

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

Minutes of the Board of Directors Meeting

June 13, 2019

A meeting of the Board of Directors of the Citrus Research and Development Foundation, Inc. was held on Wednesday, June 13, 2019 at the Hyatt Regency Coconut Point, Calusa DE Room, in Bonita Springs, Florida. The meeting was properly noticed and recorded. Board President Larry Black called the meeting to order at 9:42 am. Roll was called, and a quorum was present. Board members present were Rob Atchley, Bobby Barben, Larry Black, Ned Hancock, Greg Hodges, David Howard, Jeanna Mastrodicasa, Jerry Newlin, Bob Newsome, Tom Obreza, Pat Ouimet, and John Updike, Jr.

Others in attendance were Robert Adair, Mike Aerts, Frank Arlia, Miles Armstrong, John Barben, Kevin Barley, Mike Barry, Hannah Baxter, Jim Black, Herb Bolton, Dan Botts (telephone), Kevin Bouffard, Brandy Brown, Harold Browning, Kristen Carlson, Dan Casper, Peter Chaires, Holly Chamberlain (telephone), Ralph Chamberlain, Tia Chancellor, Joe Collins, Rick Dantzler, Colton Davis, Kenny Devane, Michael Dimock, Aedan Dowling (telephone), Time Eyrich, Michael Fitzner, Josh Garland, Chuck Goodowns, John Gose, Rubella Goswami, Michael Harowitz, Alec Hayes, Laurie Hurner, Bruce Ingraham, Mike Ireby (telephone), Tom Jerkins, Matt Joyner, Ricke Kress (telephone), Ben Lasey, Bill Lennon, Jr., Ron Mahan, Denise Manker, Peter McClure, Bo Meador, Olivia Meador, Paul Meador, Andrew Meadows, Joe Mitchell, Tom Mitchell, Kelly Morgan, Roy Morris, Audrey Nowicki, Jack Payne, Gaylon Pfeiffer, Jones Fabiano Pinto, Mike Prescott, Gee Roe (telephone), Michael Rogers, Fritz Roka, Ray Royce, Brain Scully, Shannon Shepp, Wayne Simmons, Emery Smith, Steve Smith, Jim Snively, Mike Sparks, Christian Spinosa, Sarah Spinosa, Buddy Strickland, Sonia Tighe, Wade Timpner, Carolina Tiuso, Eric Waldo, Callie Walker, Rosa Walsh (telephone), Eddie Wertz, and Parke Wright IV.

Mr. Black presented the board minutes from the May 21, 2019 meeting. Mr. Updike moved to accept the minutes of the May 21, 2019 Board of Directors meeting. The motion was seconded by Mr. Barben and it passed unanimously.

Mr. Black opened the meeting by thanking the citrus industry stakeholders for being present at the CRDF Board of Directors Meeting and 2019 Citrus Annual Conference. Mr. Black highlighted key accomplishments over the last year, including the hire of Rick Dantzler as COO, successfully executing an RFP, contracting with researchers to provide solutions to the Florida Citrus Industry, completing year two of a promising Bayer collaboration, and initiating a new call for proposals for FY 2020.

Mr. Black introduced Dr. Jack Payne, Senior Vice President of Ag and Natural Resources with UF/IFAS and thanked him for joining the CRDF Board Meeting. Dr. Payne greeted the industry and board and thanked Mr. Black and the board for the invitation to speak at the CRDF June board meeting. Dr. Payne reported that no matter what the outcome from the UF Board of

Trustees in regard to CRDF, his pledge is that the faculty and staff of IFAS are dedicated to continuing to work with CRDF as best as they can and to help make the citrus industry successful. He stated that he has been working closely with Mr. Dantzler and Mr. Black during this DSO process to keep them informed of the things he learned. Dr. Payne complimented both Mr. Dantzler and Mr. Black on their leadership and maintaining a terrific relationship with him since they both took their specific positions with CRDF. In closing, Dr. Payne reported that he hopes to continue to work through this process together.

Mr. Black reported that CRDF depends greatly on grower box tax dollars, but also, is very appreciative of the donors that continue to support the CRDF organization. Mr. Black asked Mr. Dantzler to recognize a few of our many donors.

Mr. Dantzler reported that during a previous meeting, CRDF Treasurer Ned Hancock discussed the importance of recognizing our partners that have assisted CRDF financially over the past several years, to which everyone agreed was a great idea. Mr. Hancock will assist in recognizing some of the donors during his remarks later in the meeting.

