



# AGENDA

CALIFORNIA AVOCADO COMMISSION  
BOARD OF DIRECTORS  
REGULAR WEB/TELECONFERENCE MEETING

Thursday, December 10, 2020

10:00 a.m.

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**Location:**

*Per Governor Newsom's Executive Order N-29-20, local and state legislative bodies are authorized to hold public meetings via teleconference, with all requirements in the Bagley-Keene Act and Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or the public as a condition for participation in or quorum for public meetings thereby waived.*

This meeting is being held strictly as a web/teleconference meeting, where any participants, including members of the public, may participate in the web/teleconference by computer or phone as indicated below:

Web Conference URL: <https://bit.ly/CAC-Board-Mtg-12-10-20>

Meeting ID: 857 1533 4777

Passcode: 774880

Conference Call #: (669) 900-6833

AS OF FRIDAY, DECEMBER 4, 2020, THE FOLLOWING INDIVIDUALS HAVE ADVISED THE COMMISSION THEY WILL PARTICIPATE IN THIS MEETING VIA WEB/TELECONFERENCE:

**Board Members:**

Gary Caloroso  
Jason Cole  
John Cornell  
Randy Douglas  
Rob Grether  
Jessica Hunter  
Ohannes Karaoghlanian  
Rachael Laenen  
John Lloyd-Butler  
Daniella Malfitano  
Andrew Prechtl  
Ryan Rochefort  
Peter Shore

**Board Alternates:**

Connor Huser  
Daryn Miller  
Doug O'Hara  
Michael Perricone

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10:00 a.m.

1. **CALL TO ORDER**
  - A. Roll Call / Establish Quorum
  - B. Introductions

10:05 a.m. 2. OPPORTUNITY FOR PUBLIC COMMENT

Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.

10:15 a.m. 3. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

- A. Consider Approval of Board of Director's Meeting Minutes of November 19, 2020
- B. Consider Approval of Committee Appointments

10:20 a.m. 4. CONSIDER APPROVAL OF BY LAWS CHANGE – Two Thirds Vote Required for Passage

10:35 a.m. 5. SECTION 201 GLOBAL SAFEGUARD INVESTIGATION

12:00 p.m. ADJOURN MEETING

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at [aaymami@avocado.org](mailto:aaymami@avocado.org). Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <http://www.californiaavocadogrowers.com/commission/calendar> and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>.

If you have questions on the above agenda, please contact April Aymami at [aaymami@avocado.org](mailto:aaymami@avocado.org) or 949-341-1955.

### **SUMMARY DEFINITION OF CONFLICT OF INTEREST**

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



## BOARD ACTION

**ITEM 3.A:**      CONSIDER APPROVAL OF BOARD OF DIRECTORS' MEETING MINUTES  
OF NOVEMBER 19, 2020

**SUMMARY:**

The minutes of the Board of Directors' regular meeting of November 19, 2020 are attached for the Board's review and approval.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Adopt minutes as presented
- Amend minutes
- Take no action

**STAFF RECOMMENDATION:**

- Approve minutes as presented

**EXHIBITS / ATTACHMENTS:**

- Minutes of the Board of Directors' regular meeting of November 19, 2020

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
November 19, 2020**

A web/teleconference meeting of the California Avocado Commission (CAC) Board was held on Thursday, November 19, 2020 with the following people present:

**MEMBERS PRESENT**

Gary Caloroso  
Jason Cole  
John Cornell  
Randy Douglas  
Rob Grether  
Jessica Hunter  
Ohannes Karaoghlanian  
Rachael Laenen  
John Lloyd-Butler  
Daniella Malfitano  
Andrew Prechtl  
Ryan Rochefort  
Peter Shore

**ALTERNATES PRESENT**

Connor Huser  
Daryn Miller  
Doug O'Hara  
Michael Perricone

**MEMBERS ABSENT**

None

**ALTERNATES ABSENT**

None

**ITEM #1 CALL TO ORDER**

Ben Kardokus, representing the California Department of Food and Agriculture (CDFA), called the meeting to order at 10:01 a.m.

**Announcement of Election Results and Introduction of New Members and Alternates - Item 1.A.**

Mr. Kardokus announced that results from the recently concluded 2020 CAC General Election had been tallied and the following individuals had been elected to the CAC Board for two-year terms ending October 31, 2022:

<u>Affiliation</u>	<u>Members</u>
District 1:	Jessica Hunter
District 2:	John Cornell
District 3:	John Lloyd-Butler
District 4:	Rachael Laenen
District 5:	Andrew Prechtl
Handler:	Gary Caloroso

Mr. Kardokus stated that as a result of the election, vacancies now existed for District 2 and 3 alternate seats, as Mr. Cornell and Mr. Lloyd-Butler had resigned their alternate seats to assume the member positions. He noted that these alternate vacancies would be filled at a future board meeting.

**STAFF PRESENT**

Monica Arnett  
April Aymami  
Tom Bellamore  
Zac Benedict  
David Cruz  
Jan DeLyser  
Angela Fraser  
Stacia Kierulff  
Miriam Martinez  
Ken Melban  
Cristina Wede

**OFFICIALLY PRESENT**

Katie Cook, USDA  
Ben Kardokus, CDFA  
Lauren Kelley, MullenLowe  
John McGuigan, HAB  
Sam Schaitberger, MullenLowe  
Temra Wald, TWC  
Sean Wright, Mullen

**GUESTS PRESENT**

David Anderson  
Jennifer Baker  
Carolyn Becker  
Hillary Brandaw  
John Burr  
Xavier Equihua  
Emiliano Escobedo  
Candace Hollar  
Gerardo Huerta  
Susan Hughes  
Kathleen Johnson  
Kim Kurata  
Scott Model  
Marji Morrow  
Steven Muro  
Laura Paden  
Martin Pagh Ludvigsen  
Bryan Reugebrink  
Gwen Sanders  
Tim Spann  
Bill Steed  
Catie Stoneberg  
Charley Wolk

Roll Call – Item 1.B.

Mr. Kardokus conducted roll call attendance and determined that a quorum was present.

