

Name of Organization: Nevada Board of Agriculture
Date and Time of Meeting: June 15, 2010 at 8:30 am
June 16, 2010 at 8:30 am
Place of Meeting: Nevada Department of Agriculture
405 S. 21st Street
Sparks, NV 89431
Phone: (775) 353-3601

Minutes

June 15, 2010

A. Pledge of Allegiance

B. Introduction of Board members and guests.

Board Members Present:

Paul Anderson
Dean Baker
Grady Jones
Ramona Morrison
Paul Noe
Alan Perazzo
Jim Snyder
Dave Stix, Jr.
Hank Vogler

Board Members Absent:

Boyd Spratling (Excused)
Martin Plaskett

Staff Members Present:

Tony Lesperance, Director
Sandie Foley
Katie Armstrong, DAG
Dr. Phil LaRussa
Lon Beal
Blaine Northrop
JoAnn Mothershead
Dawn Rafferty
Ed Foster
Peggy McKie
Chuck Moses
Scott Marsh

Guests:

Doug Busselman, NV Farm Bureau
Peter Krueger, i3 Public Affairs
Jeann Higgins, Forest Service
Meghan Brown, NCA
Randy White, Clark Co. Air Quality

Dr. Shouhua Wang
Jeff Knight
Lee Lawrence

2. Board Business

Approval of minutes from the March 2, 2010, March 3, 2010, and March 30, 2010 Board meetings.

Corrections were called for on Page 10 of the Board packet, paragraphs 2 and 3 under "D. Walker River Freedom of Information request". Corrections were made to the references to the National Wildlife Federation and Fish and Wildlife Foundation to read "Fish and Wildlife Foundation".

Corrections were called for on Page 12 of the Board packet, paragraph 1. Corrected spelling of the name of Pat Mulroy and corrected her quote to read: "that pipeline was not practical or workable".

Jim Snyder made a motion to approve the minutes with the requested changes. Ramona Morrison seconded the motion. Motion passed.

B. Approval of the inclusion of additional minutes from the December 9, 2009 Board meeting as transcribed by Nancy Long, Jones Vargas Law Firm. This inclusion was requested by John Sande, III and approved by Deputy Attorney General Katie Armstrong under Open Meeting Law.

Note: Minutes from the December 9, 2009 Board meeting were approved by the Board on March 3, 2010.

Director Lesperance made the following comments: First of all I want to make it absolutely clear that if we did the minutes verbatim, Mrs. Foley simply absolutely doesn't have the time to do that. She does the best she can do with the time that I allow her to spend doing it. She has a lot of other duties and it takes a great deal of effort for her to do as much as she does in regards to the minutes. John Sande thought that the minutes were inadequate because that they were not done verbatim and somehow I guess a suggestion was made that if he wants them verbatim he can do them. And I believe council made a comment on that.

My position as Director is the only minutes I care about are the minutes we produce. I am not going to tell you whether John Sande's minutes should be approved or not approved. That is not my position. I did not even read them quite frankly. I have enough problems without getting into that argument. I can tell you the first three or four sentences in the minutes that they produced are incorrect. And I didn't have to go any further than that. Whether you want to approve them or not, I think is a Board decision and I would suggest that you would want get legal counsel's

impression on that. I am not inclined to pay too much attention to the minutes that John Sande figures he should produce to make sure they are verbatim and correct so forth and so on.

Katie Armstrong: I would like to clarify under the Open Meeting Law, the minutes are suppose to have the substance of what every single person had said . So they do not need to be verbatim, but they do have to have the substance of what every person had said. According to John Sande and I am not sure if this is correct or not, the substance of what he said was not in there so it was suggested just to take the minutes he has produced.

Now, I have been told and I have not read them, I have been told they are not correct so you don't have to approve these in this form at this point. But in the future these may need to be corrected in order to avoid an Open Meeting Law complaint and what happens is if he decides, if it is correct that his remarks and the substance of his remarks are not in the minutes, he can file an Open Meeting Law complaint and we can cure that by fixing our minutes so we were kind of trying to head that off before he files one, I don't know if he will or not. But that's where this kind of came from. So if these minutes are incorrect, then I suggest you do not approve them today and we can go forward and try to get the substance of what he said in there.

Alan Perazzo: One thing I have learned through this this whole process is that if you have somebody transcribing the minutes that weren't here, we as a Board are not being clear enough on identifying ourselves of recognizing who is speaking when and what not, because..... Anyway, I can see that she [Nancy Long][struggled doing that and I guess I would like to compliment Sandie on the good job she is doing because it is not an easy thing especially sometimes when we as a Board get to talking and we are taking care of business, resolving things, but we are not as clear of who is speaking who is making a motion and what we're saying. So we need to do a little better job at that. Any other comments?

Hank Vogler: Not so much as to the authenticity of the remarks of the minutes. My question is which would be better for us? Would this create a loophole for him to jump through if we said yeah we approved them as perimeter with exception or just table it? Obviously, he has threatened every time he has come here to sue us over something. Is this self incrimination or why bother?

Director Lespearance: May I correct Mr. Vogler's comments? We've already been sued.

Hank Vogler: As a matter of technicality, we are already being sued. Okay. So are we giving him another loophole? Would we play the loophole if we said we approved them as presented or we need to correct them or need more time?

Katie Armstrong: I believe we just need to correct them. He had not threatened to file an Open Meeting Law complaint, but he is talking about the minutes and I have had this with another Board, so I know we should cure them to head off the complaint. But I think definitely in looking at them, I think a lot of people had concerns as to what was put there. So I advise not to accept these as they are and we can go back or the Board can go back and look at actually what remarks Mr. Sande made because those are what he is mainly concerned about is the remarks he made and we can put the substance of those in.

Paul Anderson: I do want to say in looking that through I mean I didn't study it for hours, but I did find mistakes in there. And likewise I would say we should not approve it.

Ramona Morrison: I don't think we should approve anything that somebody else submits as minutes unless its transcribed by the official transcriber. It's not somebody's secretary.

Chairman Perazzo: As the Director pointed out, I felt uncomfortable because because as far as the first three lines, I know there were the things I said, and they have Tony slated as saying that. And then I guess I feel uncomfortable with minutes that have, like on Page 145, where it says in parenthesis, a comment with a question mark, "at this point everyone is confused about where they are and what's the next step. John you really need to hear this".

In my mind those aren't minutes. That's somebody's opinion of the meeting. I feel like we as a Board were not confused at any point. We were seeking legal counsel to figure out what we need to do and what not. We are trying to do everything above board and the accurate way and to me that ...is just my take on this.

David Stix, Jr.: I just wanted to note the... aren't the records or the minutes, aren't they both a combination of the written and the electronic? I mean in any case when somebody's is going to go back on an issue, they are going to use the written and the electronic together. I'm just wondering if this isn't....this is just the comments have been brought up already.

My point is that don't have to be...like you [Katie Armstrong] said, they get the point across with what everybody said, but even if you don't get everybody....to get everybody's comments, then I think together, the written and the electronic.

Katie Armstrong: Can you can you clarify electronic...what's being recorded?

Dave Stix, Jr.: Right.

Katie Armstrong: Well, under Open Laws you are suppose to keep copies of what's being recorded, but also have to produce written minutes. So they are kind of a

separate issue. I have dealt with this before and the only direction I can give you is the minutes are supposed to have the substance of what everybody says. Whether it is one line or more in depth, it does not have to be verbatim.

Director Lesperance: I want to comment that your point is absolutely correct that we keep the disc. The disc is available to everybody who wants it. We will provide verbatim, at that point in time, because it is exactly what everybody said. Anybody who wants to go back and review anything in particular depth that isn't clear in the minutes, they certainly can get a copy of that and that point in time they have precisely what was said. That is available to anybody who wants it at any point in time.

Dave Stix, Jr.: In every issue that I've been involved in with minutes, they never go to the written. The attorneys or what have you go directly to the electronic and have them transcribed, because we all know that the written minutes just are that.

Alan Perazzo: The proper procedure then would be to.....can I ask for a motion to approve the minutes? Do we have to make a motion if we don't?

Hank Vogler: It could die for lack of a motion couldn't it?

Katie Armstrong: Sure, it could die from lack of a motion or you could move to not approve them.

Sandie Foley: I have a question? For clarification purposes, are you [Katie Armstrong] saying then whenever someone makes comments, I'm to put those in there verbatim no matter?

Katie Armstrong: No, just the substance of what each individual says.

Sandie Foley: Okay.

Katie Armstrong: Another thing, a lot of times people can bring their written comments form and that is something that the Board can encouraged people to do. They submit them and those get attached to the back of the minutes and that might be a good thing for this Board because the comments are so lengthy.

Sandie Foley: So what do you want me to do? Incorporate his comments into the minutes or put them as an addendum to the minutes?

Katie Armstrong: Well, if he has them written you can do them as an addendum to the minutes.

Sandie Foley: Ok, as they are written. I supply her with the disc and these are her minutes from the disc and they are incorrect, so what do you want me to do?

Katie Armstrong: At this point I think the indication of the Board is they probably are not going to approve these. It is my suggestion that is to go back and put in the substance of what is said. If you feel the substance of what he said is in the minutes, then that's your call.

Ramona Morrison made a motion to not approve the minutes. Paul Anderson seconded the motion.

Director Lesperance commented: As Director, I want to make it adamantly clear to the Board that I am more than satisfied that Mrs. Foley captures the intent of the discussion point by point. I go through the minutes and if I felt that if that was not the case, I would make sure that she would correct the minutes.

This whole process I find kind of disturbing, to put it mildly. I think this Board has bent over backwards and I think Mrs. Foley has bent over backwards and I believe the Director has bent over backwards time and time again to satisfy Mr. Sande's request. Thus far, those efforts have resulted in the fact that the Board is now being sued. So, I will try my level best to satisfy Mr. Sande the same as any other person that comes directly forth, but there is only so much under our present circumstances that we can do and I am absolutely more than satisfied with Mrs. Foley as meeting the requirements of the minutes as such. If somebody else wants to bring something in we can attach it or whatever. But I just want to make sure that the Board understands that the Director is more than satisfied with the minutes that Mrs. Foley produces.