Mr. Dantzler reported that, in the audience, were several representatives from Certis USA, a company that has given CRDF approximately \$65,000 in financial support over the past few years to assist with our research efforts. Mr. Dantzler introduced the Certis representatives, Michael Dimock, Jim Black and Tia Chancellor, and thanked them for the support today as well as over the last several years.

Jim Black thanked Mr. Dantzler and the board and reported that a few years prior, Certis made the decision to support the CRDF organization through a program they set up called "Certis for Citrus" in an effort to help find a solution for HLB. Mr. Dimock presented CRDF Board President Larry Black and COO Rick Dantzler with a donation in the amount of \$20,000. President Black thanked Certis for their donation and long-time partnership in support of CRDF.

Executive Committee: Chairman Larry Black reported that the Executive Committee met on June 6 to discuss the Foundation's organizational structure and the DSO issues involving UF/IFAS. Mr. Black gave a brief background of the issues for those unfamiliar with discussions from previous meetings. He reported that the UF Board of Trustees has reviewed all DSOs across the University over the past two years to determine if, in their view, the DSOs were in compliance with the Florida statute that governs DSOs and complying with Governance Standards that the UF BoT have developed. Mr. Black expressed his disappointment in the whole process. He reported, that to date, CRDF has not received the Governance Standards, although the review process had been ongoing for a long time. Mr. Black stated that CRDF is not aware of the Governance Standards; however, we have the Florida Statutes that we have read and discussed that in our view, gives us the authority to operate as we have for many years. During a prior board meeting, Dr. Mastrodicasa read an email from Amy Haas stating that CRDF was not in compliance; however, that is the only official correspondence that CRDF has received from UF. Mr. Black reported that, to date, we have not received what the UF BoT Governance Standards are or what CRDF can do to comply. He also reported that the CRDF by-laws have been under review with UF for several months and we have not yet received redlined copies.

During this process Mr. Dantzler requested a meeting with the UF BoT, which the BoT referred to its Governance Committee. On June 3, Mr. Black and Mr. Dantzler attended the Governance Committee of the UF BoT, Mr. Black reported that they were given three minutes to present their case, and during Mr. Dantzler's presentation, none of the committee, present or on the phone, engaged in any dialog or asked questions.

During the June 6 Executive Committee meeting, the committee discussed the history of CRDF, how it became a DSO of the UF, how the relationship with UF has worked well over the last ten years, and the benefits that both parties have received from working together. Mr. Black reported there was a slide shown during the Governance Committee of the UF BoT meeting with a statement that CRDF is not currently complying with the state statute or Governance Standards, that the plan was for UF to de-certify CRDF unless CRDF came into compliance, and that further discussion was needed. Finally, the slide and/or subsequent comments said the issue would be revisited at the September UF BoT Governance Committee meeting.

During Mr. Dantzler's remarks, he explained that CRDF is a different type of DSO because we are Grower driven and it is grower money that CRDF uses to fund projects. After Mr. Dantzler's presentation, Trustees Koontz and Patel indicated no exceptions will be made the process they have underway. The issue is to be re-visited at the September 20, 2019 UF BoT meeting.

The Executive Committee directed Dr. Mastrodicasa to find out what the timeline and process for de-certification is. Discussion continued regarding the disposition of assets. Future options include becoming totally independent, forming a new DSO under FDACS or FDOC, or reverting to an organization like FCPRAC. Organizational and overhead costs must be considered before a decision is made; the process must be methodical and not hurried.

Dr. Mastrodicasa has not received word on how long CRDF could remain at CREC in Lake Alfred if decertified. Dr. Mastrodicasa reported that, if CRDF were de-certified, the organization would still exist, would likely adopt a resolution to dissolve, and bills would be paid, followed by re-organization under a new company. The Articles of Incorporation and Bylaws could be amended for the new organization.

Mr. Black thanked Dr. Mastrodicasa for all her help and support, as well as being present with CRDF at the UF Governance BoT meeting. Dr. Mastrodicasa replied that she is looking forward to helping move the process forward.

Mr. Dantzler noted that changes to the articles and bylaws require UF approval, so it will require that the university agree with where CRDF lands. He noted in the ten months he has been COO Dr. Payne has always been accessible to him. He also indicated that if CRDF reaches the point where it must dissolve, that he is hopeful the UF researchers will continue to apply for funding. If CRDF is out of compliance, we need to know how and determine if we can correct or find an alternate plan.

