

MINUTES APPROVAL FORM

California
Department of
Food and Agriculture
Marketing Branch



Program: *California Pistachio Research Board*

	Meeting Date
Minutes to Meeting Held on:	June 4, 2019
Location	Fresno

Notable Actions

- 2019 0604 #02 Motion to accept the auditor's report on the Board's 2017-2018 financial records.
- 2019 0604 #03 Motion to engage the firm Moss Adams to perform the financial and compliance audits for the 2018-2019 fiscal year. [*Approved by Department Order on July 23, 2019*]
- 2019 0604 #04 Motion to accept the 2019-2020 Management Services Agreement with the Administrative Committee for Pistachios for a monthly service fee of \$14,600 per month. [*Approval by Department Letter pending*]
- 2019 0604 #95 Motion to adopt the proposed 2019-2020 budget based on a projected beginning balance of \$4,218,068, estimated revenue of \$3,750,000 (750 million pounds assessed at \$0.005), budgeted expenditures of \$5,191,200 (Research \$4,850,000, Endowments \$70,000, Overhead \$271,200) and a projected year-end carryover of \$2,776,868. [*Approved by Department Order on July 23, 2019*]
- 2019 0604 #06 Motion to set the 2019-2020 assessment rate at \$0.005 per pound. [*Approved by Department Order on July 23, 2019*]
- 2019 0604 #07 Motion to establish an attendance policy of asking for a member's resignation if there have been two consecutive unexcused absences.
- 2019 0604 #08 Motion to grant \$75,000 to fund Dr. Zwieniecki's proposal: "*Development of Tree Carbohydrate Budget Based Methods for Sustainable Management of Pistachio Orchards under Variable Central Valley Climatic Conditions*".

APPROVED

SECRETARY OF FOOD AND AGRICULTURE

BY:  , Chief
Marketing Branch

DATE: JULY 23, 2019



**MEETING MINUTES
CALIFORNIA PISTACHIO RESEARCH BOARD
Board of Directors Meeting**

**June 4, 2019 – 9:00 a.m.
Western Agricultural Processors Association Conference Room
1785 N. Fine Avenue, Fresno, California 93727**

Roll Call

Chairman Tom Coleman called the meeting to order at 9:00 a.m. A complete board roster is shown below with an * indicating those in attendance. A quorum was established.

Members	Alternates	Advisory Committee
* Tom Coleman, Chairman	1 st Alternate	Robert Beede
* Johnny Starling, Vice-Chairman	John E. Konda	Carl Fanucchi
* Jeremy Blackwell	2 nd Alternate	* Todd Fukuda
* Rob Goff	Todd Tracy	Mike Harvey
Eric Miller	3 rd Alternate	Brad Higbee
* Doug Mueller	Adam Orandi	* Michael Naito
Gary Robinson	4 th Alternate	Brian O'Neill
* Mike Smith	Mark Szczerba	Anthony Rabo
* Rod Stiefvater		* Zack Raven
* Christine Milgrom		

*indicates those members, alternates and advisors in attendance;

Others Present: Kirk Squire, Gerrid Climer, Brian O'Neill, Erik Wilkins, Paige Gilkey, Doug Sampson (Moss Adams CPA), Kacie Fritz (CDFA), and Bob Klein.

Approval of the April 12, 2019 Meeting Minutes

Board Motion 2019-06-04 #1

It was moved by Rod Stiefvater and seconded by Rob Goff to approve the April 12, 2019 minutes as written. The motion passed unanimously with no abstentions.

Public Comments on Agenda Items

There were no comments on agenda items from the public.

Auditor's Report for Fiscal Year Ending July 31, 2018

Doug Sampson, CPA with Moss Adams, LLP, presented the auditor's report for the fiscal year ending July 31, 2018. Board members were emailed copies of the Audit Report and the Agreed-Upon Procedures to review ahead of the meeting. Doug Sampson informed the Board that the audit was performed using the required government auditing standards. The Agreed-Upon Procedures are additional tests required for state marketing orders using CDFA accounting guidelines. The auditor's opinion for this fiscal year was unqualified (good) for both the audit and the agreed upon procedures. The net position as of July 31, 2018 was \$2,826,342 (an approximate increase of \$941,000 from the previous fiscal year).

