



Montana Board of Livestock Meeting Minutes

May 14, 2019

MT Department of Livestock Board Room #319
301 N. Roberts, Helena, Montana

Board Members Present

John Scully, Vice-Chair (cattle producer)
Lila Taylor (cattle producer)
Ed Waldner (swine producer)
(John Lehfeltdt was not present)

Nina Baucus (cattle producer)
Brett DeBruycker (cattle producer)
Sue Brown (dairy and poultry)

Staff Present

Brian Simonson, Deputy EO
Evan Waters, Centralized Services
Dan Olson, Centralized Services
Leslie Doely, Brands Administrator
George Edwards, Livestock Loss Board
Dan Turcotte, Milk & Egg Bureau

Donna Wilham, Adm. Asst. to EO
Dr. Marty Zaluski, Animal Health
Dr. Tahnee Szymanski, Animal Health
Dr. Eric Liska, Animal Health
Dr. Anna Forseth, Animal Health
Dr. Greg Juda, VDL

Public Present

Rob Stutz, Legal Services Division
Kyle Chenoweth, Legal Services Division
Bill Gianoulis, MT Risk Management and Tort Defense
Michael Kauffman, Drake Law Firm
Patricia Klanke, Drake Law Firm
Melissa Cleavinger, USDA

Krista Lee Evans, MT Milk Producers
Jay Bodner, MSGA
Jae Notti, JT Ranch
Kraig Glazier, USDA Wildlife Services
Liv Stavick, MFBF

MEETING CALLED TO ORDER

8:00 AM

- Vice-Chairman John Scully called the meeting to order at 8:00 AM
- Mike Honeycutt was not present at the meeting due to the death of his father
- A plaque recognizing John Lehfeltdt's years of service on the Board of Livestock was shown to those present and would be given to Mr. Lehfeltdt at a later date

APPROVAL OF BOARD MINUTES

8:03 AM

MOTION/VOTE

8:03 AM

Lila Taylor moved to approve the minutes for the BOL 3/29/19 conference call. Sue Brown seconded. The motion passed.

APPROVAL OF BOARD ADMINISTRATIVE CONSENT AGENDA ITEMS

8:03 AM

- Vice-Chair Scully pulled the Meat & Poultry Bureau Report from the Consent Agenda because Lila Taylor had questions regarding it
- Vice-Chair Scully requested that the Brucellosis Diagnosis & Surveillance Training Report be presented at a public meeting in highlighted form

MOTION/VOTE

8:04 AM

Ed Waldner moved to approve the Consent Agenda items, including Bureau Reports for the Animal Health Bureau and the Milk Control Bureau and also the Out-of-State Travel Requests for the Animal Health Bureau, the Milk Control Bureau and the Veterinary Diagnostic Lab. Lila Taylor seconded. The motion passed.

MEAT & POULTRY INSPECTION BUREAU

8:05 AM

Dr. Marty Zaluski gave explanation of Lila Taylor's requested information regarding the recent hiring of three Meat Inspectors in the Meat & Poultry Inspection Bureau:

- Dr. Zaluski said that there was a turnover of two of the Meat Inspectors in rapid succession, one was an immediate resignation notice and another was an overnight resignation notice
- Because there was an ongoing hiring process, all three vacant positions were filled from the same pool of candidates without apprising the BOL of it, due to the importance of filling those positions as quickly as possible to avoid disruption to businesses
- Two of the filled positions were authorized in the 2017 Legislative Session, but not funded. They were funded in the 2019 Legislative Session

8:08 am – BOL Discussion of Out-of-State Travel by Attached Boards–

Vice-Chair Scully requested information on the progress of a written process being established, relative to out-of-state travel by the Livestock Loss Board and the Milk Control Board:

- The process would include a communication and written record to the DOL, that out-of-state travel had been approved by their particular attached board, not just an individual board member, allowing CSD to properly deal with it in the budget
- A discovery was made this past winter, that some out-of-state travel approvals of attached board members had been made without that approval being decided during a publicly-held meeting
- Brian Simonson reported that at this point, that process had still not been written.
 - Vice-Chairman Scully said that Mike Honeycutt had made a commitment to the BOL that he would establish an out-of-state travel approval procedure for the attached boards with Brian Simonson

OLD BUSINESS

8:14 AM

8:14 am – CLOSE-OUT DISCUSSION ON THE 2019 LEGISLATIVE SESSION–Fiscal Bills (HB2, HB3, HB5, HB10)

8:14 AM – HB2

HB2, the main budget bill, was signed by the Governor on Monday, May 13, 2019

- The \$600,000 expanded DSA general fund request was reduced by \$250,000 - \$150,000 the first year of the biennium and \$100,000 the second year of the biennium
- The \$50,000 funding request for a Public Information Officer did not pass
- An FTE at the VDL that had been taken away was reinstated, but at a reduced salary - \$55,000/year compared to \$76,000/year