Addressing the university, he said CRDF is appreciative for the use of office space and the IT and administrative support it receives.

Other discussion included how employees would be affected if the BoT decertified CRDF on September 6. Dr. Mastrodicasa said she is trying to get clarity on the process since the other DSOs that were recently decertified don't have any employees of their own.

Mr. Barben addressed the comment of CRDF being out of compliance, stating that CRDF has not changed in the past ten years, so if CRDF is out of compliance now, then it has always been out of compliance. He addressed Dr. Payne, asking him why we were allowed to be out of compliance from the beginning.

Dr. Payne reported that the BoT runs the University, they do the hiring and firing of management, and they are the final word. He pointed out that since UF is approaching a \$5 billion enterprise the BoT is looking to bring all DSOs into compliance with state statutes that have always existed. Dr. Payne stated the reason the BoT has determined CRDF out of compliance is due to the state statute. He said that the state law reads, "A DSO of the any university cannot spend money on an entity outside of the university that it serves." Since CRDF funds other entities and has over the past years, that is what caused the DSO issue with the BoT. Due to the state law, the BoT said there will not be any exception for DSOs, and they will exist for the benefit of the university.

Mr. Black responded to Dr. Payne's statement of the state law referring to DSOs, stating that the statute reads, "DSO shall serve primarily for the benefit of the university." Mr. Black reported that nowhere does the statute say "cannot," which he wanted to clarify for anyone that is not familiar with the statute.

The Legislature cited misspending by another university to make sure all state universities are in total compliance with the statutes. Dr. Payne cited an example of a \$10M fine imposed on UF relative to a project funded by another source and the comparable liability UF is exposed to with the foundation funding projects, which is the basis for their requirement that UF approve all funding decisions.

Mr. Black stated the board has made it clear it cannot live with those requirements and asked Dr. Payne to assist the board in moving to another home, looking out for employees and growers alike. Dr. Payne agreed he wants to partner to make a smooth transition.

Mr. Hancock requested that the COO write to the BoT asking that CRDF continue operating as it does now through June 30, 2020, which will give CRDF time to transition to another agency and get any legislative funding matters worked out. Mr. Hancock indicated CRDF should be proactive with the process. Dr. Payne said he will work with the Foundation.

Mr. Atchley asked that Mr. Dantzler continue to explore options before we communicate with the BoT. Mr. Newlin asked about a possibility of transferring to a DSO under FDOC, and Mr. Dantzler reported that anything CRDF does will require the statutes being tweaked, and UF will have to agree to those changes in the by-laws.

Mr. Black reported that CRDF will need to send a letter to the UF BoT stating that CRDF employees remain employed through the University of Florida, that we maintain occupancy rent-

free at the CREC in Lake Alfred, that we are allowed to operate business as usual, and that CRDF not be decertified until June 30, 2020.

Mr. Hancock made a motion to send the UF Board of Trustees a letter indicating that any affirmative vote for decertification of CRDF would not be effective prior to June 30, 2020. The motion was seconded by Mr. Newlin. There was discussion on the need for clarification on how CRDF will be allowed to handle the contracts currently funded and whether to make changes to be in compliance until the decertification takes place. There was an amendment to the motion to allow that CRDF continue operating as it has historically until June 30, 2020. After no further discussion, the motion passed unanimously.

Finance and Audit Committee: Chairman Ned Hancock reviewed the May 31, 2019 Financial and Investment Account Summaries. He reported that the \$4 million in legislative funding has been spent to \$0, Box Tax billings are at 70% of the current-year budget, and due to timing restraints on contract start dates, we continue to be slightly behind in our research spending. He also reported that the portfolio projections break down the costs of what we anticipate spending over the next three years. Mr. Updike made a motion to approve the May 31, 2019 summaries as presented. The motion was seconded by Dr. Hodges and it passed unanimously.

Mr. Hancock reviewed the FY 2019-20 miscellaneous contracts, explaining that these contracts are not research contracts and have not gone through RMC or CPDC for approval. Also, the miscellaneous contracts are set to expire on June 30, 2019, and before they can be extended the board must approve or discontinue each contract. Mr. Hancock asked if there were questions on any of the miscellaneous contracts. Mr. Updike made a motion to approve all miscellaneous contracts as presented. The motion was seconded by Dr. Ouimet and it passed unanimously.