Chairman Perazzo: Thank you for that recommendation, because I think that when somebody does a presentation and it's all written, it would be a lot easier for Sandie and it would also give a complete depth of what they were saying.

Motion passed.

C. Introduction of and Oath of Office for new Board member Grady Jones.

Director Lesperance: I would like to point out that when Dave Barton indicated he wished to retire, I asked for the cooperation through Lee Lawrence to get the Southern Nevada folks involved in pesticides to come forward with three names and they did. They came forward with three outstanding individuals. I circulated those amongst several people as well as people in Southern Nevada and I asked them to rank them. They ranked them. I went through the names very carefully and their backgrounds. I ranked them pretty much the way everybody else did and I took them to the Governor and asked that he make an appointment. He went along with our recommendation and chose Grady Jones to be the new member.

I would like to point out that he has an outstanding background, tremendously gifted to be a member of this Board. I thought he had a lot to offer and have spent some time with him when I was in Las Vegas last week. We had an excellent meeting and

he drove up here at his own expense and ready to go to work. Grady, I just wanted to say those words that I am very impressed by your enthusiasm, but now that you're going to get sworn in and after you have taken a good look at this and raised your hand in front of God and everybody else, I hope you don't lose your enthusiasm.

Katie Armstrong issued the Oath of Office to Grady Jones.

D. Introduction of Jeanne Higgins, Forest Supervisor, Humboldt-Toiyabe National Forest to the Board of Agriculture.

Jeanne Higgins: I am Jeanne Higgins and I am the most recently appointed Forest Supervisor for the Humboldt-Toiyabe National Forest. I arrived in early March and I replaced Ed Monnig for those of you who may have known Ed. Ed was here 2 years as Forest Supervisor and part of that was a Deputy Forest Supervisor.

I have been with the U.S. Forest Service since 1980 and I have worked for the agency throughout the west. I came here from Wisconsin. I spent five years in Wisconsin in the upper Midwest. It was quite different for me because I am originally from Northern California. But it was a good experience for me in terms of seeing the upper Midwest and the forests of the north.

I am a forester by training, however, I have worked in landscapes where grazing has been an integral part of the forest and the goods and services that we produce. I have worked in Eastern Oregon. I've worked in Western Montana. I've worked in Central Utah and now I am really thrilled to be here in Nevada and Eastern California, because a portion of Humboldt-Toiyabe is also in California. Humboldt-Toiyabe National forest is the largest national forest in rural forty-eight states and after spending two and one half weeks out on the road visiting with each of the districts and the employees that reside on those districts, I realize that this is a good place.

So, I look forward to meeting with each of you. Tony has requested that either myself or one of my staff attend your Board meetings mainly to be a source of information for you if there are issues that come up that are related to grazing or noxious weeds or anything else that we might be doing in the National Forest. We would like to serve as a source for you, answer questions. Hopefully, we will be able to do so and I appreciate the opportunity to meet you and attend your meetings. Thank you.

Dean Baker: I would just like to say that I appreciate Jose. I think he is better than any of the people who have been there and one of those things, opinions on the terrible consequence of the huge increase in Pinion Juniper that we have seen that he is aware of that among other things. We are learning more and more that the Pinion Junipers do significantly cut the water and that in my opinion at least the Federal Government in fighting all the forest fires continually even though I've

seen small forest fires that were created by lightning strikes late in the fall when fire wouldn't go in an area that was nothing but solid juniper and see helicopters and crews come to put that one tree out don't make any sense that the person for doing that should be sued because they are not protecting the environment they are ruining it. That is one thing that Jose may not agree with me entirely, but he looks at it realistically. I would just like to put that forward, because I am an opinionated.

Jeanne Higgins: Thank you for sharing your opinions especially about Jose. I'll also share that with him. He is very passionate about the work he does and cares very much about the portion of the forest that he manages. Certainly Pinion and Juniper encroachment is a huge issue for us and one will be taking very seriously in terms of trying to address that. Jose has a lot of energy to do that. So thank you for sharing that with us.

Hank Vogler: I also reside in Eastern Nevada and again I would like to reiterate what Mr. Baker just said. Jose grew up there and he understands that if we don't get started and darn quick when the moon and the stars line up we are going to have something nobody can control, nobody can stop. It's going to take the whole country. It's just going to burn down and it's going to harm some people. Not just their pocketbook, I mean I have shepherders on that mountain and I don't want to have to send the good news, your husband is coming home, with a little bad news, that he is medium well. We've got to start doing something. We have gone around the corner and if we do not start opening up some of that country with some controlled burns, it's all going to burn. It is all interconnected now. Thank you.

Dave Stix, Jr.: Our family falls under, mostly with our permits, the auspices of the BLM. So when I ask you this question, some of my friends that have forest service permits, it seems that when it comes to repairing existing infrastructure, there seems to be this huge disparity between the Forest Service and the BLM of what has to be done before you can repair say a water line. BLM is very good...if it's an existing infrastructure piece of equipment, we can replace it. It seems to be different with the Forest Service. That one and then the issue of trying to gather as much water from the permitted people who hold the permits for the water. The Forest Service seems to be trying to get part of the water in as part of an exchange to go do those repairs. Can you respond to that or have you had the time to?

Jeanne Higgins: Well, I haven't had the time to fully understand the issue that you are bringing forward.

David Stix, Jr.: You are aware of it?

Jeanne Higgins: I hear two issues certainly. The issue of water rights and water developments on the National Forest to support (coughing, unable to hear). I think that is what you are talking about.

Dave Stix, Jr.: The existing permits that are in the permittees name for the State of Nevada.

Jeanne Higgins: So its an issue and a question that I probably should inform myself a little bit more about before I address it specifically. But you brought up two issues, one being the right itself, the water itself and the development, the second is the process for actually supporting the replacement or the development. So I am not sure if it is the lengthy process that we go through that is different than the BLM's process if that's what you are referring to. We do have two different requirements under the National Environment Policy Act in terms of the requirements we must meet in order to do actual ground serving activities. So I am not sure if that is what you are actually referring to.

Dave Stix, Jr.: It's about the repairing of infrastructure that has already been there, in the permit, and if it's damaged, for example a wildfire, if it's damaged, the requirement to go through the full studies to repair that system. On our BLM permits we have not had that problem if it's an existing water trough or an existing water line that needs repair, we repair it. We are allowed to repair it, but if we add something new, we know that that requires a permit process.

Jeanne Higgins: So that it makes a lot of sense that if it's maintenance and replacement of existing infrastructure that that process would be fairly minimal. So I am not sure I completely understanding why it might be taking us much longer than the BLM. So I probably need to get some more information before I can fully answer what might be at play there. There could be a variety of different things that could be at play.

Director Lesperance: Jeanne your predecessor and I had many luncheon discussions over this very issue and I think he understood the passion the people of Nevada have for the control of the water. I would suggest that I am not trying to say that you have to change or anything else, but you have to live under the regulations you live under. But I think it would be helpful if you and I go to lunch, I will even buy, to sit down and I think I can explain to you the passion Nevada has, or the people in rural Nevada have for water. I think that your path and the position you're holding is always going to have some controversy. I think that maybe I can help you understand that a little bit.

Jeanne Higgins: Well, I certainly do understand the importance of water and the fact that it is not very plentiful in this state, certainly in the west as well. So I think there are some nuances to the question that was being asked that I would rather make sure that I know those nuances before I give you the specifics. But I do understand we have got an issue related to water, related to delivery of water, related to development of water sources as it relates to existing permits on the National Forest

Director Lesperance: I'll call you and we'll go to lunch.

Jeanne Higgins: Sounds great, sounds good, thank you. And I'll get back with you Mr. Stix in terms of your question for sure.

Dave Stix, Jr.: I appreciate that. Along with Director Lesperance's request, Jeanne, it sounds like you made a whirlwind tour to go visit all your folks. There's really good people out there holding these permits right now. And maybe that would be a good idea. Maybe you can hear that from the horses mouth of how it's been operated in the past and what they have been asked to do and maybe you can hear that directly. I sure Dr. Lesperance will inform you as well.

Jeanne Higgins: Well, I appreciate that suggestion and I will actually take you up on that offer to reach out to those folks and offer to meet with them. So that's a great suggestion, thank you.

Dean Baker: I can give you an example. We have a spring in either the late 50's or early 60's when the first of the black pipe, plastic pipe was ripped into the ground. We developed a spring in the Mount Mariah above our BLM grazing thing. With the help of BLM, we put this spring into a box and ripped the pipeline in. I believe that we have the right to this spring and it comes down out of the Forest Service and we did it all with the Federal Government involved in putting it down. That pipe is now close to sixty years old and is some of the first pipe and it's had some problems and it probably really needs replacing. My sons do the work with this, so I am not as close. But they are saying there are questions as to whether the Forest Service is willing to let us replace that pipeline. But it was legally down. It is legally owned water. It is critical to the range and the cows. We have forest permits as well as BLM there and to say that we can't go and replace or put that pipeline in because it is a new time doesn't seem right to me. So, that is the kind of thing I think that is being faced all over Nevada. It is just a pure example of it.

Ramona Morrison: What is going to be your policy with regard to pre-existing rights which incorporates all of these questions particularly with regarding pre-exisitng rights regarding water conveyances so on and so forth. What will be your position with regard to those pre-existing rights as protected under FLIPMA?

Jeanne Higgins: You are talking specifically about water itself and the transmission of water.

Ramona Morrison: All of the pre-existing rights that existed as protected under FLIPMA.