Introductions

April Aymami, CAC industry affairs director, announced the United States Department of Agriculture (USDA), California Department of Food and Agriculture (CDFA), CAC staff, CAC agency personnel and known guests participating in the web/teleconference call. She asked for all other guests to announce themselves and recorded all participants in attendance.

**ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT**

There was no public comment.

**ITEM # 3 ELECTION OF OFFICERS**

Instruction on How Nominations and Voting for Board Officers will be Conducted – Item 3.A.

Mr. Kardokus provided a brief overview of Commission law as it pertains to the nomination and election of Board officers. He stated that all current officers, except for Rob Grether, were eligible to serve in their same positions for another year. Mr. Kardokus stated that if more than one nominee was presented, voting would be conducted utilizing the chat feature in Zoom with results read aloud and recorded into the minutes.

Nominations and Election of Chairperson – Item 3.B.

Following the instructions on nominations and voting for board officers, Mr. Kardokus called for nominations for the seat of Chairperson. Rob Grether was nominated for the position of Chairperson by Jason Cole, with a second by Daniella Malfitano.

**MOTION:**

***Move to close nominations for the position of Chairperson.  
(Rocheft/Douglas) MSC Unanimous***

**MOTION 20-11-19-1**

**MOTION:**

***Move to elect Rob Grether to the position of Chairperson.  
(Cole/Karaoghlanian) MSC Unanimous***

**MOTION 20-11-19-2**

**ITEM #4 CHAIRPERSON TAKES GAVEL AND PRESIDES**

Nominations and Election of Vice-Chairperson, Secretary, and Treasurer – Item 4.A.

**Vice Chairperson**

Mr. Grether assumed the position of Chairperson and requested nominations for the position of Vice-Chairperson. Ryan Rocheft was nominated for the position of Vice-Chairperson by Jessica Hunter, with a second by Jason Cole.

**MOTION:**

***Move to close nominations for the position of Vice-Chairperson.  
(Caloroso/Douglas) MSC Unanimous***

**MOTION 20-11-19-3**

**MOTION:**

***Move to elect Ryan Rocheft to the position of Vice-Chairperson.  
(Karaoghlanian/Lloyd-Butler) MSC Unanimous***

**MOTION 20-11-19-4**

### **Secretary**

Mr. Grether requested nominations for the position of Secretary. Ohannes Karaoghlanian was nominated for the position of Secretary by John Cornell. Jessica Hunter was nominated for the position of Secretary by Ryan Rochefort, with a second by Daniella Malfitano.

#### **MOTION:**

***Move to close nominations for the position of Secretary.  
(Rochefort/Malfitano) MSC Unanimous***

**MOTION 20-11-19-5**

#### **MOTION:**

***Move to elect Jessica Hunter to the position of Secretary.  
(Karaoghlanian/Lloyd-Butler) MSC Unanimous***

**MOTION 20-11-19-6**

### **Treasurer**

Mr. Grether requested nominations for the position of Treasurer. Jason Cole was nominated for the position of Treasurer by Ryan Rochefort, with a second by John Lloyd-Butler.

#### **MOTION:**

***Move to close nominations for the position of Treasurer.  
(Douglas/Karaoghlanian) MSC Unanimous***

**MOTION 20-11-19-7**

#### **MOTION:**

***Move to elect Jason Cole to the position of Treasurer.  
(Caloroso/Karaoghlanian) MSC Unanimous***

**MOTION 20-11-19-8**

#### **Chairperson's Opening Remarks – Item 4.B.**

Mr. Grether thanked the Board for their support and electing him to the position of Chairperson. He congratulated the new members to the board and welcomed back those who were reelected. Mr. Grether commented that the Board was a diverse group, but that their diversity can serve as a good resource to the CAC staff. He also noted that he would look to the Board to continue to serve as responsible stewards of the growers' funds.

#### **President's Comments**

Tom Bellamore, CAC president, stated that it was his pleasure to serve the Board. He commented that the newly elected Executive Committee members represented the youngest slate of officers in his tenure and that he looked forward to the youthfulness and energy they will bring. Looking forward, Mr. Bellamore said that the year would bring plenty of issues with Covid likely continuing and being the foremost challenge. He highlighted that CAC management continued to receive calls from growers regarding the challenges of production costs and profitability. Mr. Bellamore also stated that the Board would be preparing for leadership transition before the fiscal year was out.

### **ITEM # 5 CONSENT CALENDAR**

Mr. Grether introduced the consent calendar items and asked for questions or comments. Mr. Grether requested to remove Item 5.B, the proposed 2020-21 calendar, for further discussion.

#### **MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 5.A and 5.C as presented.  
(Douglas/Cole) MSC Unanimous***

**MOTION 20-11-19-9**

Mr. Grether noted that he had a conflict with the proposed October 2021 meeting date and suggested moving the date to October 13, 2021, which met no dissent. He also noted that

normally the CAC Board would meet in February, but due to redistricting which must be approved by March 2021, staff had proposed a January meeting to approve committees and a March meeting to approve the redistricting committee's recommendation. Mr. Grether proposed amending the calendar to meet in December 2020 to approve committee appointments, not meeting in January and instead meeting in February 2021. CAC staff supported these recommended changes to the calendar.

**MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Item 5.B, amended as follows:***

- ***Mid-December Board Meeting (Date TBD)***
- ***No January Board Meeting***
- ***February Board Meeting (Date TBD)***
- ***October Board Meeting Date changed to 10/13/21***

***(Rocheft/Cole) MSC Unanimous***

**MOTION 20-11-19-10**

The Consent Calendar is included in the November 2020 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 5.A through 5.C.

**ITEM #6 CONSUMER TRACKING STUDY RESULTS – Temra Wald Consulting**

Mr. Bellamore stated that because CAC does not sell product, it uses consumer tracking studies as one way to measure success, and to gain insights and learnings on how to approach consumers.

