



Board of Livestock Meeting

Agenda Request Form

From: Gary Hamel		Division/Program: Meat & Poultry Inspection Bureau			Meeting Date: 9/19/18		
<u>Agenda Item:</u> New Employee							
Background Info: (see attached report)							
Recommendation:							
Time needed: (consent agenda)	Attachments:	Yes	No	Board vote required?	Yes	No	
<u>Agenda Item:</u> Positive Tests							
Background Info: (see attached report)							
Recommendation:							
Time needed: (consent agenda)	Attachments:	Yes	No	Board vote required	Yes	No	
<u>Agenda Item:</u> Prospective Inspected Facility							
Background Info: (see attached report)							
Recommendation:							
Time needed: (consent agenda)	Attachments:	Yes	No	Board vote required:	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							

Meat and Poultry Inspection Bureau
Board Report in Lieu of a Presentation
September 19, 2018

New Employee

The Meat and Poultry Inspection Bureau recently hired a new inspector. Vanessa Thompson started her position as a meat inspector in the Eastern District on July 27, 2018. She replaces Bill Bury, who recently retired. She has been assigned to the Great Falls area. Vanessa has an animal science background and is eager to put her knowledge to work for the department. She is a welcomed edition to our program.

Positive tests

During a FSIS directed sample for antibiotic residues in show animals, there was one animal that tested positive. Protocol for follow-up includes retaining the animal until results of a confirmatory test are completed. Confirmatory tests are being conducted by a USDA lab.

Prospective Inspected Facility

The Missoula County School District has sent the Meat and Poultry Inspection Bureau a letter indicating that they are nearing the end of the construction phase of the meat processing lab. They are requesting inspection for both processing and slaughter. Two teachers have already taken a HACCP course and have earned certification. The bureau has reached out to the school district and has arranged to visit the prospective establishment to determine if they are ready to begin the process of becoming state inspected.



Board of Livestock Meeting

Agenda Request Form

From: Dan Turcotte	Division/Program: Milk & Egg Bureau	Meeting Date: 9/19/18
<u>Agenda Item:</u> FSMA Training Attended		
Background Info: (see attached report)		
Recommendation:		
Time needed: (consent agenda)	Attachments:	Yes No Board vote required? Yes No
<u>Agenda Item:</u>		
Background Info:		
Recommendation:		
Time needed:	Attachments:	Yes No Board vote required? Yes No
<u>Agenda Item:</u>		
Background Info:		
Recommendation:		
Time needed	Attachments:	Yes No Board vote required: Yes No
<u>Agenda Item:</u>		
Background Info:		
Recommendation:		
Time needed:	Attachments:	Yes No Board vote required: Yes No
<u>Agenda Item:</u>		
Background Info:		
Recommendation:		

Milk and Egg FSMA Training Attended

Dan and Rosemary attended an FDA required training August 19-24 in California. This is the second phase of training following the training to become certified as Preventative Control Qualified Individual (PCQI). Dan and Rosemary were certified as PCQIs last year. The training is required to certify State Rating Officers (SRO) to design and review the new Food Safety Plans (FSP) for dairy processing plants for FDA compliance. FSPs are required for all food manufacturers under the Food Safety Modernization Act (FSMA). Incorporating FSPs into the PMO was required to have dairy regulations compliant with the FSMA.

A Separate FSP is required for each product manufactured. FSPs must now cover all possible allergens as well as other hazards. The FSP must be updated as suppliers change for each ingredient as well as packaging material, boiler treatment, or other products used in the plant.

Failure to have or maintain up to date, the FSP means automatic failure of the facility and a halt to product shipment. Most dairy plants are required to be in compliance with FSMA by September 17, 2018. The exception is plants with less than one million dollars in annual sales.

Department of Livestock	1) Division Animal Health and Food Safety
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2) Employees Traveling
Tess Moore
Steve Smith

3) Justification
The annual meeting of the AAVLD is in Kansas City, MO this year, and we request permission for two employees to attend for continuing education, networking, and to represent our laboratory.

All costs for Tess Moore's attendance will be covered by National Animal Health Laboratory Network (NAHLN) grant funds.

4) Itinerary
October 18-24, 2018
Lodging: \$1200.00 (x2)
Airfare: \$400.00 (x2)
Per Diem: \$552
Registration: \$315(x2) + \$100(x2) + \$25 + \$50 + \$150 + \$50 = \$1105.00
Total: \$4857.00

5) Submitted By	Requested By Steve Smith	Title Interim Laboratory Director	Date 9/5/2018
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Approval - to be Completed by Agency Authorized Personnel		
Date Approved by Board	Board Chair / EO 	Date 9-19-18

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

1) Agency Number/Name 56030-Department of Livestock	2) Division Meat and Poultry Inspection
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3) Org Number	4) Employees Traveling Gary Hamel and Emily Kaleczyc
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5) Justification
 Travel to Greenville, South Carolina to attend the National Association of Meat and Food Inspectors Directors meeting held in conjunction with the Southern Animal Health Association conference. This meeting is attended by 27 state directors from across the country. During this meeting, discussions are held that are specific to meat and poultry inspection programs such as funding, audits, industry trends, etc.

6) Alternatives
 None

7) Itinerary
 Travel to Greenville South Carolina June 2 and returning to Helena June 5, 2019

8) Lodging Rate

Within Federal Rate? Yes No

If not, enter Federal and Lodging Rates
 Federal _____
 Lodging _____

If requesting travel advance, list amount

(Travel advances should be issued only on an exception basis)

- If rates are above the federal rate, check the items which apply below:
- 1. Government rates were requested and were not available at the hotel where the employee is staying; **and**
 - a. Government or significantly lower rates are not available at another hotel within a reasonable distance; **or**
 - b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; **or**
 - c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; **and**
 - 2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost	Transportation	Meals/Lodging	Registration	Other	Total
	1,200.00	1,322.00	500.00	100.00	3,122.00

10) Submitted By	Requested By Gary Hamel	Title Bureau Chief	Date 08/02/2018
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Approval - to be Completed by Agency Authorized Personnel					
Supervisor	Date	Administrator	Date	Dept Head/Designee	Date
<i>John Helgefeldt</i>	9-19-18				

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

1) Agency Number/Name 56030-Department of Livestock	2) Division Meat and Poultry Inspection
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3) Org Number	4) Employees Traveling Gary Hamel
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5) Justification
Travel to Kansas City Missouri to attend the National Association of Meat and Food Inspectors Directors meeting held in conjunction with the USAHA conference. This meeting is attended by 27 state directors from across the country. During this meeting, discussions are held that are specific to meat and poultry inspection programs such as funding, audits, industry trends, etc.

6) Alternatives
None

7) Itinerary
Travel to Kansas City Missouri October 21 and returning to Helena October 24, 2018

8) Lodging Rate

Within Federal Rate? Yes No

If not, enter Federal and Lodging Rates
Federal _____
Lodging _____

If requesting travel advance, list amount

(Travel advances should be issued only on an exception basis)

If rates are above the federal rate, check the items which apply below:

1. Government rates were requested and were not available at the hotel where the employee is staying; **and**

a. Government or significantly lower rates are not available at another hotel within a reasonable distance; **or**

b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; **or**

c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; **and**

2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost	Transportation	Meals/Lodging	Registration	Other	Total
	600.00	661.00	250.00	50.00	1,561.00

10) Submitted By	Requested By Gary Hamel	Title Bureau Chief	Date 08/02/2018
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Approval - to be Completed by Agency Authorized Personnel					
Supervisor	Date	Administrator	Date	Dept Head/Designee	Date
<i>John Gehring</i>	<i>9-18-18</i>				

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

STATE OF MONTANA

**REQUEST AND JUSTIFICATION
FOR OUT-OF-STATE TRAVEL**

1) Agency Number/Name 56030-Department of Livestock	2) Division Meat and Poultry Inspection
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3) Org Number	4) Employees Traveling Emily Kaleczyc
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5) Justification
 Travel to Texas (Location subject to change to attend EIAO (Enforcement Investigations Analysis Officer) training. This course prepares individuals to operate as an EIAO. Once completed, Dr. Kaleczyc would be qualified to act as an EIAO in our state program to conduct food safety assessments and provide outreach services to state inspected facilities. Although training has not been opened for candidates yet, indications from FSIS are that the next school will take place in October, 2018. This course is approximately one month long. An EIAO is required to maintain an "at least equal to" designation for the state program.

6) Alternatives
None

7) Itinerary
 Travel to Texas during the first week of October, 2018 and return to Helena at the end of October 2018.

8) Lodging Rate

Within Federal Rate? Yes No

If not, enter Federal and Lodging Rates
 Federal _____
 Lodging _____

If requesting travel advance, list amount _____
(Travel advances should be issued only on an exception basis)

- If rates are above the federal rate, check the items which apply below:
- 1. Government rates were requested and were not available at the hotel where the employee is staying; **and**
 - a. Government or significantly lower rates are not available at another hotel within a reasonable distance; **or**
 - b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; **or**
 - c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; **and**
 - 2. Reimbursement at actual cost is within the agency's authorized appropriation level.

