

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation was held April 24, 2007 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Rhonda Boyles called the meeting to order at 10:34 a.m.

Boardmembers present and establishing a quorum were:

Ms. Rhonda P. Boyles, Chair
Mr. Edward Kern, Vice Co-Chair
Mr. Bruce Willard, Vice Co-Chair
Mr. William E. Burton, Member
Mr. Carrol J. Martin, Member (via telephone)
Mr. Paul Shoen, Member
Mr. McLaren Carter, Member (via telephone)

Staff in attendance was:

Mr. Larry DeVilbiss, Director
Ms. Candy Easley, Loan Officer
Ms. Lora Haralson, Administrative Assistant
Mr. Ray Nix, Natural Resource Specialist
Ms. Tina Otto, AAG, Dept. of Law
Mr. Dan Saddler, Special Assistant to the Commissioner, DNR

B. APPROVAL OF AGENDA

MOTION: Vice Co-Chair Kern moved to approve the agenda with changes noted. Move E. Public Comments/Session to under I. Public Session.

Boardmember Shoen seconded.

VOTE: The motion passed without objection.

C. APPROVAL OF MINUTES

MOTION: Boardmember Carter moved to approve the minutes of April 6, 2007 with changes noted. Add the amount of \$175,000 to the USDA award to Kyle Beus in the Director's Report.

Boardmember Shoen seconded.

VOTE: The motion passed without objection.

MOTION: Boardmember Carter moved to get an appraisal for the ARLF asset Matanuska Maid to include all Mat Maid equipment, all Mat Maid real estate, all Mat Maid buildings and the Corporate Logo.
Vice Co-Chair Kern seconded.

VOTE: The motion passed without objection.

D. REPORTS/CORRESPONDENCE

Director's Report – Director Larry DeVilbiss:

(No report was given).

Asset Report – Asset Manager Ray Nix:

Reviewed and gave an update on the appraisal process for Matanuska Maid.

F. NEW BUSINESS

Request from Todd Elsberry will be discussed in Executive Session.

G. MAT MAID SHAREHOLDER UPDATE

The Creamery Corporation Management Plan will be discussed in Executive Session.

H. EXECUTIVE SESSION

MOTION: Vice Co-Chair Kern moved to go into Executive Session for matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity and subjects that tend to prejudice the reputation and character of any person, provided the person may request a public session if they wish. To consider the Mat Maid Shareholder Update, Management Plan and recommendations from the Creamery Board, matters to include a delinquent ARLF loan and an update on the Alaska Grown issue. The session will include Boardmembers, AAG Tina Otto, Director Larry DeVilbiss, Loan Officer Candy Easley, DNR Special Assistant Dan Saddler and Administrative Assistant Lora Haralson
Boardmember Carter seconded.

VOTE: The motion passed without objection.

I. PUBLIC SESSION

MOTION: Vice Co-Chair Kern moved the Board of Agriculture & Conservation request that the Alaska State Legislature approve an appropriation in the amount of \$600,000 which would provide for continued operation of the dairy (Matanuska Maid) as it plans for ways to meet Alaska's challenging market conditions; to provide for an independent review of operating income and expenses every 30 days; to obtain an independent expert advice to develop a plan to maximize asset value, and; to develop a plan to maximize asset and to implement cost cutting measures.
Boardmember Burton seconded.

VOTE: The motion passed with six yes votes and one no vote. Chair Boyles, Vice-Co Chair Kern, Vice Co-Chair Willard, Boardmember Burton, Boardmember Shoen and Boardmember Martin voted yes. Boardmember Carter voted no.

E. PUBLIC COMMENTS/SESSION

Robert Gottstein, John Robinson, Kyle Beus, Rob Wells, Wayne Brost and Craig Trytten made comments regarding Mat Maid and the dairy industry.

Rob Wells also made comments regarding the Alaskan Grown lawsuit.

J. UNFINISHED BUSINESS

Mt. McKinley Meat and Sausage update will be presented at the next meeting.

K. PUBLIC SESSION

Chair Boyles gave the gavel to Vice Co-Chair Kern so she could make a motion.

MOTION: Chair Boyles moved to request the administration of the Creamery Corporation provide to the BAC the projected financial obligation required to continue purchasing locally produced milk at the current rate up to November 30, 2007 and have the information available by May 17, 2007.

Boardmember Carter Seconded.

VOTE: The motion passed without objection.

L. BOARDMEMBER COMMENTS

Boardmember Carter stated he is sorry for the current situation, but it is not the intention of the Creamery Board or the BAC to hamper information, but consideration must be taken for proper action otherwise we could be held responsible for the actions taken. The information will be comprehensive with the exception of a very few minor changes and will satisfy everybody's curiosity when it is released tomorrow. He will stay on both boards and his main goal of the Creamery Corporation and BAC is in the best interest in agriculture and the dairy industry. It is his hope that we will not lose any portion of the industry now or in the future. It is imperative to have both entities within the State that provide a food source.

Boardmember Shoen commented that economics dictate everything that happens and the industry has to adjust to it or die.

Vice Co-Chair Willard stated that all segments of agriculture are needed in our State.

Vice Co-Kern commented that the subjects brought up by the public have been discussed and the Board is not operating in a vacuum. Mat Maid has an issue with the operation and we need to look to the legislature to help solve it.

Boardmember Burton stated in this day and age we are at war and things can change overnight. Alaska could be cut off and we need agriculture. We need to promote agriculture to the Alaska legislature.

Chair Boyles commented that there is no one on the Creamery Corporation Board or the BAC that does not respect the investment that has been made by the dairy producers. The BAC has done nothing in the last three years but spent 80% of the time on dairy issues. She reminded the public the BAC doesn't receive compensation. The Board listens to the public and the administration to accomplish things. Sometimes there are things that have to be done carefully and out of respect for Governor Palin is the reason that the resolution needs to be fine tuned, accurate and be presented to her before it is released to the public. She reminded the Division of Agriculture and the BAC that any press or media contacts need to be addressed by Dan Saddler in DNR. Please contact your legislators to support the resolution.

M. OTHER MATTERS OR CORRESPONDENCE

(No other matters or correspondence.)

N. SET NEXT MEETING & AGENDA ITEMS

The next BAC meeting will be held on Thursday, May 17, 2007.

O. ADJOURNMENT

The meeting was adjourned at 2:10 p.m.