Temra Wald of Temra Wald Consulting (TWC), presented the results of the 2020 CAC Tracking Research providing an overview of methodology used, along with highlights of significant findings. The research indicated that the new ad campaign appeared to be making a positive impact and that California Avocados are seen as most premium, best tasting, freshest, safest, worth paying more for and the preferred region. Ms. Wald noted that moving forward there were opportunities for CAC to increase region checking, as well as leverage safety benefits.

Mr. Grether asked Jan DeLyser, CAC vice president marketing, and Mr. Bellamore for their takeaways from the tracking study. Ms. DeLyser said she was pleased to see that the needle has been moved with the new campaign, but that CAC needs to keep their finger on the pulse of the Premium Californians, as well as the economy. Mr. Bellamore stated that he was very pleased with the results given the climate of the current year. He noted that it was interesting to see Utah and Arizona markets pick back up, an indication that Premium Californians are not just in California anymore.

The 2020 CAC Tracking Research Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

**ITEM #7 MARKETING REPORT**

**Shop.CaliforniaAvocado.com - Item 7.A.**

Ms. DeLyser reported that the California Avocado merchandise e-commerce site launched in early-to-mid September, however due to the pandemic, social unrest and fires, CAC had made the decision to not heavily promote the site at that time and currently had just started social promotion of the merchandise shop. Lauren Kelley and Sam Schaitberger of MullenLowe presented highlights of the social rollout and influencer program aimed to promote the new merchandise site, which had successfully reached over 15,000 consumers, with more than 135,000 engagements and 74,000 impressions. It was noted that CAC and MullenLowe were

continually monitoring and evaluating product movement and would be reporting to the Board regularly on performance.

The California Avocado Merchandise Shop presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

Virtual PMA Fresh Summit - Item 7.B.

Ms. DeLyser commended Angela Fraser, CAC director trade affairs, who served as PMA Fresh Summit Committee Co-Chair on an excellent job in assisting PMA in transitioning Fresh Summit to a virtual event.

Ms. Fraser provided an overview of the Fresh Summit virtual platform and examples of how attendees and exhibitors were able to participate. She noted that PMA had reported an uptick in the number of buyers, which represented a 9 to 1 ratio of buyers to exhibitors. Ms. Fraser reported on CAC's participation, sponsorship benefits and event results. She stated that while it was different than an in-person event, CAC was glad they participated. If the convention is held as a virtual event in 2021, however, CAC would plan to participate at a level to be determined.

Mr. Bellamore congratulated Ms. Fraser for a job well done and read an email from PMA CEO Cathy Burns acknowledging the hard work and efforts of Ms. Fraser which made the virtual event a great success.

The Virtual PMA Fresh Summit presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

Year-End Dashboard 2019-2020 Season - Item 7.C.

Ms. DeLyser called the Board's attention to the year-end dashboard included in the Board Packet, stating that the metrics and key performance indicators covered the full fiscal year of November 2019 through October 2020.

The California Avocado Commission Dashboard, November 2019 – October 2020 is included in the November 2020 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 7.C.

Sneak Peek at 2021 Campaign - Item 7.D.

Sean Wright of MullenLowe presented a sneak peek of the 2021 California Avocado campaign creative, noting that the 2021 campaign would continue the best avocados have California in them campaign, but would feature 10 new artists creating 11 new unique "CA" artworks. He stated that the process had been reworked for 2021, wherein CAC and MullenLowe would select their favorite artists and allow them a blank canvas to bring their ideas and concept artwork to CAC/Mullen who will then select one concept for each artist to finalize.

The 2021 Campaign Sneak Peek presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT E.

**ITEM #8 INDUSTRY AFFAIRS REPORT**

Section 201 Global Safeguard Investigation - Item 8.A.

Ken Melban, CAC vice president industry affairs, provided an overview of the Section 201 global safeguard investigation process which seeks to address the threat posed by increased imports to American producers of seasonal and perishable fruits and vegetables. He noted that recently a Section 201 investigation had been initiated for blueberries, resulting in some calls from California avocado growers for the Commission to pursue a Section 201 investigation for the California avocado industry. Mr. Melban stated that management's position on pursuing a

Section 201 investigation would not be to limit trade, but rather to get relief in the form of monetary compensation for growers to the degree possible.

Mr. Melban read a letter from California avocado grower Eddie Grangetto suggesting that CAC initiate a Section 201 investigation, but not limit the remedy to monetary compensation. John Burr, a California grower in attendance at the meeting, read from a letter he sent to CAC which encouraged the Board to initiate a Section 201 investigation and provide adequate financial resources to hire consultants to prepare the petition and develop strategic and tactical recommendations to implement the preservation of the avocado industry. Bill Steed, another California grower in attendance, who is also involved in the blueberry industry, cautioned CAC to research the situation, and develop a strategy and plan before soliciting for a Section 201 investigation. Mr. Steed commented that the final determination of the investigation also will consider how the ruling may impact the consumer.

Board discussion ensued which included questions regarding the change in administration following the election, whether the California industry has sustained, or will sustain, "serious injury" as a result of imports, how the consumer plays into the final determination and what additional data may be needed to determine if a Section 201 investigation might be successful. Points were made in support of soliciting for a Section 201 investigation immediately, with others who supported gathering more information prior to filing.

**MOTION:**

***The CAC Board of Directors directs CAC staff to research what information and financial commitments would be required to pursue a Section 201 investigation, and report to the Board at the December 2020 meeting.***  
***(Douglas/Cole) MSC Unanimous***

**MOTION 20-11-19-11**

The Section 201 Global Safeguard Investigation board packet write-up is included in the November 2020 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 8.

Section 201 Investigation Letter – Eddie Grangetto is attached to the permanent copy of these Minutes and identified as EXHIBIT F.

Section 201 Investigation Letter –John Burr is attached to the permanent copy of these Minutes and identified as EXHIBIT G.

**ITEM #9 CONSIDER APPROVAL OF, AND PARTICIPATION IN, HAB LEADERSHIP DEVELOPMENT PROGRAM**

John McGuigan, Hass Avocado Board (HAB) director of industry affairs, addressed the Board, reporting that HAB's Leadership Development Program Committee had worked to complete details of the program with the goal of developing a pipeline of potential leaders. He stated that the program was slated to begin in January 2021 and that CAC was invited to participate in the program by sponsoring a participant. Mr. McGuigan noted that CAC's financial contribution would be limited to travel reimbursements for the selection program participant, which could be up to \$9,000 if meetings were to take place in person.