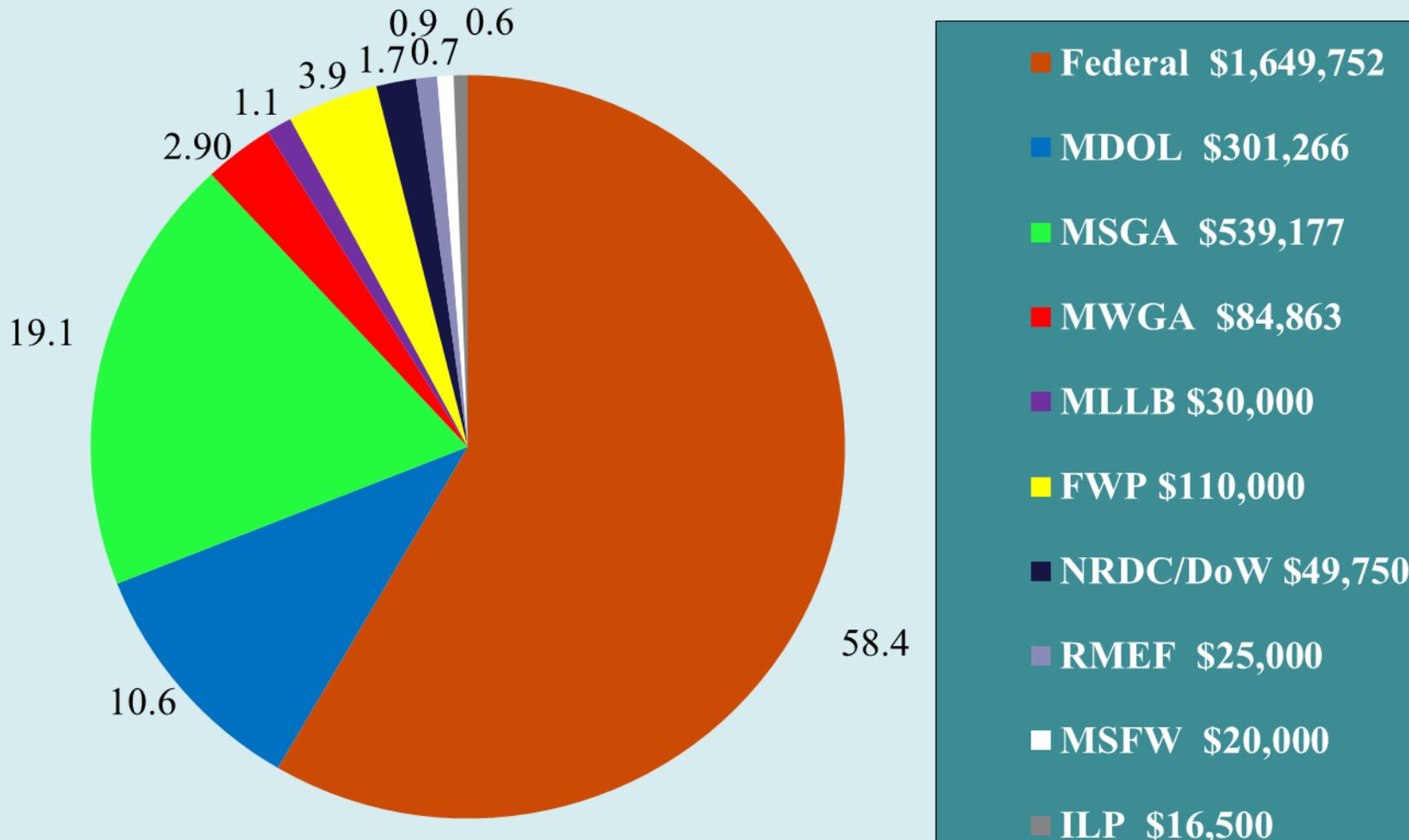
9) Estimated Cost	Transportation	Meals/Lodging	Registration	Other	Total
	600.00	6,180.00		50.00	6,830.00

10) Submitted By	Requested By Gary Hamel	Title Bureau Chief	Date 08/02/2018
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Approval - to be Completed by Agency Authorized Personnel					
Supervisor	Date	Administrator	Date	Dept Head/Designee	Date
<i>[Signature]</i>	9-19-18				

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

2018 Program Funding Sources, Montana Wildlife Services



CONTRACT AGREEMENT

COMES NOW the Montana Board of Livestock, acting through the Department of Livestock (hereinafter "First Party") located at PO Box 202001, 301 N Roberts, Helena, MT 59620-2001, and the Montana Beef Council (hereinafter "Second Party") located at PO Box 80865, 2795 Enterprise Ave Suite 4, Billings, MT 59108-0865, and after due consideration agrees as follows:

In the interest of conducting a Beef Research and Marketing Program in the State of Montana pursuant to the provisions contained in the Beef Promotion and Research Act of 1985 (the "ACT"), and pursuant to the provisions of Title 81, Chapter 8, Part 9, of the Montana Code Annotated, the First Party agrees that beginning October 1, 2018 through September 30, 2019 for direct costs incurred by the First Party:

The parties hereunto also agree as follows:

SECTION 1. ACCESS. First Party agrees to provide Second Party office space and reasonable access, during normal business hours, to information, not privileged or confidential, necessary for the Second Party to perform its obligations under this Agreement and its requirements as a Qualified State Beef Council under the Act and the Beef Promotion and Research Order, so long as the requirements are not contrary to State statutes and regulation and this contract. Rental costs for office space will be the same as that charged to the First Party by the Department of Administration, and will be adjusted on July 1 of

each year.

SECTION 2. STAFFING AND EQUIPMENT The Second Party shall be responsible for providing all staffing and equipment necessary to perform its obligations under this Agreement and its requirements as a Qualified State Beef Council under the Act and the Beef Promotion and Research Order.

SECTION 3. PUBLIC INFORMATION. First Party shall own all work papers and end products produced by First Party under this agreement (except the Beef Council's receipt); and the Second Party shall have no authority to release information contained in work papers pursuant to this agreement without written permission of First Party, but shall have the authority to disclose information provided to the Second Party and included on the Bill of Sale - Beef Council's Receipt. In accordance with the Beef Promotion and Research Act and Order, the first party will observe the confidentiality clause on all check-off compliance matters.

SECTION 4. AUDIT. The Second Party shall maintain reasonable records of its performance under this Agreement. The Second Party agrees that the Legislative Auditor and the Legislative Fiscal Analyst may audit all records, reports, and other documents which the Second Party maintains under or in the course of the Agreement to insure compliance with this Agreement. Such

records, reports, and other documents may be audited at any reasonable time.

If for any reason the Montana Department of Livestock is subject to an audit or required production of any documents by an entity other than the Montana legislature as a result of this agreement the Montana Beef Council will be responsible for associated costs.

SECTION 5. INDEMNITY AND LIABILITY. The Second Party shall indemnify and hold harmless the State of Montana, the Board of Livestock, the Department of Livestock, and all officers, agents, and employees from and against any and all claims, demands, or actions from damages to property or injury to persons or other damage to persons arising out of, or resulting from the performance of this Agreement, provided such damage to property or injury to persons is due solely to the negligent act, error, or omission of the Second Party or any of its employees.

The First Party shall indemnify and hold harmless the Second Party, and all officers, agents, and employees from and against any and all claims, demands, or actions from damages to property or injury to persons or other damage to persons arising out of, or resulting from the performance of this Agreement, provided such damage to property or injury to persons is due solely to the negligent act, error, or omission of the First Party or any of its employees.

SECTION 6. ASSIGNMENTS. The Parties mutually agree that there will be no

assignment, transfer, or subcontracting of the contract or any interest therein, unless agreed to by both parties in writing as provided in Section 6,

Modifications.

SECTION 7. MODIFICATIONS. No letter or other communication passing between the parties to this Agreement, concerning any matter during this contract period, shall be deemed a part of this Agreement unless it is distinctly stated in such letter or communication that it is to constitute part of this Agreement and such letter of communication is attached as an Appendix to this Agreement and is signed by the authorized representative of each of the parties to this Agreement.

SECTION 8. LIMITS OF AGREEMENT. This instrument contains the entire Agreement between the parties, and no statements, promises or inducements made by either party, or agents of either party, which are not contained in the written Agreement shall be valid or binding; and this Agreement may not be enlarged, modified, or altered except as provided in Section 6, Modifications.

SECTION 9. LIAISON. The First Party has designated the Executive Officer to the Board of Livestock or (his) designee as its liaison officer and Second Party designates its Executive Director or (her) designee as its liaison officer.

SECTION 10. TERMINATION. This agreement shall continue in force and govern all transactions between the parties for the term stated or until canceled or terminated by either party. It is further agreed that the parties may mutually cancel this Agreement without cause upon thirty (30) days written notice to the other party, by certified mail. In the event of termination, the First Party shall be paid for the work performed or services rendered through the date of termination and the original copies of all documentation and records prepared by First Party prior to termination shall become the property of First Party.

Second Party agrees to accept legible copies of the documentation and records prepared by First Party. Both parties mutually agree that originals and copies will be delivered to the respective parties within a reasonable time.

SECTION 11. DISPUTES. It is mutually agreed that the performance or breach of this Agreement shall be governed by the laws of the State of Montana. In the event of litigation concerning the terms of this contract, venue shall be the First Judicial District, Lewis and Clark County, State of Montana.

