



Montana Board of Livestock Meeting Minutes

September 26, 2017

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

Board Members Present

John Lehfeldt, Chairman (sheep producer)

John Scully, Vice-chair (cattle producer)

Lila Taylor (cattle producer)

Nina Baucus (cattle producer)

Sue Brown (dairy and poultry)

Brett DeBruycker (cattle producer)

Ed Waldner (swine producer) was not present

Staff Present

Mike Honeycutt, EO

Gary Hamel, Meat & Poultry Bureau

George Edwards, Livestock Loss Board

Evan Waters, Centralized Services

Leslie Doely, Brands Enforcement Division

Donna Wilham, Adm. Asst. to EO

Dr. Tahnee Szymanski, Animal Health

Dr. Eric Liska, Animal Health

Dr. Steve Smith, Diagnostic Laboratory

Dan Turcotte, Milk & Egg Bureau

Public Present

Kraig Glazier, USDA Wildlife Services

Les Graham, MALAM

Krista Lee Evans, MT Milk Producers Assn.

Maggie Nutter, Marias River Livestock Assn.

Brian Engle, Pioneer Meats

Shane Flowers, S&T Project Meats

Tanya Flowers, S&T Project Meats

Rob Stutz, Legal Services Division

MEETING CALLED TO ORDER

7:59 AM

Chairman John Lehfeldt called the meeting to order at 7:59 AM

APPROVAL OF BOL CONSENT AGENDA ITEMS

8:00 AM

Mike Honeycutt explained that consent agenda items are approved by the BOL at the beginning of the meeting without discussion. But, if discussion is needed, one BOL member can make that request and it will be taken out and moved into the appropriate place on the agenda

MOTION/VOTE

8:02 AM

Lila Taylor moved to approve the consent agenda, which included minutes from the August 30, 2017 meeting, minutes from the September 12, 2017 conference call, two travel requests from Animal Health and Food Safety Division (FADD Refresher Course, Emergency Preparedness Exercise) and two travel requests from the Brands Enforcement Division (Western States Livestock Investigators Association, International Livestock ID Association Conference) be approved. Nina Baucus seconded. John Scully voted nay. The motion passed

OLD BUSINESS

8:04 AM

8:04 AM - Meat and Poultry Inspection Process Improvement Committee Report

John Scully discussed events during the first meeting of the Meat and Poultry Inspection Process Improvement Committee, attended by himself, Lila Taylor, Mike Honeycutt, Sue Brown and Shane and Tanya Flowers, S&T Project Meats, Brian Engle, Pioneer Meats and Darcy Dahl, Montana Meat Processors Union:

- Mr. Scully said the high points of the letter Brian Engle had previously sent to the DOL were discussed
- The role of science, mentioned in Brian Engle's letter to the DOL, will be discussed at the committee's next meeting scheduled for October 25, 2017
- Lila Taylor said that the information shared at the meeting on employees and how to handle them by Darcy Dahl was helpful
- Shane Flowers expressed appreciation to the BOL for giving the committee and the industry the opportunity to be heard

Mike Honeycutt discussed items to be completed before the next committee meeting and items the DOL continues to work on regarding meat inspection and recalls:

- The appeals process was written out by Rob Stutz, DOL legal counsel, and was set for legal review at today's meeting
 - If the BOL approves the appeals process, it will need to be adopted within administrative rule
- The DOL is working to establish better written policies and procedures regarding meat inspection and recalls
 - FSIS documents regarding recall processes will be combined with State terminology to formulate policies. This will be worked on by members of the committee
- A priority is to assure that State policy information on meat inspection and recalls is made available for the public
- FSIS was questioned regarding training and reported that they would work at providing training for DOL employees and establishments as well

8:14 AM - Legislative Audit Updates

Lab Performance Audit Update

Mike Honeycutt gave an update on the DOL's activities in fulfilling recommendations of the Lab Performance Audit:

- Mr. Honeycutt will submit a DOL activities report in fulfilling audit recommendations to the Legislative Audit Committee on September 27, 2017
- One item still not fulfilled as of yet are the audit's recommendations regarding the VDL facility
 - The HB661 Study Committee is still working on a solution for the VDL facility issues
 - A cost analysis was completed for the VDL and will be done on an annual basis
 - A goal of the DOL is to keep the level of per capita fund for the VDL stable and significant into the future and not reduce it in favor of general fund or other fund options
- The VADDS/USAHerds interface is finally completed

Brucellosis Performance Audit Update

Mike Honeycutt reported that Dr. Liska has continued to work on fulfilling the recommendations of the Brucellosis Performance Audit:

- Several things have been done to address the real time communication compliance issue
 - Dr. Liska has held a number of local meetings and met with local inspectors to put a process into place for them to have real time communication when inspecting movements in and out of the DSA
- Mr. Honeycutt requested the BOL consider whether the DOL should seek a legislative change in the next session that would give the DOL ability to stop movement out of the DSA based on an animal health purpose to meet compliance of the audit
 - Changing the legislation on movement would give local and staff inspectors the ability to deny inspection if the paperwork is not proper, if they could not prove ownership and testing could not be verified.
 - It is a misdemeanor penalty for moving cattle out of the DSA without a test
 - It was suggested that a printed document be compiled for producers that would list requirements of moving cattle out of the DSA and penalties if they do not follow them. These could be distributed by local inspectors
 - One concern was that local inspectors cannot deny an inspection for animal health reasons, they can only deny an inspection for lack of proof of ownership reasons
- The DOL has a well-established process for communicating lethal removal of bison
 - The DOL consults with FWP on lethal removal of bison
 - Field staff has been asked to improve reporting on events leading up to a lethal bison removal
- The BOL was asked to consider whether or not they would like the DOL staff to do research on what it would actually cost or what it would entail to have staff cover weekend movements out of the DSA

8:33 AM - Personnel Committee Update

Deputy Executive Officer Position Description

Brett DeBruycker reported that he and Mike Honeycutt had met to discuss and outline the job description for the Deputy EO position. The first draft of that job description was forwarded to other members of the Personnel Committee, John Lehfeldt and Lila Taylor:

- There was discussion of how the job description for the Deputy EO position had changed from what was originally discussed, a Manager for the VDL, to a Budget Officer position with an understanding of agriculture
 - Reasons given for the Deputy EO to have an understanding of agricultural programs is because of the DOL's connection with USDA-APHIS, USDA-FSIS and the FDA
- There was a concern that the Deputy EO position is being written up as a classified employee and if that person would ever step into the Executive EO position, that is an at-will employee position
- Needs expressed for the position would go beyond a Chief Financial Officer (CFO) role and should include an operational and technical analysis role as well, which would move the pay from the \$25-\$35/hour range to the \$40-\$45/hour range
- There was discussion regarding changing the title from Deputy Executive Officer to another title
- The BOL took no action on the subject but decided to wait until the next meeting to give them time to review the draft job description and make a decision that would be good for this board and for future boards

8:55 AM - Brand Conflict Policy Research Update

Lila Taylor reported on a letter received from William Almy on July 17, 2017 requesting the reinstatement of a family brand. Mr. Almy had originally spoken to Ms. Taylor regarding the same issue in the Fall of 2016:

- In searching through archived BOL minutes, neither Lila Taylor or Nina Baucus had found any specific instance where the BOL took action on issues that put into place the current brand conflict policies
- In 1989 a brand was re-instated by the BOL to a Mr. Ehlers
 - Les Graham said that when he was the EO of the DOL starting in the 70s that a loophole was always left to industry if a staff member refused to give them a brand, where they could petition the BOL as a last resort
- It was suggested that staff contact the Secretary of State's office to review archived records for any background on rules or statutes having to do with brand conflicts and bring that information to the next BOL meeting
- Mike Honeycutt encouraged the BOL to take action, if no record of policy on brands conflicts is found, and establish a brands conflict policy to give direction for any future situations that may arise
- It was requested that a hearing be set up at the next BOL meeting for Mr. Almy to plead his case

9:21 AM – Update on DOL Involvement in HB661 – Combined Lab Complex Study Committee

Mike Honeycutt reported that Dr. Zaluski helped arrange lab tours in Bozeman at the end of August for the Legislative Lab Study Committee (made up of members from the Environmental Quality Council, Economic Affairs Committee and Finance Interim Committee):

- Bozeman labs toured included hospital labs, some private labs and labs that may be part of the proposed Combined Lab Complex
- Both Nina Baucus and Lila Taylor have been asked to attend a Wool Lab Committee meeting on October 2, 2017 in Bozeman that will be attended by MSU President Waded Cruzado

The BOL discussed some concerns about the proposed Combined Lab Complex: Financial concerns were raised that included the ability of the DOL to help finance the building of the complex if the Legislature were not able to fund the entire project

- If the current lab building is condemned or the DOL loses its lease, what would the response from the Department be?
- If the DOL would decide to continue operation of the Lab, where would they move it to?
- Would current tests run at the Lab, both veterinary and milk be outsourced?
- How would responsibilities to the industry be handled?