Mr. Hancock reviewed the FY 2019-20 draft budget. He reported that of the \$8 million received from the Legislature, \$2 million will be used towards the large-scale field trials as described in the proviso language. There will be approximately \$1.2 million available for new contracts from the 2019 RFP. Also incorporated in the budget is funding to continue contracting with our consultants until we can hire a Research Director, and other minor adjustments to our administrative staff.

Mr. Dantzler reported that CRDF has put the search for a new Research Director on hold until the issue regarding the DSO status is resolved. We do not believe it would be fair to the applicants to pursue that position until the issue reaches closure.

After no further discussion on the FY 2019-20 budget, Mr. Hancock made a motion to approve the FY 2019-20 CRDF budget as presented. The motion was seconded by Mr. Atchley and it passed unanimously.

Mr. Hancock reported that for the last several years, Coca-Cola and PepsiCo/Tropicana have made significant contributions to the CRDF organization. We want to thank these partners who have stepped up and made huge monetary donations to help us fund research, but also thank them for their time and efforts that they have put into this research.

Mr. Hancock thanked President Larry Black for his efforts in leading CRDF through the rough waters we have encountered over the last two years. President Black thanked Mr. Hancock and thanked the entire CRDF Board, stating we have all learned so much but there is still a long path ahead for the industry to be sustainable and we need to continue to focus on research so we can continue to do what we all love, which is to grow citrus.

Mr. Hancock discussed the redesign of the new CRDF website, reporting that staff has been working with Frankel Media Group over the last several months to improve the design and features of our website. Mr. Hancock introduced Carolina and Josh with Frankel Media and asked them to give a demonstration of our newly improved website.

Josh discussed how Frankel would handle the objectives to improve the website. The overall objectives were to improve user experience, which includes accessibility and usability of the Progress Report Search, improve website navigation, and to refresh the overall design of the website. To do this, we needed to keep growers in mind and dedicate a specific process to be able to produce the best outcome for the site.

Carolina did a demonstration of the new website and navigated through all the features to give the board and audience an interaction of how the website works.

Mr. Dantzler noted the Progress Report Search function. He reported that we want growers to be able to easily access any research we have in our library. For example, if the user wants to find research on tree spacing, they will type in tree spacing in the Progress Report search field and the website will display all the information CRDF has on the topic of tree spacing.

Carolina continued through the new features of the website, highlighting the Researcher Spotlight and the Grower Forum. Finally, she thanked Mr. Dantzler, Mr. Hancock, Brandy and Audrey for working with them over the last several months to successfully redesign the CRDF website.

Mr. Hancock thanked Frankel again, and reported that we will now have a lower budget for our communications and media support. Also, he thanked CRDF staff for their time and hard work that went into making the website a great product.

Governance Committee: Chairman John Updike, Jr. reported that the Governance Committee has not met.

Research Management Committee: Chairman David Howard discussed the 2019 RFP process and timeline, reporting that RMC invited 27 pre-proposals to submit full proposals, and that the deadline for submission is June 24. On July 29 and 30, the SAB will meet to make recommendations of the full proposals for funding to the RMC, which will meet during the 3rd week in August to review and recommend proposals for board approval.

Mr. Howard reported that staff is working on an inventory and review of our current portfolio, which will be presented to the SAB for their review and analysis, as well.

Commercial Product Delivery Committee: Chairwoman Ouimet reported that the CPDC met in May and had a discussion on the legislative budget with the proviso language of \$2 million going towards large-scale field trials. The team has been very busy working on the RFP to conduct large-scale field trials.

Mr. Dantzler reported that CRDF received \$8 million in funding from the Legislature, and \$2 million of that funding is required, by proviso language, to be spent on large-scale field trials. The team has been working to develop an RFP for that \$2 million, which has to be spent within this next fiscal year, which starts on July 1, so we will have our work cut out for us to make sure we stay in compliance with the proviso language. Mr. Dantzler reported that the team initially drafted an RFP that was very specific; however, we decided that the RFP should be written more generally. The RFP included in the materials is the general version and it includes the option for not for profit corporations that are involved in large-scale field trials to apply for the RFP. This would allow for the new DSO that has been created in the FL Dept. of Ag to apply, as well as growers and others who have an interest in participating in a large-scale field trial with CRDF.