SECTION 12. ARBITRATION OR LITIGATION CLAUSE. The parties hereunto agree that should a dispute arise between the parties that this dispute shall not be submitted to binding arbitration as specified in Section 27-5-114(3), MCA. Instead, disputes will be referred to an arbitration committee. The arbitration

committee shall be comprised of the Chairperson and the Executive Officer of the Montana Board of Livestock, Livestock, the President and the Executive Secretary of the Montana Beef Council. This committee shall meet as necessary to discuss and resolve grievances to the mutual benefit of both organizations. It is understood that agreements made by this committee are non-binding until they are ratified by the full boards of directors of both organizations.

SECTION 13. EQUAL EMPLOYMENT OPPORTUNITY. It is mutually agreed by the parties that no part of contract award or delivery of services shall be performed in a manner that discriminates against any person on the basis of race, color, creed, political ideas, sex, age, marital status, physical or mental handicap or national origin.

SECTION 14. SEVERABILITY. First Party and Second Party agree that should one or more parts of this Agreement be found to be void or contrary to law that the remainder of this Agreement shall remain in full force and effect as a whole contractual Agreement.

The parties herein also agree to meet from time to time as determined by the parties to attempt to find, develop and implement more efficient, less costly procedures for collections of proper monetary amounts.

This Agreement shall commence October 1, 2018 and terminate at Midnight, September 30,

2019.

DATED this _____ day of _____, 2018.

John Lehfeltd
Chairman
Montana Board of Livestock

Jim Taber
President
Montana Beef Council

DRAFT

**BEFORE THE BOARD OF LIVESTOCK
MONTANA DEPARTMENT OF LIVESTOCK
STATE OF MONTANA**

**IN THE MATTER OF THE 2018
SALE AND TRANSFER OF MARKET
CERTIFICATE FOR THE
MISSOULA LIVESTOCK
EXCHANGE**

**PROPOSED DECISION AND
RECOMMENDED ORDER**

I. INTRODUCTION

By letter dated July 25, 2018, to the Department of Livestock (“Department”), the Missoula Livestock Exchange, LLC, (“MLE”) requested a hearing on the proposed sale of the Missoula livestock market (“market”) to Five Valleys Livestock Auction, LLC (“FVLA”). Transfer of the market certificate from MLE to FVLA was a necessary prerequisite for the sale. The requested public hearing was noticed for and held at 1:00 p.m. on September 7, 2018, at the Best Western Plus Grant Creek Inn in Missoula, Montana. The undersigned presided as the Hearing Officer, heard testimony, and received and reviewed the evidence in this matter. At the request of the Board of Livestock, and based on the testimony and evidence received at the hearing, the Hearing Officer proposes the following decision and recommends the following order.

II. PROPOSED DECISION

1. MLE has owned and managed the Missoula livestock market for a number of years. The market’s physical location is 8598 Robbins Road in Missoula, Montana.

2. MLE is a limited liability company registered with the Montana Secretary of State and with six member managers: Vern Grabow, Joe Seymour, Vic Ralls, Jay Coughlin, Camille Coughlin, and Richard Smith.

3. MLE seeks to sell the market's physical location and transfer the market certificate to FVLA. All MLE member managers or their successors agree with and support the sale and transfer.

4. FVLA is a limited liability company registered with the Montana Secretary of State and with two member managers: Mauler Ventures, LLC, and Spire Properties, LLC. Justin K. Mauler is the registered agent for FVLA. Mauler Ventures is owned Justin and Annette Mauler.¹ Spire Properties is owned by Robb Horlacher.

5. On June 21, 2018, Justin K. Mauler and/or his assigns entered into a Buy-Sell Agreement ("Agreement") with MLE for the purchase of the market. By amendment of the Agreement dated August 17, 2018, the parties extended the closing date until October 31, 2018, extended the financing contingency date to October 26, 2018, and agreed to enter into a management agreement in the interim.

6. By letter dated July 25, 2018, to the Department, MLE requested a hearing on the proposed sale of the market to FVLA. By letter dated July 30, 2018, to the Department, Justin K. Mauler and Robb Horlacher notified the Department of their intent

¹ At the hearing, Ms. Hughes testified that both Mr. and Ms. Mauler were owners of Mauler Ventures, correcting a sentence in Exhibit 1 that states, "Mauler Ventures LLC is 100% owned by Justin Mauler...."

to purchase the Missoula livestock market.² The requested public hearing was noticed for and held at 1:00 p.m. on September 7, 2018, at the Best Western Plus Grant Creek Inn in Missoula, Montana.

7. In preparation for the hearing, Laura K. Hughes, auditor for the Department's Brands Enforcement Division with responsibility for market/dealer licensing, bonding, and audits, gathered information about Mr. Mauler's, Mr. Horlacher's, and FVLA's qualifications to operate the Missoula livestock market.

8. The hearing was held as scheduled, testimony was provided under oath, and the hearing was audio recorded by the Hearing Officer, a copy of the file being contained in the Hearing Officer's file. The sign-in sheets for the hearing were signed by eleven individuals, including the parties, those original sheets being contained in the Hearing Officer's file.

9. At the hearing, Ms. Hughes testified that she had received the materials necessary for her review of the transfer of the market certificate and recommended the Board of Livestock's approval of the transfer. As part of her due diligence review, Ms. Hughes prepared a report, with supporting documentation that summarizes FVLA's qualifications to operate a livestock market. Exhibit 1 contains the materials offered by Ms. Hughes at the hearing, which are accepted into the record.

² This letter was not included in the evidence offered at the hearing, but a copy was provided by the Department when the Hearing Officer's services were requested. The Hearing Officer takes judicial notice of this letter, which is a public record that was received and maintained by the Department in the ordinary course of business.

10. Ms. Hughes' testimony explained the scope of her collection and review of the materials contained in Exhibit 1. Ms. Hughes updated section B-6 of Exhibit 1 to include a letter dated September 7, 2018, from TrailWest Bank that "Robb Horlacher and Justin Mauler have been preliminarily approved to purchase the Missoula Livestock Auction."

11. At the hearing, John Uecker of the United States Department of Agriculture Packers and Stockyards Program testified about the financial obligations of a stockyard.

12. At the hearing, Justin Mauler and Robb Horlacher testified about their requested transfer of the market certificate, their interest in serving the ranching community, their establishment of financing for the purchase, and their interest in an expedited decision by the Board of Livestock on the transfer.

13. At the hearing, public testimony was provided by Walter "Wally" Congdon, who discussed the history and importance of the Missoula livestock market. Mr. Congdon spoke in support of the transfer as a rancher, as a member of the Montana Cattlemen's Association, and on behalf of Lake County, where he is a Deputy County Attorney. Exhibit 2 contains a document offered by Mr. Congdon, which is accepted into the record, from the Lake County growth policy in support of agricultural facilities.

14. At the hearing, no additional public testimony was offered and no public testimony opposed the transfer.

15. Montana Code Ann. § 81-8-253 provides the requirements for transfer of a livestock market certificate, as follows:

The department may approve the transfer of ownership of a certificate of public convenience and necessity issued pursuant to this part without a determination and showing of public convenience and necessity. Such approval may be granted only after a public hearing at which the transferee's qualifications to operate a livestock market have been thoroughly examined and found sufficient to properly operate a livestock market. A minimum of 10 days' notice by mail must be given to all persons to whom notice is sent pursuant to the provisions of 81-8-252 of a hearing to consider an initial application for a certificate.

16. Administrative R. Mont. 32.15.104(2) provides the requirement for a hearing on certain transfers of a livestock market certificate, as follows:

(2) Changes which result in ownership or control of the market passing to persons not already approved by the department of livestock to operate the market may be given approval only after public hearing before the department of livestock.

17. As an auditor for the Department, Ms. Hughes obtained documentation regarding FVLA's qualifications to operate a livestock market. Ms. Hughes received either all documentation requested or a reasonable explanation for why the information was not available. Ms. Hughes presented this information, and it was thoroughly examined by the parties and the public, at the September 7, 2018, hearing. Ms. Hughes recommended, based on her review of the materials, that FVLA's request for transfer of the certificate be approved.

18. At the hearing, Mr. Mauler and Mr. Horlacher asserted their privacy interest in the financial statements they provided to the Department, section B-3 of Exhibit 1. They previously had asserted this privacy interest to Ms. Hughes. The Montana Constitution provides a right to know in Article II, sec. 9, that states, "No person shall be deprived of the right to examine documents or to observe the deliberations of all public bodies or agencies of state government and its subdivisions,

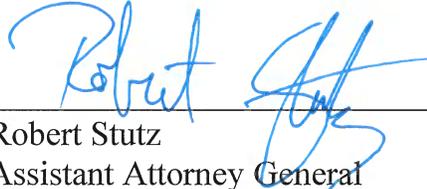
except in cases in which the demand of individual privacy clearly exceeds the merits of public disclosure.” The Department has an obligation to review the proposed certificate transferee’s “detailed financial statement showing that current assets exceed current liabilities and that long-term assets exceed long-term liabilities.” Mont. Code Ann. § 81-8-251(2)(h). The public has a right to know the proposed certificate transferee’s “qualifications to operate a stock market.” Mont. Code Ann. § 81-8-258. At the hearing, Ms. Hughes testified that the financial statements demonstrated that the burden in Mont. Code Ann. § 81-8-251(2)(h) had been met; this testimony satisfied the requirements of Mont. Code Ann. § 81-8-258. Even though the statute providing a hearing on a *transfer* of a market certificate does not address the issue, the statute providing a hearing on an *application* for a market certificate excludes the financial statements from public disclosure. Mont. Code Ann. § 81-8-242(1). The financial statements in Exhibit 1 contain significant private information that clearly outweighs the public’s right to know, including Social Security numbers, banking and investment details, ownership and debt details, income and driver’s license, to name a few. These private documents are appropriately marked confidential and withheld from public disclosure.