Jeanne Higgins: So those rights that either have been adjudicated or documented and I am not sure I am using the appropriate terminology here, but those that are codified in some form certainly would recognize those. I think the issue of water and water rights and who holds title to those water rights is an issue of concern to the Forest Service at this point in time. The reason I can't speak to it more deeply is that I am just in the process of informing myself about that issue in terms of what it

means to permit holders and their development and delivery of water to which they are grazing on the permitted National Forest System lands. So it is my intention to work with all permittees and all folks that have legal rights and if there are issues and concerns, I'd like to hear about them. I may not have all of the answers right away, but I will certainly seek to obtain those answers in terms of any issues that crop up.

Ramona Morrison: I think that if you look at the settlement pattern of Nevada and the west and in Nevada in particular because it has been settled since the 1860's, everyone of these ranches that everyone here is talking about have been settled and established probably in the 1860's and a little bit later. Fairly early in our history those waters were put to use way back when and the best of rights have stemmed from those early settlement patterns I think were there of course long before the Forest Service was ever created or Forest System Lands ever were created as a management tool for the Federal Government. So what I think what they are expressing here is simply concern from a management point of view of those pre-existing rights.

E. Chairman Perazzo's presentation to the Board on a recent article that appeared in the Edible Reno-Tahoe Magazine.

1. 'Meet Your Meat' written by Nancy Horn, Publisher and Editor of Edible Reno-Tahoe Magazine.
2. Letter from Kenneth E. Petersen, Assistant Administrator, Office of Field Operations, USDA.
3. Letter written to Governor Gibbons by Amanda Burden, Publisher and Editor of Edible Reno-Tahoe Magazine, dated April 27, 2010.

Chairman Perazzo: This is for informational purposes only, but I kind of got myself into a little bit of a discussion with an individual. If you have ever seen this magazine, Edible Reno-Tahoe..... This is the first edition out. I had the opportunity to....actually, my wife read this. She came upon a couple of articles and said you've got to read this.

I wanted to go over a few things with the Board. I think if you look at 2.E.1, is a copy of what I am referring to. I want to read a couple of paragraphs. On 'REALITY CHECK', page 147 in the Board packet.

Chairman Perazzo read the first paragraph under 'REALTY CHECK" and also read the paragraph 'BEEF' to the Board. I wanted to update the Board on this whole thing. I talked to the publisher of this magazine and tried to express my concern on the way this article was written. I talked to several of the advertisers in the back of this magazine and expressed my concern that that was not the way agriculture was

done here in Nevada. She said it doesn't mean it's done here in Nevada, it just means that it's done.

Chairman Perazzo went on to say, in the magazine it says 'celebrating the local food cultures, season by season'. This is a local magazine, so anyway, I called her on all that. I felt like I kind of got myself in a little hot water because she wrote a letter to the Governor. You can see that in there (page 141 Board packet, tab 2.e.3) saying that I ranted and raved to her advertisers. He said he was taught from a very young age that even if you're contentious, if you're right, you're wrong. I don't want to be contentious about this, but it appalls me to see stuff that's not true, being published and people taking it as the truth.

Chairman Perazzo said the letter from the Governor's office said I, as a Board member, could not speak on behalf of the Board unless we discussed it at a meeting such as this. I want to assure you, I wasn't speaking on behalf the Board. I was speaking as a public citizen. And so I think we need to be cautious of that, but I also realize that the role we take here is to protect the public.

Chairman Perazzo read from a NRS; it says, and this is our duty and responsibility: 'to benefit and promote the welfare of all people in the State of Nevada and to promote the efficient, orderly, and economic conduct of the various activities for the encouragement, advancement, and protection of livestock and the agriculture industry'. It is our responsibility and the Department of Ag's responsibility to do that. I guess I would hope that we as Board members don't have to represent the Board in this, although, I think it would be fine. But we have an obligation and responsibility to step up when things are not printed right. I've had the opportunity to share this article with different people that I have talked to as far as 4-H, FFA and the Scouts because I think it's important that people know where their meat comes from and how agriculture is a great blessing to this state.

Director Lesperance: Speaking as an individual who has often done this type of thing and called on the carpet too many times to even count anymore, I wish to commend you for your actions because it's that kind of thing that is so difficult to come forward with because you know you're going to be called on the carpet. You didn't do the politically right thing, you did what was right.

F. Attorney General's opinion regarding whether "special sales" fees may be charged by the Department of Agriculture for cattle sales.

Director Lesperance: We had a lengthy discussion on this item in the December, meeting that you might all recall. You made a motion that was passed, well it wasn't a motion, it was a move to table the issue for further review by the special committee that was put together. A special committee that was made reference to was my request to have brands committee to advise me, not the Board, to advise me on issues related to the Brands division. And they have done a very successful job of that. It was a very successful effort.

I specifically asked them not to get involved with this, because I think that at that point in time the situation somewhat got out of hand. I had to make a decision where we were going and how we were going to get there and obviously at that point in time, I needed some help.

I went directly to the Attorney General of the State of Nevada and asked for an opinion and so that is why this request came forward. At that time, Ms. Munro wrote this opinion and it is my understanding it's been reviewed up through the entire department. I would ask that Katie interpret this opinion so we know what we can or can't do.

Katie Armstrong: Katie directed the Board's attention to Item 2.F [n the Board packet]. That is the opinion that Christine Munro, who graciously helped out with my clients while I was gone, wrote this opinion. A question that came to her regarding NAC 565.230 and whether under those provisions can the Department of Agriculture charge for a special sale of cattle, not just horses and bulls, when the sale does not occur on a weekly basis or on a regular sale day.

When you look at the regulation in question, it's ambiguous because some sections talk about cattle and horses, others talk about horses and bulls and the others lump them all together. So it's kind of ambiguous. When we are trying to interpret a statute that is ambiguous, we have look at the tenant of statutory construction. There are few she used to ascertain what this regulation really means.

One of them is you must look at a regulation and interpret it in a way that it avoids absurd or unreasonable results. Another one is when you terminate the validity of a regulation, the courts gives great deference to the agency that actually interprets them. And that would be the Department of Agriculture here. So we'll go on, when looking at regulation 565.230, subsection (5) that provides for brand inspection fees for cattle and horses that are sold on a regular weekly basis.

In subsection (6) provides fees for a special sale of horses and bulls in addition to those provided in subsection (5). So using another statutory tenent, we have to weave them together in order to obtain what the actual intent is. There is one more subsection (6)(c) states the fees set forth in this subsection must be paid on all consigned cattle and horses regardless of whether the cattle or horses sold at the special sale.

So, when you read all those together, the intent of the regulation is to provide additional fees for brand inspections when there is a special sale held for cattle, horses and bulls. It kind of combines them all. So therefore, although the provisions of the two subsections only refers to horses and bulls, subsection (6)(c) specifically references them all in a special sale. So the answer to the question is the Department of Agriculture may charge brand inspection fees for a special sale of cattle, not just horses and bulls.

I know it's very convoluted and confusing, but when you read it altogether it can change, the Department can charge fees at special sales for all of them; special sales for cattle, horses and bulls.

Hank Vogler: The sale yards have a day designated for them for their sale. So there is no longer any more argument of what is a sale day and what is a special sale. Is that correct?

Katie Armstrong: I am not sure. I know they have their normal days and then anything beyond the normal day is considered a special sale.

Hank Vogler: And they have a license that says your day is Wednesday, Tuesday or Friday or whatever it is. That's part of their permit to have a livestock auction in the State of Nevada?.

Director Lesperance: The permit clearly defines a day they have their sale. Their permit can allow them to have special sales and we need to be notified as such. Both Nevada auction yards do that.

Hank Volger: But if they use another day, if their normal day for sale is Wednesday, and they use a Monday once a month, that's a special sale?

Director Lesperance: Our interpretation is yes, and that would be a special sale and we charge for the inspection efforts we put forward on that special sale.

G. Request permission of the Board to proceed with the collection from Jack Payne, Owner, Nevada Livestock Marketing, LLC, for services rendered by the Nevada Department of Agriculture, Brands Division, to include all past due and current charges.

Director Lesperance requested that JoAnn Mothershead from the Elko office to bring us up to date on the amount owed on your packet on page 158. There is an indication that \$20,703.45 is owed and I ask JoAnn if that is correct and if there has been any additions to that since this you gave us this.

JoAnn Mothershead: The total amount has been corrected is \$20,480.85 and that is is of the last special sale on 5-13-10. They are not going to have another special sale until September.

Director Lesperance: At this time I would ask for the Board's total support because this is going to be controversial issue.

Alan Perazzo: Are you saying that money was collected or that money is still owed?

JoAnn Mothershead: That money is still out on the table. We've have not received a dime.

Director Lesperance: Okay, for the record, I want to make it absolutely clear, if the Board does not see fit to do this, it leaves me in a very difficult situation, because I will owe the other sale yard in Fallon approximately \$15,000 at this point in time. Which means the if Brand division is taking care of \$35,000 and today's difficult financial situation, we would be broke.

Hank Vogler: Dr. Lesperance, so you were saying you have already collected \$15,000 on special sales from the other sale yard?

Director Lesperance: They routinely pay their bill without question.

Hank Vogler: So it would be a reimbursement?

Director Lesperance: Yes, I would have to reimburse them.

Hank Vogler: And would you also have to pay interest?

Director Lesperance: When I've talked to them about reimbursement, they have not asked for interest.

Hank Vogler: But, it could be a liability for interest also.

Director Lesperance: It could. JoAnn do you have any comment on that?

JoAnn Mothershead: They have always paid for their special sales, so it's never been question until they found out that Jack was not paying for his and at that time they said if we did not collect the money from Jack, then they would ask for a reimbursement.

Chairman Perazzo: Asked JoAnn this page 158 where it lists the date, where I had to crease my book down to get the dates down, but it goes clear out till just a couple of days ago?

JoAnn Mothershead: That covers to their last special sale of May 13th.

Chairman Perazzo: I was under the impression that they were not doing special sales anymore, they were doing the sale on Thursday right after there regular sale day which was a continuation of their sale. Is that not correct?

JoAnn Mothershead: No, that is not correct. On their license, it clearly states that Wednesday is their weekly sale. It does not say there is a continuation on into Thursday.