John Lloyd-Butler, CAC's representative on the HAB Leadership Development Committee, voiced his concerns about the effectiveness of the program if the meetings were virtual in 2021. He also shared his concern about equitability if CAC only sponsored one participant, but there are multiple districts throughout the industry.

**MOTION:**

***The CAC Board of Directors approves sponsoring one program participant in the HAB Leadership Development Program.  
(Caloroso/Prechtl)***

There was general support for participating in the program, however concern expressed about sponsoring a participant that later is not elected to serve on the CAC Board. It was suggested that instead of extending participation to the entire California industry, that it be limited to currently seated CAC Board Members and Alternates.

**AMENDED MOTION:**

***The CAC Board of Directors approves sponsoring one program participant, who is a currently seated Board Member or Alternate, in the HAB Leadership Development Program.  
(Cornell/Karaoghlanian) MSC (10 Yay/1 Nay)***

**MOTION 20-11-19-12**

The HAB Leadership Development Program board packet write-up is included in the November 2020 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.

**ITEM #10 RECOMMEND MEMBER AND ALTERNATE TO SERVE ON HASS AVOCADO COMMITTEE**

Mr. Grether stated that HAB had requested that CAC recommend one member and one alternate to serve on the Hass Avocado Committee (HAC). He noted that John Lloyd-Butler, who was currently serving as the CAC's HAC alternate had volunteered to serve as the member for the coming year. Rachael Laenen volunteered to serve as CAC's HAC alternate.

**MOTION:**

***The CAC Board of Directors recommends John Lloyd-Butler and Rachael Laenen to serve as California's representatives on the HAC, as Member and Alternate respectively.  
(Cole/Grether) MSC Unanimous***

**MOTION 20-11-19-13**

The Letter from HAB Chairman Jorge Hernandez Requesting HAC Representatives is included in the November 2020 Board Packet and attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 10.

**ADJOURN MEETING**

Mr. Grether adjourned the meeting at 1:28 p.m. The next Board meeting will be held in December 2020, on a date to be determined.

Respectfully submitted,

\_\_\_\_\_  
April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of November 19, 2020 approved by the CAC Board of Directors on December 10, 2020.

\_\_\_\_\_  
Jessica Hunter, CAC Board Secretary

**EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

- EXHIBIT A November 2020 Board Packet
- EXHIBIT B 2020 CAC Tracking Research Presentation
- EXHIBIT C California Avocado Merchandise Shop Presentation
- EXHIBIT D Virtual PMA Fresh Summit Presentation
- EXHIBIT E 2021 Campaign Sneak Peek Presentation
- EXHIBIT F Section 201 Investigation Letter – Eddie Grangetto
- EXHIBIT G Section 201 Investigation Letter –John Burr
- EXHIBIT H November 19, 2020 Board Meeting AB 2720 Roll Call Vote Tally Summary



**CALIFORNIA AVOCADO COMMISSION**  
**AB 2720 Roll Call Vote Tally Summary**  
*To be attached to the Meeting Minutes*

<b>Meeting Name:</b> <i>California Avocado Commission Regular Board Meeting</i>	<b>Meeting Location:</b> <i>Zoom Web/Teleconference</i>	<b>Meeting Date:</b> <i>November 19, 2020</i>
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<i>Attendees Who Voted</i>	<i><u>MOTION 20-11-19-1</u></i>	<i><u>MOTION 20-11-19-2</u></i>	<i><u>MOTION 20-11-19-3</u></i>	<i><u>MOTION 20-11-19-4</u></i>	<i><u>MOTION 20-11-19-5</u></i>	<i><u>MOTION 20-11-19-6</u></i>	<i><u>MOTION 20-11-19-7</u></i>	<i><u>MOTION 20-11-19-8</u></i>	<i><u>MOTION 20-11-19-9</u></i>	<i><u>MOTION 20-11-19-10</u></i>	<i><u>MOTION 20-11-19-11</u></i>	<i><u>MOTION 20-11-19-12</u></i>	<i><u>MOTION 20-11-19-13</u></i>
Ryan Rochefort	Yea	Yea	Yea	Yea									
Jessica Hunter	Yea	Not Present	Not Present	Not Present									
Michael Perricone											Yea	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea	Yea	Yea									
John Cornell	Yea	Yea	Yea	Yea									
Rob Grether	Yea	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote								
John Lloyd-Butler	Yea	Yea	Yea	Yea									
Jason Cole	Yea	Yea	Yea	Yea									
Rachael Laenen	Yea	Yea	Yea	Yea									
Randy Douglas	Yea	Yea	Nay	Yea									
Andrew Prechtl	Yea	Yea	Yea	Yea									
Peter Shore	Yea	Yea	Yea	Yea									
Gary Caloroso	Yea	Yea	Yea	Yea									
Daniella Malfitano	Yea	Not Present	Not Present	Not Present									
<b>Outcome</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>10 Yea/1Nay</b>	<b>Unanimous</b>									



## BOARD ACTION

### ITEM 3.B:      CONSIDER APPROVAL OF COMMITTEE APPOINTMENTS

#### SUMMARY:

Under Commission law, CAC has the power to appoint committees composed of both members and non-members of the Commission to advise the Commission in carrying out Chapter 5 of Division 22 of the Food and Agricultural Code. (§67058). During the 2018 Board Orientation, it was emphasized that the Board delegates assignments to committees, while retaining final authority on all program, projects, activities and policies adopted by any committee of the Commission. CAC Bylaws specify:

*The Chairperson of the Commission shall appoint all committee chairpersons and shall appoint all members of each committee after consultation with the committee Chairperson affected. Appointments are subject to approval by the Commission and may be changed from time to time as determined by the Chairperson and concurred in by the Commission. (Article IV, 1.b).*

In addition, the Bylaws allow the Chairperson to appoint committee members from among the Board members and alternates, as well as the industry in general. (Article IV, 1.d).