III. RECOMMENDED ORDER

Upon the research by Department staff and the public hearing during which the qualifications to operate a livestock market were thoroughly examined and found to be sufficient to properly operate that market, the purchase of the Missoula livestock auction by Five Valleys Livestock Auction, LLC, from Missoula Livestock Exchange, LLC, and the transfer of the certificate to operate that market is APPROVED and the Hearing

Officer's proposed decision, recommended order, exhibits, and file are ACCEPTED in their entirety by the Board of Livestock.

DATED this 13th day of September, 2018.



Robert Stutz
Assistant Attorney General
Agency Legal Services Bureau
1712 Ninth Avenue
P.O. Box 201440
Helena, MT 59620-1440
(406) 444-2071
rstutz@mt.gov

HEARING OFFICER

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and accurate copy of the foregoing to be sent to:

Missoula Livestock Exchange, LLC
c/o Camille and Jay Coughlin
8598 Robbins Road
Missoula, MT 59808

Five Valleys Livestock Auction, LLC
c/o Justin K. Mauler
126 Indian Prairie Loop
Stevensville, MT 59870

Laura K. Hughes, Auditor
Brands Enforcement Division
Montana Department of Livestock
PO Box 202001
Helena, MT 59620-2001

DATED: _____

9/13/2018



**BEFORE THE BOARD OF LIVESTOCK
MONTANA DEPARTMENT OF LIVESTOCK
STATE OF MONTANA**

**IN THE MATTER OF THE 2018
SALE AND TRANSFER OF MARKET
CERTIFICATE FOR THE
MISSOULA LIVESTOCK
EXCHANGE**

**ERRATA TO THE PROPOSED
DECISION AND RECOMMENDED
ORDER**

Footnote 2 is hereby stricken from the PROPOSED DECISION AND
RECOMMENDED ORDER issued today.

DATED this 13th day of September, 2018.



Robert Stutz
Assistant Attorney General
Agency Legal Services Bureau
1712 Ninth Avenue
P.O. Box 201440
Helena, MT 59620-1440
(406) 444-2071
rstutz@mt.gov

HEARING OFFICER

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and accurate copy of the foregoing to be sent to:

Missoula Livestock Exchange, LLC
c/o Camille and Jay Coughlin
8598 Robbins Road
Missoula, MT 59808

Five Valleys Livestock Auction, LLC
c/o Justin K. Mauler
126 Indian Prairie Loop
Stevensville, MT 59870

Laura K. Hughes, Auditor
Brands Enforcement Division
Montana Department of Livestock
PO Box 202001
Helena, MT 59620-2001

DATED: _____

9/13/2018





Board of Livestock Meeting

Agenda Request Form

Agenda Item: Request to Hire Animal Health License Permit Technician

Background Info: This position was recently vacated due to the hiring of Brooke Ruffier into the Brucellosis Compliance Specialist position. The Animal Health Bureau is requesting to fill this vacancy.

In FY 2018, the animal health division issued 10,876 import permits for 125,614 cattle and 26,596 horses entering Montana.

Consequences of not filling this position:

1. Increased hold times for veterinarians and their staff calling the permit line
2. Possible reduced compliance with animal health requirements
3. Increased use and costs of the 24/7 after-hours service
4. Increased phone duties for other staff which would take them away from their projects which currently include the alternative livestock program, rule review, DSA compliance, traceability and data entry.

Recommendation: Board Approval to Fill

Time needed: 5 minutes	Attachments:	<u>No</u>	Board vote required:	<u>Yes</u>
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Agenda Item: Request to fill vacancy in bison program

Background Info:

The recently hired Bison Program Manager is attending law enforcement academy which started in early September. Animal Health Bureau is requesting permission to backfill the vacancy in the bison program created by this hire. This individual, based in the Northern Management Area (Gardiner), will be responsible for maintaining separation between Yellowstone National Park bison and cattle, monitoring the perimeter of the tolerance area, and coordinating activities with other IBMP partners.

Recommendation: Approve to hire bison operations position.

Time needed: 5 minutes	Attachments:	No	Board vote required	<u>Yes</u>
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Agenda Item: Final adoption of ARM 32.3.212 Additional Requirement for Cattle

Background Info: The proposed changes to this rule were the repeal of ARM 32.3.224 Domestic Bison and the incorporation of domestic bison into ARM 32.3.212 to align import requirements of domestic bison with those of cattle. This change affects brucellosis vaccination and TB and brucellosis testing requirements of domestic bison. The Department received one comment in support of this proposed change.

Recommendation: Adoption as filed.

Time needed: 5 minutes	Attachments:	<u>Yes</u>	Board vote required:	<u>Yes</u>
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Agenda Item: Final amendment and adoption of ARM 32.3.433 Designated Surveillance Area

Background Info: The AHB proposed an adjustment to the boundary of the Designated Surveillance Area (DSA) following the detection of a seropositive elk outside of the existing boundary. The department held a public informational meeting in Lima on July 16, 2018. MDOL received 4 submissions with comments on the proposed rule change. Based upon these comments and input from Fish Wildlife and Parks on elk distribution, the AHB is recommending an amendment to the proposed language and final adoption.

The recommended language is as follows:

32.3.433 DESIGNATED SURVEILLANCE AREA

(1) The designated surveillance area (DSA) of Montana is described as:

- (a) Park County – south of Interstate 90;
- (b) Gallatin County – south of Interstate 90 from the Park-Gallatin County line to U.S. Highway 191 at Bozeman, then south of U.S. Highway 191 to Highway 84, then south of Highway 84 to Churchill Road, then west of Churchill Road to Interstate 90 at Manhattan, then all other areas in Gallatin County south of Interstate 90, but west of Churchill Road;
- (c) Madison County – east of Highway 287 from its northern crossing of the Gallatin-Madison County line to Ennis, then south of State Highway 287 from Ennis to Alder, then east of State Rd. 357 (Upper Ruby Road) to Sweetwater Road, then south of Sweetwater Road to the Madison-Beaverhead County line; and
- (d) Beaverhead County – from Madison-Beaverhead County line, south of Sweetwater Road to East Bench Road near Dillon, then south of East Canal Bench Road to White Lane, then south of White Lane to Blacktail Road, then south of Blacktail Road to Highway 91, then west of Highway 91 to Interstate 15 business loop, then south of Interstate 15 business loop to Interstate 15, then east of Interstate 15, to Big Sheep Road at Dell, then east of Big Sheep Road to Deadwood Gulch Road (BLM Road 1869), then east of Deadwood Gulch Road to Forest Road 8273, then east of Forest Road 8273 to Forest Road 1033, then east of Forest Road 1033 to the West Fork of Little Sheep Creek, then east of the West Fork of Little Sheep Creek to the headwaters north of Round Timber Spring, then to the Montana/Idaho border.

Recommendation: Adoption as amended.

Time needed: 10 minutes	Attachments:	<u>Yes</u>		Board vote required:	Yes	
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Agenda Item: Final amendment and adoption of ARM 32.3.436 Brucellosis Vaccination

Background Info: The AHB proposed expanding the number of counties that are required to officially vaccinate animals for brucellosis. This was done to ensure an adequate buffer exists around the boundary of the DSA. The department held 7 informational meetings in Lima, Bridger, Absarokee, Big Timber, Boulder, Townsend, and Hardin. The Department received 4 submissions with comments on this proposed rule change. Based upon these comments, the AHB is recommending an amendment to the proposed language and final adoption.

The recommended language is as follows:

32.3.436 BRUCELLOSIS VACCINATION

- (1) All sexually intact female cattle and domestic bison 12 months of age or older in ~~a~~ **Beaverhead, Broadwater, Carbon, Gallatin, Jefferson, Madison, Park, Stillwater, and Sweet Grass county Counties that borders or contains DSA** must be official vaccinates.
- (a) Variances or exceptions to requirements will be considered on an individual basis by the administrator.

Recommendation: Adoption as amended.

Time needed: 10 minutes	Attachments:	<u>Yes</u>		Board vote required:	Yes	
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Agenda Item: Final amendment of ARM Housekeeping Rule Changes

Background Info: The AHB proposed several housekeeping changes to animal health ARM. The Department received no submissions on the proposed rules changes. Please reference http://liv.mt.gov/Portals/146/BoardInfo/Agenda%20Requests%20and%20Attachments%20for%20BOL%205_23_18%20Meeting_v3.pdf for proposed language.