9:30 AM – Update and Action on Market Operation – Change Request from BLS/PAYS

Leslie Doely reported that per BOL request, a hearing was held in Billings regarding a request to change cattle market sales days at BLS and PAYS:

- John Scully recused himself from any action taken by the BOL regarding the situation because of his close relationship with the Goggins, his being related to Mary Olson and because of his interest in the survival of Headwaters Livestock sales yard, being in his geographic location
- Pros and cons of the proposed market sales day changes at BLS and PAYS were given to the BOL
 - Headwaters Livestock Auction barn was an opponent of the change, saying that it would cause hardship on their business
- The BOL discussed the responsibility of the BOL regarding the markets according to MCA statute 81.8.231
 - Some BOL members felt that the statute holds the BOL to a responsibility of managing the market sale days for what is best for the industry as a whole, not just an individual auction barn
 - There was discussion that the BOL does not have the right to regulate competition between the markets
- Les Graham, MALAM, said when an auction barn changes hands, a market is approved under the ownership clause and the sale date is built into that overall operational approval

MOTION/VOTE

9:36 AM

Brett DeBruycker moved to accept change in sales days at BLS and PAYS. No second. The motion died.

Pending a legal review, the BOL decided to take no action at this time on the proposed sales days changes at BLS and PAYS

RECESS

9:58 AM

RECONVENE

10:17 AM

MOTION/VOTE

10:17 AM

Nina Baucus moved that the August 30 minutes be set aside until next meeting for approval. Lila Taylor seconded. The motion passed.

NEW BUSINESS:

10:19 AM

10:19 AM - Follow Up on Agency Oversight Report to Economic Affairs Interim Committee

Mike Honeycutt discussed subject matter of the report he and John Scully gave to the Economic Affairs Committee earlier in September:

- Livestock Loss Board challenges in the future
 - The USDA-APHIS-WS budget has been affected by continuing resolutions that may affect the speed in processing predation claims
- Milk Control Bureau updates
 - Milk Control's RFP and their study to look at pricing and adjusting their formulas
- Animal Health disease issues addressed during the past year
 - Brucellosis and the DSA - Problems with tests and policies
 - Current status of the TB investigation in South Dakota
- Milk and Egg Bureau's new egg plant in Great Falls and its affect on service
- Meat and Poultry Inspection Bureau issues of the past few months – discussed at length, but informed the Committee that the DOL is working with an industry committee to assess how to move forward
- Budgetary status of the DOL, particularly the 10% budget cut requested by the Governor
- DOL responses to the Legislative audits

- Reported that the DOL had provided regulatory assistance rather than financial assistance for those affected by this year's wildfires

Brian Engle, Pioneer Meats, reported that during that same meeting with the Economic Affairs Committee, he discussed with legislators present about the steering advisory committee made up of meat processors and BOL members:

- Mr. Engle questioned the BOL for the need of having two compliance officers traveling together during inspections
 - Mr. Honeycutt said the reason for having two was that one was still on his probationary period

10:26 am - Update on Bison meetings with YNP, APHIS and Fort Peck

Mike Honeycutt reported on a meeting he and Dr. Marty Zaluski had attended this past week with Yellowstone National Park, the Assistant Deputy Secretary of the US Department of Interior, Dr. Jack Shearer, Chief Veterinary Medical Officer of the USDA, Assiniboine Tribe of the Fort Peck Reservation, and the Director of Operations and lead researcher for Colorado State University (CSU):

- The meeting was to establish amenable collaborative solutions to transport disease-free bison from Yellowstone National Park to the Tribes
 - A comment was made to Mr. Honeycutt and Dr. Zaluski at the meeting that the group present was open to working towards proactive solutions, but not ones that would require the State of Montana to violate its state law
- Parts of the group toured the Corwin Springs and Stephen's Creek bison quarantine facilities
- CSU expressed an interest in continuing their embryo washing research to produce brucellosis-free bison, but to move that research to Montana, possibly to the Corwin Springs facility or to the Fort Peck facility.
 - CSU hopes to bring the Fort Peck Tribe on board to help manage the embryo transfer research and quarantine management
 - Efficiency rate of embryo washing research so far has been somewhere between 10%-30%

10:42 am – Review and Potential Approval of Montana Beef Council Contract Renewal

Mike Honeycutt explained some proposed language changes he had made in the new contract the DOL has with the Montana Beef Council. The current contract expires on September 30, 2017:

- In Section 4 titled "Audit," language would be inserted that would indemnify the DOL from monetary charges resulting from any audit of the Montana Beef Council, otherwise the contract language remains the same
- John Scully requested that in addition to Mr. Honeycutt's suggested language changes, to also insert "required production of any documents"
- Language changes for the next contract would need to be approved both by the BOL and the Montana Beef Council's board

MOTION/VOTE

10:47 AM

John Scully moved to accept the language and agreement of the Montana Beef Council, based on what was presented. Lila Taylor seconded. The motion passed.