Chairman Rob Grether has acted in accordance with the above and appointed Chairpersons for several functional committees. Chairman Grether and the committee Chairpersons then conferred regarding committee members. The attached list has been prepared for Board approval.

#### FISCAL ANALYSIS:

- Not applicable

#### BOARD OPTIONS:

- Approve the committee appointments, as recommended by the Chairman
- Modify the committee appointments
- Take no action

#### STAFF RECOMMENDATION:

- Staff supports the appointments as proposed

#### EXHIBITS / ATTACHMENTS:

- 2020-21 Committee Appointments



## 2020-21 COMMITTEE APPOINTMENTS

### EXECUTIVE COMMITTEE

- Rob Grether, Chair
- Ryan Rochefort, Vice Chair
- Jason Cole, Treasurer
- Jessica Hunter, Secretary

### FINANCE COMMITTEE

- Jason Cole, Chair
- John Cornell
- John Lloyd-Butler
- Kellen Newhouse
- Andrew Prechtl

### MARKETING COMMITTEE

- Gary Caloroso, Chair
- Phil Henry, Henry Avocado
- Denise Junqueiro, Mission Produce
- Rachael Laenen
- Patrick Lucy, Del Rey Avocado
- Andy Lyall
- Carson McDaniel, McDaniel Fruit
- Ed McFadden
- Doug Meyer, West Pak Avocado
- Doug O'Hara
- Peter Shore, Calavo Growers
- Steve Taft, Eco Farms
- Angela Tallant, Westfalia
- Debbie Willmann, Index Fresh

### PRODUCTION RESEARCH COMMITTEE

- Leo McGuire, Chair
- Bryce Bannatyne
- John Burr
- Jason Cole
- Jim Davis
- Dan Grant
- Catherine Keeling
- Ryan Larkan
- Ed McFadden
- Tom Roberts
- Ryan Rochefort
- Darren Haver (UC)

### REDISTRICTING COMMITTEE

- Doug O'Hara, Chair
- Randy Douglas
- Ohannes Karaoghlanian
- John Lloyd-Butler
- Ryan Rochefort

### HASS AVOCADO COMMITTEE REPRESENTATIVES

- John Lloyd-Butler, Member
- Rachael Laenen, Alternate

**NOTE:** Chairman Grether is an ex-officio member of all CAC committees, task forces and teams



**ITEM 4:        CONSIDER APPROVAL OF BYLAWS CHANGE**

**SUMMARY:**

During the Commission Committee appointment process Chairman Rob Grether reviewed the CAC Bylaws, specifically the provisions regarding Marketing Committee membership. During this review Chairman Grether suggested that if a seated member of the Commission was also a member of the Marketing Committee, that there should be no requirement that another member of the Marketing Committee serve as a non-voting ex-officio member of the Board (as currently stipulated in Article IV.3 of CAC Bylaws).

CAC management has reviewed Article IV.3 of the CAC Bylaws and has proposed the attached amendment to the Bylaws (found on Page# Item 4-8) that makes it such that if a currently seated Member of the Commission is on the Marketing Committee, there is no firm requirement that the Committee appoint an additional non-voting ex-officio member to the Board. In the event the Marketing Committee does not include any seated members of the Commission, the suggested amendments retain the original language that requires the Marketing Committee to appoint a non-voting ex-officio member to the Board. This ensures that a member of the Marketing Committee is present at Board meetings to provide information on the Committee's actions, while not requiring additional time commitments from volunteer members, unnecessarily. For reference, Chairman Grether's 2020-21 Marketing Committee appointments include three seated Members of the Board, as well as one seated Alternate.

Per Article X.1 of the CAC Bylaws, amendment of the Bylaws requires a two-thirds vote of the members present at a meeting at which there is a quorum.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve the Revised CAC Bylaws as presented
- Amend the Revised CAC Bylaws and approve

**STAFF RECOMMENDATION:**

- Approve the Revised CAC Bylaws as presented

**EXHIBITS / ATTACHMENTS:**

- Revised CAC Bylaws

BYLAWS  
OF  
CALIFORNIA AVOCADO COMMISSION

Article I.

NAME AND LOCATION

1. Name.

The name of this organization shall be the California Avocado Commission (hereinafter referred to as the Commission), a corporate body, organized under the provisions of Division 22, Chapter 5, beginning with Section 67001 of the Food and Agricultural Code.

2. Location.

The principal office of the Commission for its transaction of business shall be located within the State of California. The Commission is hereby granted full power and authority to change the specific location of the principal office within California and may establish other offices as it deems appropriate. Any change or establishment of other locations shall not be considered an amendment of these Bylaws.

3. Definitions.

All definitions contained in Article 2, Chapter 5 of Division 22 of the Food and Agricultural Code shall apply to these Bylaws.

Article II.

PURPOSES AND OBJECTIVES

1. Scope of Activity.

The Commission shall deal with the broad fields of advertising, promotion, production research, the collection and dissemination of crop volume and related

statistics and marketing research. Commission activities may include, but not be limited to the following:

- a. Promote the sale of avocados through advertising and other promotional means for the purpose of maintaining and expanding present markets, and creating new and larger intrastate, interstate, and foreign markets for avocados.
- b. Enter into cost-sharing advertising with other products.
- c. Educate and instruct the wholesale, retail and foodservice trade with respect to proper methods of handling and selling avocados.
- d. Conduct scientific research including the study, analysis, dissemination and accumulation of information obtained from the research in respect to the inventory, marketing and distribution of avocados.
- e. Publish and distribute information regarding Commission activities to producers, handlers and the public.
- f. Present facts to, and negotiate with, public and private agencies on matters which affect the marketing of avocados.
- g. Educate and instruct the public with respect to the healthful properties and nutritional value of avocados.
- h. Do any and all things necessary, legal and proper to accomplish the purposes and objectives of the Commission as provided in these Bylaws and in law.
- i. Whenever appropriate and within statutory authority, assist the avocado industry in the coordination of its many and varied activities.