Director Lesperance: I might clarify this somewhat. I think this has been an attempt to circumvent the situation by Mr. Payne one more time. He has his sale late Wednesday and then it carries over to Thursday and says that it is simply a carry-over of the Wednesday sale. This is just one more attempt on his part to avoid the obvious.

JoAnn Mothershead: Originally, he was having his special sales on Monday and then he came up with the thought that if he continues into Thursday, then its no longer considered a special sale. It still takes numerous man hours to take care the number of livestock that comes in for the continuation or special sale, whichever.

Chairman Perazzo: I guess I was under the impression that was in the NAC, that if your sale, I realize it's a way to circumvent what you're saying, but I thought that is what the law read was that the continuation of the sale, then that was still a regular sale day.

JoAnn Mothershead: The NAC doesn't state a continuation.

David Stix, Jr.: If you go to find it, it's in there.

Chairman Perazzo: I know it's in there, because I've read it. I know it's in there JoAnn.

Hank Vogler: Again, I want to ask that question. I want to be perfectly clear. Do we issue a business license to those sale barns and it specifically lists a date?

JoAnn Mothershead: Yes.

Hank Vogler: Then we are down to one issue, the continuation because it can conceivably happen to anybody if we had a huge round of livestock for one reason or another.

Director Lesperance: I think I can offer some clarification. It is in the NAC, if there are too many animals at a sale date, which is identified on their license and it carries over to the next day, they don't charge for that. I believe Mr. Payne saw an opportunity to move his special sale date from Monday or whenever it was to Thursday and now it's just a continuation of that sale. That all it is, a further attempt to circumvent the system.

Dave Stix, Jr.: First of all, the first question that was answered here is very obvious. What has to be done and it really isn't a question for us. We know what has to be done. The second issue is that Tony is right and I agree 100%. This is being used to circumvent the continuation, but here is the thing, we already know the MO of this individual. This will be another avenue to stretch this out even longer as we go ahead and decide what the interpretation of the NAC. Thirdly, he cannot, there is no \$20,000 or whatever it is in any bank account down there. I don't know that, but I'll

guarantee you, there is no way this money can be paid back by these people. So what do we do? I think we have to, if we're going to shut this thing, close the door, and move on without it going another how many months of interpretation of NAC, go back, adjust his fee to when he started the continuation and sit down with Jack Payne and come up with a payment program that he can afford. This whole thing started, Tony as you remember, as pay your debt in full or we don't send you brand inspectors. And I don't think we want to do that as a Board. So we have to do some kind of program that'll allow this person to pay his bill. I guarantee you if we try to fight this continuation thing, we'll be here a year from now or six months trying to decide what he did. That's exactly his intent. He circumvented.

Tony Lesperance: When we got to that point that you're referring to, I met privately with Mr. Payne. I offered to negotiate what he owed. In my office, we met for about 15 minutes and I can tell you at that point in time he was somewhere between zero and 100%. His point was pretty close to zero. I was willingly to come down to 50% and it was obvious, there was no compromise.

Hank Voger: I hate to come close with Mr. Stix. We're still talking about two issues. The issue of this money, this money is owed. If we were to have an action today to say, this Board has decided that this is the money owed, that's issue one. Issue two is how to collect that money. We have to separate those. Now, if Mr. Payne comes in after a vote and if that vote says this is amount you owe, and comes in and negotiates that down with our Director to a different figure, that's the other issue. And if there is a third issue of the continuance of his regular sale day, that again is another issue.

Ramona Morrison: I make a motion that we give the Director the latitude to pursue this bill which may include some sort of negotiated settlement and/or payment schedule to be set up at the discretion of the Director based on our accounting options.

Dave Stix, Jr.: I would second that if there would be one change. I'm not talking about negotiating down what he owes. That issue of the continuation – to me to get this done is clear. I don't think the Director needs discretion, I think it needs to be paid in full what he owes, but the Director have the latitude to do a payment program that he can afford. Just a realistic approach, they can't pay the full amount.

Paul Anderson: What we've heard though is that so far there's been an impasse. So what's to say that we're not going to come to the same thing on the negotiation of payment terms?

Dave Stix, Jr.: That we as a Board have done everything we can to allow him to make it right with what he owes and the next step is obvious. We've tried to go down that road before.

Grady Jones: If we negotiated down, would the other auction house then want some of that difference back?

Director Lesperance: I suspect if it became public, yes, I would have to deal with their auction house.

Hank Vogler: I would like thank Mr. Payne for bringing all of these issues to the attention of this Board. I think it is a proper forum for discussion and then the inclusion of this special group and I thank them, Mr. Busselman is here and the others that participated in these issues. I think that is commendable to everybody that was involved. But, at the end of the day, I don't think we can undermine the division of Brand Inspections by discounting what is owed. All we can do, this is what is owed. Now, if the Department chooses to parcel this out to where it is more palatable to Mr. Payne's organization and the last thing we are in the business of doing is trying to put anybody out of business that's helping agriculture and sale barns do help agriculture by establishing a price and a market on any given day. So it would be negotiable to the Department of Agriculture to structure this out to where it is palatable. But to discount this or anything else, I don't think that's in our purvue. If Ramona wants to amend her motion to reflect that or I will make the motion that this money is due and payable and end of story.

Ramona Morrison: I will withdraw my motion and let you [Hank Vogler] restate it.

Chairman Perazzo: JoAnn, maybe you can tell me, which of these dates, because I thought the last....which of these dates are on Thursdays and which ones are on Monday because in my mind I guess, me as a Board member, I've read the NAC and I agree with Tony. I think he's trying to circumvent. I think the law is written that that is what he can do. That's my concern. In that NAC it says.....it doesn't say you have to start a sale at a certain time. It just says that if your sale continues past 6:00 and it goes over to the next day, it's the same date as your sale day. That what the NAC says. So, I guess I would be in favor of collecting any money that there was on a special sale on something other than his weekly sale day, because that was the interpretation of the Attorney General's office.

Hank Vogler: So what are talking about. We're talking about less than two thousand dollars.

Chairman Perazzo: I have no idea. I don't know when he started on Thursday.

JoAnn Mothershead: I have to look and check on that. I am thinking probably in February after we started the Brand Advisory Committee and he came up with the idea that after it went to the Attorney General's office, then he started having the sales on Thursday. Originally, they were on Monday, that tied up our brand inspectors for the weekend and Monday. Then they would have to go to Monty's on Tuesday. Then they would have to go back to Jack's on Wednesday or Tuesday afternoon, depending on how the livestock was coming in. They still tied up

inspectors if he has continuation or special sales whichever on Thursday. Livestock is still coming in on Tuesday afternoons. If it comes in on a Wednesday, they have to separate out what they are going to run through on Wednesday sale, what they are going to run through on the Thursday sale. The inspectors turn around and go back for the Thursday sale.

It seems to me that it was switched over having them on Thursday after we sent our orders to the Attorney General's office for determination.

Director Lesperance: JoAnn, you are absolutely correct. I met with Jack Payne trying to negotiate this thing down and I said okay, then I'm going to send this over to the Attorney General's office because I can no longer deal with you. At that point in time, I think probably that was in February, it might have been in March. I'm not sure. The vast amount of this money that is owed is based upon the Thursday sales and I would say that I think the pressure that it puts on our Brand employees, it doesn't make any difference that if you say that is not a special sale, you can say whatever you want to. What I'm trying to tell this Board is that they better come to the realization I can't finance it and I don't what it takes to get this through your heads. For God's sake, I've lost \$20,000 and I'm going to lose another \$15,000 – where do think that money is coming from? We can sit here and argue all day, but this Board better come to the realization, you've got to make tough decisions once in awhile.

Hank Vogler: I move that we present Nevada Livestock Marketing with a bill for \$20,480.85.

Ramona Morrison: I second the motion.

Discussion:

Jim Snyder: I'm in favor of going after this but I want to make sure we are solid ground on everything. Does he have to bring something else?

Katie Armstrong: Excuse me?

Jim Snyder: Is he apt to bring up some other issue, some other defense here? What can we expect?

Director Lesperance: I fully expect him to bring up something else.

Jim Snyder: Are we going to have any trouble defending what we're doing?

Chairman Perazzo: Since we in discussion right now.....maybe I'm the lone man on the horse, but I tell you what, I have clearly read that NAC and I don't know how the Attorney General would interpret it, but it's pretty clear that if you have a sale day and it stops at 6:00, that it can continue on to the next day. And I agree with Tony, I

think he's manipulating the system and that's fine. Let's change the NAC then. Let's not say that he's manipulating the system because that's the way the system is written as per the NAC. I don't know how we can interpret that any different than that. The sale day, and I told Jack Payne point blank that he owes this money or he moved it to Thursday and made a continuation of the sale. If this costs the Department money, Tony, if this is costing us money, then we need to change the NACs so that it doesn't. I think we need to follow the law that's written.

Hank Vogler: We cannot, so all this money, you're willing to accept he is due except maybe the last three items?

Chairman Perazzo: My calendar doesn't go back, but I know January 21st is a Thursday, February 18th is a Thursday, and from then onthat's all a Thursday sale.

Hank Vogler: So January 21st???

Chairman Perazzo: I don't know about December 14th. But I'll tell you right now, I think we are on shaky ground thinking that we're going to collect that as a special sale when it clearly says where a continuation of the thing..... Either way you do it Tony, I don't know.

Ramona Morrison: You have to advertise those. He had to advertise those, he would have to advertise them, correct? He had to advertise those Thursday sales as special sales.

Chairman Perazzo: He did Ramona.

Ramona Morrison: Exactly. He has admitted that's a special sale. So, NAC or not, he is calling it. His own advertising indicates a special sale for a different purpose than the Wednesday sale. And as it is, these guys did a three day, one day a week, the rest should not be free. But if they are advertising it as a separate sale the next day, he has waived the extension of a sale, in my opinion, in the NAC.