8:18 AM – HB3

HB3, was signed by the Governor on Monday, April 29, 2019

- The HB3 request was for \$580,946
- \$190,000 was allocated for the Coremark legal settlement
- \$7,300 was allocated for legal fees in the Milk Control Bureau
- \$380,000 was allocated for salaries

8:20 AM – HB5

HB5, the long-range planning bill, was signed by the Governor on Friday, May 10, 2019

- The HB3 request was for \$100,000 relative to planning of the new VDL

8:20 AM – HB10

HB10, the DOL IT Project, was signed by the Governor just last week

- The HB10 request was for \$1.3 million over the course of the biennium

8:20 AM – DOL Bills

- HB100, Revising Certain Livestock Dealer Fees, died in committee

- SB 68, Removing the Residence Requirement for Aerial Hunting Permits, died in Committee
- HB101, which changed the deadline for per capita fee renewal, passed
- HB112, Revise Importation Requirements, was passed
- SB56, repealing the statutory Meat & Poultry appeals process and SB57, bringing Meat and Poultry Inspection Laws in Line with Federal Standards, were both signed by the Governor
- SB67, Revise Reference to Deposit of Aerial Hunting Permit Fees, was amended to put a \$2500 cap on the amount of money that the DOL could use for CSD administrative costs, with the rest going to USDA Wildlife Services
- HB520, to augment LLB mitigation by \$100,000 passed
- HJ 29, a Meat Inspection Study Bill, was signed
- SB133, the bill requiring that LLB mitigation claimants be checked to see if they have paid per capita was signed into law on May 7, 2019
- HB291, to Establish a Voluntary Wolf Mitigation Account, passed 5 to 10 last week. There is a July 1, 2019 start date for that legislation

8:24 AM – Finance Committee Report

- There has been no Finance Committee meeting held since before the 2019 Legislative Session
- The BOL may need to make a decision as to whether or not to continue with a Finance Committee
 - Vice-Chairman Scully said he will no longer Chair the Finance Committee
- There was BOL discussion on the financial state of the DOL since 2014 up until now and the Finance Committee's role during that time
 - Thanks and appreciation were extended to the employees for withstanding the DOL furlough
 - Thanks and appreciation were extended to industry members, Jay Bodner, John Youngberg, Chelcie Cargill, Stuart Doggett, Jim Brown, Les Graham, Gene Curry and others who took part in finance meetings and gave support during Legislative sessions
 - Appreciation was expressed for Legislative people who helped put a budget together for the DOL during their one-time-only phase when help from the Governor's office wasn't given
 - Thanks was extended to the Governor's office and Fiscal Analyst's office for their help in this year's session
 - Rocky Mountain Stockgrowers showed support to the DOL during the 2019 session and appreciation was expressed to them
 - Thanks and appreciation were extended to DOL staff who put in extra time and effort during that one-time-only phase to ready data for use during Legislative hearings
- Several items were dropped from the agenda under the "Items for Future Planning Conversations" and a timeline was requested to be put together by staff for those items, to be presented at the next BOL meeting

8:30 AM – Planning for a New MVDL/Lab Building Sub Committee

- It was reported to the Legislature that a Lab Committee had been established made up of BOL members, DOL staff members, industry members, veterinarians and a member of the Veterinarian Association
- The Committee, with the approval of the BOL, decided to move forward with processes that would assure that VDL employees are working in safety in their current building
- A Legislator during the session said they would approve that funding, but a key element was to deal with the effluent issues, particularly prions, and the incinerator, and the DOL has a commitment to follow up on it by the 2021 Legislative Session
 - It was shown in Shauna Albrecht's (Department of Administration) report that the incinerator was functioning properly and when experts came to the Lab to check on effluent issues, they saw none at the time
- Waded Cruzado, the President of Montana State University, wrote a letter, dated December 20, 2018, which was sent to the Congressional Delegation, Senator Vincent and the Chair at the Environmental Quality Council saying that MSU is willing to be a partner in any reasonable solutions the Montana Legislature proposes for the benefit of the State but also added that MSU and the Montana University System has neither the financial capacity or authority to construct labs for use by independent State agencies, no matter how worthy the cause
- SB586, that originally was set up to be a flexible alternative to the new Lab's development, wound up being more of a directive
 - Through that bill, the Department of Administration is required in the interim to establish and name a committee that will seek and implement a solution and propose implementation of that solution during the next interim
- The DOL received \$100,000 during the 2019 Legislative session, that will be available July 1, 2019 to enhance the design and plans of the required Lab that will meet the needs of the industry the DOL represents and negotiate with architects on the outcome as presented by the Department of Administration building plan
 - Dr. Zaluski added that he felt that the DOL will work with the Department of Administration and A/E on selecting a vendor to provide the schematics
 - The BOL liked the plans from the architects who provided the first sets of plans for the new Lab, and so it was suggested to contact A/E to ask them if they would give them a heads up that the DOL is interested in following up on their plans
- The BOL was specifically asked by a Senator if they realized they had to communicate with MSU regarding the new Lab, and so, Vice-Chair Scully said, at some point that has to be done
 - When a meeting with Waded Cruzado, President of MSU is held, regarding the Lab, be sure to let her know that the DOL plans to proceed along the same lines as before

