

**A. ESTABLISHMENT OF QUORUM AND ROLL CALL**

The regular meeting of the Board of Agriculture & Conservation (BAC) was held November 11, 2007 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Kristan Cole called the meeting to order at 10:07 a.m.

Boardmembers present and establishing a quorum were:

Ms. Kristan Cole, Chair  
Mr. Ben VanderWeele, Vice Chair  
Mr. Ralph Carney, Member  
Mr. Ray DePriest, Member  
Mr. John Schirack, Member

Staff in attendance was:

Ms. Lora Haralson, Administrative Assistant  
Mr. Ray Nix, Asset Manager  
Ms. Cristin Cowles-Brunton, Financial Services DNR (via telephone)

**B. APPROVAL OF AGENDA**

MOTION: Boardmember Carney moved to schedule the financial services presentation first on the agenda, due to having the financial services representative attending on the telephone and to approve the agenda as amended.

Boardmember DePriest seconded.

VOTE: The motion passed without objection.

**E. REPORTS/CORRESPONDENCE**

1. Cristin Cowles-Brunton, DNR Financial Services reviewed and answered questions for the September 30, 2007 financial reports and the June 30, 2007 FY 07 Annual Reports.

The Board had questions regarding the following financial reports:

ARLF Comparative Balance sheet dated 9/30/07 Mat Maid book value  
Protection of Collateral Report  
Real & Personal Property Report  
Statement of Revenue and Expenses Report  
Mt McKinley Meat & Sausage Report

Chair Cole stated a letter had been received from Senator Lyda Green regarding the funding for the Division of Agriculture expenses coming from the General Fund and on the Financial Statement and Year End Reports dated June 30, 2007 it states the ARLF is paying the expenses. She is concerned with the ARLF fund being depleted.

Cristin Cowles-Brunton stated that in the past fiscal year July 1, 2006 through June 30, 2007 (FY 07) the Division expenses were being paid by the ARLF. The legislature approved for the current fiscal year (FY 08) that the expenses for the Division be paid from the State General Fund.

Cristin Cowles-Brunton will send a memorandum from a former employee of Financial Services detailing the financial history of Matanuska Maid and details of a Protection of Collateral report for the board.

### **C. PUBLIC COMMENTS**

Kyle Beus stated he is disappointed with the closure of Mat Maid and supports the dairy industry.

### **D. MINUTES OF PRECEDING MEETING**

MOTION: Boardmember Carney moved to approve the minutes of November 3, 2007 as amended.

Boardmember DePriest seconded.

VOTE: The motion passed without objection.

### **F. CREAMERY CORPORATION SHAREHOLDER UPDATE**

Chair Cole stated the Creamery Corporation met earlier today and agreed to approve the two motions from the BAC.

1. Removing some property from the sale
2. Approve the distribution of proceeds from the sale.

#### Creamery Corporation motions 11/11/07

1. Approved the amendment to the sale which not only included the two BAC motions but also included the removal of 12 additional pieces of equipment from the sale.
2. Approved the Memorandum of Understanding which outlined the 60% ARLF and 40% Creamery Corporation split from the sale of assets.
3. Approved a motion to send to the BAC regarding the sale and evaluation process.

Creamery Corporation Update from 11/11/07

Chair Cole stated that Mat Maid may be adjusting last pick up dates from the producers that they had set from the previous meeting based on logistics and making sure they are not ordering milk that can't be sold.

**G. ACTION ITEMS**

November 13<sup>th</sup> Addendum

MOTION: Boardmember Carney moved to approve the addendum, dated November 13, 2007 which removes nonessential property from the disposal, some of which is owned by the Creamery Corporation and all other property not intended to be included in the disposal while keeping all other terms and conditions in effect. We are specifically also agreeing to remove the 12 pieces of equipment that the Creamery Corporation indicated they would be renting/leasing as they are non essential property and will not impact the sale as noted by the asset manager at the November 3<sup>rd</sup> meeting. All other terms and conditions will remain the same as set forth in our September 9<sup>th</sup> meeting where we discussed: the assessed value, the appraised value, and the market values of the assets; the length of time the assets have been owned by ARLF; the previous attempts to sell the asset with no bidders; the management costs to the ARLF; the benefits to selling both the Anchorage and Palmer properties together, the ARLF owned real & personal property and the Mat Maid Corporate personal property; all of the terms of the sale were also discussed in public at our September 29<sup>th</sup> public hearing where the public commented on all of the terms of the sale that we had proposed at the September 9<sup>th</sup> meeting; and the terms were again discussed at our October 2<sup>nd</sup> meeting where we discussed the public comments from the public hearing and then created our final decisional document which then was the basis of our sale terms in our invitation for sealed bids, ARLF #07-01 which was published on October 12, 2007. We are agreeing to approve this addendum to remove this nonessential property without a reduction to the minimum bid.

Vice Chair VanderWeele second

VOTE: The motion passed without objection.

Memorandum of Understanding dated November 11, 2007

MOTION: Boardmember Carney moved to approve the memorandum of understanding between the parties dated November 11, 2007 which outlines how the sales proceeds will be distributed with 60% to the ARLF and 40% to the Creamery Corporation and the Corporation is responsible for paying all corporate debt from its 40% share of the proceeds.

Boardmember Schirack seconded.

VOTE: The motion passed without objection.

Delegation of Powers

MOTION: Boardmember Carney moved to approve to authorize Ray Nix, Asset manager, Division of Agriculture to service and the contact person for the disposal and to otherwise facilitate the disposal of Matanuska Maid property consistent with all applicable laws, statutes, and regulations. These duties include: to respond to requests for public records, relating to the disposal of Matanuska Maid and the Invitation for Sealed Bids and to consult with the Department of Law, as necessary; to work directly with Creamery Corporation employees, managers, officers, and board of directors to facilitate the disposal of Matanuska Maid property; to work directly with Department of Law to facilitate the disposal of Matanuska Maid property; to work directly with third parties, as necessary, to facilitate the disposal of Matanuska Maid property, and to receive submitted bids and secure them.

We also approve an evaluation/review committee comprised of Ray Nix, Asset Manager at the Division of Agriculture and Procurement Officer at Department of Natural Resources or similar person from DNR, and Tina Otto, Assistant Attorney General or similar person from the Department of Law be formed to open bids after 1:00 p.m. December 7, 2007, to review all bids for compliance with terms and conditions of the Invitation for Sealed Bids, to identify the highest, qualifying bid and to prepare a report for the BAC.

Boardmember DePriest seconded.

VOTE: The motion passed without objection.

#### **H. NEW/OLD BUSINESS**

Vice Chair VanderWeele stated it was brought to his attention that one of the duties of the BAC was to approve budget information.

Administrative Assistant Haralson stated the board was responsible for reviewing the ARLF budget. A draft of that budget will be presented at the December 7, 2007 meeting.

#### **I. EXECUTIVE SESSION**

*(No executive session was held).*

#### **J. SET NEXT MEETING & AGENDA ITEMS**

The next meeting of the Board of Agriculture & Conservation will be a joint meeting with the Creamery Corporation beginning at 7:00 p.m. The purpose of the meeting will be to receive the information from the committee at the same time regarding the sealed bids and the BAC will have legal counsel present.

#### **K. ADJOURNMENT**

MOTION: Boardmember Carney moved to adjourn.  
Boardmember Schirack seconded.

VOTE: The motion passed without objection.  
The meeting was adjourned at 10:43 a.m.