Chairman Perazzo: But the NAC doesn't say that.

Hank Vogler: Yeah, it does. It's not a continuation if he is advertising Thursday as, bring your pigs, your goats, your chickens, and your sheep on Wednesday and on Thursday you bring your 400-600 pound steers. That's two days and his license says one day. I don't want to shut this guy down. The man has passion and enthusiasm for our industry. But, we have got a whole bunch of backlog of non-payments here while this argument was going on. Now, if we want to exempt the ones at his front door that are all Thursdays, and then further discuss that, that might be one point. But the rest is of this would be about \$15,000 is due and payable no matter what because that was before any actions or interpretations were taken.

Director Lesperance: I think you're incorrect in that. I think if you do what the Chairman has suggested, he'll owe us \$4,875.00 which means I just swallowed \$15,400.00, plus I've got to give \$15,000.00 back to the other

Chairman Perazzo: No, you won't have to give anything back to the other. You won't have to give back anything back to the other. They don't have a continuation sale there, they don't.

JoAnn Mothershead: The other sale yard has already told us, if Jack Payne does not pay his entire bill, that they will hold us accountable and they will request the back money. And my thought on the Wednesday and Thursday sales, is to a selling cows and calves both days, I can see a continuation. Specific classes on Thursdays is a whole new ballgame.

Ramona called for the question.

Chairman Perazzo: Question called for.

Ramona Morrison: Katie, could you please weigh in on the issue whether or not the second day would be defensible as a special sale in your opinion for court?

Katie Armstrong: In my opinion, since he is advertising as a special sale and he is bringing different, as you have mentioned here today because I am not familiar with it, he is bringing different classes of animals. It seems like we are dealing with different things here and I do want to point out that if this was to go to court, when courts are determining the validity of an administrative regulation, courts will give deference to how the agency enforces that statute interprets it. This is how its been done. They charge for special sales for cattle, horses, bulls. That's how it's been done, how it's been done to the other people in the industry. So I think it's pretty defensible.

Chairman Perazzo: Would you read that section where it says a continuation?

Katie Armstrong: I don't have that.

Chairman Perazzo: I would like the Board to hear that section because I feel like in my mind I can't believe I'm sitting here doing that. I feel like standing up here defending Jack Payne which I haven't been doing.

Director Lesperance: I think Doug Busselman can shed a little light on the subject.

Doug Busselman: I am with the Nevada Farm Bureau and I was also as indicated earlier, a member of the committee and spent some time going through the regulations to provide suggestions to the Director. Since this conversation has been going on, I've been through the copy of the information that we worked on and I can't

find in the current regulations anything that talks about any continuation process. I've gone through, we went through and what we will be proposing later is the idea that there is a definition that we are proposing for regular sale days and special sale days and that's why I was looking in those sections. I can't find anything in the current NACs which deals with that whole issue of continuance or not.

Director Lesperance: I wish to advise this Board as your Executive Secretary, if you do not choose to have a unanimous vote on this, I would suggest you do not vote on it. If you have a split vote, you kill me one more time. It will never hold water in court if you have a split vote. I guarantee you if I push this as far as I think I've got to push it, we're going to end up broke. I don't know what my options are. I have no choice. The longer this goes, the more I am going to owe the other sale yard. Mr. Payne can't afford his bill, nor can we afford to pay ours if you force me into this situation. I don't have the money.

Dave Stix, Jr.: I don't know why we're even voting on this thing. Are we setting a precedent that everytime our administration has to go out and enforce a NAC, they have to come to the Board to get permission? For crying out loud. That's what you get paid for – enforce it. This Board, never once, if you looked in the record sat down under an item that said Tony Lesperance did not go out collect this money. Not once did we say that as a Board sitting down. I expect you to go out and perform for the agency, you have the interpretation from the Attorney General. I don't know why we are even voting on this.

Jim Snyder: I can vote to support this. But one concern I have is that we shouldn't base the decision on whether we need the money, how much we need the money. It has to be regardless of that. I understand we need the money. I hope we get it for you, but that can't be the basis for decision.

Katie Armstrong: I did find that NAC on the continuance issue. It's in a different chapter, that's why it was difficult to find it, NAC 573.040. Katie read, 'public livestock sale which is held on a regular sale day, but is not complete by 6:00 pm, may continue into the next day as a regular sale day, if the operator of the auction yard notifies regulatory personnel in adequate time to service the sale. This will not be considered an added expense, if the continuing day falls on a regular scheduled working day.'

Chairman Perazzo: When I hear it cannot be an added expense, you know what, I think we are on shaky ground here. You know JoAnn, I was under the impression that when he moved that sale date to Thursday, that you guys quit charging as a special sale because it was a continuation sale. This is the first I've heard of it, otherwise, I would have brought it up earlier.

Hank Vogler: How far ahead do you have to notify them? Do you have to tell them at 6:00 we can't get them all sold today? Or do you have to notify two weeks before?

Ramona Morrison: Has the Brands Department ever been notified that they needed a continuance on the sale of Wednesday?

JoAnn Mothershead: No, we have not. Furthermore, Section 7 in the NAC states that they are required to let us that they having a special sale through application. He has not done that.

Katie Armstrong: At this point, the action item is just requesting permission to go try to collect on this money. You know it's up to the Board, if you want to do that, if you want to give Tony some discretion in how he's going to go to collect. But under the law and under the way the opinion was written, the money is due. The other sale yards have paid it for how many years. He is the only that has not. He thinks he may have a loophole. Maybe he does, maybe he doesn't. That's something we would have to address that later.

Hank Vogler: Mr. Chairman, I will amend my motion. My motion is: I move that after reviewing the Attorney General's opinion, this money is owed and it is up to Dr. Lesperance's discretion to do his best to collect it.

Ramona Morrison: I second that.

Dave Stix, Jr.: Can I hear the motion again please?

Hank Vogler: My motion I move after reviewing the Attorney General's opinion and its full discussion that the Director contact the Nevada Livestock Marketing Association to collect the monies owed?

Hank Volger: Is that too vague? Is that your understanding of my motion Ramona?

Dave Stix, Jr.: Katie hit something on the head that's important – the courts! We all have different processes. Please do not politicize the enforcement arm of this government. That's what I'm most fearful of right now. We are politicizing. We are giving an open door that if any of our department heads go out and enforce NAC, that you can go to the Board and you can get relief from that. It's happening all across our country. I don't want see this Board start by doing things we are not intending to do. Separation of powers. This Board makes policy, this Board changes policy, the policy is there and we've got an interpretation on it – go forward. If there is a problem with that enforcement, there is another step to go.

Motion passed unanimously.

H. Request approval by the Board of the “draft” letter composed by Director Lesperance, addressed to the Department of the Interior, U. S. Environmental Protection Agency, and the U. S. Department of Agriculture as directed by the Board in the March 2, 2010 meeting reiterating the Department's and Board's position on all federal and state policy decisions and land use plans that may affect the Nevada agriculture industry.

Director Lesperance: Originally, you asked me to draft a letter to request information to the Department of Interior, U. S. Fish and Wildlife in regards to Walker River. I thought about that for a long time and I thought why do I want to write a letter requesting information that I know they are not going to give to me. How do we put ourselves in a more positive position. I talked to a number of people on this and talked with Ramona extensively. We thought why don't we just become proactive? So we constructed this letter [waiting for Board's approval] and what I'm suggesting is that this letter go to the head of the Department of Agriculture, head of the Department of Interior, head of the EPA. The letter clearly states we are who we are and we're in charge.

Ramona Morrison: What this letter does in essence is that it gives the State of Nevada, by putting the federal agencies on notice, the authority to work with or coordinate with federal agencies in any plans that they come forward with. That doesn't mean that we have to participate in all of it. It just puts them on notice that we want to be notified and brought to the table.

What is interesting is when you go back and look at the federal land laws and federal environmental laws, any federal law, federal law many times gives its authority to the state. In other words, once the state participates, then the federal law has authority to operate. In other words, the state has to approve, in a lot of respect, in the policy decisions and we do quite often. By initiating under the Federal Land Policy and Management Act 202 coordinating status, that gives us the ability to participate on equal footing with the federal agencies in their land management plans, ask questions about their procedure for doing things, ask questions about whether or not an environmental impact statement was done, as in the issue with the Walker River situation and some of these other things.

Hank Vogler made a motion to approve this directive to these agencies. Dean Baker seconded the motion. Motion passed.

I. Request to go to workshop and hearing with proposed changes to NAC 564 and NAC 565; the proposed changes to brand inspections.

Doug Busselman, Nevada Farm Bureau: I was a member of the advisory committee that worked on the proposed regulatory changes to NAC 564.010, NAC 565 dealing with the inspection of brands. Before I go through the details, I would like to thank my fellow committee members for their work. We had multiple meetings throughout the winter and we had good participation by all members of the committee. We had extensive discussions as we looked at the proposals that we were working on. We didn't always have unanimous agreement, but we had a majority agreement in all the things that are being brought forward to you and for the most part, they were unanimous suggestions.

In the book that you have before you, we've attempted to in our proposal is that we would take these proposed changes to workshop and possibly furtherance down the road for regulatory changes. What we have attempted to do in our fashion of presenting what we're proposing, we've highlighted with yellow highlight the proposed sections that we are offering suggestions on changing. If there is a proposal to change and delete, we've put red and scratched out the details that we would like to see deleted and for the most part, although it turns to be more blue than green, the new proposed is identified in green.

One of the things that we attempted to do is that we went through NAC Chapter 565 was we attempted to bring in to compliance with all the other parts the things that were left unsaid or more consistency needed to be provided. And that's what we attempted to do is to create definitions where we felt definitions were required to clarify. Our directive from the Director was that we would work forward and none of the details that were brought to you before were any of our business. What we were to do was look at how we could make the future regulations streamlined and effective in clarifying whatever that might be by way of questions and details.

Hank Vogler made the motion to go to workshop and hearings on NAC 564 and NAC 565 as proposed.