10:51 am – Set the Date for the Next BOL Meeting

With the agenda being ahead of schedule, the BOL made a decision to discuss when to set the date for the next BOL meeting while waiting for Rob Stutz to arrive for his presentation:

- The BOL set the date of the next BOL meeting for Tuesday, October 24, 2017 at the DOL Conference Room

10:58 am – Legal Issue Review

- Rob Stutz, legal counsel for the DOL, handed out a copy of an appeals guidelines policy document based on the federal guideline that FSIS put together, for the BOL's review and discussion, not as a proposed rule, but to possibly adopt the guidelines as a policy right now and then proceed forward with a rule at a later time:
- Concerns were raised by the BOL that the industry had not had enough time to review the document for public comment and so it was decided to adopt the document as a policy and amend it, with the intent of future rulemaking if the industry input was positive at the next BOL meeting

MOTION/VOTE

11:05 AM

John Scully moved to adopt the policy guidelines presented by Rob Stutz contingent upon a receipt of input from the industry and review of these policies at the October 24, 2017 BOL meeting. Nina Baucus seconded. Motion was withdrawn by John Scully at 11:38 am

Mr. Stutz explained that he had already changed language in the FSIS guidelines to better match up with the State guidelines.

- Who may appeal:
- Mr. Stutz drafted language that the process as drafted requires an attorney at some level rather than self representation:
- Corporations, unlike individuals, must speak through a representative in court. A business that is a sole proprietorship is considered as an individual
- Mr. Stutz pointed out that the language in the FSIS guidelines requires written explanations at each level of the appeals process where the Federal guidelines only strongly encourage them

- FSIS guidelines require that all appeals go through the EO to make sure they get distributed to the right person
- Mr. Stutz pointed out that under both the federal guidelines and the proposed state guidelines, there is no specific timelines for appeals responses

Mr. Stutz explained that although a recall and a detention may look similar because a product is returned from commerce, a recall is a voluntary decision by the business and a detention is an agency decision. Both have two different legal bases

- Mr. Stutz said he would research a question that arose as to whether or not there is a Federal rule that allows a business 48 hours to appeal a recall

EXECUTIVE SESSION

11:39 AM

RECONVENE

12:10 PM

LUNCH

12:10 PM

RECONVENE

12:42 PM

CENTRALIZED SERVICES DIVISION REPORTS:

12:42 PM

12:42 PM – Livestock Loss Board

Livestock Loss Producer Claims Update

George Edwards reported that predation numbers have started to jump very fast in the last two weeks:

- \$10,000 in predation claims went out last week
- To this point, \$95,000 in claims have been paid for 107 head
- Numbers reported are still from June and July

Mr. Edwards reported that some very high dollar claims have been paid and some are still to come:

- 10 head of registered stock valued at \$5,000/head were killed by Dupuyer last week
- Some ranchers down in the Harrison area have already been paid for high dollar stock losses, but more claims will be coming from that

Update on Upcoming LLB Board Meeting

Mr. Edwards reported that their next LLB Board meeting is on Thursday, September 28, 2017

- LLB Board plans to work on issuing out grants at the meeting

- LLB has \$100,000 in federal funds that is restricted to wolf only and \$49,000 that can be used for grizzly and wolf
- Mr. Edwards said that most of the grantees only applied for grizzly money
- At the last LLB meeting on August 1, 2017, LLB provided \$30,000 in additional roll over funds to Wildlife Services (WS) to help fund investigations, primarily grizzly bears

General Updates

Mr. Edwards reported that there are a large number of claims coming in and that a lot of dollars will be going out this fall to cover predations

The upcoming EQC meeting on September 28, 2017 will be discussing grizzly bear delisting at the same time the LLB meeting is being held.

- Other subjects covered at the EQC meeting of interest to the DOL will be bison and brucellosis topics and some Fish and Wildlife activities

Mr. Edwards reminded the BOL that starting Saturday October 1st if a producer loses livestock under our board to mountain lions, they are covered due to 2017 Legislative action

- Representative Shaw made it very clear during the Legislative discussion on the topic that grizzly bear and wolf predation payments would be addressed before mountain lion claims
- The LLB plans to discuss whether or not to roll over any mountain lion claims not paid over into the next fiscal year

12:54 PM – Predator Control

Update on activities of USDA Wildlife Services as Cooperative Partner

Kraig Glazier spoke for John Steuber who was not present at the meeting:

- The Australian Wild Dog Coordinator presented at WS training held in Red Lodge at the end of August and also met with several producers in the area
- Depredation numbers for WS federal fiscal year are being finalized and will be presented at the next BOL meeting.
- Grizzly bear numbers have skyrocketed this year
- WS personnel have arrived on the scene finding dozens of grizzlies on a property actively feeding on livestock, making it difficult to confirm which one killed the animal
- Glazier said that Montana FWP has withheld some wolf work funding from WS this year that had been channeled to them from the Rocky Mountain Elk Foundation

Discussion about raising Sheep Petition Per Head Cost

Kraig Glazier and the BOL discussed sheep petitions and the possibility of raising the per head cost:

- County petitions are initiated and set by the producers in that county
- County petitions, by law, must be spent in the county for organized predator control
- John Lehfeldt voiced his desire to raise the sheep petition from 50 cents/head to \$1.00/head
- The BOL decided to wait until the October BOL meeting to discuss the situation in more detail and put something together