- Find out from President Cruzado what requirements she would have in working with the DOL relative to working with her staff and the Board of Regents
- Assure President Cruzado that the DOL is not expecting MSU to foot any of the bill
- Discuss with President Cruzado about the land availability for the Lab building
- See if MSU's ability to fund raise is an aspect to engage in, asking them for advice and assistance
- Although the VDL is a "For Fee" Lab rather than a research lab, find common ground, benefits and goals with MSU that will be a benefit
- Jay Bodner, MSGA, offered their organization's support of the Lab renovation and continued work on the Lab

9:13 AM – Executive Officer Salary Discussion

- Vice-Chair Scully told the BOL that he had asked the Legislature this session for additional salary for Mike Honeycutt, and with the approval of HB3, it allows the flexibility and authority to spend those funds
- It was requested that Brian Simonson check to see if the DOL was behind in its salary raises for Mr. Honeycutt
- Brett DeBruycker said he would find out from State HR regarding any new format in the evaluation method for Mr. Honeycutt

NEW BUSINESS

9:18 AM

9:18 AM – Employee Recognition

Brian Simonson reported that there were two DOL employees to be put on the public record for rewards received:

- Dr. Emily Kaleczyc was awarded as the 2018 Governor's Award Recipient for her work in the Hay Relief Program. She also was recognized for some of her emergency preparedness efforts
- Leslie Doely was selected as a 2019 State Information Technology Award Nominee for her interactions on the front with Montana Interactive on several projects

9:22 AM – Legislative Audit Requests Due May 31

Brian Simonson reported that Mike Honeycutt had received a letter from Legislative Audit requesting whether there is anything the DOL would like them to audit

- The audits mentioned in the letter are in addition to any other audits Legislators have requested
- Mr. Scully said, that the BOL is welcome to bring up any suggestions directly or can bring them privately to Mike Honeycutt

9:26 AM – Request to Change Performance Evaluation Deadlines in Board Policy & Procedures from Fiscal Year to Calendar Year

Brian Simonson reported that State HR is requesting that the DOL change their performance evaluation schedule to run from January 1 – December 31, a calendar year schedule, rather than on a fiscal year schedule, July 1 – June 30, as it is now

- The Department of Administration originated the DOL with a fiscal year performance evaluation schedule because the DOL was one of the first Departments to utilize the online system
- All other State Departments are on a calendar year schedule
- Mike Honeycutt told State HR that he needed to get approval from the BOL before making such a change because BOL policy states that the evaluations are on a fiscal year schedule
- It was mentioned by the BOL that around Legislative time, if the evaluations were put on a calendar-year schedule, having to do those evaluations along with everything else, would be a painful experience

MOTION/VOTE

9:33 AM

Sue Brown moved to put on the BOL meeting agenda consideration for a BOL policy change regarding changing the dates when the Department of Livestock employee evaluations are done. Brett DeBruycker seconded. The motion passed

9:33 AM – Discussion of Producer Feedback Received During Per Capita Collection Period

Brian Simonson highlighted a couple issues regarding feedback on various topics regarding per capita fee collection:

- Mr. Simonson reported that 14,000 respondents filed their per capita fee and 700 of them did not file online, but called in, had assistance or hard copies
- There was a lot of agitation expressed about how the credit card fee was noted to the people reporting online
 - The DOL then put more information on the website regarding that credit card fee
 - The Department of Revenue is taking that issue and may be instituting something in regards to it during the next per capita cycle
- It was requested to discuss the question of, how do you enforce the per capita requirement, on the next BOL meeting agenda

9:37 AM –RECESS

9:51 AM – RECONVENE

CENTRALIZED SERVICES DIVISION

9:51 AM

9:51 AM – FISCAL BUREAU

9:51 AM – Introduction of New Staff

Brian Simonson reported that the Centralized Services Division has hired an Accounts Receivable person, Kim Hosley, who came to the DOL from the Department of Revenue

