look at procedure of a regulation I would not think. You have some idea of what you'd like to see and perhaps give a reason why. Mr. Sande said he believes ASTM standards are appropriate and matter of fact. We believe the Board should adopt ASTM standards because of the scientific evidence. Why are we as WSPA or the Nevada Franchised Auto Dealers, or the Alliance of Automobile Manufacturers, why are we so concerned when we say it's just the 38<sup>th</sup> Parallel and there's not that much fuel out there? Why do we care? Well, the reason we care that is if we aren't consistent across the country, then we're going to have problems. We want to be consistent, we want to make sure all fuel is adequate and it is safe for the motor vehicles. I can tell you this, my auto dealers are concerned and they expressed that at legislature. There are problems with fuel. For example, in Southern Nevada, you get hot fuel handling issues. If a person has a car problem, he doesn't go back to the service station and say you gave me lousy fuel. They go to the dealer and they say, "my car is not working". The dealer tries to repair it and that, especially in Southern Nevada, is the concern. They made that very clear to me and that is why the Alliance for Automobile Manufacturers has a concern.

Marta Agee said when we have considered this before, each time we have asked what proof do we have that there has been a problem. The last time you gave us no proof that there has been a problem. We asked for incidences that indicate that there is a problem and you have no proof of that. Do you have additional proof now that asks us to reconsider this again? Mr. Sande said he has proof from my car dealers that say that in Southern Nevada they do have a lot of problems even with the fuel ASTM and the fuel in Clark County. They say have problems with cars and there have been a lot of complaints. My point is because I am just a lawyer. I can go and argue with you all day over this issue and you can disagree with me and say there is not a problem out there. That is why the legislature took the position, hold hearings and determine whether scientific evidence establishes that this is safe fuel. It is a legal obligation on the Board. You have no discretion to ignore the legislature.

Marta Agee said we are not ignoring legislature. We made a position and to change our position, there should be some indication to do it. We have had this issue in hearings before. Marta said she feels as if we have done this over and over and its back again without any additional information. If I'm incorrect, somebody please instruct me, but that's my impression.

Mr. Sande said that legally the Board is obligated to hold hearings. Marta Agee said didn't we already do that? Mr. Sande replied no, you have not. He said in the 2007 legislation says that all fuel specifications must be based upon scientific evidence. So you have to hold a hearing on the 38<sup>th</sup> Parallel to determine whether or not scientific evidence supports that and that has not been done.

Katie Armstrong said after review and the meeting with Senator Armstrong this is a kind of a mandate from the legislature and we need to revisit this issue.

Mike Ingham, representing the Western States Petroleum Association spoke to the Board. Bill and John have covered a lot of the historical background. I would like to address your question Benny and Marta. There are two things that are new that didn't exist and we didn't have at the time this rule change was adopted. One of them is in fact the variance mechanism that the Board approved last December. The Department had no authority and they had no mechanism by which to relax fuel specifications in response to a supply disruption. The whole thrust behind the variance procedure was to give the Department the authority they needed and the mechanism they needed to be able to do that, to deal with supply disruptions. The way I look at the 38<sup>th</sup> Parallel amendment, it is like a permanent variance. It allows relaxed specifications in perpetuity in the southern part of the state. As I said at the time it was adopted, the Department had no real authority to take action than what was done by way of this amendment. I see now that because the Department now has this variance mechanism, that there is no need to leave the 38<sup>th</sup> Parallel limit in place, but rather to go back to ASTM specifications that existed prior to that amendment.

The other thing that is new since the last time we visited about this topic, is that GM has come forth with a fairly substantial amount of data demonstrating a problem in New Mexico. It occurred with gasoline with very similar characteristics to those are permitted in the State of Nevada. They had hundreds of documented issues. They made that data available and we are going to try to bring them into the workshop and hearing process that we talking about here. Hopefully that will provide the persuasive evidence that you have been looking for. As John said, this business of trying to identify whether or not improper volatility gasoline is the source of a drivability problem that someone is experiencing is very difficult to do unless the problem is very widespread, unless its causing the kind of problem GM experienced. When someone's car is misbehaving, they don't go back to the service station where they last fueled up, they take the car to the dealer. The dealer will do a bunch of diagnostics and maybe replace some parts and charges you a bunch of money, but he hasn't really identified the cause and the likelihood that he will is very low unless there are multiple similar problems.

