



# Montana Board of Livestock Meeting Minutes

**(This Meeting was Open to the Public & By ZOOM)**

June 20, 2023

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

## Board Members Present

Gene Curry, Chairman (cattle producer)

Alan Redfield (cattle producer)

William Kleinsasser III (swine producer)

Lily Andersen (dairy & poultry)

Greg Wichman (sheep producer)

Jake Feddes (cattle producer)

Nina Baucus (cattle producer)

**(Greg Wichman departed from meeting at 5:20 pm)**

## Staff Present

Mike Honeycutt, EO

Brian Simonson, Deputy EO

Evan Waters, Centralized Services

Dale Haylett, Centralized Services

Tom Shultz, Centralized Services

Mike Spatz, Centralized Services

Jay Bodner, Brands Enforcement

Kelly Calnan, Brands Enforcement

Donna Wilham, Adm. Assistant to EO

Dr. Marty Zaluski, State Veterinarian

Dr. Bradley DeGroot, Animal Health

Dr. Mary Michalski, Animal Health

Dr. Greg Juda, Director, MVDL

Alicia Love, Meat, Milk & Egg Inspection

Darcy Alm, Meat, Milk & Egg Inspection

## Public Present

Karli Johnson, MFBF

Christy Clark, MT Dept. of Agriculture

Dr. Betsy Bialon

Dr. Tahnee Szymanski

Dr. John McAfee

Alan Zackheim, Agency Legal Services

Celia Rigler, Governor's Office

Cort Jensen, MT Dept. of Agriculture

Leroy Arneson

Jerry Arneson

Brittney Krahn, Gallatin County

Brandon Blackstock

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## MEETING CALLED TO ORDER

**(:05) 8:01 AM**

Chairman Gene Curry called the meeting to order at 8:01 AM

## CALL TO ORDER AND INTRODUCTIONS

**(:05) 8:01 AM**

Chairman Gene Curry called for BOL introductions:

- Lily Andersen, Dairy & Egg Representative, Livingston

- Ms. Anderson reported that they own the Skattum Dairy
- She said that they were getting ready to cut hay because the rain they had been getting was causing the hay to lodge, and that if it would quit raining long enough, they would be able to cut hay
- William Kleinsasser III, Swine Representative, Augusta
  - Mr. Kleinsasser reported that the swine market had been up and down. He shared some of the challenges they have had since the Proposition 12 law was enforced that California voters passed and had recently been upheld by the Supreme Court
  - Mr. Kleinsasser explained that Prop 12 required that each breeding animal must have 24 square feet of space at all times. They were going to make the changes needed at their facility and were having an auditor come in to certify them to be Prop 12 compliant, because the bulk of their sales were in Los Angeles and San Francisco
  - Mr. Kleinsasser reported that they, all of them together, had donated about a thousand sows to the Montana Food Bank for ground pork
- Jake Feddes, Cattle Representative, Manhattan
  - Mr. Feddes said that the cattle market was probably the best they had ever seen and holding very strong
  - Things were looking up for a lot of people, Mr. Feddes said. It was green around the state and that everybody had grass and everybody was going to have hay
  - Although the grasshoppers had been coming out in the eastern part of the state, Mr. Feddes said the rain had kept them knocked down a bit. He added that it was a Catch 22, with people trying to hay, but the rain kept that from happening, but, the rain also kept the hoppers away
- Greg Wichman, Sheep Representative, north of Lewistown
  - Mr. Wichman said that everybody was antsy to get hay in, but that it was raining. He said the “hard cores” would knock things down, and that two guys were buying hay wrappers, just so they could get it hayed off
  - The sheep market was doing alright, Mr. Wichman reported, but, for some reason, the wool market had come to a screeching halt
  - Mr. Wichman said that he couldn’t complain, because they had water in the dams and grass for hay
  - Mr. Wichman reported that long-time MWG Executive Secretary Bob Gilbert had passed away. Nina Baucus said that Mr. Gilbert’s funeral would be in July
    - Alan Redfield said that when he was in the Legislature, that Bob Gilbert was a resource guy, like an encyclopedia
- Alan Redfield, Cattle Representative, south of Livingston
  - Mr. Redfield said that things were green and growing. Although they had used the wheel lines earlier to irrigate the grain, when the rain started, he said they had not had to turn them back on since. He added that if you turned the wheel lines on the hay, it was just knocking it down
  - Calves and cattle had been moved to summer grass
- Nina Baucus, Cattle Representative, north of Helena

- Ms. Baucus said that they were a cow/calf operation when the market was one way, and a yearling operation when the market was a different way. She said they also raised sheep
- It had been a tradition in their family, Ms. Baucus said, to start haying on June 20th, but with a storm coming in, she wondered if, when she got home, a swather would have been out in the field
- Ms. Baucus reported she had gone to Alzada the past weekend and attended the Woolgrower campout. She said it was green driving all the way there.
- She had heard reports of serious numbers of grizzlies on the East Front and that in a couple weeks, they would be taking their animals to summer range there. Last she heard, New Miami Colony had grizzlies, Fairfield had grizzlies, a gal east of Tiber reservoir reported a grizzly attempting to take two of her neighbor's pigs and Conrad had about eight grizzlies. Gene Curry added that just yesterday, they had a report there were grizzlies in the town of Valier
- Ms. Baucus reported that past BOL member, Sue Brown, had a storm hit their place. Jake Feddes added that the storm dropped about 2.5 inches of rain in 30 minutes, plus dropping 4 inches of hail on the ground as well. It wiped out Ms. Brown's 10 acres of ready-to-harvest vegetables
- Gene Curry, Cattle Representative, Valier
  - Mr. Curry reported that they had good grass and hay on their place, but, as you go north on the reservation, it got drier
  - So far, Mr. Curry said that no grizzlies had been seen, but that the guy who took care of their cattle had shot a wolf. He said that with lots of blossoms on the chokecherry and June berry bushes, it should be a good berry crop and maybe the bears would like to eat berries rather than beef
  - Although the biggest one he saw was about a half-inch long, Mr. Curry said that they had grasshoppers on pretty much everything and that they were eating leaves off the grass right now. He said that he didn't think they would hurt the hay crop too much, but that they were concerned about the regrowth in the fall season
  - In driving to Jordan the previous week, Mr. Curry reported that it looked good all the way, but that from about Grass Range to Mosby, the reservoirs weren't full and the dugouts were quite low
  - Past Sand Springs, Mr. Curry said there had been a flood where it rained six inches in 45 minutes and near there, he had spoken to someone who said that their horse trailers and horse barn were under water and that all the creek fencing had washed out. Mr. Curry said that when he drove by there, trash was hanging on the fence, clear to the top of the posts

## **BOARD ADMINISTRATIVE ITEMS**

**(19:40) 8:21 AM**

**(19:40) 8:21 AM – BOARD APPROVAL OF PAST MEETING MINUTES**

Gene Curry requested a motion to approve the minutes of the Montana Board of Livestock April 25, 2023 Meeting:

- Nina Baucus reported that all corrections had been made by Donna Wilham

**MOTION/VOTE**

**(20:11) 8:21 AM**

**Nina Baucus moved to approve the minutes, as corrected, from the Montana Board of Livestock April 25, 2023 meeting. Alan Redfield seconded. The motion passed.**

Gene Curry requested a motion to approve the minutes of the Montana Board of Livestock May 17, 2023 Meeting:

**MOTION/VOTE**

**(20:28) 8:21 AM**

**Nina Baucus moved to approve the minutes from the Montana Board of Livestock May 17, 2023 meeting. Greg Wichman seconded. The motion passed.**

**(20:49) 8:23 AM – PERSONNEL INTERVIEW AND SELECTION PROCESSES**

Gene Curry requested that the BOL and Mike Honeycutt break into Executive Session:

**(21:07) 8:23 AM EXECUTIVE SESSION**

**(21:09) 9:11 AM RECONVENE**

**OLD BUSINESS**

**(21:15) 9:11 AM**

**(21:15) 9:11 AM – STATE VETERINARIAN INTERVIEWS**

Mike Honeycutt reported that each of the candidates to be interviewed for the position of State Veterinarian would be asked questions from BOL members

1. What is the role of a State Veterinarian? How is the State Veterinarian's role perceived by the industry?
2. This position involves public speaking. Please describe your experience, abilities and comfort level for making public presentations and the types of groups you have presented to.
3. Give us an example of a time when you had to gain cooperation among several opposing people or groups or positively influenced their actions for the desired outcome.
4. Tell us your experiences providing leadership and supervision to others. Also, what is your management style? What is your experience in the management of resources such as funding, budgets and staff?