<u>RULE #</u>	<u>Rule Title</u>
32.3.108	Quarantine - Who May Issue
32.3.201	Definitions

32.3.206	Official Health Cert	
32.3.207	Permits	
32.3.216	Horses, Mules, and Assess	
32.3.217	Special Requirements for Poultry	
32.3.307	Department Ordered Pseudorabies Testing	
32.3.311	Procedure upon Detection of Pseudorabies	
32.3.407	Department Ordered Brucellosis Testing of Animals	
32.3.411	Procedure upon Detection of Brucellosis	
32.3.412	Memorandum of Understanding	
32.3.430	Quarantine and Retest of Suspect Animals in Negative Herd	
32.3.1003	Contaminated Premises	
32.3.2002	Swine Identification Code: Assignment of Codes	
32.4.101	Definitions	
32.4.202	Identification of Omnivores and Carnivores	
32.4.701	Transport Within and Into Montana	
Recommendation: Adoption as proposed.		
Time needed: 5 minutes	Attachments: <u>Yes</u>	Board vote required: Yes

BEFORE THE DEPARTMENT OF LIVESTOCK
OF THE STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF AMENDMENT AND
ARM 32.3.108 quarantine and)	REPEAL
release of quarantine, 32.3.201)	
definitions, 32.3.206 official health)	
certificate, 32.3.207 permits, 32.3.212)	
additional requirements for cattle,)	
32.3.216 horses, mules, and asses,)	
32.3.307 department ordered)	
pseudorabies testing, 32.3.311)	
procedure upon detection of)	
pseudorabies, 32.3.407 department)	
ordered brucellosis testing of animals,)	
32.3.411 procedure upon detection of)	
brucellosis, 32.3.412 memorandum of)	
understanding, 32.3.433 designated)	
surveillance area, 32.3.436)	
vaccination within the counties in)	
which the DSA is located, 32.3.1003)	
contaminated premises, 32.4.101)	
definitions, 32.4.202 identification of)	
omnivores and carnivores, 32.4.601)	
importation of alternative livestock,)	
and repeal of ARM 32.3.224 domestic)	
bison, 32.3.430 quarantine and retest)	
of suspect animals in negative herd,)	
and 32.3.2002 swine identification)	
code: assignment of codes)	

TO: All Concerned Persons

1. On July 6, 2018, the Department of Livestock published MAR Notice No. 32-18-291 pertaining to the proposed amendment of the above-stated rules at page 1225 of the 2018 Montana Administrative Register, Issue Number 13. On August 10, 2018 the Department of Livestock extended the comment period to August 17, 2018 to give concerned persons additional time for comment on the above states rules.

2. Eight separate public informational meetings/listening sessions were held to promote public involvement and awareness. DOL held meetings in counties that would be new to vaccination regulations in addition to Beaverhead County where a DSA boundary adjustment was proposed. Locations included Absarokee, Big Timber, Boulder, Bridger, Lima and Townsend. A press release was issued to local newspapers and radio stations as well as a regional agricultural periodical. Addressed envelopes were provided at each meeting to promote public comment.

Attendees aware that other administrative rules (DSA boundary, vaccination and the bison import rules) that had proposed changes open for comment as well.

Prior to the opening of public comment, DOL met with members of Snowline Grazing Association to discuss all administrative rule change proposals and request formal input once the comment period opened. Snowline Grazing Association members would represent most of the producers impacted by the boundary change. Approximately 20 members of the public were present.

3. The department has amended the following rules as proposed: ARM 32.3.108, 32.3.201, 32.3.206, 32.3.207, 32.3.212, 32.3.216, 32.3.307, 32.3.311, 32.3.407, 32.3.411, 32.3.412, 32.3.1003, 32.4.101, 32.4.202, and 32.4.601.

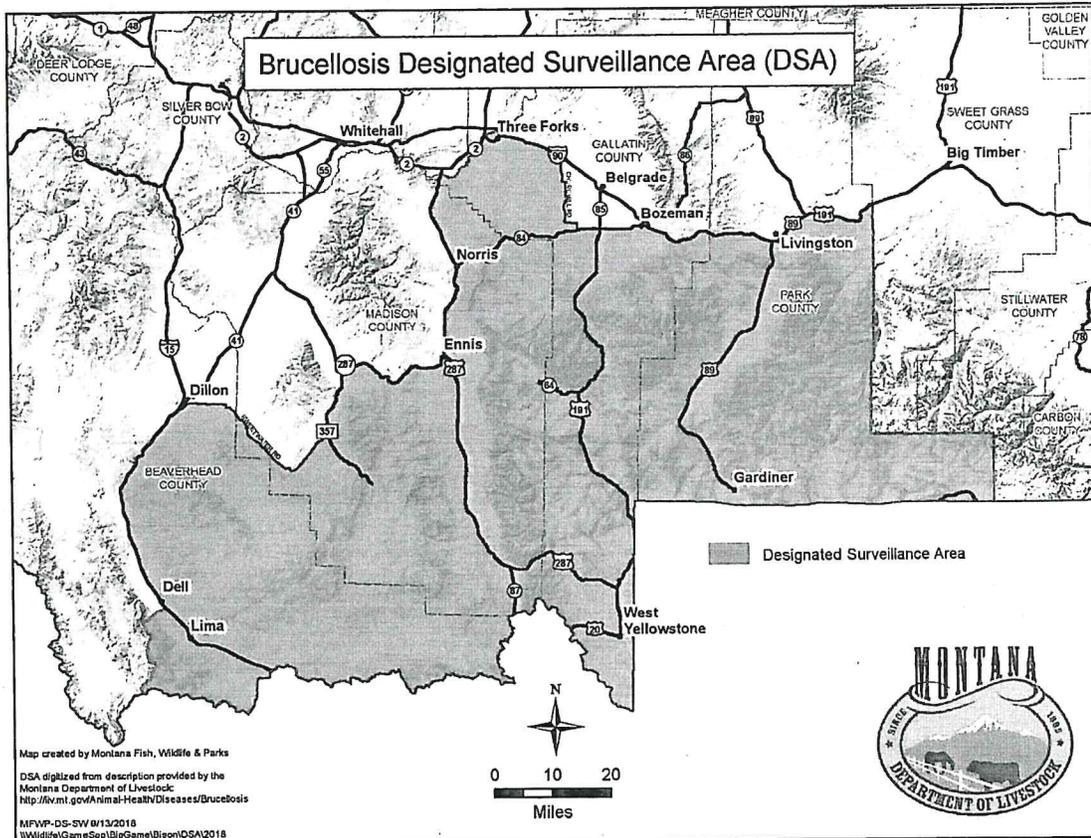
4. The department has repealed the following rules: ARM 32.3.224, 32.3.430, 32.3.2002.

5. The department has amended the following rules as proposed, but with the following changes from the original proposal, new matter underlined, deleted matter interlined:

32.3.433 DESIGNATED SURVEILLANCE AREA (1) through (1)(c) remain as proposed.

(d) Beaverhead County – from Madison-Beaverhead County line, south of Sweetwater Road to East Bench Road near Dillon, then south of East Canal Bench Road to White Lane, then south of White Lane to Blacktail Road, then south of Blacktail Road to Highway 91, then west of Highway 91 to Interstate 15 business loop, then south of Interstate 15 business loop to Interstate 15, then east of Interstate 15, ~~then south of Dell Airport Road, then east of Westside Frontage Road, then south of Big Sheep Creek Road, then south of Meadow Creek to Big Sheep Road at Dell, then east of Big Sheep Road to Deadwood Gulch Road (BLM Road 1869), then east of Deadwood Gulch Road to Forest Road 8273, then east of Forest Road 8273 to Forest Road 1033, then east of Forest Road 1033 to the West Fork of Little Sheep Creek, then east of the West Fork of Little Sheep Creek to the headwaters north of Round Timber Spring~~ to the Montana/Idaho border.

(2) A map of the designated surveillance area follows:



32.3.436 BRUCELLOSIS VACCINATION (1) All sexually intact female cattle and domestic bison 12 months of age or older in a Beaverhead, Broadwater, Carbon, Gallatin, Jefferson, Madison, Park, Stillwater, and Sweet Grass county Counties that borders or contains the DSA must be official vaccinates.

(a) remains as proposed.

6. The department has thoroughly considered the comments and testimony received. A summary of the comments received and the department's responses are as follows:

ARM 32.3.212 ADDITIONAL REQUIREMENTS FOR CATTLE

COMMENT #1: The commenter represents an association of multiple individuals and wrote in support of the amendments that would make import requirements for domestic bison reflect USDA regulations and the national class free status of domestic bison.

RESPONSE: The department thanks the commenter and agrees.

ARM 32.3.433 DESIGNATED SURVEILLANCE AREA

COMMENT #2: Two commenters opined that the boundary change would reduce property values of ranches within the area.

RESPONSE: This comment does not apply to the proposed rule change. The Department of Livestock is dedicated to maintaining Montana's brucellosis class free status through a USDA approved Designated Surveillance Area and maintaining the marketability of Montana's cattle and domestic bison.

COMMENT #3: Two commenters stated that Montana Fish Wildlife and Parks should take more responsibility for the disease and a larger role in managing the disease in wildlife.

RESPONSE: These comments do not directly apply to the proposed rule. DOL does not have authority over wild elk, but continues to work closely with Fish Wildlife and Parks (FWP) to determine the extent of the disease in wildlife. In so doing, DOL can identify areas where livestock are at risk. Additionally, FWP does not have authority over livestock, but makes disease mitigation tools available to landowners within the DSA. These tools are intended to reduce comingling of elk and livestock during the risk period.

COMMENT #4: One land owner stated he is concerned that the expansion of the DSA is pre-mature, needing further testing and investigation. He encouraged the department to wait another year and gather more information pertaining to elk movement patterns.