I was at the December, 2007 Board meeting and it is very clear to me that the Board directed staff to undertake a workshop and hearing process to reconsider whether in fact the 38<sup>th</sup> Parallel amendment was based upon scientific data or not. I think the Department has gone through a lot of disruption and we understand that. We're happy that variance procedures got adopted, but we think now that it's time to go back and do what we believe the Board directed staff to do.

Peter Krueger, who represents the Nevada Petroleum Marketers and Convenience Stores Association, a statewide association representing petroleum wholesalers and retailers and transport operators addressed the Board.

What you heard from your AG representative, if I understand her correctly, she in a meeting with a legislator, that to my knowledge I was not invited to, is being represented as the fact if I understand your testimony, it is your opinion that this

Board is obligated to reopen hearings. Is that correct? Katie responded yes and said after the meeting and looking at the language in statute, we shall look at fuel specs and see if they are based on scientific evidence.

Mr. Krueger said Senator Townsend is one of 63 legislators. He was a sponsor of the bill in question, SB 324 which we oppose. I don't believe that one legislator represents necessarily the entire will of the legislator and in fact one legislator can demonstrate legislative intent. I am quite sure I can bring you a legislator that will say that was not legislative intent. In fact, I would like to ask this Board to seek a written AG opinion on this subject. I don't believe that a meeting with one legislator is enough for your representative to make a determination that the legislative intent was that hearings would be done. Mr. Krueger said that Senator Townsend is one of 63. I believe I can bring you a legislator that will say that wasn't legislative intent. I believe that to go forward here and say, yes, we ought to open hearings...if that's the law, then that's the law. But I challenge the assertion that legislative intent by one legislator in fact constitutes legislative intent. That's one legislator's intent that sponsored the bill brought forth on behalf of WSPA.

Hank Vogler asked Mr. Townsend steered this, if I understand it, through with legislature and did receive a signature of the Governor. Wouldn't that indicate that there was more than just one person's opinion?

Peter Krueger answered yes in fact, the legislature did and the governor did sign SB 324. The questions here is not the bill per se because it included several things. It included the variance procedure and I want to address that as well. What was represented here if I understand your AG representative is the legislative intent which can be way different from the words in the bill. And I'm asking clarification of that matter.

Katie Armstrong said that she did review the legislative history and legislative minutes from of SB 324. Unfortunately, they are very brief. As some people know, when they have reviewed legislative minutes, they don't necessarily get to the legislative intent behind it. The minutes are not very helpful. A lot of this is based on Senator Townsend's remarks from the last meeting we had with him. If the Board does decide they want to get an opinion on this, I have looked through the minutes and they aren't very clear.

Peter Krueger said it was brought up and we agreed that Section 2 of the bill SB 324, talked about a variance procedure. What we are saying this morning is absolutely correct. We attended the meetings, we participated in those meetings, we agreed to a variance procedure. But to the question as to whether that solves our problem, and I am very clearly on the record, said at every meeting, we don't believe that having variance procedure really solves the problem. Moving fuel to satisfy the needs of rural Nevada, primarily Lincoln County, is an ongoing daily occurrence. And that while a variance procedure is a good thing, I do not see or believe that this is a functioning, workable tool on a daily basis. When a supplier needs to supply fuel to

one of the few stations to Lincoln County, they will have to get on the phone, call the Director, or his/her designee, and it could be Saturday morning or Sunday morning or a holiday and provide the information that we need to get fuel to this particular station, here are the circumstances, and all this time we believe the fuel would be moving, the fuel would be moving from the moment the station called and said I'm about to run out of fuel. That is the reality. That supplier is obligated by contract to move the fuel there. We supported the idea. We just don't think that it is a real workable tool giving the day to day circumstances of this very narrow area.

Paul Anderson said if the 38<sup>th</sup> Parallel is put back into effect, I just want to make sure everything is clear, the fuel would have to come out of the lower 38 to supply the whole lower half of the state? Peter Kruger said that is correct. Paul Anderson asked if there have been any supply issues in the southern half of the state as far as gasoline, that would apply to this? In another words, what's the supply been in the recent history in the southern portion of the State? Peter Kruger said he couldn't give specifics because I did not come prepared with those. I have two suppliers; one in White Pine County and one in Las Vegas who traditionally have contracts with stations in Lincoln County. There are other suppliers outside the State of Nevada that also supply stations in the affected area, south of the 38<sup>th</sup> Parallel, but outside of Clark County. They move fuel as a course of general business practices.

Peter said we will abide by whatever course of action this Board deems necessary and legally appropriate. I just like to go on record I do not believe that one elected official thoughts on this constitute legislative intent.