5. What actions would you recommend when Brucellosis-infected or exposed bison have left the Yellowstone Park and entered the state of Montana, which is classified as a Brucellosis-free state?
6. Each candidate was also given an opportunity to ask the BOL questions and to give their “sales pitch,” basically, why they thought they’d be the best person for the position

Mike Honeycutt introduced the first candidate for the State Veterinarian position to be interviewed:

**(21:15) 9:11 AM** Candidate #1 – Dr. John McAfee

**(1:01:13) 9:51 AM RECESS**

**(1:01:35) 10:04 AM RECONVENE**

**OLD BUSINESS (Continued)**

**(1:01:35) 10:04 AM**

**(1:01:35) 10:04 AM – STATE VETERINARIAN INTERVIEWS (Continued)**

Mike Honeycutt introduced the second candidate for the State Veterinarian position to be interviewed:

**(1:01:35) 10:04 AM** Candidate #2 – Dr. Tahnee Szymanski

**(1:27:02) 10:20 AM RECESS**

**(1:27:05) 11:03 AM RECONVENE**

**OLD BUSINESS (Continued)**

**(1:27:12) 11:03 AM**

**(1:27:12) 11:03 AM – STATE VETERINARIAN INTERVIEWS (Continued)**

Mike Honeycutt introduced the third candidate for the State Veterinarian position to be interviewed:

**(1:27:12) 11:03 AM** Candidate #3 – Dr. Betsy Bialon

**(2:01:39) 11:39 AM EXECUTIVE SESSION**

**(2:01:55) 12:51 PM RECONVENE**

## **MOTION/VOTE**

**(2:02:12) 12:51 PM**

**Jake Feddes moved to extend an offer for the State Veterinarian position to one of the three candidates interviewed that day. Lily Andersen seconded. (Alan Redfield, William Kleinsasser and Nina Baucus voted no) The motion passed.**

Gene Curry said that with four in favor and three opposed, the motion carried. He requested that Mike Honeycutt take care of extending the offer to the candidate

- Mike Honeycutt said that there had been a pause on the hiring of the Assistant State Veterinarian position, and so if the BOL was ready for the process to be opened up again, a motion needed to be made to re-open that position

## **MOTION/VOTE**

**(2:04:09) 12:53 PM**

**Alan Redfield moved to post the Assistant State Veterinarian position. Greg Wichman seconded. The motion passed.**

**(2:04:40) 12:54 PM LUNCH**

**(2:04:54) 1:30 PM RECONVENE**

## **EXECUTIVE OFFICER UPDATES TO BOARD AND DISCUSSIONS**

**(2:05:00) 1:30 PM**

### **(2:05:05) 1:30 PM DISCUSSION AND DECISION ON PROPOSED MOU ON CONTRACTING DEPARTMENT IT LEADERSHIP**

Mike Honeycutt said that he was going to skip forward to the Discussion and Decision on the Proposed MOU on Contracting Department IT Leadership because both Cort Jensen (in the room) and Christy Clark (on ZOOM) from Department of Agriculture were available now and he wanted them to be able to move forward with their day:

- Mr. Honeycutt explained that the proposed MOU was an agreement between the Montana Department of Agriculture and the Montana Department of Livestock, regarding a Chief Information Officer (CIO), who would be housed under the Department of Agriculture, but who would share the responsibilities across both agencies. The MOU listed the Montana Department of Administration as an interested party, because they were the ones in control of the State Information Technology infrastructure

- The hiring process had been ongoing, Mr. Honeycutt said, with DOL staff, Brian Simonson, Jay Bodner and Mike Spatz having already been engaged in that process at some level with the Department of Agriculture
  - Nina Baucus pointed out that at the previous meeting, the BOL had pretty much said no to a shared IT person and she felt the BOL's discussion was totally ignored. Mike Honeycutt said there was no decision made at the last meeting and that the BOL was being informed of the process and that it would be brought back to the BOL
- Mr. Honeycutt said that Gene Curry had talked to the Governor about the CIO position, and that this person would be the first step of a bigger thought process in State Government to consolidate some administrative business functions. The Department of Labor and the Department of Administration had already consolidated that position
- In the future, Mr. Honeycutt said, that CIO position would probably end up having more responsibility as a CIO for more agencies than just Ag and the DOL, but, that approval of this MOU was where the process would start
- Mr. Honeycutt pointed out that the MOU stated that it was anticipated that about 50% of the time with this individual would be spent on State IT duties, meaning that the DOL would be responsible for paying for about a quarter of the position (520 hours). He explained that with the CIO being housed in the Department of Agriculture, the DOL would be on a "pay-as-we-go model for those hours above the 520, being invoiced by the Department of Agriculture for the time the DOL utilized their services. Livestock per capita funds would be the fund source that would pay for those services
  - Mike Honeycutt explained that the DOL had already gotten their appropriation for HB10, and that certain items would be paid for directly out of that because of being appropriated through the Legislative budgeting process, which was overseen by the Legislative Finance Committee and would get applied back to the Senate Appropriations within the budget
- Cort Jensen, Chief Attorney for the Montana Department of Agriculture, said that the Department of Administration said they would like to centralize and shrink the number of people at meetings where they interface with agencies. He explained that both heads of IT in the Department of Agriculture and the DOL were often stuck in the same half-hour meeting, and the proposal was when that happened, the one CIO would attend and the two agencies split the cost. He added that ideally, that same CIO could cover many State agencies at those meetings, if the Historical Society and a few other agencies would help as well
  - Mike Honeycutt said that he had long been a proponent of some consolidation of business services between State agencies, such as IT, because there were lots of very smart people on security and other things at State IT, and that it was their policies that State agencies had to operate under. He added that this move would give State IT more direct involvement into what the DOL was doing and how software systems were selected and that could actually be cheaper for the DOL