Jim Snyder seconded the motion. The motion passed.

3. Director's Report

A. Director's Report

Director Lesperance: We are involved in three separate legal situations at this point in time. As I pointed out in here, Mark Jensen and I attended a settlement conference in Las Vegas and that was delayed. I guess that is the 22nd now. This lawsuit has been going on in one form or another for over three years now. The point I want to make on these lawsuits, we're down to bare bones type staff and everything else. I haven't kept track of how much these things cost the department, but in time and expenses it is very, very significant. On this particular lawsuit, I would image that various people in the Department probably spent several hundred hours on it so far. And these things come on top of everything else. So it's a distinct problem. We often end up having to research things and go back four, five, or six years. And it is a very costly procedure. It is very time consuming. Katie [DAG] can probably answer some of this better than I can, but we have to come with as much information as we can to try to sort out what it is all about because on these people that are disgruntled and have been laid off for whatever reason, or sue us, in order not to end up having to settle for an outrageous amount, the only thing the Department can do is come up with all the facts. It's a tough deal.

This one in Las Vegas has been going on for a few years. She was terminated because the money dried up her position and she is claiming sexual harassment and

quite a few other things. That person was terminated long before I came to work here. So that is how many years they have to go back on some of these things. To gather up all that information is a very long process. On this particular one, we have offered at this point in time, a minimal to settle out of court. We'll see what happens.

I am glad to tell you that it's not always me or the Department that gets sued, sometimes, it is you guys. The Nevada Franchised Auto Dealers and the Western States Petroleum Association represented by John Sande III has sued the Board because you took the wrong position on several items including the 38th parallel. So I guess the 38th parallel has been going on longer than any of you have been Board members including you [Alan Perazzo]. Well, anyway I don't know what the status of that is – I guess you're [Katie Armstrong, DAG] meeting with Mr. Sande today.

Katie Armstrong: Currently, we have a motion to dismiss pending on the complaint. He has been trying to stipulate to amend the complaint. They haven't answered him yet. That's where it is.

Director Lesperance: A far more troubling matter than that occurred, as you are all aware, in the Special Session in late February. Two positions from this Department that were filled with live bodies were declared open by the Executive Fiscal Office which is under the Governor. All open positions were immediately terminated by the legislature to recapture General Funds. We didn't get notified about this right away and obviously it presented a lot of problems. To make a long story short, Holly Pecetti and Dr. Phil both ended up under the assumption that they were unemployed or would be unemployed by the first of the year. It was kind of an amazing series of events. In Holly's case, a position not occupied by Holly, it was number 15 which is meaningless, but that's how it appears on a piece of paper, was determined to be open so the legislature made the decision to terminate it. Well, in fact that position was occupied by a person that was terminated the year before. The position hadn't been filled and the position appeared on what we call the DateWarehouse information in Carson City and which was a total mistake on their part. Everybody knew the position had long since been eliminated. So, when it showed up that that position was occupied, a determination was made to eliminate that position. In fact that position had been eliminated. When they figured that out at the last minute in the Special Session, they assumed they made a mistake, so they went to position number 16 assuming that was the clerical error. The number 16 position was occupied by Holly Pecetti. That following Monday morning, we learned to our amazement that Holly had been eliminated. I went immediately to Andrew Clinger and tried to sort that out. Finally, they did make the decision that they made a mistake and I think we finally got that straightened out. Holly will be home free and no problem.

The other position indirectly eliminated during the Special Session was that of the Administrator of Animal Disease, Dr. Phil who is sitting over there. I immediately asked questions about that because it was not my impression that that position

should have been eliminated. I asked a series of questions over the next probably month and got a great series of different answers from many different individuals. In talking with everybody, including Pete Goicoechea, it was his recommendation that we go back to IFC and ask for that position to be reinstated. We got a special meeting, you've approved the minutes of, on the 30th of March and we tried to sort these various things out.

We did go to IFC which I forget the exact date of that meeting, but it was attended by a great number of people we put together for a good case. Boyd Spratling was going to make the presentation and he had developed what I thought was pretty good little 5 minute talk if they any doubts. In the meantime, I'd been searching for answers because we were not getting a consistent message to put it mildly from the Executive Fiscal Office where the errors were made. So, I kind of did the unspeakable and that is I went to LCB on an individual basis. I want to explain how this works. The Executive Fiscal Office works for the Governor. All of us in the various departments in state government are considered to be employees of the Executive Branch who works for the Governor. The Legislative Counsel Bureau which is LCB works for the Legislature and at the present time there is a big difference between the Executive Branch and the Legislative Branch as you are all aware of. For us that work for the Executive Branch, you to talk directly to LCB is kind of a no-no. But I had to do something because I was slowly going crazy with the various scenarios that were offered to me and tried to explain all this. I did go see some individuals in LCB and it became pretty clear to me where mistakes were made on this position with Dr. Phil.

When I went to IFC I was very, very thankful for an individual that worked for LCB by the name of Brenda Erdos, a very knowledgeable lady and has been involved in state government for a long time. We just started to make the presentation and she asked Senator Mathews if she could make a short presentation and she did. And in about 30 seconds flat she cleared the whole situation up and absolutely was 100% correct; where the problem was and how it can be corrected. LCB made it very clear through Brenda that IFC had to replace the money that was taken in the form of Dr. Phil's salary. After her presentation, Assemblyman Goicoechea moved that full funding for the position be restored, and Assemblyman Grady from Yerington seconded. It passed unanimously. Assemblywoman McClain who has been my nemesis from day one, who made it absolutely clear that we have too many veterinarians in this Department, even voted to put the money back in the position.

We came out pretty good on that one. We now have Dr. Phil's money back in the budget for next year, but because the full legislature in the Special Session voted to eliminate the position, that position is eliminated at this point in time. And what we have to do now is go back to IFC on the 24th of June and at that point in time, the position is recreated. The reason the position has to be recreated is because IFC does not represent the full legislative body. The full legislative body made the determination to eliminate the position so it was final. IFC can only create a new position, so a new position will be created. The only difference is it will have a

different number from the old position. The new position will have the same job description, same salary and will be filled by Dr. Phil. I don't see any problems.

Everything is the same except it will have a new number. And again, I have to make the point that I don't believe we would have gotten through this if it hadn't been for LCB. It was quite an education to me because as some of you are aware, I know you followed this thing closely as I did, had certain guarantees that this would be all followed through and the day of the Special Session I visited with the individual that gave me the guarantees that everything would be followed through. He looked at me and said point blank, 'what are you talking about'. It was kind of a learning lesson for me all the way around.

How state government operates in some of these kinds of things has been pretty frustrating. I guess this whole situation has been pretty frustrating for a whole lot of people because there was a lot of concern expressed by the industry, individuals in the industry clearly held me responsible for this, there were a lot of things said and lot of fingers pointed. A very unfortunate situation, but we've gotten through and I guess I would just like to say, that I'm thankful for LCB. It was a very, very educational experience for me. I know as the Director I am going to have to watch a lot of these things a lot closer than I have, because we're going to enter a period of time now that is probably much more critical than it would have been before. I'll talk about that in a few minutes,

I want to go over the budget. You've just got to be very aware of all of these situations, because I'll tell you there are a lot of people out there looking for money in various areas of state government. If they think anything is up for grabs, and you're not aware of it, you're probably going to lose it.

This was a tough situation because it was very emotional. It was very emotional for me, and became very emotional with members of the Cattlemen's Association. I just want to say one thing so you all understand where I'm coming from. My passion all my life has been Nevada agriculture. I started working on a ranch in 1948 when I was 13 years old in this state and I've been involved in Nevada agriculture everyday since in one form or another. At this point in time, I want to make it absolutely clear my passion will continue for this Department. The bottom line to me is keep the front doors of this building open and keep this Department as a separate entity in state government. There are those that are suggesting that a lot of these departments should be combined and we were once part of Business and Technology and that didn't work worth a darn. My greatest fear now is if we get gobbled up by a bigger department, this Department will be cannibalized very rapidly. So, I guess my attitude is to the employees of this Department, the administrators of this Department and the Board, we all have to be on the same page and we will survive all this. We are going to have to make some very, very difficult decisions.

Well, anyway this little session we went through with Phil I know was very frustrating for him and I appreciate that. And I would say that during these last three or four

months, it's consumed at least 50% of my time. There are a lot of things that I haven't been able to get done, because I just didn't have the time to do it. So, it's been a very, very difficult period of time. I think we are just about through it.

A couple of other things I want to make note of. Again, I thank this Brands Committee and definitely thank Doug because you graciously agreed to Chair it, even though you didn't have any choice. You did an outstanding job and I think that cleaning these NACs up is going to be a great help to this Department and this Board on down the road.

I gave a keynote addresses to the Nevada Weed Conference and the Nevada Small Farm Conference. Both of those were interesting. I think we made some good points and I think this Department and the Board made some friends there and I think probably we'll see them on down the road.

I've also been working closely with the CABNR Advisory Board. They are taking a very active role in trying to sort out the problems with the College of Agriculture. I didn't do as much in that as I probably could have, but I just didn't have the time. But one thing I did do, I went to the first meeting up there at the College in the old conference room up there in the AG Building. It's a 3-4 minute walk to the Provost Office, and a 3-4 minute walk to the President's Office, and here this group is trying to overrule the President and the Provost about the closing. I felt extremely uncomfortable under those circumstances, so I suggested that the committee meets here for the duration. It would take them out of the pressure that the University offered and pointed out parking is an awful lot easier here than it is at the University. So every since then that committee has been meeting here. They have a meeting scheduled for next week. Just so you know that committee has met here time and time again. I think it's fair to say that they have made a lot of progress. I believe there is still a College of Agriculture and I believe that there are those that pretty well had its obituary written at one point in time. I think that committee did a really good and I'm glad that they have been able to meet here.