John Sande said the statute clearly states, "the Board of Agriculture shall adopt by regulations specifications for motor vehicle fuel based upon scientific evidence which demonstrates that any motor vehicle fuel which is produced in accordance with specifications is of sufficient quality to ensure appropriate performance when used in a motor vehicle in this state". It says, "you must", there is no ambiguity here. And we're talking about all these issues that should be at the hearing. We can go look at this whole issue and see if there is scientific evidence out there that supports the elimination of the 38<sup>th</sup> Parallel. ASTM changes from time to time because they do studies. I am saying that you ought to hold hearings and I think you are obligated under the law to hold hearings. At that point of time, you can consider any scientific evidence and other evidence out there to see whether you should keep it or not.

The Director said I have reviewed this whole thing the best I can with the records he has. This happened prior to me being here and one of the things that I have asked and insist upon is that the written record and the documentation of that record be absolutely perfect at all of our Board meetings henceforth. I did attend a meeting in Senator Townsend's office with Katie and John Sande and I listened very carefully. I did not say much, but I came to the conclusion that I would advise the Board that you need to open up the hearing process on this and listen to it one more time. And that would be my recommendation. You cannot, I believe, take action on that at this point in time. I would suggest, unfortunately, that the only measure to have: (1) get a new

Director, (2) table this and we will make sure it is properly worded for the next Board meeting.

Katie Armstrong said she agrees with Director Lesperance. In this particular action because it was from our from December 7<sup>th</sup>, 2007 meeting. You can state on the record that was already moved and passed unanimously and no action will be taken on Item F.

**It was the Board's decision to take no action of this item.**

**B. Update on actions taken at December Board meeting.**

1. Requested permission to adopt as permanent, Gasoline Variance and Waiver procedures.

Bill said he filed paperwork with the Legislative Council Bureau which was then sent to the Secretary of State's office and was assigned LCB File No. T011-09 which is in your Board packet and stamped approved as of February 25, 2009. The reason this was approved as a temporary regulation derives from State law which says any regulation approved between July 1 of an even numbered year and July 1 of the following odd numbered year, (during the year of legislative session), must be approved, at least initially, as a temporary regulation.

2. Requested permission to adopt as permanent, proposed changes to NAC 590.051.

I requested to adopt as permanent, proposed changes to NAC 590.051 and this was cleaning up and updating biodiesel language and biodiesel blends. During the workshop and hearing process, ASTM International approved a standard related to diesel/biodiesel blends and language pertaining to the standard was included in the final document I submitted to the Board in December. The appropriate paperwork was filed with LCB. This regulation change was initially on February's agenda of the Legislative Commission. However, I was later informed that LCB was concerned at how different the language was in the final submitted version compared to the initial language that came from LCB. I was given a choice between resubmitting the final language, essentially as a resubmission, and hold workshops and hearings again, or ask to still defend the proposed language before the Legislative Commission with a letter of objection attached to the file by LCB.

I spoke with Deputy AG Armstrong and agreed with her feeling that resubmission is the correct route. I'd like to add that I have not been told by anyone at LCB that they have a problem with the language per se, but only with how different it was when it came back to them.

**C. Request to go to workshop and hearing to adopt as permanent, LCB File No. T011-09.**

Bill continued with Item C is a request to go to workshop and hearing to adopt as permanent LCB File No. T011-09. After my comments from a few minutes ago, about the variance regulation, I'd like to ask permission to hold the necessary workshop and hearing to make the regulation permanent. Again, in conversations with Katie, my intent is to have this procedure completed before the next meeting of this Board so that I can ask at that time to adopt as permanent, then from the paperwork to the proper office clear of July 1st so that we don't run into any issues.

I like to hope that since the stakeholders who will be involved in the second round of workshops and hearings have already agreed to the language the first time and that this would be a pretty straight forward process.

**Paul Anderson made a motion that we go to workshop on LCB T011-09. Ramona Morrison seconded the motion. Motion carried unanimously.**

**8. D Request to go to workshop and hearing to adopt as permanent, proposed changes to NAC 590.051.**

Note: A new file had not been received from LCB at the time of agenda submission.

Bill said he still has not received any paperwork back from LCB because of their workload at this time.

LCB does have what I submitted to the Board for adoption in December and presumably they will use that as their starting point and hopefully it will come back to me in that form. I would like to at least get the go ahead to hold necessary workshops and hearings once the language is returned from LCB. Although my intent is to have the procedure completed before the next meeting of the Board, because I don't know when I would receive language back, I can't promise that would happen.