- The CIO position would be co-managed by both the Department of Agriculture and the DOL, and that confidentiality of each agency's information, deemed confidential by Federal and State law, was addressed in the proposed MOU
- Mr. Honeycutt explained that both the Governor's Office and the State Department of Administration were the ones asking the Department of Agriculture and the DOL to enter into this agreement, with the provision that the Department of Administration would make the decision of whether the agreement ever got terminated and that if any disputes ever arose between any of the agencies, they would be the "arbiter"
- The proposed rewritten MOU was a simple one, Mr. Honeycutt said, and that he and Mike Spatz worked with Cort Jensen as the legal Representative to put it together
  - Gene Curry said that the MOU the BOL had been presented with at a previous meeting had too many holes in it that needed to be filled and that he didn't believe there was any support for it the way it had been written. He added that he was also adamantly opposed to combining the Department of Agriculture and the Department of Livestock, and in sharing that with the Governor, Mr. Curry said that the Governor said that was not where this was going, that it was strictly for efficiency
- Mr. Curry shared that the Governor had indicated to him that if the Department of Agriculture and the DOL did not agree with this shared situation, that it might go in that direction anyway. Cort Jensen said that he had been told, basically, that the Department of Administration could just order the agencies to do this and say, here's the bill, without deciding the price and not getting to argue anything
  - Cort Jensen explained that both the Department of Agriculture and the DOL wanted to keep the core mission functionality of what IT does for each agencies' programs, having some discretion as to the hiring and firing, and not usurp those to the Department of Administration. He said that the Governor basically said, he was not going to continue to have agencies pay to have two people going to meetings over half of their time. Mr. Jensen said, this MOU would give both Ag and the DOL a little more control than if Administration stepped in and did it
- The Governor, according to Mr. Curry, had told him that the State of Montana had 1,000 IT employees, and with incorporating the proposed efficiencies statewide, the State could save \$2 million, right off the top, on just, basically, hardware and a few other efficiencies
- Mr. Curry said that he was more comfortable with this revised MOU. Alan Redfield said he was still a little hesitant on some parts of the MOU, but he did not want to deal with the Department of Administration. He added that he was fine with the MOU with the Department of Agriculture, but that was where it stopped
- Although it was mentioned by Nina Baucus that they represented the producers, Alan Redfield said that the BOL needed to do the job and that he would go with the MOU with the Department of Agriculture. But, he said he would really fight and scream if it went beyond the Department of Agriculture



- Christy Clark, Montana Department of Agriculture, said that this was experimental and that she and Mike Honeycutt needed to be good stewards and make sure that they reflected the choice of a CIO for just the two agencies as being successful and efficient. She said if it turned out the CIO had a lot more time, they would go back and look at that, but that would be long down the road
  - Ms. Clark commented that the Department of Agriculture and the DOL worked really well together and had been really clear that this agreement between the two agencies was just for IT purposes only
- Mike Honeycutt said that more of these types of agreements between agencies would be seen, as vacancies show up that could be taken advantage of. With Ag's vacancy, with some overlap of constituencies and with both agencies being in the same building, he said that would make it easy for the CIO to serve both agencies
- When someone was hired at a level of a CIO, Mike Honeycutt said he thought they were under the same burden he was under, which was that he might leave the state to go on vacation, but his phone was always in his pocket. He added that some emergency decisions, such as if there was a system outage, that would be made by ITSD

## **MOTION/VOTE**

**(2:47:22) 2:12 PM**

**Alan Redfield moved to accept the proposed MOU between the Montana Department of Livestock and the Montana Department of Agriculture to proceed down the line with a joint Chief Information Officer (CIO) position. Jake Feddes seconded. (Greg Wichman and Nina Baucus voted no) The motion passed.**

## **(2:49:49) 2:15 PM YELLOWSTONE BISON WINTER OPERATIONS/IBMP UPDATE**

Mike Honeycutt reported on the IBMP meeting that had taken place two weeks previous, to discuss how winter operations went:

- Attending this meeting, representing the DOL, were Mike Honeycutt, Dr. Marty Zaluski and Alan Redfield
- Mike Honeycutt said it was reported that a little over 1600 bison were removed from the population through all categories, and that there were no breaches into Zone 3 where there had been pressure on the boundary which was relieved either by hunters or limited hazing
- There was very little bison movement or activity on the west side, Mr. Honeycutt said, because with the deep snow last winter, there wasn't anywhere for the bison to go. Alan Redfield said that he felt that same situation took place on the east side with the bison
- Mr. Honeycutt reported that there was still struggle with what the definition of consensus was. He said consensus meant moving forward with things all parties were willing to work on and compromise, but he thought some people's definition of consensus meant a majority vote, which he said that partner protocols were not set up that way

- The DOL, being the lead partner at the meeting, was able to drive the conversation about what the next operations plan should be. Mr. Honeycutt said that an operations plan needed to be about operations, tactics, strategy and how the various partners were going to engage and uphold their legal responsibilities of what they're supposed to do on the landscape. He said it was not a document for high-minded ideals about bison habitat and those types of things that should use other formats for those types of conversations
- Mr. Honeycutt said that this meeting, he felt, went much better than the winter meeting and that he pointed out his viewpoint that it was a very successful year with some bison being captured for quarantine, hunters took around 1100 bison, and the Tribal Treaty hunters were able to engage in that and get a full opportunity, which hadn't happened in several years
- Mr. Honeycutt said he didn't think a way had been figured out yet to deal with bison migration across the boundary where people live and where that bottleneck is and where the Tribal Treaty hunt took place
  - Nina Baucus said that with a new State Veterinarian coming into the DOL it would be a good project for that person, and Mike Honeycutt and whoever else to work with Montana's Congressional delegation to get some of that hunting situation changed and maybe let some of the Tribal Treaty hunts include hunting on the land of Yellowstone Park. She said it would help with cleanup if the bears and wolves in the Park could deal with it without being in someone's back yard. She said that if you could get the hunt in the Park, just keep the public out of a given area at that time of year
  - Alan Redfield said that he had some private conversation with some Tribal people there and talked with some Blackfeet people as well, who were all leaning that way. He said this was the perfect opportunity with the current Department of Interior Administrator to push for it
- There was 53,000 pounds of offal removed after the hunts this year, Alan Redfield reported, that went to the landfill, and that was just the piles they could get to

**(2:57:47) 2:23 PM UPDATE ON THE GOVERNOR'S OGSM STRATEGIC MANAGEMENT AND EXECUTIVE OFFICER STRATEGIC GOALS**

Mike Honeycutt reported on the Operations Review meeting he had with the Governor this month, which ended up being a review meeting, because it closed up the last six-month's horizon:

- Mr. Honeycutt said there were just two items in the OGSM where the targets set were not hit
- The Swine Health Improvement Program (SHIP) goal was not met, as Mr. Honeycutt said, the goal was a pretty lofty one. Dr. Michalski didn't meet the goal of getting all Montana swine producers to sign up for the program, but, even with staff shortages, she was able to work with about half of those producers and was getting a good intake on that

- The Brands software launch target date wasn't met and was moved to July 27, 2023. The Governor, Mr. Honeycutt said, suggested putting some pressure on the vendors and others to get the last few issues cleaned up
- Per capita head count numbers, producer numbers and revenue were shorter, Mr. Honeycutt said, by about 15%
- Mr. Honeycutt was able to report to the Governor that there was a systemic increase in what was going on with the meat processing in the state, and that with one more month of stats still to go on State-inspected meat processing facilities, custom exempt and those facilities that were applying for market inspection, Mr. Honeycutt said that already, the State was ahead of where they were in any of the three years before last year, where drought driven and cull driven were the anomaly

**(3:01:17) 2:26 PM HUMAN RESOURCES UPDATES**

Mike Spatz, Human Resource Officer for the DOL, introduced himself and gave handouts to the BOL

**(3:02:27) 2:27 PM Staff Openings, Recruitment and General Updates**

Mike Spatz gave an update on Human Resource-related happenings in the DOL:

- Mr. Spatz thanked and commended the BOL for their time in interviewing and doing their due diligence in filling the State Veterinarian position
- A couple recent offers had been made in the Brands world, Mr. Spatz said, and right now, the DOL had been actively recruiting for seven positions, with the most recent being in the Meat Inspection area
- Mr. Spatz reported that there had been zero new hires, but four employees had left the DOL, two in Brands, one in Animal Health and the IT Manager
- Two internal promotions this past month meant new vacancies to fill, Mr. Spatz said
- Tying into year-end evaluations, Mr. Spatz reported that the mid-year performance check-in was currently happening. He explained that all DOL employees were required to participate in the process, which provided a good opportunity to talk about accomplishments and create goals for the end of the year