### Article III.

#### MEETINGS OF COMMISSION

##### 1. Regular Meetings.

Meetings of the Commission shall be held upon the direction of the Chairperson at locations designated by the Chairperson. The Commission shall

meet at least four (4) times each year for the purposes of conducting its regular business.

2. Special Meetings.

The Chairperson, or a majority of the Commission, after notifying the Chairperson, may call other meetings of the Commission as may be deemed necessary.

3. Notice of Meetings.

- a. Notice of all regular meetings shall state the place, date, and time of the meeting, and the matters of business which the Commission intends to transact. Notice shall be mailed, or sent via facsimile or e-mail, to each member and alternate member of the Commission, and any other person who requests notice in writing, at least ten (10) days prior to the time of the meeting. Notice shall be deemed delivered when deposited in the United States mail, postage prepaid, or when confirmed via facsimile or e-mail, addressed to the person at the address as it appears on the records of the Commission at the time of mailing. A closed session of the Commission as provided for in Section 7 of this Article may be held only if the closed session is referenced in the meeting notice as herein provided.
- b. Notice of special meetings shall state the place, date, and time of the meeting. The business to be transacted shall also be stated in the notice and no other business may be considered at the meeting. The notice shall be delivered in the time and manner specified in subsection a.

4. Order of Business.

The regular order of business of the Commission meetings, unless otherwise determined by the Chairperson, shall be as follows: (1) roll call; (2) opportunity for public comment; (3) approval of minutes of previous meeting; and (4) action on matters on written agenda.

5. Attendance.

Any member or alternate who misses three (3) consecutive meetings or four (4) total meetings in a marketing season for any reason automatically loses his or her seat on the Commission unless the Board expressly waives this provision by majority vote<sup>1</sup> of the members present at a meeting at which there is a quorum. Any vacancy created by this Section 5 shall be filled in accordance with Section 67053 of Commission law and the Commission's election procedures.

6. Quorum and Voting.

A quorum of the Commission shall be nine (9) members if the Commission consists of three or four districts or ten (10) members if the Commission consists of five districts. Except as provided in these Bylaws or in law, the vote of a majority of the members present at a meeting at which there is a quorum shall constitute the act of the Commission. Notwithstanding anything to the contrary in Roberts Rules of Order or the law, "members present" shall mean those present at the time a vote is taken and shall include members who abstain from the vote. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of members if any action taken is approved by at least a majority of the required quorum for the meeting.

All votes shall be cast in person. There shall be no proxy voting.

7. Closed Sessions of the Commission.

If properly noticed as provided for in Section 3 of this Article, the Commission may enter into closed session during a regular or special meeting in accordance with the provisions of the Bagley-Keene Open Meeting Act (Government Code Section 11126). Examples of permissible reasons for a closed session include the

<sup>1</sup> The Board's waiver of the automatic removal provision can be based on an excuse acceptable to the Board or any other justification deemed appropriate by the Board.

appointment, employment, evaluation of performance, or dismissal of a Commission employee, or to confer with or receive advice from legal counsel regarding pending litigation.

Any action taken by the Commission in closed session shall be announced upon reconvening a regular or special meeting and made a part of the minutes. A record of topics discussed and any resulting decisions shall be made by the Commission and kept confidential and not disclosed except as required by law.

8. Parliamentary Authority.

Roberts Rules of Order, as may be amended from time to time, shall govern meetings of the Commission.

Article IV.

COMMITTEES

1. Committees; Appointments.

- a. The Commission shall establish committees as deemed necessary to carry out the purposes and objectives of the Commission. Standing committees shall include, but not be limited to the following:
  - (1) Executive Committee
  - (2) Marketing Committee
  - (3) Production Research Committee
  - (4) Finance Committee
- b. The Chairperson of the Commission shall appoint all committee chairpersons and shall appoint all members of each committee after consultation with the committee Chairperson affected. Appointments are subject to approval by the Commission and may be changed from time to time as determined by the Chairperson and concurred in by the Commission.
- c. No member shall serve as Chairperson of more than one (1) standing committee.

- d. The Chairperson of the Commission may appoint committee members from among the Commission members and alternates, and from the industry in general.
- e. All committees of the Commission shall decide the rules and procedures under which they will conduct their activities, except as may be provided in these Bylaws or in law, and subject to the approval or ratification by the Commission. Unless otherwise specified, the Commission shall be the final authority on all programs, projects, activities, and policies adopted by any committee of the Commission.

2. Executive Committee.

The Executive Committee shall include, but not be limited to, the Chairperson, Vice-Chairperson, Secretary, and Treasurer of the Commission. The Chairperson of the Commission shall serve as Chairperson of the Executive Committee. The committee shall specifically handle claims, complaints and personnel matters; and monitor the overall administration of the Commission.

The committee may act on behalf of the Commission under circumstances where action is of an urgent nature and necessary prior to the next meeting of the Commission. Such action shall not result in expenditures in excess of \$25,000.00 and shall be reported to the Commission at the next meeting of the Commission. The report shall specify the need for the action; the action taken, any expenditure involved; and the results of the action.

3. Marketing Committee.

The Marketing Committee shall advise Commission personnel, Commission committees and others on avocado packing, handling, distribution and marketing issues impacting on the Commission. These issues may include input regarding wholesalers, distributors, retailers, exporters, and foodservice operators. Additionally, the committee shall provide input on trade advertising and publicity programs, foodservice programs and foreign export. The committee shall also provide input to the Commission personnel concerning the annual crop estimate.

The Marketing Committee shall consist of a minimum of four (4) members, each of which represent a separate AMRIC Handler. In the event that ~~the~~ the Marketing Committee does not include any seated members of the Commission, the committee shall select one member of the committee who shall serve as a non-voting ex-officio member of the Commission.

4. Production Research Committee.

The Production Research Committee will assist Commission personnel in the prioritization of research needs and the solicitation, selection, and timely execution of funded research projects. The Committee will advise Commission personnel in the disbursement of budgeted research funds to researchers and research institutions. The Committee will assist in the timely dissemination of relevant research results from the production research program and other sources that could improve production and post harvest practices and increase profitability for avocado growers.