Paul Anderson said this is one, as you all know, we already went through workshop. This is the one regarding the biodiesel. We were in agreement on it. It came to Board, we approved it. My concern is though, even though we've all approved it, it is still with LCB and I'm concerned what wreck could come out that. So in this one, my recommendation is that we consider tabling it until we see final wording.

**Chairman Perazzo asked Paul if that was a motion? Paul responded yes it is. Ramona Morrison seconded the motion.**

**Chairman Perazzo repeated the motion – a motion was made to table the proposed changes in the NAC 590.051. It was seconded by Ramona.**

Chairman Perazzo asked for comments from the public.

**Motion passed unanimously.**

## **8.E Request to go to workshop and hearing to adopt as permanent, proposed changes to NAC 590.065.**

**Note:** At the December Board meeting, action on LCB File No. R111-08 was tabled. At the time of agenda submission, LCB was comparing the original LCB File No. R-111-08 and the final language arising from the hearing in December, 2008 to determine whether they will have the same objections as with File No. R209-08.

Also: A request has been made by Clark County Department of Air Quality & Environmental Management to change NAC 590.065, Section 4, increasing the wintertime RVP maximum from 9.0 psi.

Bill said this item was on the agenda at the December meeting and tabled at that time. It deals with blends of gasoline and ethanol, what's allowable and parameters of that. After what happened with my biodiesel regulation changes, I asked LCB to review the initial and final language for this regulation change as well. LCB has not gotten back to me, but maybe more importantly in January I was approached by representatives of Clark County Air Quality and Environmental Management. As part of updating their carbon monoxide maintenance plan, they wish to relax the wintertime RVP specification in Clark County. That is Section 4 of NAC 590.065. So with a couple different issues going on and after discussions with Director Lesperance and DAG Armstrong and Paul, I want to redo this language and go on from there. I want to get NAC 590.065 right once and for all including the changes the Clark County has requested.

**Paul Anderson made a motion that we table this until we get LCB's version. Ramona Morrison seconded the motion.**

**Motion passed unanimously.**

## **8.G Update on labs in Reno and Las Vegas.**

Bill wanted to give a very brief update on the labs. He said at the current time both labs are busy in turning over a significant number of samples for January and February, about 400 samples statewide. The numbers are down a little bit for March, but are still quite good. We are at least average for March.

Bill complimented Shannon, Las Vegas, and Christy Lew, Reno, for their continued dedication and ability.

## **8.A Update on GL Suite application**

Lon Beal said gave a quick update on the Weights and Measures GL Suites application. We are essentially reverting to our original Access based application. The original Access database is what we are going back to. We are taking an old program that we had for a few years which was very stable. The data was extremely accurate; it did a good job for us for billing in conjunction with the Advantage system.

We are going to revert to that, but one major difference that we are making is that we are modernizing it. We made this a network based application.

We ran into a few problems. We are little bit behind schedule. We had problems extracting data from the GL Suites database and as such we had to adjust. What it amounts to is that we are rebuilding it manually. We are going back to where it was two years ago before we switched off and rebuilding the lost two years. The data that is in GL Suites is trash; its corrupted and we can't depend on it. Our real goal is to be able to do billing by the first of August which is mandated by NRS and I fully expect to meet that.

Lon said one of the reasons they made the decision to back to the old system is because we have the source code. We own this program. And this has been a problem that we've had with GL Suites database. It's a proprietary system; if we need to modify it, it costs us a lot of money. If we have problems with it, they will want to continue to charge us. Yearly maintenance fees are exorbitant especially for what we got. So we have the code and I think that is important. We own this.

## **2.D Gus Wegren, Farm Service Agency, PowerPoint presentation on draught.**

Gus Wegren thanked the Board and Director Lesperance for the opportunity to appear before the Board. He said he is the acting Director Executive Director for the Farm Service Agency.

The Director has asked him to talk primarily about how the disaster declaration process works. For instance, how we get a draught declaration in Nevada? In addition to that, he wanted to do a brief overview of what Farm Service Agency does.

He said you probably are aware that recently a Farm Bill was enacted by Congress in May, 2008 and we are still in the process of implementing some of those programs. He distributed his PowerPoint presentation.

As you aware there is no substitution for good weather, good market, stable prices in agriculture. We know that doesn't always happen. The Farm Service Agency is here to help farmers and ranchers when we have natural disasters, when we have falling prices, unstable markets. A lot of these programs are a safety net, they are not a windfall. There are just a little bit to help the rancher, farmer hopefully make it through the tough times.

