

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular teleconference meeting of the Board of Agriculture & Conservation (BAC) was held January 22, 2013 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:03 p.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair
Mr. Al Poindexter, Board member (telephone)
Mr. Stuart Davies, Board member (telephone)
Ms. Deidre Berberich, Board member (telephone) joined at 1:05 p.m.
Mr. Chris Flickinger, Board member (telephone)
Mr. Troy Shelden, Board member (telephone)

Staff in attendance was:

Mr. Curt Sandvik, Administrative Officer II
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Mr. Erik Johnson, Natural Resource Specialist II
Ms. Anna Tchernykh, Lead Auditor, Legislative Audit (telephone)
Ms. Olga Krivonosova, Staff Auditor, Legislative Audit (telephone)
Ms. Tara Sanders, Staff Auditor, Legislative Audit (telephone)

B. APPROVAL OF AGENDA

MOTION: Board member Poindexter moved to approve the agenda.

SECOND: Vice Chair Schirack seconded the motion.

No objections were received.

The agenda was approved.

C. PUBLIC COMMENTS/SESSION

(No public comments were made.)

D. 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?

Administrative Officer Sandvik stated that Director Franci Havemeister was in Juneau due to potential conflict of interest she would not be attending the meeting and he is attending on her behalf.

E. REPORTS

AAG McFarlane:

1. Public Session Report

Reviewed the Valley Dairy, Inc. asset disposal process.

MOTION: Board member Poindexter moved to approve the AAG McFarlane recommendations:

1. Valley Dairy, Inc. asset disposal has no significant effect on the agriculture industry.
2. No ARLF financing made available for equipment and vehicles.

SECOND: Board member Shelden seconded the motion.

DISCUSSION: *(No discussion was held).*

ROLL CALL

VOTE: The motion passed with six yes votes. Vice Chair Schirack, Board member Poindexter, Board member Davies, Board member Flickinger, Board member Berberich and Board member Shelden voted yes.

F. EXECUTIVE SESSION

MOTION: Board member Berberich moved to go into Executive Session to review the AAG Executive Session Report.

DISCUSSION: *(No discussion was held).*

VOTE: No objections were received.

The Executive Session for the AAG Executive Session Report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Stuart Davies (telephone), Board member Deidre Berberich (telephone), Board member Chris Flickinger (telephone), Board member Troy Shelden (telephone), Board member

Al Poindexter (telephone), Ms. Anna Tchernykh, Lead Auditor, Legislative Audit (telephone), Ms. Olga Krivonosova, Staff Auditor, Legislative Audit (telephone), Ms. Tara Sanders, Staff Auditor, Legislative Audit (telephone), AAG Robert McFarlane, Administrative Officer Curt Sandvik, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION ACTION ITEMS

1. Valley Dairy Inc. Disposal of Cheese in Trailer Approved

MOTION: Board member Davies moved to dispose of the cheese in the trailer as recommended by Attorney General McFarlane:

1. Authorize the division to destroy the cheese according to the recommendations from the Department of Environmental Conservation (DEC).

SECOND: Board member Berberich seconded the motion.

DISCUSSION: *(No discussion was held).*

ROLL CALL

VOTE: The motion passed with six yes votes. Vice Chair Schirack, Board member Poindexter, Board member Davies, Board member Flickinger, Board member Berberich and Board member Shelden voted yes.

Valley Dairy Inc. Disposal of Cheese in Facility Approved

MOTION: Board member Davies moved that the 13,000 lbs of cheese in the facility be sold at auction and the cheese not sold at the auction would be offered as a donation to a nonprofit agency.

SECOND: Board member Berberich seconded the motion.

DISCUSSION: *(No discussion was held).*

ROLL CALL

VOTE: The motion passed with six yes votes. Vice Chair Schirack, Board member Poindexter, Board member Davies, Board member Flickinger, Board member Berberich and Board member Shelden voted yes.

2. Valley Dairy Inc. Minimum Bids Approved

MOTION: Vice Chair Schirack moved to approve the minimum bid requirements stated in Executive Session.

SECOND: Board member Flickinger seconded the motion.

DISCUSSION: (No discussion was held).

ROLL CALL

VOTE: The motion passed with six yes votes. Vice Chair Schirack, Board member Poindexter, Board member Davies, Board member Flickinger, Board member Berberich and Board member Shelden voted yes.

3. Valley Dairy Inc. MMM&S Equipment Approved

MOTION: Vice Chair Schirack moved that MMM&S be authorized up to \$25,000.00 to bid in the auction for equipment by Division staff.

SECOND: Board member Berberich seconded the motion.

DISCUSSION: (No discussion was held).

ROLL CALL

VOTE: The motion passed with four yes votes and two no votes. Vice Chair Schirack, Board member Poindexter, Board member Flickinger and Board member Berberich voted yes. Board member Davies and Board member Shelden voted no.

Yoder Private Sale of Pump Approved

MOTION: Board member Berberich moved to sell the pump to Mr. Yoder for the \$500.00 fair market price.

SECOND: Vice Chair Schirack seconded the motion

DISCUSSION: (No discussion was held).

ROLL CALL

VOTE: The motion passed with six yes votes. Vice Chair Schirack, Board member Poindexter, Board member Davies, Board member Flickinger, Board member Berberich and Board member Shelden voted yes.

G. NEW/OLD BUSINESS:

Chair VanderWeele stated he was surprised that more funds have not been received from Valley Dairy, Inc. accounts receivables.

AAG McFarlane indicated the letters for Valley Dairy, Inc. accounts receivables were mailed certified on January 2, 2013 or January 3, 2013 after Valley Dairy,

Inc. decided to close business on December 30, 2012. He has to give the businesses 30 days until a follow up can be done.

Vice Chair Schirack stated the decision for Valley Dairy, Inc. was made at the December 5, 2012 Board of Agriculture & Conservation Meeting. Why did it take so long to mail the letters?

AAG McFarlane stated he had to prepare the Board's decision from the December 5, 2012 meeting and have it signed before letters to creditors could be sent. He also had discussions with the attorney for Valley Dairy, Inc. including discussions about a possible appeal and this contributed to some delay but the certified letters were sent promptly.

Chair VanderWeele asked how much milk per day was Valley Dairy, Inc. selling maybe around \$8,000.00 in gross sales so there should have been more money to collect.

H. BOARD MEMBER COMMENTS:

Vice Chair Schirack stated on Channel 11 News Anchorage there was a report on the Havemeister Dairy. The report stated the dairy is selling 100% of their milk and Mr. Yoder will be selling milk to the dairy. Carrs Safeway has contacted the Havemeister Dairy to get their milk into their stores.

I. SET NEXT MEETING & AGENDA ITEMS

The next regular meeting will be held on Tuesday, February 26, 2013 at 1:00 p.m.

- Agenda Items: – Frontiersman Article follow up

J. ADJOURNMENT:

The meeting was adjourned at 2:43 p.m.