9:55 AM – June 2019 Expenditure Projections

Brian Simonson explained the addition of another column in the Budgetary Expense Comparison Report for CSD, The Milk Control Board and in Brands called HB3

Adjustments:

- In CSD, \$58,646 Personal Service dollars were added
- In CSD, the \$190,000 in Other Expenses under Operations was for the Coremark settlement
- In CSD, the total fund increase from HB3 was \$248,646
- In the Milk Control Board, there is a \$7,300 legal augment
- In Brands, to adjust for the 80% market rate increase, there was a Personnel augment of \$325,000

Brian Simonson reported that in the Projected Expense to the Budget Comparison Report, the \$272,548 positive projection at the end of April for the DOL is a turnaround, compared to the previous month, which showed a negative projection of \$97,816

- Under Equipment, the \$44,574 listed is a \$25,000 increase over what was previously recorded due to equipment purchases utilizing the Federal umbrella funds
 - A purchase of a hydraulic chute and a side-by-side utility vehicle were budgeted in operations with the addition of operating expenses, and the BOL approved it after permission was given from the program office
- Personnel has improved around \$50,000 over the last two months because of vacancies that have been hard to fill or emerging vacancies
- The \$272,548 positive number in Total Expenditures is one that will either be spent down or a portion of it carried forward into next year

Mr. Simonson reported that there is going to be some volatility in the VDL because there may be a shortfall in revenues by fiscal year end

- Although the price comparisons relative to out-of-state labs compared to the VDL lab prices has been done, the internal cost structure has not yet been addressed

10:10 AM – April 30, 2019 Budget Status Report

Brian Simonson reported that the DOL is currently 75% expended for payroll and 79% of the payroll is completed

10:11 AM – State Special Revenue Report

- Brian Simonson reported that under the Brand Enforcement Division Special Revenue section, the market inspection fees for the period ending April 30, 2019

are flat for the period, while new brands, rerecord, dealer licenses, local inspection and investment earnings are showing good, positive gains

- In per capita fee collection, in 2018 it was \$2.8 million and currently is \$2.5 million, which is an \$881,000 increase over February's numbers
- Investment earnings are doing well, even with just a conservative short-term investment program in place. Those earnings have nearly doubled compared to last year at this time
- The Milk & Egg Bureau and Animal Health Bureau have no concerns in regards to State Special Revenue
- The VDL shows that it is down \$28,146 compared to last year in State Special Revenue, with nearly \$1.2 million in expected revenue budgeted. Mr. Simonson said he is estimating that by fiscal year end that number to be between \$90,00-\$130,000 short
 - There is a lot of volatility in the VDL, a lot of swings in the number of animals being tested from month to month, and a lot of revenue that had been gained previously has been lost in the last couple of months
 - Mr. Simonson said that things seem to be swinging the other way this month, with numbers up \$17,000 in a month-to-month comparison and he is expecting a big swing in the next couple of months
 - Vice-Chairman Scully said the real issue is the amount of testing work that did not get done and that a report should be put together showing that type of data
 - Dr. Zaluski said that Dr. Juda is currently tracking the number of samples in each of the five sections of the VDL and their turnaround time and that he has compiled around four months of data so far. The plan is to bring the information to the BOL once the data is fully brought together and then a plan can be discussed on what to do about it

10:18 AM – Per Capita Fee Reporting and Collections Update

- Brian Simonson said that on May 8, 2018, 17,389 people had reported per capita. On May 8, 2019, that number of reported per capita is 16,519, down 870 from the previous year
- Although 2019 per capita reports are only at 95% compared to 2018, the dollar amount received is up \$51,368, a 101% increase from 2018 – cattle are up \$15,000 and horses are down \$2,000
- 54,991 horses were reported by May 8, 2018; 52,930 horses were reported by May 8, 2019
- Brett DeBruycker requested that a report be put together of per capita for each type of livestock, for the last 20 years, if possible

10:25 AM – LIVESTOCK LOSS BOARD

- George Edwards reported that 45 depredation claims, for a total of \$26,000, had been paid out since January, compared to three claims paid out last year in the same time period, for a total of \$3,000

- Mr. Edwards has been trying to raise awareness, since the passage of SB133, about the need to pay per capita before receiving a depredation claim payment and what per capita is, for those who do not know. The law comes into effect on October 1, 2019
 - Mr. Edwards has been including information regarding per capita with current claim payments
- Brian Simonson said that since the passage of SB133, the DOL has not yet fleshed out a whole plan regarding the logistics of implementing it with the LLB but, there are plans to tackle that once the entire Legislative cycle has completed