We also have a loan program in addition to the commodity and disaster programs. The loan program is what we call a lender of first opportunity. We are really try to get the beginning farmer in agriculture. As you are well aware, the average age of the American farmer/rancher is the mid-fifties. So we are trying to target the young farmer/rancher to get into agriculture and stay in agriculture.

Mr. Wegren gave an overview of the 2008 Farm Bill:

- Commodity/Disaster Programs
- Direct and Counter-Cyclical Payments (DCP)
- 2009 – 2012 DCP Signup
- Average Crop Revenue Election Program
- Dairy – (MLIC) Milk Income Loss Contract Program
- Dairy – (DIPP) Dairy Indemnity Program
- Title XII: Crop Insurance
- Supplemental Agricultural Disaster Assistance (SADA)
- Supplemental Revenue Assistance Payments (SURE)
- Livestock Indemnity Payments (LIP)
- Livestock Forage Disaster Program (LFP)
- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP)
- Payment Limits & Income Eligibility (PL/PE)
- Ongoing FSA Commodity & Disaster Programs
- Marketing Assistance Loans (MAL)
- Loan Deficiency Payments (LDP)
- Emergency Conservation Program (ECP)
- Noninsured Crop Disaster Assistance Program (NAP)
- Risk Management Purchase Requirement for SURE, ELAP & LFP
- FSA Farm Loan Program Changes due to 2008 Farm Bill

## **9. Resource Protection Division**

Mark Jensen is the Administrator for the Division of Resource Protection and State Director, USDA Wildlife Services Program. Mark said he wanted to give a brief program overview. Mark said he has attended all but one Grazing Board meetings between N1, N2, N4 & N6 and other staff attended N3 and then Director Lesperance attended N3 as well.

Just in general from what we've seen from the Grazing Boards, is their amount of money that they have available to them that comes back through the grazing fees. Those amounts continue to go down and it is down across the board for all the Grazing Boards. So their ability to cooperate with USDA to pay for the aerial operations that we conduct for coyote control continues to go down. There is nothing they can do about it and I just want to bring that to the attention of the Board that their ability to participate continues to go down as their monies decrease. We appreciate the money that they cooperate with and they continue to support us heavily, but the money they have to spend continues to go down.

We are fully staffed on our pilots. We have three pilots in place. It's important that we continue to have enough flying time to continue to support these aircraft. Our aviation center looks at our aircraft and they try to make sure that we fly each of our aircraft at least 500 hours per year. We are currently meeting that. If we run into continued problems in the future and we go below 500 hours, then somebody,

somewhere is going to look at us and say well maybe they don't need this airplane in Nevada. We need continued support so we can maintain our program.

I did hire a new budget analyst on the federal side. The budget technician that I have on the federal side is going to be retire April 3<sup>rd</sup>.

One of main things I would like to say today and I have mentioned this to all the Grazing Boards and you have all heard this from me as well, that right now we are still losing 5 positions in Resource Protection. Forty-two percent of my State workforce is going away. I've been shouting this from the rooftop and I'll do it again, but I want everyone to know, I cannot do this work in Nevada losing 42% of my State workforce. There are going to be big holes in the map where I have nobody there. I cannot do this work at the level we have doing it in the past by losing this amount of staff.

Director Lesperance made comment that he has had numerous meetings with Assemblyman Claborn from Clark County. We are looking at all sorts of ways to get additional funding for this program. In my testimony to the legislature, I indicated that the cattle loss, the economic value of the cattle loss, without additional support or funding, whether it is the cattlemen or other sources, in my estimation will be a 6 million dollar annual loss.

#### **10. Department employee comments and suggestions to the Board of Agriculture.**

None

#### **11. Public Comments**

None

#### **12. Travel Claims and Salary**

None

#### **13. Date of Next Meeting**

**Benny Romero moved to have the next meeting on June 10 & 11, 2009. Ramona seconded the motion. Motion passed.**

Member Boyd Spratling had a conflict with the date and the Board wanted to change the date to accommodate him.

**Benny made a motion to rescind the motion to have the meeting June 10 & 11, 2009. Ramona seconded the motion.**

**Benny moved to have the next Board meeting June 17 & 18<sup>th</sup>, 2009. Ramona seconded the motion. Motion passed.**

**14. Ramona Morrison moved to adjourn. Paul Anderson seconded. Motion carried.**

Meeting was adjourned at 12:52 pm.