1:15 PM – Milk Control Bureau

Chad Lee reported on general updates at the Milk Control Bureau:

- Update on the Milk Control Study
 - The study will start in late November early December. The target time for a draft report from that is mid- to late-March.
- Board of Milk Control's position on changes in Montana's Class 3 price formulas
 - At the August 31st Board of Milk Control meeting the Board voted to table the adopted Class 3 price formulas until it receives the draft report
- Mr. Lee gave an Out-of-State travel report for his attendance at the International Association of Milk Control Agencies last week
 - Of the 60 people in attendance, all of the provinces were represented, along with some other states which have milk market regulators, plus public market regulators
 - Meeting topics included Industry statistics, international trade, global, domestic and economic trends, major policies and activities of the national regulators
 - Mr. Lee did find out that Montana is in a nice position operationally compared to many of the other milk control regulators because many of them are facing generational and transition and succession issues that Montana has already worked through

1:24 PM – Fiscal Bureau Reports

Per Capital Fee Rate Scenarios

Evan Waters reported that he had compiled several scenarios showing how increasing per capita fee rates to raise to the maximum of \$308,000 in increased revenues would affect each species of animals currently taxed:

- Scenario One
 - The 6% across-the-board increase would raise cattle per capita fees by 14 cents/head
- Scenario Two
 - Increasing per capita by 2% on cattle would increase all other species by around 18%
- Scenario Three

- Increasing cattle per capita by 1% would cause all other species per capita rates to increase by 28%
- Mr. Waters calculations show that the DOL will not be short on per capita fee appropriations for the next couple of years if the fees remain the same

MOTION/VOTE

1:28 PM

John Scully moved to accept the recommendation to not increase per capita fee rates at this time. Lila Taylor seconded. Motion passed.

10% Reduction in General Fund Appropriation Authority

Evan Waters reported on how the Governor's recent request that every department across the state decrease general fund appropriations by 10% would affect the DOL

- A 10% general fund reduction for the DOL would decrease general fund revenues in the DOL by \$250,000 for the next biennium, a 2% cut in the entire DOL budget
- More discussion is needed with George Edwards of the Livestock Loss Board to decide where best to decrease their budget
- The DSA would lose about \$83,000
- The VDL cut would be more than a 10% cut because of the inclusion of both the Milk Lab and Diagnostic Lab
- The Meat and Poultry Inspection Bureau could get a double hit, not only losing \$91,000, but the Federal match funding as well
- Options to consider to make up areas in the DOL budget include transfer of per capita from one program to another within the DSA and LLB budgets or utilize cash authority
- If Fall Run numbers deplete the February head count it would have to be a significant change to harm the per capita budget
- There was discussion by the BOL to look into charging per capita fee on those cattle coming from out-of-state that graze in Montana for less than a year period of time

Request to Hire Federal Grants/Special Projects Accountant

Evan Waters made a request to the BOL to allow some changes to the job description of the Federal Grants/Special Projects Accountant position that was currently vacant:

- Position would still require responsibility for Federal grants for the DOL
- Additional duties would include financial analyses and expense allocations
- Person would work with Evan Waters but would be under the chain of command of the Deputy EO
- Position does not require a CPA, but a bachelor's degree in accounting

MOTION/VOTE

1:51 PM

Brett DeBruycker moved to change the job description for the Federal Grants/Special Projects Accountant position as presented by Evan Waters. John Scully seconded. The motion passed

Final Budget Updates

Mike Honeycutt reported that the first three months of this current fiscal year have been unusual due to the way HB2 was passed with several footnotes:

- Budgets are set at the operational level and are a little more in flux than usual at this time of year

Evan Waters addressed the reasons CSD's personal expenses are considerably down:

- Retirement payout of the previous EO made one of the largest differences in personal services
- Rent is 2x the amount of last year
 - This year, expenses will be recorded in the month that they occur, not just in CSD, but also in each division and bureau
- State computer replacements for the entire DOL are charged to CSD
 - CSD is working on how to change tracking of those computer expenses

John Scully reported to the BOL that at the September meeting of the Meat Committee, Mike Honeycutt used his personal credit card to pay for lunch for three BOL members and two DOL staff and requested that the BOL reimburse him :

MOTION/VOTE

1:59 PM

John Scully moved to reimburse Mike Honeycutt for the lunch he bought for three BOL members and two DOL staff during the September Meat Committee meeting. Lila Taylor seconded. The motion passed.