LEGAL COUNSEL UPDATE

10:33 AM

10:33 AM – Update from DOL Legal Counsel, Rob Stutz

- Rob Stutz reported that he had reviewed a conceptual proposal for Dr. Tahnee Szymanski that she would be presenting at this meeting regarding proposed rule changes
- Mr. Stutz has been involved in a number of personnel issues for the DOL, including a grievance
- The DNRC has retained Mr. Stutz as a hearing officer for a conservation district on the Hi-Line, and because of that, he cannot work on a related question that came up in the DOL. To avoid conflict, Legal Counsel Kyle Chenoweth will be working with the DOL to answer any questions regarding the matter
- State Legal Services is closing the Coremark file after more than a decade. Mr. Stutz reported Coremark cashed the case settlement check from the DOL
- K&C Meats
 - A suit was filed against K&C Meats in Missoula last summer, seeking an injunction against production because inspection services had been suspended
 - K&C Meats was reportedly trying to get their business back into a sanitary condition, but the building collapsed under the weight of snow
 - Requests had been made before the collapse for State documents and business records that indicated where the business purchased their meat from, where it was processed and where it was shipped to, and now it is questionable the condition or existence of those records
 - Mr. Stutz reported that he had spoken with their attorney
- S&T Project Meats
 - The petition for judicial review was dismissed
 - S&T Project Meats has filed a claim alleging tort damages and the taking (A taking is a claim not covered by Risk Management and Tort Defense, but settlement come directly from the DOL)
 - A mediation in the case is scheduled for June 6, 2019 in Bozeman

10:39 AM –EXECUTIVE SESSION

11:47 AM – RECONVENE

MOTION/VOTE

11:48 AM

Lila Taylor moved that John Scully be asked to represent the DOL at a mediation for S&T Project Meats in June 2019. Sue Brown seconded. The motion passed.

- Rob Stutz said he had been discussing a number of legal issues with Mike Honeycutt regarding a bill that passed at the Legislature regarding a study of meat inspection laws that came out of the Legislature
 - The study may not have been assigned as of yet, but the bill states that the study must conclude before September 15, 2020

CENTRALIZED SERVICES DIVISION REPORTS CONTINUED

11:51 AM

11:51 AM – PREDATOR CONTROL

Kraig Glazier, USDA Wildlife Services, reported for John Steuber, who was not present:

- TJ Dorval, Wildlife Specialist out of Red Lodge, resigned and was replaced by a gentleman from Wyoming who will start June 10, 2019
- After a petition to the USDA Undersecretary by the Blackfeet Stockgrowers, a Wildlife Specialist was funded and then hired to work on the reservation. Glen Hall, an experienced tribal member who is already in the grizzly bear program, will start on June 1-, 2019
 - The new tribal position will require a lot of equipment to gear up for grizzly bears
 - USDA Wildlife Services is trying to redo the MOU with the Blackfeet since that hire of a Wildlife Specialist on the reservation
- USDA Wildlife Services held a non-lethal workshop at the fairgrounds in Helena on April 24, 2019
 - Discussion was held regarding what Wildlife Services can do for Montana producers on small landscapes and public lands
 - A roundtable discussion was held with Hillary Cooley, Grizzly Bear Coordinator, US Fish & Wildlife Services, FWP and seven producers, several from the Gravellies who were looking at possible ways to stem grizzly bear depredations
- Mr. Glazier reported that there were some producers in the Gravellies who are looking at turning in their grazing permits because they can't withstand the losses

- He reported that in one section of pastures there, producers were averaging one to two percent losses in the last four years on a herd of 1800 cattle, but that number has ramped up to around 15% losses
- Mr. Glazier said that the first grizzly bear depredation of 2019 was on April 20th, followed immediately by 16 or 17 more investigations
 - Six grizzlies have been captured up to this point, compared to two captured last year
- Mountain lion damage has been average so far
- Coyote damage has been down from last year, which was a pretty high year of depredations
- Wolf depredations are down on the take and collar side. Six of them were removed and one collared, compared to last year's numbers of 12 removed and five collared
- Mr. Glazier said he had attended the NCDE meeting a couple weeks ago
 - It was reported at the meeting that on the eastern front there are seven documented grizzly dens on the prairie now and two populations from dispersals. The populations are about 50 miles apart

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS

12:02 PM

12:02 PM – ANIMAL HEALTH BUREAU

12:02 PM – Proposed Changes to Administrative Rules – Alternative Livestock

Dr. Tahnee Szymanski introduced proposed changes to several Administrative Rules regarding Alternative Livestock, with three significant changes:

- Stopping the importation of Cervids into Montana
 - 15 cases of CWD were reported in captive Cervid herds in the US last year, 7 of the herds were CWD-certified
 - One case of a detection of CWD was in a farmed elk in Oklahoma that came from a CWD-certified herd that had been under surveillance for 20 years
 - The rule change would not include Cervids passing through Montana or those being brought from out-of-state directly to an approved slaughter facility in Montana
 - To raise the genetics of current Montana alternative livestock herds, if Cervids are not allowed to be imported into Montana, alternative livestock producers could obtain a bull from another Montana producer or import genetics and use artificial insemination

MOTION/VOTE

12:08 PM

Brett DeBruycker moved to change the Alternative Livestock rules, relative to barring the importation of Cervids into the State of Montana, as presented by Dr. Tahnee Szymanski and publish them for public review. Nina Baucus seconded. The motion passed.