Finally, I like to bring you up to date on 3 or 4 things and I think, again, this goes back to some of the discussions we had this morning with Dave and why some of these things are important. I was asked by the BLM to participate in the organizational meeting for the Great Basin Landscape Cooperative. And when I saw this, I wondered, 'what's next?' There must be twenty organizations that claim they manage the Great Basin in one form or another. So this one came out of the clear blue sky. I went to their meeting May 13th. And I come to find out that Landscape Conservation Cooperatives has been organized by the Department of Interior and they exist all over the United States. The whole United States is divided up into 16 or 20 of these Landscape Conservation Cooperatives. This particular one for Great Basin is under the jurisdiction of the BLM. There were 3 meetings, Boise, Salt Lake and one here in Reno. This is all from Secretary Salazar, Department of the Interior. I'll read you a little bit about it. Secretarial Order No. 3285 issued March 11, 2009 make production and transmission of removal in any public lands a priority for the

Department. On public lands? But these things exist on private lands throughout the United States at this point in time. I was confused on that and it was explained to me that the Department of Interior has taken a lead role whether it's private or public lands in regards to this. I thought that was kind of unique. But anyways, to read on to what this all about, the Department, the Secretary of the Interior, through the Department of Interior has taken a lead in protecting our country's water, land, fish and wildlife in cultural heritage and private lands and resources from the dramatic effects of climate change. They have already approved. I thought that was kind of interesting.

Here are the specific objectives: New water management imperatives associated with climate change may require restoration of natural systems and construction of new infrastructure to reduce flood risks or to capture early run off. The strategies to address water rise may require acquisition of resource and land habitat to increase wetlands and other natural filters in protect against sea level rise and water invasion. It may be necessary to relocate certain bionic and cultural resources. Shifting the wildlife and habitat populations may require investment in new wildlife corridors. New invasions of exotic species in wildlands due to longer fire seasons and more severe drought and more severe droughts will require innovative and more effective ways the Department's resources.

This goes on and on and on. The kicker is the United States Geological Survey has developed regional science centers to provide climate change impact data and analysis geared to the needs to the fish and wildlife habitat. I sat there at looked at data produced USGS which clearly showed, beyond any question or doubt, that the climate has changed significantly and much and much warmer. The more I looked at that the more I thought, you know where are we going? I can show you just as much data produced by other agencies showing exactly the opposite. In fact, I think most independent scientific sources, at this point in time, will tell you that the so-called warming trend is kind of over and we are actually entering a cooling phase at this point in time. But the Department of Interior Secretary Salazar is taking the opinion that it is still in full effect and we've go to make many, many changes. As I sat through this I was amazed at who was participating on this. I'm under the impression that there were about 80 or so who went to Boise, over 100 went to the Salt Lake meeting and about 75 at the Reno meeting. And every conceivable agency associated with anything in the government was well represented. There were only 3 state agencies represented and that included Fish and Game, NDOW, and State Lands, and the Department of Agriculture.

I noted from their data and I brought it to the attention of this organization, in the Great Basin by their own data, 30% of the land in the Great Basin in not owned or managed by the federal government. It is either state land, cities, municipalities, or mostly importantly, private land. And so I asked, how do you deal with the representation from private land interests when there is nobody representing private land interests in this whole thing. They hadn't thought about that. But, yet here we are talking about livestock grazing and I saw the map where wildlife corridors are

being considered to be revised and these obviously go across vast amounts of private property. And the philosophy on these corridors, there would be no private property. This would be converted to public land. I guess I was utterly amazed at the casual approach that these people could take.

Basically, no consideration for private interests, basically, no consideration of agriculture production. It's all based on protecting wildlife habitat and totally at the expense of private land ownership. So, I guess that's one of the reasons that I kind of read these things. I've met Ken Salazar. He has an outstanding record. He comes from a 3rd or 4th generation ranching family in Colorado. After reading this, you think, 'Mr. Salazar what have you done? What did you allow to happen?' It's beyond my comprehension. I've got the whole thing here. There is no question about where he is coming from. No regard to private land ownership any way, shape or form.

And so I think it behooves us to partner, to take an absolutely active roll, because believe me, this is coming to the State of Nevada. Big time. And I think this is an attempt to get a hold of water and everything else. I don't know how to cope with this, except take it head on. Do I want to be involved in this? It's the last place in the world I want to be, but do I have any choice? I don't think so. I think we've got to be very involved in these things, because you can see the handwriting on the wall.

B. General Fund allocation from 6/30/2009 – 7/1/2010.

Director Lesperance: If you look at page 183, there is some data in there. I told you the amount of the general fund dollars and please understand general fund money only goes into 5 divisions of this Department; Plant Industry, Animal Industry, Administration, Predator Animal Control and Jr. Livestock. As of June 30th, 2009 which was a pretty short period of time ago, we received \$3.5 million. The second column is just a percentage by different divisions that all add up to 100%. The amount of general fund that we will have as of July 1st of this coming fiscal year 2010, there in that third column and totals to \$2.2 million. We are getting 64% of what we got just two years ago.

You can how that's divided up:

Plant Industry	\$612,000
Animal Industry	\$713,000
Administration	\$387,000
PARC	\$539,708
NJLB	\$ 25,000

That's where we are at this point in time, as of July 1st. We are going into this new budget biennium and eventually we'll receive information from the Executive Fiscal Office on how to plan for this coming budget. We have yet to receive that. So we don't know where we are at, but I think I can give you an educated guess. I think we

will have a zero based budget, which means we will be starting with no money in the general fund. And we will have to build a case for every dollar we get, we'll have to justify every single position that we have in order to keep it. Everything we are currently doing will have to be justified to the satisfaction of the Budget Office before the Governor's budget comes forward. Keep in mind, once that session starts, we have a new governor, and at least 50% of the current legislature in the House and Senate will be new people. And if there is a wholesale housecleaning as some people are suggesting from the voting standpoint, you might look at 75% or more new people. It's going to be a tough educational process, that's what we're looking at.

Now how much general fund can we count on for next year? It's anybody's guess. I kind of always rely on certain old timers and I've talked to people like Senator Raggio and asked him if we are currently getting 2.2 million dollars, what do you think I can count on for the next fiscal year? His advice has consistently been the same and I've probably followed up with him a dozen times over the last 6 months. He said if I were you I would not plan on getting any more than 50%. Fifty percent of 2.2 million is 1.1 million.

Currently 2.2 million comes from the general fund, the rest comes from fees, assessments. However, the 2.2 million is very critical because it pays a whole lot of salaries. Therein lies the problem. So I kind of wanted to go through this so you know where we're at. Administration: when I walked through the front door, there were 13 people in administration, there are now 7. Myself, Mrs. Foley, Margi Scheid, 3 other people in accounting (there used to be 7 in accounting) and we have one person in Personnel. And that's it. We used to have an assistant administrator, a person that prepared information for the livestock industry, Margi Scheid had 3 more people in accounting, and all of those are going.

Can Administration be cut anymore and survive? I'd say absolutely not. I cannot take anymore people from accounting. There is only one person in Personnel and Sandie and myself. So, I don't believe you can cut Administration anymore.

In Plant Industry: I've got some good things going there. Mr. Foster is going to be transferred to fees in Chemistry so his salary can be saved. Jeff Knight is going to be transferred to federal funds because he has a surplus in federal funds in his Mormon Cricket Grant. So that salary can be saved. We've just received notification that we were successful in getting a major grant. The Pathologist, Shouhua, so his salary is going to be paid by that grant. I've picked up about \$250,000 out of Plant Industry by making those changes.

Predator Animal Control: Two years ago they had 12 state trappers, we are down to 7. I can save \$540,000 by eliminating Predator Animal Control and I may have to do that. I suspect I know how the livestock industry would respond to that.

My other choice is Animal Industry. They are currently getting \$713,000. Probably the only thing I can eliminate there is the diagnostic laboratory. A lot of that can be picked up by outside commercial interests. But, the work that is done for municipalities, and public health is going to go by the wayside if I do.

Hank Vogler: There is no fee to public health or these other agencies?

Director Lesperance: There is no fee to public health, but there are definitely fees and charges for the diagnostic service tests that they run.

Hank Vogler: And is that a competitive nature that if you raised those fees to a certain degree, would other laboratories in other states pick up that?

Director Lesperance: I believe later on in the agenda, you're going to find a proposal from Animal Industry to change some of their fees. I believe that at this point in time, it about as far as you can change them.

Hank Vogler: But it is a competitive nature that you could sub some of that stuff out?

Director Lesperance: I assume you could. I don't know. The State of Nevada is vested in this building, I can show you where they put a minimum of \$5 million dollars in the backside of this building, not counting the equipment that is in there. What do you do? We have to make some very difficult decisions because if this \$2.2 million is reduced to \$1.1 million, we have to make some very, very difficult decisions. I guess what I'm saying is I'm prepared to make those decisions, but I'm going to look for all the help I can possibly find from as many sources as I can possibly find. I don't have the answers at this point in time.

4. Division of Administration

A. Budget Update

Margi Scheid: I am going to give you a budget financial kind of brief overview. Generally, I always say business as usual and that is exactly what we are doing. Let me tell you what business is. I don't remember if you recall, when the Special Session came in and went through and swept a lot of reserve money out of many of the other budgets. This is one of the things I'm faced with is I have a smaller staff and yet we're being asked to do more.

One example of this, budget office came in to take money from Weights and Measures Division. They called me, they said please do a work program. All a work program does is adjust the budget and move some authority or money around. It took me 20 minutes. I did it and submitted it to the Budget Office at the end of April. June 3rd it was finally approved. It had four revisions – the final revision went back and did it exactly the way I did it the first time. It took my time, one of my staff members time and I don't know how many people in the budget office. To me as a

taxpayer, as well as an employee of the agency, what a waste of time, money, effort, and energy. But these are crises, these are the types of fires that we're asked to look at every day to deal with and to come up with answers. I can't just blow them off. They have to have an answer. So, that was one incident, but that happens to us quite often.