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS:

2:02 PM

2:02 PM – Milk and Egg Bureau

Dan Turcotte reported that the open house for the new Wilcox egg plant in Great Falls was held on September 11, 2017

- Around 300 people attended the open house
- Regional USDA poultry officials, national shell egg officials and the regional federal/state supervisor that works with Milk & Egg Bureau staff all were in attendance

- Machine efficiency has increased egg processing capability from 170 cases an hour to a 530 cases an hour, which hopefully will decrease processing days from six 10-12 hour days down to four 10-hour days
 - Extra shielded egg staff needed at the plant would be paid for by industry “fee for service” dollars

Mr. Turcotte gave other updates for the Milk and Egg Bureau

- USDA officials, the federal/state supervisor, the western director for the Poultry and Meat Division and the FDA visited egg plants around the state
 - Some of those officials talked with DOL staff regarding adding another shielded egg plant that open the door to shipping eggs into Canada
- The regional milk safety specialist did check ratings at Meadow Gold Great Falls, on a Gallatin Valley producer group for Darigold, and did a general overall review of the program at the Helena office. Although the written reports haven't been completed, all verbal reports were very positive
- Roy Hall will complete United Egg Producer animal welfare audits by mid-October

2:12 PM – Meat and Poultry Inspection Bureau

Meat Inspection Training Report

Gary Hamel explained that intensified training has already begun, part of his correction action plan for the audit recommendation stating that all meat inspection staff needed training:

- Montana Meat & Poultry Inspection staff were assigned FSIS 5000.1 Revision 5 for training and have read and signed the documents stating they are ready to implement the cause of the directive. This was implemented and completed on June 9, 2017
- On August 1-3, 2017, supervisors, office staff, compliance staff and EIAO were trained in sanitation, HACCP, poultry/jerky establishment regulator relations and Food Safety Assessments
- Two inspection courses, one on September 25, 2017 in Bozeman and one on October 2, 2017 in Missoula address regulatory requirements for sanitation, plant inter-relations interactions and vulnerabilities
- Finally, FSIS will conduct comprehensive training for inspectors October 30 – November 3, 2017
- During the comprehensive inspector training there will only be limited inspection services available

Mr. Hamel said that he has spoken to FSIS regarding them conducting outreach training on topics requested by the industry:

- Mr. Hamel intends to reach out to the Montana Meat Processors Association to obtain input on the type of training that the meat processors would like to see
- Once that process is completed, Mr. Hamel plans to work with FSIS to develop a curriculum, set up times and a location for the training
- It was suggested that a wider audience could be reached if the training was held during the Montana Meat Processors Association meeting in April

- Shane Flowers commented that what he and Brian Engle were looking for from the DOL at their facilities is communication and professionalism from inspectors even moreso than FSIS training for industry
- More written communication from DOL staff to establishments was discussed to help alleviate problems

2:24 PM – Animal Health Bureau

Request to Hire a Staff Veterinarian for the Animal Health Bureau

Tahnee Szymanski revisited the request to hire a fourth veterinarian in the Animal Health Bureau, a position that would be funded through USDA cooperative agreement umbrella funds. Work load for the position would be divided up into:

- 40% Emergency Preparedness
 - Emergency preparedness has been done piecemeal over the past two years
 - The DOL has been asked to be part of some major statewide initiatives and coordinated efforts by the Department of Emergency Services and The Department of Health and Human Services regarding emergency planning, services and foreign animal disease outbreak. Compliance in these areas could affect the release of Federal funding
 - Coordinate a plan in case of a large-scale AI or Zoonotic outbreak utilizing the National Veterinary Stockpile Plan and Animal Health Disease Response Plan
 - Position would provide extra field staff for the incident command system
- 35% Animal Health
 - This would include coordination of Avian Influenza and zoonotic disease surveillance
- 25% Meat Inspection and Milk and Egg
 - Help assure food safety in the Animal Health and Food Safety Division by providing technical guidance in the Meat Inspection Bureau and the Milk and Egg Bureau (HACCP Plans and Public Safety Standards)
- Questions arose from the BOL regarding whether the position would be better filled by a microbiologist rather than a veterinarian
- Because the position would be funded with Federal funds, questions arose from the BOL regarding whether the position should be hired as a classified employee or as modified staff

MOTION/VOTE

2:33 PM

Brett DeBruycker moved to hire a fourth veterinarian in the Animal Health and Food Safety Division. Sue Brown seconded. Brett DeBruycker voted aye. The rest of the BOL voted nay. The motion failed.

Update on Planned Outreach Regarding Calfhod Vaccination

Dr. Eric Liska requested input from the BOL on proposed dates and venues for the Statewide Calfhood Vaccination Requirement listening sessions. The last time these sessions were held was in 2010:

- Three Forks, Billings, Miles City, Glendive, Glasgow sessions would be scheduled for October 23-27, 2017
- Great Falls and Missoula sessions would be scheduled for November 6-7, 2017

Dr. Liska gave a run down on subjects he wants to cover at each listening session:

- Question producers on how they feel about a requirement for vaccination statewide
- Ask if producers feel like every calf born in the State of Montana, or every heifer, every female born in the State of Montana should be vaccinated or do they just want to vaccinate replacement or breeding females and if there needs to be a requirement
- Lila Taylor requested that it be made known to producers that DSA producers are already required to vaccinate

MOTION/VOTE

3:44 PM

John Scully moved that the BOL allow Dr. Liska, the BOL Chairman and Mike Honeycutt to be able to alter the Calfhood Vaccination Listening Sessions schedule as presented by Dr. Liska, based upon info they may or will have going forward. Lila Taylor seconded. The motion passed.