RESPONSE: DOL disagrees. The boundary adjustment was recommended to the Board of Livestock because a brucellosis exposed elk was discovered outside of the DSA during the 2018 risk period. The adjustment to the boundary is essential to include livestock in the area in brucellosis surveillance. The rapid response by the Board of Livestock to change the boundary in response to information that indicates that livestock may be at risk, promotes trading partner confidence in the disease-free status of Montana livestock. A delay in this boundary adjustment would allow for livestock to leave an area, where brucellosis exposed elk exist during the risk period, without brucellosis surveillance.

COMMENT #5: One land owner stated that a brucellosis exposed elk is a "presumptive" positive and not enough evidence to change the boundary.

RESPONSE: DOL disagrees. If an elk is serologically positive to brucellosis in an area adjacent to the DSA (where we know *B. abortus* exists), then it was exposed to the *Brucella abortus*. With exposure, there is a risk of infection and therefore transmission. All DSA boundary adjustments have been made based on serologic results from elk. In two cases, the boundary change has resulted in the early detection of brucellosis infected livestock. Also see response to comment #3.

COMMENT#6: One commenter supports the scientific approach to a boundary change.

RESPONSE: DOL agrees that a recommended boundary adjustment such as this must be based on the best available science and information.

COMMENT #7: One commenter was not opposed to the expansion if there are adequate resources to cover the expense of this addition.

RESPONSE: This comment does not apply to the proposed rule change. However, DOL has and will continue to work diligently to secure funding for testing and surveillance within the DSA.

COMMENT #8: One land owner commented that the positive elk should have been collared to test again.

RESPONSE: This comment does not apply to the proposed rule. However, collar movement information is helpful to FWP for management reasons and to DOL to identify new areas where the disease may exist in wildlife. Unfortunately, the costs associated with the collar itself, monitoring and retrieval make the collaring of all captured elk cost prohibitive.

COMMENT #9: One land owner disagrees with drawing a boundary just a little more than a mile north of where the positive elk was captured and then extending it 26 miles west. He commented that "the Red Rock valley running north and south along I-15 is level and unimpeded by draws, gulches, mountains or high ridges. Montana FWP acknowledges there is north-south elk migration in the valley. South and west of the elk capture site is an unbroken series of canyons, steep ridges and high mountains. Montana FWP knows of no east-west elk migration between cow capture site and upper Big Sheep Creek." Because of these reasons he believes that the probability of elk migrating from the flats along I-15 to the head of Big Sheep Creek is "less than zero." He encouraged the department to not make a decision based on lines on a map and instead to talk with people who study the land, talk to FWP Wildlife Biologists, and confer with locals who know the country when deciding the new boundary. The landowner also proposed an alternative boundary.

RESPONSE: DOL agrees with the proposed alternative boundary for multiple reasons: (1) Movement data following the elk capture in the area suggests that the elk do stay southeast of the proposal; (2) It is enforceable because it is recognizable by DOL law enforcement, local landowners and livestock producers, and; (3) none of the elk captured west of this proposed boundary were serologically positive. It is difficult to define a boundary that meets all the above criteria due to the lack of roads or other recognizable features in this area.

ARM 32.3.436 BRUCELLOSIS VACCINATION

COMMENT #10: One commenter stated that we should start a conversation about all replacements retained within Montana being bangs vaccinated.

RESPONSE: This comment does not apply to the proposed rule change. However, DOL agreed with the comment. In 2010, the Board of Livestock (BOL) directed the Department to hold seven public meetings in various locations around the State on a proposed administrative rule that required brucellosis vaccination statewide. Following those meetings, and the negative feedback from the public that attended, the BOL abandoned the rule. In 2018, the BOL again requested input from stakeholder and industry groups on a state-wide vaccination rule. Due to the lack of support, the BOL moved forward with the current proposed changes.

COMMENT #11: Two commenters expressed their support for the proposed changes.

RESPONSE: The department thanks the commenters for their expressed views.

COMMENT #12: One commenter stated that he believed the counties included in the DSA and the counties which are considered adjacent to a DSA should be identified to decrease confusion.

RESPONSE: DOL agrees. In addition to decreasing confusion, this would eliminate the potential for a bordering State to change Montana rule.

COMMENT # 13: One commenter stated that the list of counties should include Big Horn County because some elk from Wyoming's Brucellosis Area of Concern are known to travel into Big Horn County, Montana.

RESPONSE: DOL agrees with this comment. As initially proposed, this administrative rule change would not include Big Horn County, Montana because it does not border on Wyoming's DSA. However, because Big Horn County, Montana does border on Wyoming's Brucellosis Area of Concern, we agree that it should be included.

/s/ Michael S. Honeycutt

Michael S. Honeycutt

Executive Officer

Board of Livestock

Department of Livestock

BY: /s/ Cinda Young-Eichenfels

Cinda Young-Eichenfels

Rule Reviewer

Certified to the Secretary of State September 25, 2018



Board of Livestock Meeting

Agenda Request Form

From: George Edwards		Division/Program: Livestock Loss Board			Meeting Date: 9/19/18			
<u>Agenda Item:</u>								
Background Info: Livestock Loss Board Statistics								
Recommendation:								
Time needed: 20 minutes		Attachments:	Yes		Board vote required?		No	
<u>Agenda Item:</u>								
Background Info:								
Recommendation:								
Time needed:		Attachments:	Yes	No	Board vote required		Yes	No
<u>Agenda Item:</u>								
Background Info:								
Recommendation:								
Time needed:		Attachments:	Yes	No	Board vote required:		Yes	No
<u>Agenda Item:</u>								
Background Info:								
Recommendation:								
Time needed:		Attachments:	Yes	No	Board vote required:		Yes	No
<u>Agenda Item:</u>								
Background Info:								
Recommendation:								
Time needed:		Attachments:	Yes	No	Board vote required:		Yes	No

September 18 2018

Montana LLB
 PO Box 202005
 Helena MT 59620
www.llb.mt.gov

George Edwards
 Executive Director
 (406) 444-5609
gedwards@mt.gov

Counties	Cattle	Sheep	Goats	Guard	Horse	Llama	Totals	Payments
Beaverhead	5	3		2			10	\$7,853.15
Carbon	19						19	\$18,686.58
Cascade		1					1	\$136.71
Daniels					1		1	
Flathead	2	1					3	\$2,361.16
Glacier	7						7	\$7,300.27
Granite		1			1		2	\$136.45
Lake	1					2	3	\$3,964.85
L&C	6	8	6				20	\$9,071.05
Lincoln	1	1					2	\$1,487.80
Madison	13						13	\$24,334.68
Missoula		5					5	\$1,142.17
Pondera	3						3	\$3,289.30
Powell	11	21					32	\$14,518.27
Ravalli		8					8	\$1,883.73
Sweet Grass	2						2	\$1,799.50
Teton	8	7					15	\$12,745.63
Totals	78	56	6	2	2	2	146	\$110,711.30

Wolves

Confirmed	30	6		2		
Probable	6	7				
Value	\$46,284.94	\$2,828.40		\$2,060.00		
Owners	19	3		1		

Grizzly Bears

Confirmed	29	7				2
Probable	12					
Value	\$43,229.23	\$4,387.76				\$3,000.00
Owners	19	3				1

Mtn Lion

Confirmed		32	6		2	
Probable		4				
Value		\$6,873.46	\$1,017.91		in process	
Owners		10	1		2	

2017 January to September 18th 104 head, \$92,174

\$237,000 remaining for claims until June 30, 2019

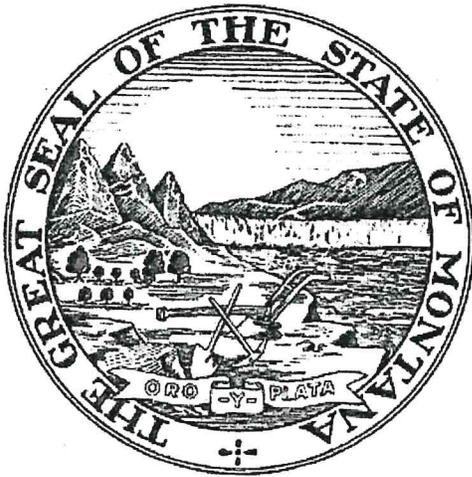


Board of Livestock Meeting

Agenda Request Form

From: Evan Waters		Division/Program: Centralized Services			Meeting Date: 09/19/2018		
<u>Agenda Item:</u> September 2018 through June 2019 Expenditure Projections							
Background Info: Report expenditure projections by division and/or bureau and attached boards.							
Recommendation: n/a							
Time needed: 15 min	Attachments:	Yes X	No	Board vote required?	Yes	No X	
<u>Agenda Item:</u> August 31, 2018 Budget Status report							
Background Info: Report expenditure to budget comparison report by division and/or bureau and attached boards. This report also compares current year expenditures to prior year expenditures.							
Recommendation: n/a							
Time needed: 5 min	Attachments:	Yes X	No	Board vote required	Yes	No X	
<u>Agenda Item:</u> State Special Revenues Comparison as of August 31, 2018							
Background Info: Present revenues for all state special revenue funds.							
Recommendation: n/a							
Time needed: 5 Min	Attachments:	Yes X	No	Board vote required:	Yes	No X	
<u>Agenda Item:</u> Per Capita Fee (PCF) Rate Change Proposal							
Background Info: Two PCF rates and estimated revenues will be presented for reporting period 2019. Livestock count reports are due from the producers on March 1, 2019. The board will discuss and vote to set PCF rate for calendar year 2019 reporting period.							
Recommendation: n/a							
Time needed: 15 min	Attachments:	Yes X	No	Board vote required:	Yes X	No	
<u>Agenda Item:</u> OBPP Planning Timetable for 2021 Biennium							
Background Info: The timetable lays out deadlines OBPP has set for the 2021 Biennium budget							
Recommendation: n/a							
Time needed: 5 min	Attachments:	Yes X	No	Board vote required:	Yes	No X	