We are in the processing of creating the new budget for fiscal year that will be '12 and '13. That is due by September 1. I don't know if we can get it done – I can't guarantee that, but we will give it our best effort.

Last week, the Governor came out with a new idea called Positive Government. This requires us to have a new module on the computer program that we use to create the budget which then involves two of us going to Carson City for a little more training on how to use this system to create these budgets. Now, over the past two months, Katie [Jameson] and myself have been to Carson three times for training on this NEBS, which is the Nevada Executive Budget System. That's three days we are away from this office, two people, in order to get the new budget put in the proper perspective and done correctly to meet everyone's approval.

Also, I attended Debt Collection which is a big thing for us. They have new rules coming out of the Controller's office. That was a day of my time that I spent in Carson. That won't be implemented until December, but every agency in the State of Nevada that collects any kind of fees, should you not get those fees in a timely manner then we have a new process we will be going through. All state agencies will be doing that. Hopefully, the idea on that training was we can get this money into the state faster and before these people disappear or leave the state. We have more money coming in. It requires more record keeping, and more tracking on our part as the agency.

B. Request permission from the Board to move forward with Bill Draft Request for the 2011 Legislative Session regarding the separation of general fund monies and monies resulting from fee based and federally funded activities. This would also include a fee based component in Budget 4546 (EIA testing) which should also be moved into this new proposed budget.

Ramona Morrison made a motion to approve the Bill Draft Request for 2011 Legislature session regarding the separation of general fund monies and moneis resulting from fee based and federally funded activities as well as Budget 4546.

Paul Anderson seconded the motion. Motion passed.

5. Plant Industry

A. Division Update

H. Program Update for Steve Marty

I. Program Update for Tina Mudd

Dawn Rafferty: Update for the division includes a newsletter that I think that during our last meeting, I told you that we were going to do and it is complete. Twelve pages long and it goes into depth into each of our programs and what the programs contribute and do to the state. We will have this printed probably by the end of this week and hopefully mailed out. Certainly all the Board members will be the first to get a copy of that. I am very pleased with it.

Two of my people could not be here today who were scheduled to give updates. One was Steve Marty and one was Tina Mudd. And Mr. Chairman with your permission I'd like to take those two updates and read them now even though it is out of order.

Steve Marty e-mailed me and was hoping to be excused from giving his program update because he was doing garlic inspections. So far, he had four cases of white rot, which has really slowed things down despite the fact that the infestations have been small.

Basically, what he wanted to relate to the Board today were acreages which are as follows:

Certified seed – alfalfa and small grains	1,725 acres
Phytosanitary inspection of seed fields	800 acres
Garlic	500 acres
Certified Seed Garlic	25 acres
Onions	3,600 acres
Certified Seed potatoes	250 acres

Tina Mudd is not able to be here either. She is currently on project tour with Forest Service representatives from the USFS Region 4 Office. Today and the next two days, they will be touring the projects that were funded by ARRA money. Some examples of what they are is the eradication of Yellow Starthistle in the Carson watershed and looking at fuel reductions in Warms Springs in the Las Vegas area. There are some restoration projects going on in Washoe County as well.

The Cooperative Weed Management Areas are in the height of their field season. She anticipates that the CWMA's will treat approximately 10,000 acres of weed infestation this summer and inventory close to 18,000 acres. The Department of Agriculture released funds through APHIS (\$185,000) and the USFS funds (\$70,000) in March for a total of 24 subagreements to weed groups.

The Weed Free Forage season is underway. She's already had requests for 7 weed free forage inspections in the last month. She is still trying to get new and interested growers into the program. She is working with the growers to try to work with Fish and Wildlife Service for remedying adjacent reserve treatments which is one of the

problems. She is also looking to do gravel pits for weed free certification and she is working up the new requirements for that.

The Specialty Crop Grant for this year, we have requested full proposals from 11 Special Crop Growers totaling \$165,000. We will submit that proposal to USDA in July and probably get all that money – we're hopeful. Also, we are in the process of reviewing 6 applications that have come in for the Grants Management Analyst position for that program and we hope to interview next week and have somebody on board in the next two weeks.

B. Update of Chemist's position

C. Update on season's vertebrate pest activity

Ed Foster: Plant Industry is pleased to have filled the Chemist 5 position in our pesticide laboratory.

We had five candidates, all local, and the choice was difficult. We narrowed it down to two candidates, called them back for a second interview and tour of the labs. After the second interview the search committee reconvened and decided on Dr. Jim Zhang. Dr. Zhang received his BS in Pharmaceutical Science from Shenyang University, and his Masters at Central Michigan University, and his PhD in Chemistry at the University of Nevada. For the last 6 years Jim has worked at Sierra Sciences LLC as a research scientist.

Jim started yesterday at Agriculture and I would have brought him in here to meet you however, there are two factory reps in our lab this week and Dr. Zhang is currently learning more about our pesticide, fertilizer, water and anti-freeze specific instruments.

Thursday will be the last walk-thru for this facility. It will be a 6-hour process with the contractor, subcontractors. We have a list compiled from the employees as far as the things that are wrong, from stained ceiling tiles, to doors won't close, to cracks in tiles, to lightbulbs out.

Strychnine paste; we are pretty proud of this. We produced 200 jugs of strychnine this year. One hundred forty-two jugs have been sold to date; half went to Humboldt County. We got pretty creative with delivery since we don't have a Winnemucca office anymore. I think we are covering the Winnemucca office pretty well since we are in the middle of the growing season and haven't stumbled yet.

D. EPA second quarter 2010 update.

In our Board packet there is a summary of some of the enforcement actions that we have been doing. If you take a look at those there is probably not as many as we've

had in the past. Most of the violations are simpler things that you see. I encourage to look through those. If you have any questions, I would certainly like to hear from you.

One of the things that I think we are spending most of our time on anymore, not so much enforcement, but in certification and training. In your packet, in our quarterly report, the narrative for you listed all the certifications and training programs that our staff has been involved in. To me, this is a major portion of our enforcement program. If don't get out and make good effort to get people information on what the actual rules and regulations and requirements are, then we are not doing a real good job of helping people comply with our rules and regulations here.

If you take a look a look at our report, we went to a number of different places this last quarter. We were in Ely, Winnemucca, Battle Mountain, Las Vegas, Lovelock, Tonopah, Reno and Owhyee. We've doing a lot of work with the tribes.

This is all funded by the Environmental Protection Agency. We get all our funding from EPA, helps support our staff, not just our regulatory stuff, but all our outreach and education stuff too. And for the upcoming year, we submitted all our grants and we are going to get the same amount of money from EPA for this next year. So our funding is going to be in good shape. They are actually giving us a little extra money to train tribal pesticide applicators.

E. Information on Bill Draft Request for the 2011 Legislative Session regarding NRS Chapter 555, Custom Application of Pesticides.

Lee Lawrence gave a brief update today on what was talked about during the March 3rd Board meeting. We had permission to go to workshop and hearing to make some revisions for pest control regulations. We had a meeting in Reno and Las Vegas. Basically the information as we said at the Board meeting was housekeeping items, things that needed to be updated such as our record keeping requirements.

And some stuff in our fines – our fine fee schedule that we have. We don't get the fine money, it goes to school district where the fine occurred. We don't to keep any of that money that we get. It's kind of nice, because no one is going to accuse us of being fee based and that sort of stuff. Essentially, the industry was pretty much in favor of everything that we were suggesting that we were going to do. There was some discussion about our fine ranges that we have for a minimum violations and we have some in there now. The fine ranges gives us the ability as regulators to look at an issue and say does this company deserve a \$1,000 fine or maybe \$300.00 fine. And in a lot of this, companies make an earnest effort to try to cooperate and correct things and things that get out of control and things happen. We look at the mitigating circumstances in these issues and decide what would be an equitable, correction for the issue at hand. As a regulator, here with the

Department, I don't look at what we do as a punishment, I look at it as a correction. I think that has been the philosophy of the Department for years.

F. Update on Canary island Date Palm Wilt Disease in Las Vegas/Henderson.

Dr. Shouhua Wang, Plant Pathologist gave a brief update on Canary Island Date Palm Wilt Disease. This is a disease originally discovered in Southern California and later was found in Florida. Then in 1997, a single case was reported in Las Vegas which was close to the casinos. Since then we hadn't found any positive cases in Las Vegas. Then in 2009, we found two cases in Las Vegas. In May, 2010 two positive cases were found in the city of Henderson in two residential areas. This lethal disease is emerging to be a serious threat to Southern Nevada landscape palm trees.

G. Entomology Update

Jeff Knight gave updates on the Spotted Wing Drosophila, the Green Alder Sawfly and the European Grapevine Moth. He also discussed the Mormon Cricket and Grasshopper maps that were in the Board packet.

Jeff reported that Entomology currently has 16 seasonals hired for survey and control programs this year. Fourteen are stationed in Reno for the Mormon cricket and grasshopper program. Two are in Las Vegas for imported fire ant and grasshopper survey. All 16 will be placing and servicing traps of other species.

J. Weed Program Update

Scott Marsh with the Noxious Weed Program said the Tall whitetop is in the mustard family, one our worst noxious weeds in the State.

Just this year I was able to put together a new permit with USDA – APHIS for allowing importation of biological control agents. The one we are more excited about is the newly allowed nematode that goes after Russian knapweed. Doesn't do well in dry site, so it kind of limits us in Nevada to where we can release it. But we do have some people interested with the riparian areas. And I just found a source for those in Wyoming, so I hope to get some of those.

We are still looking to farm our host of Spotted Knapweed bugs in the Verdi area. We found a great source of them last year from a release a few years ago. They have been thriving up there, but it's a fairly limited population. We hope to collect some of those and release them in other areas.

I think you all got a copy of our new noxious weeds identification guide. The Extension Service with the University of Nevada – Reno put that together for us. We provided funding through us from the Forest Service. It's a great improvement on

our old one. It has a lot of great information, some wonderful pictures. It's available online.

Meeting was adjourned at 4:40 pm