

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held December 5, 2012 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:00 p.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair
Mr. Al Poindexter, Board member
Mr. Stuart Davies, Board member
Ms. Deidre Berberich, Board member
Mr. Chris Flickinger, Board member (telephone)
Mr. Troy Shelden, Board member

Staff in attendance was:

Ms Esther Tempel, DNR Special Assistant
Ms. Franci Havemeister, Director
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Ms. Olga Lotosh, ARLF Accountant

B. APPROVAL OF AGENDA

ADD: New/Old Business: Frontiersman article discussion
MOTION: Vice Chair Schirack moved to approve the agenda as modified.
SECOND: Board member Berberich seconded the motion.
No objections were received.

The agenda was approved as modified.

C. PUBLIC COMMENTS/SESSION

Robert Wells (telephone) had questions regarding the Valley Dairy Inc., hearing starting time. AAG McFarlane clarified that the best estimate start time will be 2:30 p.m.

D. MINUTES OF PRECEDING MEETING

October 17, 2012 Meeting Minutes

MOTION: Board member Davies moved to approve the minutes of October 17, 2012.

SECOND: Board member Poindexter seconded the motion.

DISCUSSION: *(No discussion was held).*

VOTE: The motion passed without objection.

E. CONFLICT OF INTEREST DISCLOSURES

Chair VanderWeele stated now is the time for conflict disclosures. You have the agenda outlining pending business and we will be going into executive session later to address loan requests. Does any member have a conflict to disclose relating to any business before the board?

- Director Franci Havemeister stated she has conflict with Valley Dairy, Inc and the Havemeister Loans and will recuse herself for the Executive Session.

F. REPORTS/CORRESPONDENCE

Director Havemeister:

1. Division Update/Division Newsletter:

Stated Department of Natural Resources (DNR) Commissioner Sullivan and DNR Deputy Commissioner Fogels attended the Annual Farm Bureau meeting held in November and spent three hours in discussion with members. A continuation of that meeting will be held on December 19, 2012 at the Atwood Building in Anchorage from 8:30 a.m. to 4:00 p.m. Another topic discussed at the Annual Farm Bureau meeting was the need for research coordination with DNR and University of Alaska Fairbanks (UAF). Commissioner Sullivan met with Mark Meyers UAF regarding combining research projects with the Division of Agriculture.

Director Havemeister stated Tom Meyers from the Alaska Agriculture Manufacturing, Business, Industry and Technology (AMBIT) Program, Inc. wrote an agricultural plan for Alaska and asked for Board comments. Director Havemeister does not support the plan as written.

Director Havemeister indicated the Alaska Forage Manual from the Plant Materials Center (PMC) is available and free to the public.

Board member Davies asked for an update on the Nutritional Grants from Commerce.

Director Havemeister stated an update is in the Division of Agriculture newsletter and unsure of the amount paid. The Division is not managing the grant.

ARLF Loan Officer Swanson:

2. ARLF Interest Rates

Reviewed the current interest rates.
(The Board had no questions).

3. Applications in Process

(The Board had no questions).

4. Asset Report

Reviewed the December asset report.

Loan Officer Swanson stated the signed sale documents for the Palmer property have not been received from the City of Palmer. EPA will not conduct the environmental assessment until the spring.

AAG McFarlane indicated there is a timeline for when the transaction needs to be completed and the City of Palmer is still within the timeframe.

Director Havemeister stated the Palmer property is still available over the counter until the signed documents from the City of Palmer are received.

ARLF Accountant Lotosh:

5. Financial Reports

Presented the October financials.

Accountant Lotosh stated the Creamery Corporation balance will be transferred to the ARLF before the end of the 2012.

Chair VanderWeele asked about the legal services cost.

Accountant Lotosh stated legal services costs are billed every three months.

The Board had questions and held a discussion regarding the Alaska Farmer's Cooperative.

Accountant Lotosh will review the Alaska Farmer's Cooperative file and give an update at the next meeting.

AAG McFarlane:

6. Public Session Report

- AAG McFarlane stated Hans Geier case has been resolved and the resolution should result in full payments of the two remaining loans.
- The Riddle case was assigned to a new judge and resolution of the right to farm issue will be delayed.
- Valley Dairy, Inc. request for reconsideration will be discussed in Executive Session and the Board will vote to either reconsider or not to reconsider. If the Board votes to reconsider a hearing the Valley Dairy, Inc. attorney and Valley Dairy, Inc. will hold a separate hearing after the BAC meeting.