**(3:04:34) 2:30 PM CONTINUE DISCUSSION AND DECISION FOR HIRING AGENCY LEGAL COUNSEL**

Mike Spatz reported that there had been some progress made on the hiring of a Livestock Legal Counsel:

- Mr. Spatz said that the job description was nearly completed and the pay range for Livestock Legal Counsel would be in the \$66,00-\$114,000 range, depending on the whether the position would be a Level One or Level Two position
- Mike Honeycutt explained that there had been a lot of turnover in Agency Legal Services, making consistency more difficult for the DOL. Although the DOL had not had a lot of litigation or litigation costs in the last couple years, Mr. Honeycutt said that when some bigger lawsuits had been going on, the DOL would spend

over \$100,000 with Agency Legal Services. Currently, Agency Legal Services charged the DOL \$121/hour

- Mr. Honeycutt said there were some things ahead for the DOL, with the potential for litigation at every turn
- Duties of Livestock Legal Counsel, Mr. Honeycutt said, could also include reviewing of administrative rules, regulatory interpretation on both the State and Federal level, assisting Human Resources in progressive disciplinary processes, being the central person to deal with public records and information requests for the DOL and assume the role of the Hearings Officer on behalf of the BOL
- Mr. Honeycutt explained that the DOL had been getting some legal help from other agencies, including the Governor's Office, FWP and the Department of Administration, which had been of some benefit, but, he asked what would happen if they got too busy or if there was a conflict where they couldn't represent themselves and the DOL at the same time? He added that the Governor's Office had expressed that they might not be able to continue providing the DOL the free legal service they had been providing forever and would like to see the DOL either hire an attorney for the DOL or obtain outside legal counsel

## **MOTION/VOTE**

**(3:22:52) 2:48 PM**

**Jake Feddes moved to move forward with finalizing the classification and job description of Agency Legal Counsel in the Montana Department of Livestock prior to the next BOL meeting. Alan Redfield seconded. The motion passed.**

## **BRANDS ENFORCEMENT DIVISION**

**(3:28:12) 2:53 PM**

Mike Honeycutt said that with the folks from the auction market conversation present in the room, he requested that the Auction Market Transfer item be addressed first. Gene Curry agreed to the agenda change

## **(3:28:47) 2:54 PM PROPOSED LICENSE TRANSFER OF HEADWATERS LIVESTOCK AUCTION MARKET**

Jay Bodner explained that each BOL member had been given an information packet regarding the transfer of the Headwaters Livestock Auction Market and also had been given the decision of the Hearings Officer's decision:

- Mike Honeycutt said that the financial information the BOL had been given was a redacted copy because the DOL was trying to be judicious and fair with proprietary information, but, that he had a confidential copy with all the details
- Jay Bodner reported that the public hearing regarding the transfer was held on June 12, 2023 at the Headwaters Livestock Auction Market with himself and Kelly Calnan, Market and Dealer Licensing Auditor, the DOL staff in attendance. He thanked Ms. Calnan for all her work in working with the buyer and seller, making sure they were aware of all the requirements and statutes that were needed to conduct the transfer

- Alan Zackheim, Agency Legal Services Bureau, was the Hearings Officer who conducted the hearing, which was required to examine the qualifications of the prospective buyer, Mr. Blackstock, and hear his sworn testimony as to those qualifications
  - Mr. Zackheim said that along with Mr. Blackstock's testimony, there was testimony from the two sellers, who authenticated their documents. Mr. Bodner and Ms. Calnan also gave testimony at the hearing, with Ms. Calnan testifying that she agreed the application was complete, and that it contained all of the required statutory information. Of the 20-30 public who attended the hearing, Mr. Zackheim said that none gave any testimony
- Mr. Zackheim recommended that the BOL approve the transfer of the Headwaters Livestock Auction Market to Mr. Blackstock and that he felt that Mr. Blackstock was capable of running the business, including the financial
- Kelly Calnan reported to the BOL that she reviewed the information received from Mr. Blackstock with the application and the financial commission, and the DOL believed he was in a position to run the market

## **MOTION/VOTE**

**(3:36:53) 3:02 PM**

**Jake Feddes moved to approve the transfer of the license of the Headwaters Livestock Auction Market to Brandon Blackstock. Alan Redfield seconded. The motion passed.**

**(3:37:53) 3:03 PM REQUEST FOR HIRE**

Jay Bodner reported that he had two requests for hire in the Brands Enforcement Division

**(3:38:13) 3:03 PM Market Supervisor – Montana Livestock Company, Ramsay/District Investigator, District 12 – Gallatin, Eastern Madison, Meagher and Park Counties**

- Jay Bodner explained that there had been a resignation of the Market Supervisor at the Montana Livestock Company in Ramsay, but with a Market Inspector on site and additional help from District Investigators, that market continued to run smoothly, with no interruption to commerce. Mr. Bodner requested to fill that position
- Ted Wall retired from the DOL after over 30 years of service, Jay Bodner said, and his last position, District 12 Investigator, was the requested one to be filled. Mr. Bodner added that Mr. Wall did a fabulous job for the DOL and wanted to thank him and congratulate him

## **MOTION/VOTE**

**(3:39:15) 3:04 PM**

**Alan Redfield moved to approve the hire of a District Investigator for District 12**

and a Market Supervisor at the Montana Livestock Company in Ramsay. Jake Feddes seconded. The motion passed.

**(3:39:49) 3:05 PM BRANDS ENFORCEMENT UPDATE**

Jay Bodner said that he just wanted to give the BOL a general Brands Enforcement update

**(3:39:56) 3:05 PM Market and Dealer Audits and License Renewals**

Jay Bodner called in Kelly Calnan, Market Auditor, Market and Dealer Auditing and Licensing, to report on the Market and Dealer Audits and License Renewals, as she had been the one who had conducted them:

- Ms. Calnan reported that four of the six market audits planned for the year, had been completed, with the final two scheduled to be completed by the end of August. A couple minor issues with branding had been found, Ms. Calnan said and they were in the process of getting that ironed out
- Regarding livestock dealers, Ms. Calnan said their goal was to audit 10% of dealers this year, amounting to about 21. Four dealer audits had been completed, three with no findings and one with some minor findings that she felt were an oversight, not an intentional error. The State had held renewing of that one dealer license until the issue was rectified
- Ms. Calnan said that during a market audit she wanted to make sure that custodial accounts were in order, with that account maintaining a positive balance, that sellers were being paid in a timely manner and that liens were being paid appropriately. For dealer audits, she was looking to make sure contracts were in place, that they were paying the producers in a timely manner and that they were maintaining contracts and records of their purchases and sales
- There was about an 88% completion rate, Ms. Calnan reported, of dealers getting their licensing paid on time. Some of the remaining 12%, she said, did not intend to renew
- Alan Redfield praised Ms. Calnan on how quickly she turned the licensing around, telling her that he sent his in May and it was back to him in three days
- Jay Bodner reported that the list of licensed dealers was on the website, and that list would be updated monthly. He said that the goal was, whether from out of state or in-state, those people operating as dealers in the Montana market need to be aware that they need to be licensed in Montana

**(3:50:26) 3:15 PM Staffing**

Jay Bodner updated the BOL on the staffing situation in the Brands Enforcement Division:

- Shawn Hando, who was the District 11 Investigator, had been hired as the new Eastern Area Supervisor, Mr. Bodner said, adding that he brought a lot of experience to that position and had done a great job
- The Eastern Area Supervisor position, Mr. Bodner explained, was half Animal Health/half Brands Division

- Cody Hanson, Mr. Bodner said, had just been hired as the Glasgow Market Supervisor, and would start on July 5, 2023
- The District 19 Investigator position, covering Custer, Garfield and Powder River Counties, had been filled by Patrick Roos, who was scheduled to start on June 26, 2023. Mr. Bodner said that Mr. Roos had previously been with the Sheriff's Department and had conducted a lot of brand inspections while in that position
- Mr. Bodner said that they had a good list of candidates to fill the vacant Dillon Livestock Market/District 9 Investigator position and he was very confident that someone would be found that met the needs of that position as well

**(3:52:29) 3:17 PM GlideFast**

Jay Bodner updated the BOL on the status of the new computer system for the Brands Enforcement Division called GlideFast:

- With Buddy Hanrahan, the IT Supervisor, having left the DOL, Mr. Bodner said that he had moved into the position of dealing with the GlideFast contractor. He added that some staff was also going to be helping with the market and inspection side of it to assure the contractor was meeting the demands of what was needed in the program. They met with the contractor 2-3 times per week
- Mr. Bodner reported that the GlideFast program was still being tested and that the tracker had over 300 issues on it, some of which had been completed
  - Mr. Bodner said that, at the moment, they were not focusing on those 300 issues, but instead on: can brands be issued and transferred, can a sale be run at the market, can an inspection be done, because, they were at a point where they want the program to be in the hands of the employees up and running in a live system prior to Fall Run

**(3:56:15) 3:21 PM Draft ARM Rules**

Jay Bodner reported that the two draft ARM rules brought before the BOL at the last meeting had been sent to the Brands Advisory Committee and also had been shared at the Montana Stockgrowers Association mid-year meeting:

- Mr. Bodner said he had not received a lot of feedback as of yet, but, he had planned to set up a ZOOM meeting with the Brands Advisory Committee and get final feedback and input from them. He added that he did not expect to see any major changes to the drafts that had previously been provided to the BOL, but, he expected to have something for the BOL at their next meeting

**(3:57:29) 3:23 PM Brands Enforcement Compliance Truck Stops**

With some interest expressed in the Compliance Truck Stops, Jay Bodner reported on the latest happenings with those by the Brands Enforcement staff:

- Mr. Bodner said that the compliance stops had been done in the past with good response back from the industry that the DOL was doing its job in compliance
  - When those compliance truck checks were done, Mr. Bodner said that the District Investigators were aware of the new statute change, but, they were provided with some flexibility in making the decision as to whether they issue citations or warnings

- The new ServiceNow violations tracking system was up and running that allows District Investigators to look into violations records to see if any had been issued previously to individuals
- One compliance truck stop had already been conducted between a couple different District Investigators, near Browning, Mr. Bodner said, between May 22, 2023 – June 14, 2023
  - Mr. Bodner reported that 92 trucks were stopped with 82 of them found in compliance. There were two warnings issued, but no citations. There were 18 trucks that didn't stop, and so, those had to be tracked down to make sure that they went through
  - Mr. Bodner commented that the checks helped the District Investigators learn more about some of the loose cattle coming in there, if there were estrays out and about, where they might be located, and whose animals those might be
- The Brands Enforcement Division had plans to conduct stops on the west side of the state at the end of June. And, at the end of July and August, there have been truck stops identified there also with DOL staff
- Mr. Bodner said that they were short of personnel because of a couple vacancies and one at POST, meaning that they would be running a few less truck stops on the east side. Wibaux, Alzada and Forsyth were scheduled mainly in July
  - There would be more than one District Investigator to do the compliance truck stop when there was a new employee training. Also, Mr. Bodner said, in situations where it was a big truck stop, there might be three or four District Investigators looking at paperwork or chasing folks down that did not stop
- Mr. Bodner reported that he had spoken with the Area Supervisors, Dan Bugney and Shawn Hando, specifically about rodeos, and that it was on the docket to be doing some spot checks at those to ensure that they are complying with regulations there
  - The fairs, Mr. Bodner said, dealt more with 4H stock and so, those checks would be more informational in nature
- Mr. Bodner said that they looked at ways to rectify the situation where cattle were shipped on different trucks, but the health papers only went with one of the trucks. One recommendation, he said, was that the State or Local Inspector needed to have communication with the buyer up front regarding conducting the inspection and where the animals were going so that specific inspections could be conducted for specific cattle on a specific truck
- According to rule, the DOL cannot inspect cattle after dark, Mr. Bodner said, but it was still the DOL's responsibility to make sure that cattle have been inspected and identified correctly. If inspections were happening differently than that, it would be something to reassess

**(4:09:49) 3:35 PM RECESS**

**(4:09:50) 3:43 PM RECONVENE**



## **ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS**

**(4:09:51) 3:44 PM**

### **(4:09:51) 3:44 PM MEAT, MILK & EGG INSPECTION BUREAU**

Alicia Love, Meat, Milk & Egg Inspection Bureau Chief, introduced herself

### **(4:10:04) 3:44 PM Unscheduled Business: Belgrade Custom Exempt Appeal Process**

Mike Honeycutt explained to the BOL that Leroy and Jerry Arneson, who operate a custom exempt facility in Belgrade had a stoppage in their operation due to some water issues and county permit issues and they were coming to the BOL to appeal that stoppage:

- Alicia Love reported that she had Brittney Krahn, Gallatin City/County Sanitarian standing by on ZOOM to provide background information on the issue, as she had been dealing with the septic issue in the recent past
- Mike Honeycutt explained that when custom exempt facilities seek approval, they have to prove that their water facilities were in compliance with the County and must have evidence of that permit. In this case, there was a permit and the dispute was that the permit went away and the Arneson's were working to restore that
- Leroy Arneson introduced himself and his son, Jerry Arneson, both of Arneson Processing, Belgrade, MT, saying that they had been operating the business since 1992
- Because he had heard that a lagoon was best to put in, rather than a septic system for a meat processing plant that does slaughter, Leroy Arneson said that was what they put in. He explained that a year later, he was approached about having a permit, which he said he didn't know he had to have, and to go under compliance, the drain field had to be moved, which he said was done and approved in 1994. Mr. Arneson gave copies of that paperwork to the BOL
- Leroy Arneson said that about two years later, he added on and put another cooler and a toilet in. He said that the DOL told him to be under compliance for State Inspection that he had to be under a separate line going out to the septic, which he said they did and for 30 years had operated that way
- Leroy Arneson said that the Inspector told him that the toilet was what the State was worried about, and so they took the toilet out and pumped the lagoon. He said he then received a letter from the DOL saying that the State wouldn't give them a license this spring and when he talked to the Inspector, that Inspector said their license would not be renewed until the county approved it. Mr. Arneson said he then spoke to the County, telling them the State of Montana needed approval and the lady there told him they would take care of it, but, Mr. Arneson said that was the last he had heard from the County
- Jerry Arneson said that all of this situation had started last fall. The previous week, he said, a Compliance Officer from the State sent a piece of paper to them, stating that there had been issues with their system back in 2007, but that it had no date or signature, adding that it looked like a child did it. Mr. Arneson

said, if there were problems since back then, why did the State of Montana continue to give them their license and take their money every year?