Brucellosis Update

Dr. Eric Liska updated the BOL on brucellosis activities in the Department:

- The 2016 herd continues to be monitored and remains under quarantine
 - An additional animal is being held for additional testing that is a potential new exposure, that has tested barely in the positive range
 - The herd is building, but calves remain on the property for now
- The 2017 herd remains under quarantine
 - The two animals from that herd that were reported serologically positive at the August BOL meeting were taken to slaughter and tissues taken to culture just a week ago
- That herd has completed their initial entire herd test and three animals were found. And so, a second entire herd test will begin in January when they normally get their scours vaccine
- Currently, the DOL has narrowed the impact to neighboring cattle herds to about three herds.

RECESS

3:29 PM

RECONVENE

3:44 PM

4:12 PM - Veterinary Diagnostic Lab

General Updates

Dr. Steve Smith spoke as acting director of the VDL in Dr. Layton's absence:

- Dr. Smith said that emergency management at the VDL is a subject that has not been fully fleshed out yet but has been discussed and will be a priority in the future
 - An in-process document that involves continuation of operations is in place in case something catastrophic, such as the entire facility goes down at the Marsh Lab
 - Cooperative agreements, such as subcontracting out to other labs in case of an emergency situation occurs will need to be worked out
- Dr. Smith reported that a decision has been made to send one less person to AAVLD, and that he and Quality Manager Tess Moore will be the only ones attending this year's event

Accreditation Overview

Dr. Steve Smith said that he felt that the AAVLD Accreditation that took place at the Lab at the end of August went well:

- There was a high level of respect the team had for all of the Lab staff, who highly rated employees, record keeping, some of the training done at the Lab with test results and with controls for the testing
- They did find some things, most of which are relatively minor to fix
 - The org chart needs to be modified to clarify who staff reports to and show who is responsible for tests in the Pathology section of the Lab.
 - There is an absence of some specific back up staff members for key positions.
 - There were several issues relating to training and documentation for official laboratory documents
 - There is no current policy on subcontracting in the event of an emergency situation
 - There were a few instances where they were able to find incomplete quality control, incomplete reagents, chemicals, substrates, used in the testing process and all of those are documented in the system
 - There was a potential security issue for some lab records
- One of the more significant finds in the audit involves a policy that says what is done matches what is said is done
 - There were instances where steps taken to reach a certain diagnosis, this was in regard to specific bacteria for example or specific parasites, the steps needed were not fully documented on the in-house work sheets
 - There was one case where there was an incorrect sex and age of an animal put on a report and that went

- A report on the decision of the accreditation committee should come by the end of October or early November

Facility/Equipment Issues

Dr. Steve Smith highlighted the condition of the current Lab facility and some of the problems:

- Power outages are a recurring issue at the Lab
- The power issues have an impact on Lab equipment, some pretty expensive equipment and it is a concern
- Dr. Zaluski, suggested and asked to consider looking into options for a backup generator system to protect the equipment
- Dr. Layton has started doing a full inventory with all the equipment linked with the maintenance costs, the replacement costs, age, what's getting old, what's getting beyond its useful life, what's it going to cost to replace it
- It was discussed that the Lab should be tracking losses in the Lab due to the power outages and reporting them to MSU who is the landlord of the building

Recruitment/Hiring Issues

Dr. Steve Smith reported on the current recruitment/hiring issues at the VDL:

- Dr. Layton, Lab Director, will retire December 31, 2017 if not before
- The Lab is very close to getting fully staffed with the hiring of 5-6 new employees
- There is still one .5 FTE position vacant in Serology
- The .5 FTE open Serology position would require the extra cost of State health insurance because the position previously was filled by a full-time person who also worked half time in another section of the Lab and left the Lab
- The .5 FTE Serology duties have been done by a Federal employee at the Lab

MOTION/VOTE

4:25 PM

Lila Taylor moved moved to hire the .5 FTE Serology position open at the VDL. Sue Brown seconded. The motion passed.

VADDS Activity Update

Dr. Steve Smith reported that the USAHerds/VADDS interface is needing a few tweaks to receive all the information needed, but is now functional

4:28 PM – Brands Enforcement Division

Grazing Permit Rule Update

Leslie Doely presented a document showing proposed grazing permit rule changes to accompany the HB38 Animal Movement Over Multiple County Lines statute passed at the 2017 Legislature and also some proposed rule changes for existing grazing permits.

