

**California Department of Food and Agriculture (CDFA)  
Minutes**

of the Meeting/Video Conferencing  
of the Nursery Advisory Board (NAB)  
Held on Thursday, December 29, 2022  
1220 N Street, Room 210  
Sacramento, CA 95814

**NURSERY ADVISORY BOARD (NAB)**

**Voting Members**

**Present:** David Cox, Michael Frantz, Dustin Hooper, Bruce Jensen, Jay Jensen, Phillip Johnson, Janet Silva Kister, Josh Puckett, Daniel Waterhouse

**Absent:** Don Dillon, Thomas Lucas

**Non-Voting Members**

**Present:** Ha Dang, Lorence Oki

**Absent:** Karen Suslow, Chris Zanobini

**OTHER ATTENDEES\***

Katie Filippini, Joshua Kress, Brenda Lanini, Jim Lawrence, Keith Okasaki, Nawal Sharma, Terra Walber

\*As self-reported in the Zoom application

**CALL TO ORDER AND ROLL CALL**

Board Chair Janet Silva Kister called the meeting to order at 9:00a.m. and conducted roll call. A quorum was present for the Board.

**OPENING REMARKS AND HOUSEKEEPING**

Kister reviewed general meeting guidelines, including compliance with the Bagley-Keene Open Meeting Act.

**BRIEF UPDATE ON ARIZONA SHIPPING REQUIREMENTS**

Joshua Kress reported that CDFA sent a Pest Exclusion Advisory to all counties notifying them that the timeline for implementation of Arizona rule R3-4-203 has been extended to at least February 2023. CDFA was actively working with the Arizona Department of Agriculture (AZDA) to establish interagency agreements and

corresponding compliance agreements for the shipment of nursery stock and deciduous fruit. Regardless of other agreements, the ability to ship these commodities via a phytosanitary certificate remained, and CDFA was working with AZDA to ensure that any language for phytosanitary certificates continued to meet Arizona's requirements. Kress also noted that CDFA and AZDA were focused on notification procedures to ensure that any pest finds were able to be addressed at origin by CDFA and the county agricultural commissioner.

The Board asked for clarification and further discussed: inspection requirements, incorporation of systems approach to certification, Arizona's pest list, ongoing communication and collaboration with AZDA, and updates to the Board at the next meeting.

### **BRIEF UPDATE ON CITRUS YELLOW CLEARING VIRUS**

Kress reported that CDFA had reached out to Georgios Vidalakis at UC Riverside to answer the Board's question of if there is a relationship between *Citrus yellow vein clearing virus* (CYVCV) and *Grapevine vein clearing virus*, and had not yet received an answer.

Kress also reported that CDFA had completed a 7-mile arc delimitation survey around the CYVCV find sites, with no additional finds, and had begun survey in a 6-mile arc.

### **DISCUSSION ON FAC AND THE NURSERY SERVICES PROGRAM BUDGET**

Kress provided a brief description of indirect charges and Food and Agricultural Code (FAC) Section 242, and noted past Board discussions on this topic. Kress also answered questions on departmental versus division indirect costs and the indirect cost reimbursement in FAC § 224(c). Kister noted that no matter how it was calculated, the indirect costs were higher than 5% of the program's revenue, and that CDFA was obligated to comply with FAC § 242.

### **UPDATE ON CITRUS NURSERY STOCK PEST CLEANLINESS PROGRAM TRANSITION**

Kress provided an overview of the transition of the Citrus Nursery Stock Pest Cleanliness Program activities and administration to the Citrus Pest and Disease Prevention Division (CPDPD). Kress noted that the transition was being implemented to gain efficiencies and reduce risk for citrus mother trees by have one group of staff perform all regulatory activities within citrus nurseries, both for the nursery program and quarantine compliance. Program staff had reviewed potential budgetary impacts from the transfer of revenue receipt from Nursery Services to the CPDPD, and no net impact to the Nursery Services Program's budget was anticipated.

### **UPDATED FUND CONDITION AND PROPOSED BUDGET FOR FY 2023/24**

Brenda Lanini presented updated fund condition and proposed budget information for FY 2023/24. The Board discussed their concerns with approving a budget in conflict with FAC § 242, and sought a clear understanding of CDFA's compliance with that provision for the Nursery Services Program.