From: Evan Waters		Division/Program: Centralized Services			Meeting Date: 09/19/2018		
<u>Agenda Item:</u> Hire Accounting Technician							
Background Info: Payroll accounting technician retired end of August. Payroll duties were assigned to an existing accounting tech. We are requesting that a new accounting tech be hired at same level and duties. Requested hire/start date is November 12, 2018.							
Recommendation: approve the hire of accounts receivable accounting technician							
Time needed: 5 min	Attachments:	Yes X	No	Board vote required?	Yes X	No	
<u>Agenda Item:</u> Diagnostic Laboratory Cost Analysis							
Background Info: The department will present a cost analysis by lab section and average cost of tests in each lab section.							
Recommendation: n/a							
Time needed: 30 min	Attachments:	Yes X	No	Board vote required	Yes	No X	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	



State of Montana

Livestock IT Plan 2018

Table of Contents

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1. Executive Summary

The Department of Livestock has 6 basic business drivers that shape the department's programs and IT strategies: prevent, control, and eradicate animal diseases; prevent the transmission of animal diseases to humans; protect livestock industries from theft and predatory animals; assure clean, wholesome and properly labeled meat and poultry products; regulate and inspect the dairy industry; and effective/efficient government.

The Department of Livestock's IT strategies are designed to directly support and contribute to the success of the department's business objectives. The Department's IT strategies are:

1. Provide, implement, and maintain networks, computers, mobile devices, servers and applications that support the business objectives in a cost-effective manner with available resources.
2. Provide livestock related services to the Livestock industry, Montana veterinarians, and to the general public.
3. To assist the Department of Livestock employees with IT related issues in the day-to-day operations of their jobs.
4. Utilize the internet and mobile devices for providing services to the Livestock industry.
5. Implement an information sharing technology for use within the department.
6. To protect and secure electronic data and equipment stored within the department.

2. Environment, Success, and Capabilities

The Department of Livestock is supported by roughly 15% general fund and primarily by special state revenue collected through per capita and brand fees on livestock, fees for services and some federal funding.

1. The Department of Livestock maintains several servers and applications within the department and has outsourced hosting of the larger applications to DOA ITSD.
2. IT monitoring software such as antivirus and operating system updates are implemented on each piece of IT hardware.
3. The Department of Livestock has three IT personnel to manage about 120 devices, 4 servers, 8 applications and support 160 users most of which are remote.

Business Drivers:

- Animal Health's business drivers are:
 - Animal regulations, both federal and state
 - Animal disease control
 - Sharing of information and education, both internal and external
 - Reporting to the federal government
- Meat Inspection's business drivers are:
 - Meat regulations, both federal and state
 - Applications for license and inspection
- Milk Control's business drivers are:
 - Regulations
 - Records management
 - The number of pool handlers – Entities bottling milk
 - Milk control board
 - Cooperation with Milk and Egg Bureau

- Livestock Loss Board's business drivers are:
 - Laws
 - Livestock industry organizations
 - Environmental organizations
 - Number of livestock killed by Grizzly bears or Wolves
 - Cooperation with USDA APHIS Wildlife services
- Brands Enforcement business drivers are:
 - Regulations
 - Movement of livestock (Sales, crossing county lines)
 - Livestock law enforcement
- Veterinary Diagnostic Lab's business drivers are:
 - Animal testing regulations
 - Testing of zoonotic diseases
 - Animal disease control
- Centralized Services business drivers are:
 - IT services
 - Accounting
 - Payroll
 - Budgeting
 - Records management
 - HR
- Business drivers common to entire department:
 - The employees
 - Training
 - Public Education
 - Regulations and laws
 - Revenue and budget
 - Records management

3. IT Contributions and Strategies

The Department of Livestock's Information Technology mission is to provide and implement cost-effective information technology with available resources and to assist in providing services to the livestock industry, Montana veterinarians, the general public and in assisting Department of Livestock employees in the day to day operations of their jobs.

4. IT Principles

IT principles govern the decisions and operations of the state's IT community. They provide touchpoints and guidelines to ensure that correct decisions are being made; decisions that will provide the greatest value to Montana's citizens. The majority of Montana's IT principles have their roots in Montana's Information Technology Act (MITA).

Department of Livestock's IT principles:

- Resources and funding will be allocated to the IT projects that contribute the greatest net value and benefit to the Livestock industry.
- Unwarranted duplication will be minimized by sharing data, and IT infrastructure, applications and services.

- Montana will use shared inter-state systems to minimize IT expenditures, improve service delivery and accelerate service implementation.
- IT will be used to provide educational opportunities, create quality jobs, a favorable business climate, improve government, protect individual privacy and protect the privacy of IT information.
- IT resources will be used in an organized, deliberative and cost-effective manner.
- IT systems will provide delivery channels that allow citizens to determine when, where, and how they interact with the department of Livestock.
- Mitigation of risks are a priority for protecting individual privacy and the privacy of IT systems information.

5. IT Governance

The state has established in law, by Executive Order and by Agency Executive Order, governance structures such as the Information Technology Board, the Statewide Interoperability Governance Board, the Electronic Government Advisory Council and the Information Technology Managers Council. The purpose of these governance structures is to ensure that the state's IT investments supporting the business needs of the agencies are done in a cost-effective manner.

The state CIO and agencies will work in a cooperative manner to strengthen these governance structures to provide the framework for a deliberative approach to making IT investments that support the services the state provides to its citizens.

6. IT Financial Management

Agencies receive their IT expenditure authority from the legislature. IT funding sources include the state general fund, proprietary funds, fees, federal grants, etc. SITSD is funded through a state proprietary fund and receives its revenue through chargebacks to agency customers.

Agencies will document and provide adequate justification for their major IT spending proposals to OBPP and the Department of Administration.

The annual IT budget for the department of Livestock is approximately \$30,000. This is the base budget for all IT hardware and software. For any projects that go above and beyond this base the department seeks after grants, general fund or special revenue. The IT budgeting within the department of Livestock is both a cost and investment center.

7. IT Services and Processes

The Department of Livestock's major IT services are:

Item	Description
Software Name	Brands Lookup System
Purpose	Track Brand ownership and other Brand related data.
Date Implemented	January 2010
Initial Cost	\$166,000

Yearly maintenance cost	Variable as needed
Vendor	Axiom
Hardware Needs	Application Server Database Server PC Internet connection
Software Needs	Oracle database
~# Users	80
Funding Source	Per Capita Fees - initial purchase, Brands Fees - maintenance

Item	Description
Software Name	USAHerds
Purpose	Track import permits, quarantines, disease outbreaks, and Alternative Livestock
Date Implemented	January 2011
Initial Cost	\$92,000
Yearly maintenance cost	\$25,750
Vendor	CAI
Hardware Needs	Application Server Database Server PC
Software Needs	Microsoft SQL Server database
~# Users	10
Funding Source	General Fund - Initial purchase, Per Capita - maintenance

Item	Description
Software Name	Central Office/Fast Brands
Purpose	Centrally store data from Fast Brands and track permits
Date Implemented	March 2014 – Central Office / March 2012 – Fast Brands
Initial cost	\$98,557 – Central Office / \$248,800 – Fast Brands
Yearly maintenance cost	\$12,000
Vendor	Fort Supply
Hardware Needs	Application Server Database Server PC Handheld Archer Internet connection
Software Needs	My SQL Database
~# Users	50 – Central Office / 39 – Fast Brands
Funding Source	Federal Grant – Initial purchase and maintenance

Item	Description
Software Name	Liv Apps
Purpose	Track Meat inspections and meat product ingredient lists.
Date Implemented	August 2012
Initial Cost	Internal
Yearly maintenance cost	Internal
Vendor	Internal
Hardware Needs	Application Server Database Server PC
Software Needs	Oracle database
~# Users	6
Funding Source	State special revenue

Item	Description
Software Name	VADDS
Purpose	Track submissions and all testing at the diagnostic lab
Date Implemented	August 2015
Initial Cost	\$145,000
Yearly maintenance cost	\$11,200
Vendor	Advanced Technology Corp
Hardware Needs	Application Server Database Server Web Server PC
Software Needs	Microsoft SQL Server Database
~# Users	30
Funding Source	Federal Grant – Initial Purchase, Lab fees - maintenance

Item	Description
Software Name	Milk and Egg System
Purpose	Track dairy licensing and Dairy lab testing
Date Implemented	March 2006
Initial Cost	Internal
Yearly maintenance cost	Internal
Vendor	Internal
Hardware Needs	Application Server Database Server PC

Software Needs	Oracle database
~# Users	4
Funding Source	State special revenue

Item	Description
Software Name	Brands smart phone apps
Purpose	Lookup Brand ownership information on a smart phone.
Date Implemented	~June 2013
Initial Cost	~\$3,000
Yearly maintenance cost	\$300
Vendor	Internal
Hardware Needs	Several mobile devices Mini Mac Internet connection
Software Needs	Connection to Google and Apple stores Visual Studio Xarmin Cordova
~# Users	DOL employees, and available to public
Funding Source	State special revenue

Item	Description
Software Name	Asset Manage
Purpose	Track Inventory
Date Implemented	February 2012
Initial Cost	\$300
Yearly maintenance cost	\$0
Vendor	Liberty Street Software
Hardware Needs	Application Server PC
Software Needs	
~# Users	6
Funding Source	Per Capita Fees

Other IT services include technical support for end users, ensuring data security, and complying with the Department of Administration's requirements.