- Many of the proposed changes were discussed at the August 30, 2017 meeting with some additions, per the request of the BOL at that time

MOTION/VOTE

4:32 PM

John Scully moved that amendments to MCA 32.18.202 as proposed by Leslie Doely be approved. Lila Taylor seconded. The motion passed.

MOTION/VOTE

4:33 PM

Brett DeBruycker moved that and amendment be made to MCA 32.18.109 that would allow freeze branding for grazing permits. Lila Taylor seconded. The motion passed.

Leslie Doely explained the cost analysis she compiled regarding establishing a fee for deeded land in the grazing permit. She noted that these fees are normally updated every 15 years:

- For first-time application, overhead costs are more due to verification of ownership
 - 1-50 head would be \$100. Cost goes up \$25 for each additional 50 head;
 - 51-100 head would be \$125. Cost then goes up \$25 for each additional 100 head
- For the renewal, it starts at \$40 and goes up \$10 for each 100 head
- There was concern expressed by the BOL that the fees are not commensurate with costs and Ms. Doely's cost analysis showed that in many cases, the fees charged would be below the cost of enforcing them

MOTION/VOTE

4:46 PM

John Scully moved to adopt the fee schedule as proposed by Leslie Doely. There was no second. The motion failed.

MOTION/VOTE (Amended)

4:50 PM

John Scully moved to adopt the fee schedule as proposed by Leslie Doely without the cost structure. Brett DeBruycker seconded. The motion passed.

MOTION/VOTE

4:52 PM

John Scully moved to adopt the fee schedule for renewals as proposed by Leslie Doely. Brett DeBruycker seconded. The motion passed.

MOTION/VOTE

4:52 PM

John Scully moved to adopt the fee schedule for adjacent counties as proposed by Leslie Doely. Brett DeBruycker seconded. The motion passed.

Personnel Updates

Leslie Doely gave an update on personnel changes in the Brands Enforcement Division:

- All market positions are currently filled
- Ms. Doely is in the process of filling the two vacant positions in the Helena office - Martha Howey's Market position and the Mortgage Clerk position
- There is one vacant District Investigator Position in the Northeast part of the state
- There has been a retirement announcement for one of the Helena office Cattle Inspection Clerks that will take place at the end of the year

Public Relations

Leslie Doely Leslie said that she is looking at different ways to approach customer service in the Brands Enforcement Division

Fort Supply Update

Leslie Doely reported that even though the Fort Supply contract renewal is not due until March 31, 2018, work is being done on a draft contract that should be completed and ready for the BOL's review in January 2018

- Although the contract costs are paid up front, it was requested that a breakdown of Fort Supply costs throughout the year be given to the BOL
- It was also requested that a cost comparison of Fort Supply with other companies be brought to the BOL
- Ms. Doely said that the Brands Enforcement Division is working on a way to better track animals in the DSA
- The Brands Enforcement Division is not yet at the point where all field personnel are utilizing Fort Supply, however, all of the District Investigators who work the markets do. No local inspectors use Fort Supply

Mike Honeycutt said that it will be important in the future for a decision to be made as to whether the DOL should be in the lien business at all

- Maintaining liens on brands cause complication for the DOL and is redundant of what the Secretary of State's office already does

5:05 pm - Upcoming Brands Policy/Procedure and Rules

Fiscal Analysis

Leslie Doely reported that she has been doing some fiscal analysis with the grazing permits in particular and a number of other areas that she wants to look at in the Brands Enforcement Division:

- With rerecord coming up in 2021, Ms. Doely said that in the future she will be revisiting the rerecord fees with the BOL for their decision on whether or not they want to change them, which would require a statutory change

Board Discussion

Mike Honeycutt told the BOL that if action is not taken on the appeal guidelines today it is backstopped and means the BOL has adopted by reference the federal rule, but it does not have DOL language in it, and is what the DOL will use to handle appeals until the BOL adopts a state process and looked at putting that into rules

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

5:09 PM

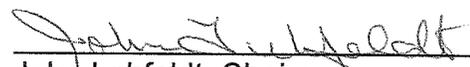
Maggie Nutter, President Marias River Livestock Association and rancher in the Sweetgrass Hills, gave her thoughts on the importance of emergency preparedness for the DOL:

- After attending a 3-day FMD symposium in St. Louis a few years back, Ms. Nutter worked with Dr. Jeanne Rankin to organize FMD table top presentations around Montana
- Ms. Nutter expressed her hope that emergency preparedness, especially before a possible disease outbreak in the state occurs, that it would become a higher priority for the DOL. She said that the possible devastation to the industry if such an outbreak occurs would be great

Brian Engle, Pioneer Meats thanked the BOL for allowing industry to be part of the Meat subcommittee and stated that a good start has been made and with perseverance it can get things moving in a positive forward direction

MEETING ADJOURNED

5:13 PM


John Lehfeldt, Chairman