### Board Motion #1

The Board recommends a proposed spending plan for fiscal year 2023/24, as follows:

- Amendment of the spending plan as presented to reduce the total indirect charges to be limited to five percent of program revenue, in accordance with Food and Agricultural Code (FAC) Section 242.

Additionally, the Board requests that NAB Chair Janet Silva Kister submit a letter on their behalf to the Secretary regarding the Nursery Services Program budget and FAC § 242, including:

- The Board's previous requests for information and conversations regarding FAC § 242,
- The ongoing nature of the program's charged total indirect costs exceeding 5% of revenue,
- The importance that CDFA complies with FAC § 242, and
- That the Board declines to make a motion that conflicts with FAC § 242.

Motion: David Cox

Second: Daniel Waterhouse

### Details of Board Vote

In Favor: David Cox, Michael Frantz, Dustin Hooper, Bruce Jensen, Jay Jensen, Janet Silva Kister, Phillip Johnson, Josh Puckett, Daniel Waterhouse

Against: None

Absent: Don Dillon, Thomas Lucas

Abstain: None

### **APPROVE MINUTES FOR DECEMBER 14, 2021 MEETING**

Minutes were not available to be presented to the Board. Minutes for the September 9, 2021, December 14, 2021, and November 29, 2022 meetings were to be presented for Board review and approval at the next meeting.

### **DISCUSSION ON NAB COMMITTEES**

Janet Kister appointed a new Nominating Committee, consisting of volunteers Janet Kister, David Cox, Michael Frantz, and Chris Zanobini to advise and support the program in recruitment of new board members and to review applicants and make recommendations to the board.

The committee will coordinate with the Program to schedule a meeting ahead of the next Board meeting.

### **PUBLIC COMMENT**

Nawal Sharma reminded the board about ongoing exotic fruit fly quarantines in Southern California, and that nurseries shipping nursery stock into the quarantine areas should ensure that plants do not have host fruit on them to prevent any regulatory impacts and to assist quarantine staff with compliance efforts.

### **NEXT MEETINGS/AGENDA ITEMS**

Next Board meeting will be held in May 2023.

Agenda suggestions for next meeting:

- Another update on FAC § 242 and Indirect costs not exceeding 5%

### **ADJOURNMENT**

The meeting was adjourned at 10:15 a.m.

Respectfully submitted by:

Michael Paule, Associate Governmental Program Analyst  
Nursery Services Program  
California Department of Food and Agriculture

**Nursery Services Program  
Budget Summary as of 12/29/2022**

updated 11/18/2022

	PPY FY2020-21 Not Final	PY FY2021/22 Not Final	CY Secretary APPROVED FY 2022/23	Board Proposal FY 2023/24	
Permanent Salary	903,489	1,059,311	1,107,436	1,151,971	1600 hrs was citrus
Temporary Salary	283,850	346,614	89,738	258,578	
Staff Benefits (includes Unemployment Ins)	408,973	621,733	753,666	746,648	
<b>TOTAL PERSONNEL SERVICES</b>	<b>1,596,313</b>	<b>2,027,658</b>	<b>1,950,840</b>	<b>2,157,197</b>	
General Expenses	13,823	42,223	32,300	32,300	
Printing	25,108	1,563	5,000	5,000	
Communications	20,273	14,663	18,200	18,200	
Postage	5,901	4,655	8,000	8,000	
Insurance-Vehicles	3,274	6,130	3,000	3,000	
Travel In-State	18,267	24,435	23,860	16,260	less travel for citrus \$ 7,600
Travel Out-of-State	677	-	-	-	
Training	301	1,000	5,000	5,000	
Facilities	109,391	138,857	125,000	122,000	
Utilities	2,326	2,594	3,000	6,000	
Cons & Prof	10,813	6,913	2,000	2,000	
Atty General Charges	-	-	5,000	5,000	
External Services (includes web payment service)	3,940	13,000	13,000	18,000	
Indirect Division Costs	93,686	143,661	127,015	151,988	
Indirect Executive/Administration Costs	162,458	255,994	197,919	232,789	
Indirect IT Costs	68,836	88,286	90,337	85,122	
Indirect Recovery	(1,206)	-	-	-	
Pro Rata	134,087	134,087	134,087	134,087	
SB 84 (From FY18/19 to FY24/25)	65,363	65,363	65,363	65,363	
IT Purchases	14,153	4,479	18,000	14,000	
Equipment	11,921	-	-	-	
Field Expenses/Agri & Lab Supplies	15,485	15,501	31,540	23,540	\$3000 citrus supplies remove
Vehicle Operations	73,010	20,820	30,000	30,000	
Other Misc. Charges	990				
<b>Subtotal Oper Exp/Equip</b>	<b>852,878</b>	<b>984,223</b>	<b>937,621</b>	<b>977,649</b>	
County Contracts	705,555	780,000	680,000	680,000	
Nematode Lab Costs	74,515	101,549	100,000	100,000	
Enhanced County contract			450,000	450,000	
<b>TOTAL OPER EXP/EQUIP</b>	<b>1,632,948</b>	<b>1,865,772</b>	<b>2,167,621</b>	<b>2,207,649</b>	
Recovery from other programs la\	(405,048)	(404,140)	(418,193)	(429,100)	
Reimbursement 224c - Admin	(74,925)	(74,927)	(74,927)	(77,079)	
Reimbursement UGT	(450,000)	(450,000)	(450,000)	(450,000)	
<b>TOTAL COST RECOVERIES</b>	<b>(929,973)</b>	<b>(929,067)</b>	<b>(943,120)</b>	<b>(956,179)</b>	
<b>TOTAL BUDGET w Personnel &amp; Benefits</b>	<b>2,299,288</b>	<b>2,964,363</b>	<b>3,175,341</b>	<b>3,408,667</b>	