G. EXECUTIVE SESSION

MOTION: Board member Davies moved to go into Executive Session to Review the ARLF Aging/Delinquency report, AAG Report, Valley Dairy, Inc Request for a Hearing and Havemeister ARLF loans.

SECOND: Vice Chair Schirack seconded the motion.

DISCUSSION: *(No discussion was held).*

VOTE: The motion passed without objection.

Director Franci Havemeister left the room for the entire Executive session. Director Franci Havemeister did not receive any information in her board packet regarding the AAG Executive Session Report, Havemeister Loans and the Valley Dairy, Inc. Request for Hearing.

The Executive Session for the ARLF Aging/Delinquency Report, AAG Executive Session Report, Havemeister loans and the Valley Dairy, Inc. Request for Hearing included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Stuart Davies, Board member Deidre Berberich, Board member Chris Flickinger (telephone), Board member Troy Sheldon, Board member Al Poindexter, Esther Tempel, DNR Special Assistant, AAG Robert McFarlane, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

Gareth Byers

Loans

Approved

MOTION: Board member Shelden moved to refer Gareth Byers loans #S-5458 and C-5244 to the Assistant Attorney General for collection.

SECOND: Board member Davies seconded the motion.

DISCUSSION: *(No discussion was held).*

VOTE: Motion passed without objection.

Valley Dairy, Inc. Request for Reconsideration Hearing

Approved

MOTION: Board member Davies moved to approve the request for a reconsideration hearing from Valley Dairy, Inc.

SECOND: Board member Poindexter seconded the motion.

DISCUSSION: *(No discussion was held).*

VOTE: Motion passed without objection.

I. NEW/OLD BUSINESS:

Frontiersman Article:

- Board member Berberich stated there was an article generated by the Andrew Halcro Blog which appeared in the Frontiersman a local newspaper regarding the Board of Agriculture and Conservation and the Agricultural Revolving Loan Fund that had missing and false information.
- Board member Shelden stated he read the comments from the Alaska Dispatch site which referenced the Andrew Halcro blog and Mr. Halcro has very little credibility and he agrees that there were inaccurate and questionable parts.
- Board member Berberich stated her concerns were the inaccuracies of what the Board is legally bound by.
- AAG McFarlane stated if a Board member would like to write a letter he would review it prior to sending it to the Frontiersman.
- Director Havemeister said that DNR Deputy Commissioner Fogels supports the Board and if they can be of assistance to let them know.
- DNR Special Assistant Esther Tempel indicated the DNR Commissioner Sullivan is meeting with the Frontiersman editorial board on Friday, December 7, 2012 regarding other issues and she would let the Commissioner know about the Board's concern about the article.
- Board member Poindexter stated the Board needs to educate the public about the Board's legal responsibilities.
- Board member Berberich agreed to wait until after the meeting with Commissioner Sullivan and to have this item on the next board meeting.
- Director Havemeister will provide an update at the next Board meeting.

Election of Officers – Chair VanderWeele

MOTION: Board member Davies moved to nominate the current officers (Ben VanderWeele, Chair and John Schirack Vice Chair) to retain their Seats as Chair and Vice Chair.

SECOND: Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

J. BOARD MEMBER COMMENTS:

Board member Davies stated an in-depth review needs to be done on the State Farm Conservation (SFC) plans with respect to reviews and approvals by the agencies assigned. SFC plans are required to be in place to buy/subdivide state agriculture covenant property. SFC plans go through the local soil and water district's review and signature and are then sent to the Director of the Division of Agriculture for final approval. In the Riddle SFC plan the sewage lagoons with human septic waste should have been listed on the SFC plan prior to approval.

Board member Poindexter stated the soil conservation districts can't enforce of any plan. The SFC plans are in cooperative effort between farmers and district. The SFC plans need state enforcement.

K. SET NEXT MEETING & AGENDA ITEMS

The next regular meeting will be a held on February 19, 2013 at 1:00 p.m.

- Agenda Items: – Frontiersman Article

L. ADJOURNMENT:

The meeting was adjourned at 3:30 p.m.