- The second significant change would be to clean up the language in the current Alternative Livestock Administrative Rule so it would be similar to the USDA's CWD program standards, clarifying to Montana Alternative Livestock producers and their veterinarians what the State's expectations are regarding those animals
- The third major change proposed in the Alternative Livestock rules would change the language regarding exported meat coming from a CWD-infected or CWD-trace Alternative Livestock herds. The existing language requires 36 months of restrictions or surveillance on that herd, but the proposed change would be consistent with USDA requirements that say five years
- The BOL requested that the proposed Administrative Rule changes regarding Cervids that had not been voted on, be brought back to the next BOL meeting for consideration

12:17 PM – Request to Hire Brucellosis Compliance Position

Dr. Tahnee Szymanski requested that the BOL approve the hire of a Brucellosis Compliance person:

- The Brucellosis Compliance position was recently vacated when the person in that position became the successful candidate for another position in the DOL
- Dr. Szymanski stressed the importance of this position
 - The person in this position monitors compliance as far as brucellosis testing and vaccination requirements, with the new changes to the 10-county vaccination area
 - The person in this position is ultimately responsible, generating a lot of data that is used, for the Brucellosis Program Review that is coming up

MOTION/VOTE

12:18 PM

Nina Baucus moved to hire the Brucellosis Compliance position in the Animal Health Bureau. Lila Taylor seconded. The motion passed.

12:19 PM – USAHerds Annual Contract Renewal

Dr. Tahnee Szymanski requested that the BOL approve the annual renewal of the USAHerds contract, which expires June 30, 2019:

- It was reported that USAHerds, used by the DOL since 2011, has acquired a new vendor (Acclaim) this year that will provide technical support for the system
- Cost of renewal is the same as last year, with the contract largely verbatim of last year's as well

MOTION/VOTE

12:22 PM

Sue Brown moved to renew the USA Herds contract for another year. Ed Waldner seconded. The motion passed

12:23 PM – Bovine TB Epi Update

Dr. Tahnee Szymanski gave an update on the ongoing Montana Tuberculosis (TB) investigations:

- The largest investigation comes as a result of a detection of Bovine TB in a steer from a South Dakota feedlot in June 2018
 - The lot where that steer came from was an assembled group of around 400 animals, with the source of those animals coming from 99 potential contributors in five states, 17 were from Montana
 - Two of the 17 potential contributors in Montana had no testing requirements
 - Nine of the Montana herds have had their required testing completed. One herd that tested all of their animals had a single CCT suspect. In a post-mortem evaluation, the VDL found no gross lesions. Dr. Smith said he still has a culture pending, but no surprises are expected. NDSL said they found no evidence of TB under the microscope
 - Three herds with just bulls left to test should be completed in 30 days. Two herds will be tested this fall.
 - To date, 2,749 animals have been tested, with around 2,400 left to be tested
- A second investigation comes as a result of a finding of Bovine TB in a steer from a South Dakota feedlot in December 2018
 - Feedlot records indicate that there were three potential contributors, two in South Dakota and one in Montana, Petroleum County
 - The Petroleum County herd is currently under quarantine, pending completion of a negative test. Bulls and heifers were tested last week; cows are scheduled to be tested early in June
- A third investigation comes as a result of a detection of Bovine TB in a cow at slaughter in Nebraska in March 2019:
 - Using information from a Montana ear tag on the animal, the source herd was traced back to a Treasure County premises
 - The Treasure County herd was placed under quarantine and required to undergo a whole herd test. Of the eight animals removed from the herd, the VDL post-mortem evaluation found no evidence of TB. The necropsy and histology results showed no evidence of TB. There are cultures still pending
 - The herd is eligible for a 60-day test starting around May 21, 2019, and if that test is also negative, the herd will be released from quarantine

Concern was raised about a lack of information being given to the general public by the DOL regarding TB investigations being done by the DOL:

- Dr. Szymanski explained that according to Montana code, information regarding investigations is to be confidential, and so DOL policy only identifies premises down to the county level
- Dr. Szymanski said that there is email communication between the DOL and Montana Veterinarians about once a month so they are aware of disease activity in the state, if producers have questions for them