# Fund Condition as 12/29/2022

*\*UGT Funding began*

	PPY FY2020-21* Not Final	PY FY 2021/22 Not Final	CY FY 2022/23 NAB Approved	FY 2023/24 Proposal to NAB
<b>BEGINNING RESERVE BALANCE*</b>	<b>890,899</b>	<b>1,157,162</b>	<b>1,203,582</b>	<b>1,257,791</b>
<b>REVENUE CATEGORIES</b>				
Nursery License Fee	1,534,879	1,932,975	1,800,000	1,800,000
Acreage Fee	271,938	307,960	305,000	305,000
Delinquent (Penalty) Fee	45,400	58,350	40,000	40,000
Directory Sales	110	180	0	0
Strawberry R&C	522,355	524,465	810,000	900,000
Grapevine R&C	116,484	150,346	180,000	300,000
Fruit , Nut and Pome	0	0	0	0
Avocado Reg	0	0	250	0
Avocado Cert	375	350	300	300
Seed Garlic R&C	4,590	12,158	4,000	4,000
Nematode Certification	59,663	1,031	80,000	80,000
<b>R&amp;C Subtotal</b>	<b>703,468</b>	<b>688,350</b>	<b>1,074,550</b>	<b>1,284,300</b>
Misc Revenue, Interest & Miscellaneous Income	9,757	22,968	10,000	10,000
<b>TOTAL REVENUE</b>	<b>2,565,550</b>	<b>3,010,783</b>	<b>3,229,550</b>	<b>3,439,300</b>
<b>EXPENDITURES</b>				
Personnel Services	1,596,313	2,027,658	1,950,840	2,157,197
Operating Exp & Equipment	852,878	984,223	937,621	977,649
County Contracts	705,555	780,000	680,000	680,000
Enhanced County contract			450,000	450,000
Lab Services	74,515	101,549	100,000	100,000
<b>COST RECOVERIES</b>				
Recovery from other programs	-405,048	-404,140	-418,193	-429,100
Reimbursement 224c - Admin	-74,925	-74,927	-74,927	-77,079
Reimbursement UGT FY20/21 - FY24/25	-450,000	-450,000	-450,000	-450,000
<b>TOTAL EXPENDITURES (BUDGET)</b>	<b>2,299,288</b>	<b>2,964,363</b>	<b>3,175,341</b>	<b>3,408,667</b>
<b>ENDING RESERVE BALANCE</b>	<b>1,157,162</b>	<b>1,203,582</b>	<b>1,257,791</b>	<b>1,288,424</b>
<b>AG TRUST FUND</b>				
Interest	335,661	337,795	340,795	343,795
	1,479	3,000	3,000	3,000
<b>ENDING AG TRUST FUND</b>	<b>337,140</b>	<b>340,795</b>	<b>343,795</b>	<b>346,795</b>