Board Motion 2019-06-04 #2

It was moved by Jeremy Blackwell and seconded by Christine Milgrom to accept the auditor's report as presented. The motion passed unanimously with no abstentions.

Recommend and Approve Auditor for Fiscal Year Ending July 31, 2019

The Board will engage Moss Adams, LLP as the auditor for the fiscal year ending July 31, 2019.

Board Motion 2019-06-04 #3

It was moved by Jeremy Blackwell and seconded by Christine Milgrom to engage the firm Moss Adams to perform the independent audit for fiscal year ending July 31, 2019. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

CDFA Report

Kacie Fritz had nothing to report.

Manager's Report

Bob Klein included several categories in his report to the Board:

1. SIT Updates; moth releases are ongoing. Burks and Wilson are getting poor trap capture with non-irradiated moths. There have been lobbying efforts to get Federal money for the SIT project. The amount requested was \$20 million; \$5 million one-time and \$15-16 million for optional costs.
2. Bob Klein informed the Board of three upcoming NOW meetings: June 6th at Tulare, June 17th there will be a discussion of metrics for an areawide program, and on June 18th the Almond Board is having a NOW meeting at Modesto.
3. Bob Klein reported that the weather has caused crop losses in some areas. It is unknown if the cold weather effects growth of the trees.
4. The EU is discussing MRLs for buprofezin, chlorates, OTA, and Aflatoxin.

Annual Management Services Agreement (ACP/CPRB)

The CPRB and the Administrative Committee for Pistachios (ACP) annually review and sign a Management Services Agreement. The CPRB pays a management services fee to the ACP each month intended to cover about half of the ACP overhead expenses. The 2019-2020 agreement has no change to the current fee of \$14,600 per month.

Board Motion 2019-06-04 #4

It was moved by Rob Goff and seconded by Johnny Starling to adopt the 2019-2020 Management Services Agreement with a monthly service fee of \$14,600 per month. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

2019-2020 Budget

Bob Klein presented a proposed 2019-2020 budget to the Board. The proposed budget is the same as the 2018-2019 budget with a total of \$5,191,200 for research, SIT, and overhead expenses. The Board adopted the proposed budget. (The assessment rate on the proposed budget was changed from 0.007 to 0.005 center per pound.)

Board Motion 2019-06-04 #5

It was moved by Rob Goff and seconded by Doug Mueller to adopt the proposed 2019-2020 budget based on a projected beginning balance of \$4,218,068, estimated revenue of \$3,750,000 (750 million pounds assessed at \$0.005), budgeted expenditures of \$5,191,200 (Research \$4,850,000, Endowments \$70,000, Overhead \$271,200) and a projected year-end carryover of \$2,776,868. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

A copy of the approved budget is attached (Appendix A).

2019-2020 Assessment Rate

Board Motion 2019-06-04 #6

It was moved by Jeremy Blackwell and seconded by Rod Stiefvater to set the 2019-2020 assessment rate at \$0.005 per pound. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

Board Meeting Attendance Policy

The Board discussed an attendance policy for members and alternate members. The Board decided that if a member has two consecutive unexcused absences, that member would be asked to resign.

Board Motion 2019-06-04 #7

It was moved by Doug Mueller and seconded by Rod Stiefvater to establish an attendance policy of asking for a member's resignation if there have been two consecutive unexcused absences. The motion passed unanimously with no abstentions.

Zwieniecki Proposal

Dr. Zwieniecki provided more information to the Board for his HC-2019-28 proposal as requested ("Development of Tree Carbohydrate Budget Based Methods for Sustainable Management of Pistachio Orchards under Variable Central Valley Climatic Conditions"). The Board reviewed the additional information and agreed to fund the project.