12:35 PM – Proposed Changes to Administrative Rules – Reportable Diseases

Dr. Anna Forseth reported on an update that had been done to the proposed changes in Administrative Rule 32.3.104 Subject Diseases or Conditions, that had originally been presented during the March 1, 2019 BOL meeting:

- Dr. Forseth pointed out that in the handouts, one change not listed was to make Low Pathogenic Avian Influenza quarantinable
- Dr. Zaluski explained that a list of reasons for each disease change was added; some diseases were added because they are on the national reportable disease list and some may be diseases not found in Montana and so they were removed
- Dr. Zaluski explained that Lepto Spirosis was removed from the list even though many continue to vaccinate for it. He said that it is very difficult in Lepto to tell what is a natural infection and what is a titer from vaccination. He added that Lepto really can't be categorized whether it is an infection or not and the DOL wants to be able to provide the service of testing for it, but it is something that is not actionable by the DOL

MOTION/VOTE

12:43 PM

Brett DeBruycker moved to proceed with publication of proposed changes in Administrative Rule 32.3.104, Subject Diseases or Conditions, as presented by Dr. Anna Forseth. Sue Brown seconded. The motion passed.

12:44 PM –LUNCH

1:03 PM – RECONVENE

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS CONTINUED

1:03 PM

1:03 PM – VETERINARY DIAGNOSTIC LAB

1:03 PM – Introduction of Dr. Gregory Juda

Dr. Zaluski introduced Dr. Gregory Juda, who started as the new Director of the Veterinary Diagnostic Lab just 11 days earlier

1:04 PM – NAHLN Equipment Purchase

Dr. Juda explained his request to purchase a piece of equipment for the VDL utilizing current-year NAHLN grant funds:

- Use of NAHLN funds (just over \$90,000) has already been approved for the purchase of the Leica Bond MAX automated immunostainer and cannot be used for any other purpose, and must be expended by the end of June 2019 or they will be lost
- The equipment will be owned by the NAHLN program but the VDL is free to use it for other purposes
- The equipment will allow the VDL to do one of the tests for CWD and will help with the VDL's routine immuno-histo chemical staining

MOTION/VOTE

1:05 PM

Sue Brown moved to allow the purchase of the NAHLN-funded immuno-stainer for the VDL. Brett DeBruycker seconded. The motion passed.

1:05 PM – BOL Discussion with Dr. Juda

The BOL had several questions for newly hired VDL Director, Dr. Gregory Juda:

- Dr. Juda explained to the BOL that he was a PhD and that he had human tissue banking experience
- Dr. Zaluski explained that Dr. Juda is the VDL's first full-time Lab Director that is not splitting management duties with clinical obligations. He said that Dr. Juda's focus will be on operational efficiencies, looking at how to gain clients, increase the user base and serve the needs of Montana veterinarians

BRANDS ENFORCEMENT DIVISION REPORTS

1:10 PM

1:10 PM – Request to Hire Administrative Support/Supervisor

Leslie Doely brought back to the BOL the request to hire an Administrative Support/Supervisor for the floor in the Helena office:

- Ms. Doely reported that she has a total of 11 DOL staff who report directly to her and she would assign the Administrative Support/Supervisor the duty of supervising the Compliance Technicians, a total of six staff
- Salary for the Administrative Support/Supervisor would be raised from the previous salary of \$19.89/hour to an additional \$3.50 more/hour
- Ms. Doely reported that the FTE is already in the budget, but the salary is not
- The position has been vacant since December 31, 2016

MOTION/VOTE

1:24 PM

Brett DeBruycker moved to approve the hire of an Administrative Support/Supervisor in the Brands Enforcement Division, as presented by Leslie Doely. Ed Waldner seconded. Nina Baucus voted no. The motion passed.