- Jerry Arneson reported that the Compliance Officer had been out to their facility a week and a half ago and saw that they were up to date on all of their kill logs and water and saw the cleanliness of their place. He said that they were livestock dealers, had a game farm and that their children were 4<sup>th</sup> generation in this business
- Leroy Arneson said that the County's first proposal was for them to put a whole new septic system in for the meat plant and a whole new septic system in for their house. Jerry Arneson said the house, out the back corner of the meat plant, had been on the property with a permitted septic system since 1988, and per the request of the County, they had the tank dug up and removed the top and then had a licensed facility that pumped and inspected septic tanks come out and look at the tank. Mr. Arneson said the County told the septic tank company that if the tank was good, everything else was in good working order and everything was in compliance, they could plug the bathroom into the tank and leave the lagoon for the waste from the plant. The septic man signed off on that, and after that was sent to the County, Mr. Arneson said it was still rejected by the County
- Alicia Love, at the request of Chairman Gene Curry, explained the DOL's side of the situation
  - The information regarding Arneson Processing in Belgrade, came to the DOL's attention during a routine custom exempt inspection
  - Ms. Love said she had not been out to their facility, but said that the information she was provided was commissioned to upgrade the system, because the original system was approved for animal fat and blood, not for human waste, which included hand washing and toilet facilities. There was a document from 2007, that was a handwritten note from Gallatin City-County, a form that the DOL would fill in and the County could just sign and date it. Below that, there was a handwritten note that said it was not approved
  - Because the County had been so firm in telling her that the system had not been approved, Ms. Love said, under State regulations, the DOL could not allow a custom exempt facility to operate unless that type of system was approved
- Jake Feddes pointed out that the County form shown online, a permit to construct, replace, repair or alter, that had been issued in August of 1994, regarding the Arneson plant was conflicting. He said the form shows that if you didn't do that within 12 months from the issuance date of the permit that the permit would be voided, but, on another portion of the form it says Void: No. Jerry Arneson said that permit had been hanging on their wall for 30 years
  - Mr. Honeycutt said the County's evidence was not clear, and, at least on the documentation the DOL had, there hadn't been an alteration to this permit, and it appeared that the County never followed up and voided the permit, unless they had other evidence. And so, the facility was licensed multiple times

- When asked by Mr. Honeycutt if they had constructed, repaired, replaced or altered as given variance for, Leroy Arneson said they had changed the drain field
- Brittney Krahn, Sanitarian with the Gallatin City-County Health Department, explained the County's side of the situation
  - The permit being discussed, permit #8217, Ms. Krahn said, was actually 23 pages long and what was seen on the website, the authorization to construct the system, was only the first page of that document
  - The County actually refused and wrote a letter dated January 11, 1999, page 16 of the permit record, informing the DOL that the system would need to be upgraded to handle human sewage before they would be able to sign off on any approval for the system to be able to meet that metric, Ms. Krahn said, saying that the existing system, under #8217, was only permitted for blood and fat, not for human sewage
  - Ms. Krahn said that to date, she had not received any application to upgrade permit #8217. She said that the County did receive an application from Mr. Arneson to upgrade a separate permit, #264, for a residential system, and if it was going to change to accept commercial wastewater, they would have to bring that system into compliance with current regulations. She added that on May 5, 2023, she had sent a letter asking for additional information for permit #264
  - In 1993, Ms. Krahn said, they had written the Arneson's a couple of Health Officer orders, cease and desist orders, requiring them to disconnect the toilet from the system and approve the variance for blood and fat only. Those had been delivered by the Sheriff's Service. She said subsequently, a variance was approved by the County, recorded in the #8217 variance for the existing system, because the septic tank was a cinder block tank, not approvable for human sewage, but approved for blood and fat. She said the system was never approved for human sewage and remained not approved for human sewage
- Mike Honeycutt said that he felt it was fair to be said that someone in the DOL had received that information 24 years ago and, it was safe to assume they ignored that information from Gallatin County, because they continued to allow operation of that facility for 24 years. But, he added, that it didn't change where we were at today
- Because Ms. Krahn explained that commercial waste from a commercial building could not be dumped into a residential sewer system, Jake Feddes asked if the Arneson's could upgrade their residential system to a commercial system and dump both residential and commercial waste into it. Ms. Krahn said they could review and issue a permit for a combined commercial/residential system
  - Jake Feddes requested that the County do a six-month temporary license so that the Arneson's could get everything done and approved by the County, so they could keep operating. And, if that was not done, the issue would have to be readdressed. Ms. Krahn said if permit #8217 was in compliance with no human sewage being discharged into the lagoon and

no commercial use of permit #264. She said that porta potties would bring those two systems into compliance with septic regulations

- Alicia Love said she felt it was a step backward to allow porta potty systems, as the DOL was working towards facilities putting in hardline toilets, because of a regulation change. She also expressed concern about handwashing being a part of human waste, and how could that be mitigated in other ways
  - Ms. Krahn pointed out that they had not officially denied any application, but that they were still awaiting new information from the Arneson's, meaning that their application was still under review
  - Ms. Krahn said she was going to say yes to Mr. Feddes' request with a caveat that it was a temporary authorization and that the handwashing station could maybe be a temporary one that was pumped. Mr. Honeycutt said that since some folks were still converting to hardline toilets, a time-bound variance could be allowed, and, if the issues were not resolved or headed toward resolution, then more definitive action by the DOL would have to be taken

## **MOTION/VOTE**

**(5:10:48) 4:44 PM**

**Jake Feddes moved to give the Arneson's Processing Plant in Belgrade a 6-month variance to operate until December 31, 2023, and at that point, re-evaluate whether or not they are in compliance. Nina Baucus seconded. The motion passed.**

**(5:13:55) 4:48 PM Request to Hire – Filling Vacancies/New Positions**

Gene Curry requested that Alicia Love continue with her Meat, Milk & Egg agenda

**(5:14:13) 4:48 PM Meat Inspector for Plains and Superior/Meat Inspectors for Forsyth and St. Ignatius**

Alicia Love said that she requested permission from the BOL to hire a Meat Inspector for the Superior and Plains area, because the Inspector there resigned as of June 3, 2023:

- Alan Redfield suggested to not only allow the hire of a Meat Inspector for the Superior and Plains area, but also the hire of two positions in the Forsyth and St. Ignatius areas as well
- Mike Honeycutt said that the Forsyth and St. Ignatius positions were two of the four new positions that had been approved by the Legislature

## **MOTION/VOTE**

**(5:15:02) 4:48 PM**

**Alan Redfield moved to fill the existing Meat Inspector position for Plains/Superior and also fill the two new Meat Inspector positions in Forsyth and St. Ignatius. Jake Feddes. seconded. The motion passed.**

Alicia Love said that there were currently 22 plants considering going under State Inspection, and so, she said she was being really careful in her decision making in where she will request the remaining two new Meat Inspector positions will need to be located

**(5:16:23) 4:51 PM Travel Request – Greenall and Dachs**

Alicia Love requested that the BOL approve travel for two Sanitarians to take an FDA Dairy Plant Sanitation course in Boise, Idaho:

- Ms. Love praised Darcy Alm for acquiring a grant for the course that would cover most everything, except for the staff's wages during the time they spend there

**MOTION/VOTE**

**(5:17:00) 4:51 PM**

**William Kleinsasser moved to approve out-of-state travel for two Sanitarians to attend an FDA Dairy Plant Sanitation Course in Boise, Idaho August 7-11, 2023. Lily Andersen seconded. The motion passed.**

**(5:17:17) 4:51 PM Travel Updates**

Alicia Love reported that she had some general travel updates for the BOL, which let the BOL know that they were being mindful of the budget:

- Ms. Love said that although the BOL had approved travel for Meat, Milk & Egg staff to attend the Western States Livestock Health Association meeting in June, because it was in the middle of audits, no one attended, saving the Meat budget \$1,020
- Ms. Love said that she had argued vigorously to have a Sanitarian attend the National Dairy Regulatory Officials meeting in Wisconsin and then found out they would not be able to attend, saving the Milk budget about \$2,300
- Approval had previously been given by the BOL for Ms. Love to attend a National Environmental Health Association Conference, and she said she would still be attending, but, because she will be a speaker at the event, they informed her they would be covering all of her costs except for per diem and her wages, a savings of about \$2,300.