Board Motion 2019-06-04 #8

It was moved by Jeremy Blackwell and seconded by Rod Stiefvater to grant \$75,000 to fund Dr. Zwieniecki's proposal, "Development of Tree Carbohydrate Budget Based Methods for Sustainable Management of Pistachio Orchards under Variable Central Valley Climatic Conditions". The motion passed unanimously with no abstentions.

Other Business

Bob Klein reminded the Board that Sanden's proposal requesting \$28,733 was approved at the February meeting. Funding was on hold as Sanden and Zaccaria worked on revisions for their proposals. The revised proposals were not approved, however, the original amount granted will now be funded.

Public Comment

There were no public comments.

Topics for Future Consideration

No additional topics were mentioned.

Scheduling of Future Meetings

The 2019 proposal presentations will be scheduled sometime after Pistachio Day and before the Tulare Farm Show. There being no other business, the meeting was adjourned at 10:10 a.m.

Certification

I, Bob Klein, Manager of the California Pistachio Research Board, do hereby certify that, to the best of my knowledge, the foregoing is a true and correct account of the meeting of the California Pistachio Research Board conducted on June 4, 2019.

Date: _____

Bob Klein, Manager - California Pistachio Research Board

Appendix A

California Pistachio Research Board 2019-2020 Budget

2018-2019 Budget Summary

Net Assets 7/31/2018	\$2,826,342
2018-2019 Assessment Income	\$6,904,754
2018-2019 Estimated Interest	\$90,000
2018-2019 Estimated Expenses	(\$5,603,028)
Est. Net Assets 07/31/2019	\$4,218,068

2019-2020 Budget Summary

Est. Net Assets 07/31/2019	\$4,218,068
Est. Crop Size in Pounds	750,000,000
Assessment Rate	0.005
Est. Assessment Income	\$3,750,000
2019-2020 Budget	-\$5,191,200
Est. Net Assets 07/31/2020	\$2,776,868

Budget Detail

	2018-2019 Budget	2018-2019 Est. Actual	2019-2020 Budget	Budget % Change + (-)	2020-2021 Budget Est.
Research/Education Expenses					
Research (Standard)	\$1,600,000	\$1,564,621	\$1,600,000	0.00%	\$1,600,000
Research (non-cyclic)	\$350,000	\$0	\$350,000	0.00%	\$350,000
SIT Research	\$2,500,000	\$3,597,477 *	\$2,500,000	0.00%	\$2,500,000
Education and Outreach	\$150,000	\$11,500	\$150,000	0.00%	\$150,000
Food Safety	\$250,000	\$124,175	\$250,000	0.00%	\$250,000
Total Funds for Research/Education	\$4,850,000	\$5,297,773	\$4,850,000		\$4,850,000
Administrative Expenses					
Administration	\$175,200	\$175,200	\$175,200	0.00%	\$175,200
Annual CPA Audit	\$9,000	\$8,150	\$9,000	0.00%	\$9,000
Bank Service Charges	\$500	\$135	\$500	0.00%	\$500
Board Meetings	\$3,000	\$250	\$3,000	0.00%	\$3,000
CDFA Marketing Branch	\$55,000	\$45,000	\$55,000	0.00%	\$55,000
Insurance	\$1,000	\$620	\$1,000	0.00%	\$1,000
Meeting Sponsorship	\$10,000	\$0	\$10,000	0.00%	\$10,000
Miscellaneous	\$5,000	\$1,000	\$5,000	0.00%	\$5,000
Travel - Board Members	\$2,500	\$400	\$2,500	0.00%	\$2,500
Travel - Manager	\$10,000	\$4,500	\$10,000	0.00%	\$10,000
Total Administrative Expenses	\$271,200	\$235,255	\$271,200		\$271,200
Endowment Commitments					
ANR IPM Advisor	\$70,000	\$70,000	\$70,000	0.00%	\$0
Future	\$0	\$0	\$0		\$0
Total Endowments	\$70,000	\$70,000	\$70,000		\$0
Total Budget	\$5,191,200	\$5,603,028	\$5,191,200	0.00%	\$5,121,200

*Includes 2017-2018 SIT remaining funds - \$1,097,477

6/12/2019