Mr. Dantzler reported he spoke with Marshall Wiseheart, who works for FDACS and provides CRDF with support on our contracts, and Marshall advised CRDF to post the RFP for large-scale field trials, so if the CRaFT DSO wants to apply for the RFP it can. However, if that is not forthcoming, the legislature has instructed CRDF to spend \$2 million on large-scale field trials, so we will be making that money available to anyone, which is why the RFP is drafted the way it is.

There were a couple budgetary questions asked, which were 1) would a successful applicant be able to spend the money on anything they wanted or would there be limitations on their spending, and 2) would there be a limit on the amount of money that could go to one particular applicant. It was said that we cannot limit what institutions propose; however, the intent is for the funding to cover materials and field work and not overhead expenses.

Mr. Sparks added that there are different approaches to the RFP, but that legislators want a massive field trial demonstration, which leaves the RFP wide open. Mr. Sparks reported that a lot of different proposals will come in and this group will have to evaluate the proposals on their merit and then execute a contract that fits the best. The target applicants are any institutions, foundations or private corporations who want to do a large-scale field trial program working with the growers.

Mr. Black reported that, considering conversations today, the RFP needs additional work and revisions at the committee level and then be brought forward for approval at the July BoD meeting.

Researcher Presentation: Dr. Ouimet introduced Dr. Denise Manker with Bayer Crop Science who gave a background on the work that CRDF and Bayer have been working on over the past two years. Dr. Manker gave a presentation and update on Project# 16-026C, the Bayer Crop Science-CRDF Partnership for discovery of new HLB Solutions.

There was a brief question and answer session with Dr. Manker about Project# 16-026C. Mr. Dantzler reported that we have one more payment due to Bayer for \$1,240,000 at the end of the month. Once that payment is made, we will be paid in full until June 30, 2020. Our anticipation is that we will have Dr. Manker return in September to report on how things went over the summer, what the field trials look like, and what kind of progress has been made in the labs. By the end of the year, we will make a decision on whether to move into the next phase.

COO Report: Mr. Dantzler reported that he had no additional information to discuss at this time.

Partnership Updates: Mr. Mike Sparks thanked and welcomed everyone to the 2019 Annual Citrus Conference. He reported that the next 2-3 days will be a packed agenda, kicking off with the FCM Annual Meeting followed by the Welcome Reception. Mr. Sparks said he hopes to see everyone this afternoon and throughout the week of the conference.

Dr. Michael Rogers reported that the Citrus Expo is coming up in August and it will be similar to last year's Expo. The Expo will not just be about citrus, but Southeast AgNet will be bringing in our partners from the vegetable areas to have sessions with the vegetable growers who will be attending. On day two of the Expo, there will be several sessions going on and lunch will be provided. After Expo wraps up, there will be hands-on activities and roundtable discussions taking place for anyone who would like to engage in those events. Also, Dr. Rogers reported that the Farm Bill for 2018 has reallocated \$125 million for Citrus Disease Research, and he introduced the three members from NIFA who will be with us at the Annual Conference and he hopes that everyone will get a chance to meet them, ask questions, and discuss with them what the growers' needs are and how the money should be spent. Lastly, Dr. Rogers stated that he and the IFAS researchers remain committed to the work they are doing to support citrus research, despite all the issues and uncertainties with the DSO status, and hope that the issues get resolved. Regardless of how things look in the future, we will continue to be here, and we look forward to continuing to partner with CRDF and all the citrus industries.

Ms. Laurie Hurner thanked the CRDF BoD and guests and gave an update from the Citrus Extension Agents. First, she reported that rainfall has begun throughout the state with some areas getting too much and the others not getting enough. She reported that Dr. Mongi Zekri has received reports that some growers are resetting, and other growers are putting in new blocks of groves. Dr. Zekri has seen many growers putting in composts which will help them in the future. In the Highlands area, Ms. Hurner reported they are seeing a lot of cottony cushion scale inside the nets that are over the small trees. The net is protecting the trees from greening and psyllids but there are some problem areas they are continuing to work on inside the net. Lastly, Ms. Hurner reported that the Extension Agents are working closely with Jaime Burrows on the Extension booth for the Citrus Expo, and that all the Citrus Agents will be attending this year's Citrus Expo and are looking forward to seeing everyone in August.

New Business: There was no new business.

Future CRDF Meetings: The next meeting will be moved up one week and will be held on Tuesday, July 16, 2019 at 10:00am, at the CREC in Lake Alfred, FL.

With no further business, the meeting was adjourned at 12:10 pm.

Minutes submitted by Rob Atchley, Secretary.