ANIMAL HEALTH & FOOD SAFETY DIVISION CONTINUED

1:26 PM

1:26 PM – MILK & EGG BUREAU

- Dan Turcotte reported that he had attended the National Conference of Interstate Milk Shipments (NCIMS) meeting in St. Louis
 - 401 attended the meeting, 79% of them were industry people
 - Purpose of the NCIMS meeting was to rewrite the Pasteurized Milk Ordinance (PMO)
 - Mr. Turcotte reported there were no major changes made in the new PMO
 - Although the Europeans use a 400,000 somatic cell count for milk pasteurization, the PMO for US pasteurized milk has stayed at 750,000
- The tetracycline pilot program last year only netted 6 positives out of 304,000 samples. So, another pilot drug test is being suggested for Genomycin
- Due to a Washington processor having problems relative to ARM 32.8.205 regarding placement of the dual dating on milk, there will be some changes made in that rule
- With the addition of several new flocks coming into the Montana Egg Plant, it is estimated the plant will be up to 1.21 million eggs/day by the end of December, with an additional 100,000 birds set to come in January of 2020
 - Although Mr. Turcotte is uncertain how much of the egg processing will stay in Great Falls and how much will be shipped to Washington, the additional flocks will require 65 hours of processing time/week to accomplish it
- Alex Dachs is the new Inspector hired out of Great Falls that, after training and testing, will split his role between milk and dairy, becoming the supervisor of the egg grading at the Great Falls plant
- Mr. Turcotte reported that dairies are slowly going down in numbers, currently, with 50 pooled areas and three non-pooled cow dairies. That does not count sheep and goat dairies

CENTRALIZED SERVICES DIVISION CONTINUED

1:34 PM

1:34 PM – FISCAL BUREAU

1:34 PM – Non-Exempt Comp Time Payout

Brian Simonson reported that he was going to give the BOL two proposals of what to do with some end-of-year money from carryforward and HB3, a total of about \$227,000:

- To bring the DOL in compliance with its own personnel policy, Mr. Simonson offered that any employee accrued comp time over 120 hours be paid out now, at a total of \$56,715, and then continue to do payouts quarterly, semi-annually, or annually, as is done in other Departments
- Evan Waters reported that currently, the DOL is well within the State's statutory ceiling of accumulated comp time of 240 hours, but auditors are looking at the DOL policy and seeing that it is not in compliance with its own policy of 120 hours

MOTION/VOTE

1:39 PM

Lila Taylor moved to pay out excess comp time to DOL employees, to scale their comp time hours down to 120, and continue the payouts at a set time, to be decided, contingent upon resource availability, to keep employees' comp time hours at no more than the 120-hour DOL policy limit. Employees whose hours exceed 40/week seasonally, must spend down those hours to the 120-hour limit, within the year they are accrued. Brett DeBruycker seconded. The motion passed.

Brian Simonson shared his second proposal of how to spend excess money or authority down before Fiscal Year end:

- Mr. Simonson presented a list of six proposals to the BOL, five from the VDL and one from the Brands Enforcement Division, each costing more than \$5,000, for the BOL to give tentative approval to, based on funding availability
 - Dr. Zaluski added that HB3 would allow the VDL to address some infrastructure and improvement projects that had been left on the back burner
 - Concern was raised by the BOL that funding each of the six proposed items with HB3 money would not be utilizing it as it was presented to the Legislature, from a personnel standpoint to cover the DOL's loss
 - Vice-Chair Scully said because of Legislative audit issues, he could support three of the requests now and leave the others for a later time

MOTION/VOTE

1:56 PM

Sue Brown moved to approve a gravel upgrade of the VDL parking lot with a \$5500 cost ceiling, repair of the VDL's incinerator floor with a \$30,000 cost ceiling, and the VADDS implementation for \$10K. Brett DeBruycker seconded. The motion passed.

2:00 PM – Information Technology’s Livestock Unified Application (HB10) Update

The BOL discussed a 30-page document, primarily authored by Dan Olson, that will be edited and then presented to Procurement at the Department of Administration, to start the RFP process relative to the HB10 funding received during the 2019 Legislative Session for DOL IT applications:

- Brian Simonson said the document contains details on goals, key assumptions, requirements, priorities, training and ongoing costs per section, but it still needs performance parameters and penalties and other details added to assure vendors stay on task
- Concern was raised because there had not been a discussion with the BOL regarding the likely outcomes for the spending of the \$1.2 million HB10 monies or that BOL members had even read Dan Olson’s 30-page document or the original document that was sent during the Legislative Session to the BOL regarding the IT plan
- It was requested by the BOL that Mr. Simonson and Mr. Olson go through by Bureau and list the outcomes, the who, where and how it will change the productivity of daily functions for each Bureau that will receive IT services utilizing the IT funds from HB10
- The BOL also requested that part of the list break down how the HB10 funds will affect current vendors
- Mr. Scully requested that the 30-page document be taken over to the Department of Administration to see how it fits, get any needed amendments to it and then bring it back to the BOL for discussion

COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS/COMMENTS FROM PRODUCER ORGANIZATIONS

2:13 PM

No comments from the public were made at this time

SET DATE FOR NEXT BOARD MEETING

2:14 PM

It was decided by the BOL to schedule their next meeting for Monday, June 24, 2019

MOTION/VOTE

2:18 PM

Lila Taylor moved to adjourn the BOL meeting. Nina Baucus seconded. The motion passed.

MEETING ADJOURNED
2:18PM

John Scully, Vice-Chairman