5. Finance Committee

The Finance Committee shall establish procedures for the disbursement of Commission funds, including procedures for the acquisition of property, the signing of checks, purchase orders, review of travel and expense reports and credit card statements and other similar matters. The Committee shall also recommend to the Board the annual assessment rate, budget, reserve and cash-flow requirements; recommend investment programs for Commission funds; and oversees the preparation of financial reports which shall be made available to the Commission on a periodic basis. The Treasurer of the Commission shall serve as chairperson of the Finance Committee. The independent auditor of the Commission shall report to the Committee.

6. Special Committees.

From time to time, special committees may be established by the Chairperson or by the Commission for the investigation, study or review of specific matters as are deemed necessary. Special committees shall limit their activities to

the accomplishment of the purpose for which they were created and terminate upon completion of the purpose.

The Chairperson of the Commission shall appoint committee members in the manner provided for in Section I of this Article, except that the Chairperson of any special committee who is not a Commission member or alternate shall have all rights, powers and duties of any other committee member, including voting privileges, unless otherwise provided in these Bylaws or in law.

7. Notice.

Notice of committee meetings shall be given in the same manner provided in Section 3.a. of Article III of these Bylaws. Notice may be waived by any committee member, either before or after the meeting, through written or verbal waiver of notice or by attendance at the meeting. All waivers shall be made a part of committee records.

8. Quorum.

Except as otherwise provided in these Bylaws, a majority of the committee shall constitute a quorum and the acts of a majority of the members present at a meeting at which a quorum is present shall constitute the acts of the committee. Notwithstanding anything to the contrary in Roberts Rules of Order or the law, "members present" shall mean those present at the time a vote is taken and shall include members who abstain from the vote. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of members if any action taken is approved by at least a majority of the required quorum for the meeting.

9. Closed Sessions of Committees.

Committees of the Commission may enter into closed session only in accordance with the provisions of the Bagley-Keene Open Meeting Act (Government Code Section 11126). Examples of permissible reasons for a closed session include discussion relating to the appointment, employment, evaluation of

performance, or dismissal of a Commission employee, or to confer with or receive advice from legal counsel regarding pending litigation. Any recommendations resulting from a closed session shall be transmitted to the Commission for consideration. A record of topics discussed and any resulting recommendations shall be made by the committee and kept confidential and not disclosed except when required by law.

## Article V.

### MEMBERS AND ALTERNATES

#### 1. Composition.

As defined in law, the Commission shall be composed of no fewer than eight (8) and no more than ten (10) producer members who do not handle avocados through the same legal entity under which they were elected as a producer member of the Commission, two (2) handler members and one (1) public member. The public member shall be selected in accordance with Section 5 of this Article.

a. Composition of producer members shall be as follows:

- (1) If the Commission consists of three (3) districts, nine (9) producer members, three (3) elected from each district.
- (2) If the Commission consists of four (4) districts, eight (8) producer members, two (2) elected from each district.
- (3) If the Commission consists of five (5) districts, ten (10) producer members, two (2) elected from each district.

#### 2. Ex-Officio Members.

- a. The Secretary of Food and Agriculture or his or her representative shall be notified of and may attend each meeting of the Commission and any committee meeting of the Commission.
- b. Other appropriate individuals, as determined by the Commission, may serve as ex-officio members.

#### 3. Alternate Producer Members.

One (1) alternate producer member from each district shall be elected in the same manner as the producer members. An alternate producer member may serve in place of any absent producer member in the alternate's district. "Absent" means any time the member is not present, including but not limited to temporary absences from the room, and includes a situation in which the member has recused himself/herself from a vote due to a conflict of interest. Provided however that the Chairperson, in his/her sole discretion, may delay a vote and wait for the member in instances where the member is only temporarily out of the room. An alternate producer member shall have, and be able to exercise, all the rights, privileges, and powers of the producer member when sitting on the Commission.

4. Alternate Handler Members.

One (1) alternate handler member shall be elected in the same manner as the handler members. The alternate handler member shall serve as the alternate to the two handler members. An alternate handler member may serve in place of any of the absent handler members. "Absent" means any time the member is not present, including but not limited to temporary absences from the room, and includes a situation in which the member has recused himself/herself from a vote due to a conflict of interest. Provided however that the Chairperson, in his/her sole discretion, may delay a vote and wait for the member in instances where the member is only temporarily out of the room. An alternate handler member shall have, and be able to exercise, all the rights, privileges, and powers of the handler member when sitting on the Commission.

5. Public Member.

The public member shall be appointed to the Commission by the Secretary of Food and Agriculture from a nominee recommended by the Commission. If the Secretary does not appoint the person nominated by the Commission to serve as the public member, the Commission shall nominate a different person to serve in this capacity and will repeat the process until a nominee of the Commission is approved by the Secretary and appointed to the Commission.

6. Financial Interests.

- a. Producer members and their alternates shall have a financial interest in producing avocados for market and shall meet and maintain the qualifications outlined in the Commission's Election Procedures.
- b. Handler members and their alternates shall have a financial interest in handling avocados for market and shall meet and maintain the qualifications outlined in the Commission's election procedures.
- c. The public member and alternate shall not have any financial interest in the avocado industry and shall meet and maintain the qualifications outlined in the Commission's election procedures.

Article VI.

OFFICERS AND DUTIES

1. Officers.

The Commission shall elect a Chairperson, Vice-Chairperson, Secretary and Treasurer (or Secretary/Treasurer) from among its producer members, and delegate to the officers duties as determined by the Commission. Alternate members shall not be eligible to be elected as officers of the Commission.

2. Term of Office.

The officers elected by the Commission shall serve one (1) year terms or until new officers are elected. Officers may be re-elected annually to the office held or to any other office of the Commission but shall not serve for more than three (3) consecutive terms in any one (1) office.

