

# MEMORANDUM

(Open Session Report)

# State of Alaska

Department of Law

to: Board of Agriculture and  
Conservation

Division of Agriculture,  
Department of Natural Resources

DATE: March 29, 2013

FILE NO.: BAC general

TEL. NO.: (907) 269-3039

SUBJECT: AAG report for April  
9, 2013 BAC meeting

FROM: Bob McFarlane  
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## **PART 1: NON-CONFIDENTIAL MATTERS FOR OPEN MEETING SESSION**

**1. Valley Dairy Auction:** The Matanuska Creamery equipment auction took place on Saturday, March 16, 2013 and the total receipts came to \$135,399.75. The turnout was very good and the auctioneer received bids from several out-of-state bidders. Everything was sold and the auctioneer received a commission of \$13,269.18. The total receipts were less than we had hoped for but within the range that could be expected given the condition of the equipment. The expenses of conducting this auction have not yet been tallied up because there are still a few claims that need to be resolved before a final tally can be made. I am hopeful that those claims will be resolved before the next scheduled BAC meeting and that a final accounting will be available at that time.

The cheese collateral was a total loss. All of the cheese in the trailer had to be destroyed because of its poor condition and the inability to determine if any portion of it was safe to eat. Attached is a copy of a letter from the Alaska Department of Environmental Conservation ("DEC") with regard to the destruction of the cheese that was stored in the outside trailer. The cheese that was stored in the indoor cooler also had to be destroyed. Some of the cheese in the indoor cooler was destroyed because of rodent damage and the remaining cheese, (approximately 8,000 pounds with no obvious rodent contamination), was destroyed on March 5, 2013 after the Food Bank of Alaska decided they did not want it. In total, approximately 54,400 pounds of cheese was destroyed (including 7,740 pounds of cheese that had previously been condemned by DEC because of listeria contamination).

**PART 2: CONFIDENTIAL MATTERS FOR EXECUTIVE SESSION**

Open Meetings Act – A.S. 44.62.310(b)<sup>1</sup>  
Attorney Client Privilege - Alaska Evidence Code §503(b)<sup>2</sup>  
Board of Agriculture and Conservation Statutes<sup>3</sup>  
ARLF Regulations<sup>4</sup>

1. **Loan status information to be discussed at meeting:** See separate confidential report regarding loan status, (including collections and delinquencies). Discussion of loan status is confidential pursuant to 11 AAC 39.061.

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<sup>1</sup> A motion to convene in executive session must clearly and with specificity describe the subject of the proposed executive session. A.S. §44.62.310(b).

<sup>2</sup> Section 503(b) of the Alaska Evidence Code states in relevant part: “A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of facilitating the rendition of professional legal services to the client...”

<sup>3</sup> AS 03.09.040 authorizes the board to classify some loan and marketing information confidential.

<sup>4</sup> 11 AAC 39.061 makes most loan information confidential and 11 AAC 39.031(f) authorizes the board to meeting in executive session to consider loan applications.