8. IT Infrastructure, Staffing and Resources

The Department of Livestock has two data centers, one in Helena in the Scott Hart building with two servers and one in the veterinary diagnostic lab in Bozeman with two servers. There are 3 IT personnel which is just under 2% of the number of employees in the Department of Livestock. The Department of Livestock will prioritize to utilize a commercial off the shelf (COTS), open source, or cloud service solution to solve IT issues.

Hardware replacements follows the recommended 5-year cycle as suggested by DOA ITSD. We seek to follow this for desktops, laptops, and servers. Printers and other peripherals are replaced as needed.

9. Risks and Issues

Primary Risk	Probability	Impact	Mitigation Strategy
Staff turnover and difficulty of hiring qualified technical staff	Medium	High	-The 3 IT staff will cross train each other as much as possible and provide documentation on each IT service the department provides. -Increased pay for positions most affected by this issue. Advertise nationwide, regionally and locally and on multiple websites to attract more qualified candidates.
Loss of data	Medium	Varies depending on event	-Backup processes in place. -Antivirus software installed. -Software updates applied. -User training.
Loss of Hardware	Low	High	-Backup processes. -Two data centers. -Spare hardware. -Security.

10. IT Projects

Item	Description
Project name	Web Page rewrite
Project/program purpose and objectives	The current web page is managed using Sharp Content and that product is being phased out of support. So, the Web page needs to be re-written using Dot Net Nuke DNN and updated to the new state template.
Estimated start date	Ongoing
Estimated cost	Internal
Funding source	Per Capita Fees
Annual Costs upon completion	Internal
Comments	The main website was migrated over to the new backend. Continual meetings and changes are happening to make this website easier to navigate for both internal employees and the external constituents.

Item	Description
Project name	Livestock information sharing and records management software
Project/program purpose and objectives	The department needs an IT system to share information across all Livestock divisions. Current file management practices and resources are inadequate and result in significant losses in productivity. This may involve setting up a department intranet website.
Estimated start date	No estimate yet
Estimated cost	\$1,280/monthly cost to Department of Administration
Funding source	Per Capita
Annual Costs upon completion	\$15,360
Comments	Microsoft SharePoint has this ability and is available through DOA SITSD as a service. By utilizing this product DOL employees will be able share information across the entire Department both internally (local employees) and externally (remote offices and staff). This also allows version control on documents making collaboration easier.

Item	Description
Project name	Geographic Information System (GIS) in the Department
Project/program purpose and objectives	GIS is a framework for gathering, managing, and analyzing data. MDOL can benefit by using this in almost every Division by creating interactive maps for various reasons. Previously, the State Library would do simple maps for us at little or no cost but with budget cuts, agencies are now forced to create these maps on their own.
Estimated start date	Currently in a solicitation stage.
Estimated cost	\$400 for the software license and \$2,000 for travel to training. The actual training is covered by the State of Montana's enterprise agreement.
Funding source	Per Capita
Annual Costs upon completion	\$400
Comments	ESRI ArcGIS is the software several State of Montana agencies are already utilizing. By sending one technician to training, this would allow MDOL to create these maps that will assist in many different areas of the Department.

Item	Description
Project name	Replacement application for licensing, inspection, tracking and reporting of Animal Health programs.
Project/program purpose and objectives	Ideally a new integrated system across the Division is desired to improve program processes and information sharing in areas such as licensing, inspection, test results, labeling and facility tracking for the Milk and Egg and Meat and Poultry Bureaus and the Milk Lab. The two

	current applications were written in house by former employees. They are severely antiquated for the times and are neither repairable or upgradable.
Estimated start date	Currently in a solicitation stage.
Estimated cost	\$650,000 for the next biennium
Funding source	Per Capita
Annual Costs upon completion	~\$25,750 maintenance agreement
Comments	After looking at several applications and demos, SafeInspect was found to be a viable solution that can address all three of the above-mentioned systems. This product comes from the same parent company as USAHerds which will help in sharing data across applications.

Item	Description
Project name	Diagnostic Lab Management Application
Project/program purpose and objectives	The lab and central services are struggling with the relatively new software management system in place. The presently cumbersome interfaces and emerging opportunities for even greater information sharing throughout the Department are driving explorations into other solutions.
Estimated start date	Currently in a solicitation stage.
Estimated cost	~\$650,000 for the next Biennium
Funding source	Per Capita
Annual Costs upon completion	~\$25,750
Comments	After research and analysis, USALIMS is a product being considered that will easily integrate uniform, shareable information with the other systems across the Department.

11. Security and Business Continuity Programs

Security Program Description: The Department of Livestock has an IT security plan in place. It involves new employees signing off on a computer acceptable use policy at hire time. Anti-virus/anti-malware installed on each device with automatic updates and operating system updates set to automatic. A periodic review of security policies and audit of IT equipment will be done.

Data Privacy Description: The State of Montana has Internet Privacy and Security that covers data privacy and it may be viewed here: <http://mt.gov/1240-X06.pdf>

Continuity of Operations (COOP) Capability Program Description: The Department of Livestock Continuity of Operations (COOP) program for IT has listed out the critical IT functions, backups in place, and multiple sites with multiple servers to use in the case a critical event occurs. A COOP officer has been assigned and development of COOP documentation and planning continues. When a replacement

application is performed, the department seeks to adhere to department, state, and federal rules for retaining records.

Public Records – Agency Records Management Duties: New requirement for the 2016 Agency IT Plans, (Public Records statute effective October 1, 2015), MCA 2-6-1103 (5) states “Incorporate records management requirements into the agency information technology plan”.

All electronic records will be retained and disposed of in accordance with general records retention schedules, agency records retention schedules, and/or federal retention requirements. (For additional information on records management please see, <http://sos.mt.gov/Records/State/index.asp>)

12. Planned IT Expenditures

	FY2019	FY2020	FY2021
IT personal services	3 FTE's	3 FTE's	3 FTE's
IT operating expenses	\$30,000	\$30,000	\$30,000
IT initiatives		<i>\$650,000</i>	<i>\$650,000</i>
Other			
Total	<i>\$30,000</i>	<i>\$680,000</i>	<i>\$680,000</i>



Board of Livestock Meeting

Agenda Request Form

From: Chad Lee	Division/Program: Milk Control Bureau	Meeting Date: 9/19/2018
<u>Agenda Item:</u>		
Background Info: General updates and report on August 22, 2018 Board of Milk Control Meeting		
Recommendation:		
Time needed: 10 minutes	Attachments:	Yes <input type="checkbox"/> No X <input checked="" type="checkbox"/>
		Board vote required? Yes <input type="checkbox"/> No X <input checked="" type="checkbox"/>
<u>Agenda Item:</u>		
Background Info:		
Recommendation:		
Time needed:	Attachments:	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Board vote required? Yes <input type="checkbox"/> No <input type="checkbox"/>
<u>Agenda Item:</u>		
Background Info:		
Recommendation:		
Time needed:	Attachments:	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Board vote required: Yes <input type="checkbox"/> No <input type="checkbox"/>
<u>Agenda Item:</u>		
Background Info:		
Recommendation:		
Time needed:	Attachments:	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Board vote required: Yes <input type="checkbox"/> No <input type="checkbox"/>



Board of Livestock Meeting

Agenda Request Form

From: Steve Smith	Division/Program: MVDL	Meeting Date: 9/19/18
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Agenda Item: Laboratory Fee Update**Background Info:**

After performing a cost analysis, I am presenting a proposed update to all laboratory fees, for the board's consideration and approval. The attached document lists current fees, proposed fees, percent change, and comments as necessary. This not only adjusts lab fees according to market levels, but also significantly streamlines and simplifies the fee schedule to make it more user-friendly.

Recommendation:

Approval of the proposed fee structure.

Time needed: 30 minutes	Attachments:	Yes	No	Board vote required?	Yes	No
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Agenda Item:**Background Info:****Recommendation:**

Time needed:	Attachments:	Yes	No	Board vote required	Yes	No
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Agenda Item:**Background Info:****Recommendation:**

Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No
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Agenda Item:**Background Info:****Recommendation:**

Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No
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Agenda Item:**Background Info:**



Board of Livestock Meeting

Agenda Request Form

From: Tyler Thomas		Division/Program: Brands Enforcement Division			Meeting Date: 9/19/2018		
<u>Agenda Item: Market Staffing Updates</u>							
Background Info:							
Recommendation:							
Time needed: 20 minutes	Attachments:	Yes	No	Board vote required?	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	
<u>Agenda Item:</u>							
Background Info:							
Recommendation:							
Time needed:	Attachments:	Yes	No	Board vote required:	Yes	No	