3. Chairperson.

The Chairperson shall preside at all meetings of the Commission. He or she may sign on behalf of the Commission any contract or other instrument, the execution of which has been authorized by the Commission, except where the signing and execution thereof has been otherwise expressly reserved or delegated by the Commission to itself or some other office, member or employee. The

Chairperson shall appoint the members of all committees subject to approval of the Commission as provided for in Article IV, Section I; serve as a non-voting ex-officio member of all committees; and perform all other duties provided in these Bylaws or in law.

4. Vice-Chairperson.

The Vice-Chairperson shall act as and perform all the duties of the Chairperson in the Chairperson's absence. He or she shall perform additional duties as may be assigned by the Chairperson or the Commission. If the Chairperson becomes disqualified for any reason, the Vice-Chairperson shall serve as acting Chairperson until the Commission elects a new Chairperson.

5. Secretary.

The Secretary shall maintain accurate records of all committee and Commission meetings and perform other duties as usually pertain to the office. The Secretary may delegate any and all duties of the office to the President of the Commission whenever, in his or her judgment, the action is necessary for the handling of the business affairs of the Commission in a timely manner.

6. Treasurer.

The Treasurer shall serve as Chairperson of the Finance Committee. The Treasurer oversees the reporting of the financial reports to the Commission and may delegate any and all duties of the office to the President of the Commission whenever, in his or her judgment, the action is necessary for the handling of the financial affairs of the Commission in a timely manner. The Treasurer retains oversight over all financial policies, and must report to the Board of Directors on the financial position of the Commission. The Treasurer shall work in conjunction with the President and other Commission personnel to ensure that all financial records and dealings of the Commission are in order at all times. The Treasurer shall have full and unrestricted access to all financial records of the Commission. There will be an annual audit conducted by an outside auditing firm which will be completed no

later than 90 days after the end of the fiscal year and presented to the Commission within 30 days after issuance of the final audited financial statements.

## Article VII.

### EMPLOYEES AND THEIR DUTIES

#### 1. President.

The Commission shall employ a person, who shall not be a member of the Commission, to serve as President and Chief Executive Officer. The performance of the President, who shall serve at the pleasure of the Commission, shall be evaluated by October by the Executive Committee of the Commission. The Committee shall prepare a written review for inclusion in the President's personnel file and the Chairman shall give a verbal report to the Commissioners at the October Board meeting. Compensation of the President shall be fixed by the Commission and shall be reviewed annually.

The President shall:

- a. Be responsible at all times for the proper administration of all actions and policies of the Commission and for the proper performance of all duties on behalf of the Commission.
- b. Employ, establish appropriate titles, fix salaries within approved budgetary guidelines, supervise, and when necessary discharge any of the employees of the Commission.
- c. Serve as a non-voting ex-officio member of the Commission and all committees of the Commission.
- d. Strictly adhere to and carry out all rules and procedures adopted by the Commission as provided for in these Bylaws and in law.
- e. Be responsible for the compilation and dissemination of industry information that will advance the purposes and objectives of the Commission.
- f. Provide any and all assistance, counsel, and advice to the Commission and committees of the Commission that may be

necessary for the proper execution of Commission responsibilities and duties.

Article VIII.

RULES AND PROCEDURES

1. Powers and Duties.

The Commission, by majority vote of the members present at a meeting at which there is a quorum, is authorized to adopt and modify from time to time, all proper and necessary rules, procedures and orders for carrying out the purposes and objectives of the Commission. The rules and procedures shall include, but are not limited to the following:

- a. Establish nomination and election procedures for persons to be elected to the Commission which shall be concurred in by the Secretary of Food and Agriculture.
- b. Establish procedures for the purpose of addressing any claims against the Commission or its members and alternates, and for the purpose of according individuals aggrieved by the actions or determinations of the Commission an informal hearing before the Commission, or before a committee of the Commission designated for the purpose.
- c. Establish not later than November 1 of each year, the assessment for the following twelve (12) months.
- d. Establish a procedure for the collection and handling of assessments, including the preparation of assessment collection forms which fully inform handlers of their obligation to deduct assessments from amounts paid to producers and the penalties and interest involved in failure to pay assessments in the time and manner prescribed by the Commission.
- e. Establish an affidavit form to be filed with the Commission by any person requesting an exemption from the assessments required by the Commission.

- f. Establish a rate of compensation for all Commission members and alternates, except ex-officio government members, and for non-members of the Commission who serve on committees of the Commission. Compensation shall not exceed one hundred dollars (\$100.00) per day for each day spent in actual attendance at, or in traveling to and from meetings of the Commission or committees of the Commission or while on special assignment for the Commission. The rate of compensation shall also make provision for necessary traveling expenses and meal and lodging allowances.
- g. Establish procedures for the collection and dissemination of market price information based on sales which have occurred. Any such procedures shall ensure the confidentiality of the identity of handlers reporting the information and information reported.

#### Article IX.

#### LIABILITY

##### 1. Restraint of Trade.

No action taken by the Commission or by an individual in accordance with the rules and procedures adopted by the Commission shall be deemed a violation of the Cartwright Act, the Fair Trade Act, the Unfair Practices Act, or any statutory or common law against monopolies or combinations in restraint of trade.

##### 2. Payment of Claims.

Payment of all claims arising by reason of administration of the Commission or the acts of the Commission shall be limited to the funds collected by the Commission.

##### 3. Liability of Individuals.

- a. No member or alternate member of the Commission or any employee or agent thereof, shall be personally liable for the contracts of the Commission or responsible individually in any way to any producer,

any handler or any other person for error in judgment, mistake, or other acts, either of commission or omission, except for the person's individual acts of dishonesty or crime. No member or alternate member shall be held responsible individually for any act or omission of any other member or alternate member of the Commission.

- b. The liability of the members and alternate members shall be several and not joint, and no member or alternate member shall be liable for the default of any other member or alternate member.

#### Article X.

#### AMENDMENTS

1. Power to Amend.

The Bylaws of the Commission may be amended, repealed, or added to, or new Bylaws may be adopted by a two-thirds vote of the members present at a meeting at which there is a quorum.