**(5:18:55) 4:53 PM FSIS Audit Update**

Alicia Love reported that the onsite audit concluded last week and that the exit meeting for that audit was scheduled for July 5, 2023:

- Ms. Love reported that the take-home message regarding the audit was that there were no program non-conformities and the DOL would not be selected for a targeted audit next year
- One concern that had been significantly raised and that she was already aware of, Ms. Love said, was that the DOL was behind on their Food Safety Assessments. The EIAO position had been vacant or half-held over the last several years, Ms. Love said, and she was very excited that the new EIAO would be through his training in July and then have a lot of work to do
- Gene Curry thanked Ms. Love and gave her credit for sticking to her guns on the parameters that were in place in the DOL

**(5:21:34) 4:54 PM VETERINARY DIAGNOSTIC LABORATORY**

Dr. Greg Juda, Director of the Montana Veterinary Diagnostic Lab introduced himself

**(5:22:16) 4:56 PM Out-of-State Travel Request for AAVLD/NAHLN QMS Advanced Training**

Dr. Greg Juda requested that the BOL approve out-of-travel for Erin Burns to attend Quality Management System Training in August 2023 in Ames, Iowa:

- Dr. Juda explained that Erin Burns was the current backup and most qualified behind Tess Moore, the Quality Manager at the VDL, and that she was learning and training to take on some of those functions for the sake of contingency planning
- The training would be fully funded by the most recent NAHLN grant, Dr. Juda said

**MOTION/VOTE**

**(5:23:12) 4:57 PM**

**Alan Redfield moved to approve out-of-state travel for Erin Burns to attend AAVLD/NAHLN QMS Advanced Training, August 14-19, 2023 in Ames, Iowa. Jake Feddes seconded. The motion passed.**

**(5:23:42) 4:57 PM Request for Approval to Post MAR 32-23-339 for Public Comment**

Dr. Greg Juda requested that the BOL approve the publishing of an amended rule for public comment:

- The amended rule, ARM 32.2.403-Diagnostic Laboratory Fees (MAR Notice 32-23-339), would add additional testing for tick-borne diseases on the VDL test fee schedule
- Although Dr. Juda was not certain of the prevalence of tick-borne diseases, he said that it was an emerging area of concern nationwide and with requests from the public for that testing, he felt it would be a good service to offer to their clients
- Dr. Zaluski said that he would need to do more research regarding Lyme Disease in horses, but he said he was not aware of it in horses

**MOTION/VOTE**

**(5:26:19) 5:00 PM**

**Alan Redfield moved to publish amendments to ARM 32.2.403 – Diagnostic Laboratory Fees (MAR Notice 32-23-339) for public comment. Jake Feddes seconded. The motion passed.**

**(5:27:15) 5:01 PM MVDL Operational Update**

Dr. Greg Juda said that his Operational Update would be a quick one

**(5:27:22) 5:01 PM Dimension Chemistry Analyzer**

Although he did not know for certain the cost of the repair of the Dimension Chemistry Analyzer, Dr. Juda said it was up and running again after a recent, pretty significant failure

#### **(5:27:44) 5:01 PM APHL Fellowship Candidates**

Dr. Greg Juda updated the BOL on the Public Health Fellowship opportunities for the VDL:

- Dr. Juda reported that they had applied for projects and interviewed for three Fellowship candidates a couple weeks back
- Dr. Erika Schwarz-Collins suggested that all three candidates be offered a position, as all three of them were extremely top-notch
- One accepted offer had been received so far, Dr. Juda said. The Fellow would be moving up from Atlanta, Georgia. She was an active-duty reserve military and had a Master's in Public Health. She expected to start on September 25, 2023
- Dr. Juda went on to explain that APHL Fellows were allotted a certain amount of money, based on the cost of living where they're placed and also received a housing stipend as well. He said the salary itself was somewhere in the \$40,000-\$50,000/year range
- Two of the projects the VDL filed for applications were for CWD, and the other one involved bringing up new testing validations within the Molecular Diagnostics group, which would include the tick-borne disease that had been discussed

#### **(5:30:30) 5:04 PM FY24 MALDI Purchase**

Dr. Greg Juda reported on the status of the MALDI equipment purchase for the VDL:

- Dr. Juda reported that the \$237,000 Executive Planning Process (EPP) request made by the VDL for the MALDI equipment purchase, had been approved by the Legislature
- The \$237,000 figure, Dr. Juda explained, was based on a quote from over a year ago, and now that the purchase was okayed, the quote had gone up to \$260,000
- Dr. Juda said he had spoken to the Rep regarding the situation, and he said that perhaps a revised quote could be given for the MALDI purchase. He came back, Dr. Juda said, with a reduced quote from the \$260,000, but it was still \$15,000 more than the original quote
- Once the new fiscal year begins, Dr. Juda said the best plan of action would be to sit down with Brian, Mike and Evan to see the best mechanism to be used to make up for the gap in funding

#### **(5:32:12) 5:06 PM Additional NAHLN Grant Funding Update**

Dr. Greg Juda reported that he had some good news regarding NAHLN grant funding:

- About a month ago, Dr. Juda said that NAHLN announced they had received additional designated ARPA funding as part of the Farm Bill, and that they would be doling out \$1 million to every laboratory in the NAHLN network, which could be used on NAHLN-related expenses, including equipment, such as a newer liquid handler robot, and he thought they would allow for lab renovations, as long as it fit within the existing footprint of their lab, and might be a great solution for

either furnishing or equipping the new facility in terms of biological safety cabinets, freezers, refrigerators, or deli frigs

- Although the timing of the grant cycle would be two years, Dr. Juda thought that they had the ability to request an extension for a third year
- The Colorado State Lab would be the master distributor of the funds

Dr. Juda announced that he had a meeting scheduled with the architects for the new Lab and also State Architecture & Engineering in a couple days

## **ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS (Continued)**

**(5:38:59) 5:13 PM**

Mike Honeycutt suggested that Dr. DeGroot's Brucellosis presentation be postponed until the next meeting. He also said that with the travel and trip reports being part of the BOL packet, he suggested saving time by having the BOL read the reports and post questions:

- Alan Redfield requested that Dr. DeGroot get the bison information to him in the next two weeks, because he was on a CBS Interview for the 60 Minutes program that was a bison segment
- Nina Baucus asked Dr. Greg Juda what people should look for when dealing with predators who appear to have rabies but possibly could have HPAI
  - Dr. Juda said that FWP sent wildlife that died a non-expected death to the VDL for testing. He did not know if there had been confirmed cases of domestic animals with HPAI as of yet, but, he said the VDL had brain samples archived of primarily domestic mammals for the incoming Fellow to research to see if there was any correlation between rabies and HPAI
- Dr. Juda said that NAHLN had recently requested that the VDL submit all of the mammalian data that they were testing for HPAI and that he thought they were trying to put together a picture of what all the species are that it could spread to

**(Greg Wichman left the meeting at 5:20 PM, 5:46:51)**

**(5:46:57) 5:21 PM ANIMAL HEALTH BUREAU**

**(5:46:57) 5:21 PM Request to Hire Compliance Tech**

Dr. Marty Zaluski requested that the BOL approve filling the vacancy for a Compliance Technician in the Animal Health Bureau:

- Dr. Zaluski said that at the last meeting the BOL authorized filling a Compliance Tech position because of a person moving to the Meat, Milk & Egg Bureau. This time, Britta Sekora, who was a Compliance Tech, was promoted to the Import Manager position in the Animal Health Bureau

## **MOTION/VOTE**

**(5:47:36) 5:21 PM**

**Jake Feddes moved to approve the hire of a Compliance Technician in the Animal Health Bureau. Nina Baucus seconded. The motion passed.**



**(5:47:50) 5:22 PM Operational Update**

**(5:47:50) 5:22 PM Travel Report from WSLHA**

Dr. Marty Zaluski reported that he and Dr. DeGroot had travelled to the Western States Livestock Health Association (WSLHA) meeting in Cody, Wyoming and that he had sent that report to Mike Honeycutt. He said to call if there were any questions about the report

**(5:48:32) 5:23 PM Brucellosis Case Investigation**

Dr. Marty Zaluski reported that within the last 30 days or so, there was a Brucellosis-affected herd detected in Madison County on a market test:

- Dr. Zaluski said that the detection was unique because in all the previous cases since establishing the DSA, the detections were found on a voluntary, whole-herd test in the fall, and this was the first one detected in the spring
- The difficulty of detecting Brucellosis in the spring meant that the herd would have to be kept in quarantine throughout the summer. The herd, however, could maintain their existing pasture availability because they do not rely on public grazing
- The testing was done through a cull-cow slaughter test at the market, a card test. And, subsequent testing revealed that it was a positive animal, Dr. Zaluski said. Because the herd hadn't been tested in the fall, Dr. Zaluski said they didn't exactly know whether the infection happened during the spring risk season of 2022 or perhaps earlier in 2023.
- Dr. Zaluski went on to report that the detection was found on only one cow and that Dr. DeGroot and another staff person tested the rest of the herd several weeks earlier. The entire herd was currently quarantined and could not be sold for breeding cattle, but as feeder calves that would go to slaughter during that time. If all test well, quarantine would not be lifted until about February or March of 2024
  - Although steers were no problem, females that would leave the quarantined herd, Dr. Zaluski said, would be spayed before they leave and then track them to be sure they continue in the slaughter channel
- Mike Honeycutt said that, for the ease of traceability of subsequent tests that were done and for the health, welfare and safety of staff and animals, when there was an affected herd, the DOL asked the producer to put in EID

Dr. Marty Zaluski reported that he had learned from the State of Wyoming, just the day before, that seven sero-positive animals had been identified in Sweetwater County, Wyoming:

- The animals were outside the DSA, Dr. Zaluski said, and Wyoming was following up on leads of how that herd could have been infected at such a high rate. Dr. Zaluski added that from what he understood, they do have links to the Wyoming DSA from some grazing connections

- Dr. Zaluski said an average of herds detected in the entire Greater Yellowstone Area (GYA) was about 2/year. Idaho's detections were rare, he said, because their DSA was really small, with about 60 operations
- At this point, Dr. Zaluski said, Montana was the only state that never found a Brucellosis case outside of the DSA boundary and that even those cases found in the DSA since 2011, were of extremely low prevalence. Herds were found extremely early, Dr. Zaluski said, because of the amount of work that both Montana Veterinarians and livestock producers do and the financial support from the DOL, Legislature and Veterinarians
  - Dr. Zaluski expressed a lot of credit to the highly cooperative nature of Montana's livestock industry in testing so many cattle and the Veterinarians willing to do that
- When there was a detection, Dr. Zaluski said that oftentimes a courtesy call was made to the other GYA states, but, in this latest case, there was an immediate release to the State Veterinarian Association the day before. He added that Dr. Hasel, Wyoming State Veterinarian, was working hard to find the risk, the likely exposure and likely leak and to identify shortcomings so that they could be addressed to the satisfaction of the trading partners

With this being Dr. Zaluski's final BOL meeting as State Veterinarian, Gene Curry and the rest of the BOL expressed thanks for his tenure as State Veterinarian and for all he had given to the DOL, the state and the producers in Montana

## **CENTRALIZED SERVICES DIVISION REPORTS**

**(6:01:28) 5:35 PM**

Brian Simonson, Deputy Executive Officer introduced himself:

- Mr. Simonson expressed well wishes to Buddy Hanrahan, CIO, who had been with the DOL for two years, but had done a lot of heavy lifting with regards to the Brands Enforcement application
- Mike Honeycutt said that the DOL was happy for Buddy that he was now going to go full-time into his family business in the private sector
- Mr. Simonson also wished Dr. Marty Zaluski well

**(6:03:19) 5:37 PM – FISCAL BUREAU**

**(6:03:22) 5:37 PM – Aerial Hunting Rule Change 32.22.102**

Brian Simonson reported that because of the residency requirement being changed by the Legislature under MCA 81-7-503, there was a rule in place that had no statute to reinforce. And so, he was requesting that the residency requirement, "Applicants must be residents of and domiciled in Montana" and "Nonresident permits may be authorized by the Board of Livestock when adequate service cannot be provided by Montana permittees," in ARM 32.22.102, be stricken from that rule, and that publishing of those changes for public comment be allowed by the BOL:

- Nina Baucus shared a story she had heard about two pilots who were brothers who worked for Wildlife Services. One pilot retired from working for Wildlife

Services because he couldn't fly into Montana and do coyote control while he was an employee of Wildlife Services. She said they were not aware of Dalin Tidwell's previous report that Wildlife Services had gotten almost 7,000 coyotes this year, most of them in eastern Montana

## **MOTION/VOTE**

**(6:04:30) 5:38 PM**

**Lily Anderson moved to publish the proposed rule change in ARM 32.22.102 – Issuance of Permits, as discussed by Brian Simonson. William Kleinsasser seconded. The motion passed.**

### **(6:05:58) 5:40 PM – Per Capita Fee Collections Update**

Brian Simonson reported that this was the end of the reporting cycle, as money for per capita was supposed to have been into the Department of Revenue by May 31<sup>st</sup>:

- One more notice for those who hadn't yet paid their per capita, was sent out on June 8, 2023, Mr. Simonson said, adding that there wouldn't be much change in the numbers after this final report, other than collection and late filing
- Mr. Simonson said that the per capita revenue was down about \$278,000 from the previous year, but, he counted that as a success, as it was thought that number would have been worse than that.
- The DOL was collecting 95% of 2022's per capita for both cattle and for poultry, Mr. Simonson said, and that the only category that went positive compared to 2022 was bees, with 334 more hives reported in 2023

### **(6:08:28) 5:42 PM – May 31, 2023 State Special Revenue Report**

Brian Simonson said that there was nothing substantial to report on this part of the report that covered two months of revenue:

- Market Inspection Fees, Mr. Simonson said, gained the most over the two-month period, but were still down \$337,000. He said the budget for those was \$1.5 million and that would probably be made by the end of the fiscal year with a couple more months of revenue put in there
- \$382,000 had been taken in so far, Mr. Simonson said, in indirect cost recovery, which might start out as Federal Umbrella or Brands Fees, but turned into per capita fee
- Milk Inspection and Egg Grading were all standard, Mr. Simonson said
- Mr. Simonson reported that the VDL had a couple good months both this year and last year. Mike Honeycutt explained that we were always a bit in arrears when it came to billing the VDL because work done in June didn't get paid until July, meaning that with this May report, there were really two more months there for revenue

### **(6:10:46) 5:44 PM – FY2023 Expenditure Projections**

Brian Simonson reported that there was only one month left of projections, but that the numbers were pretty solid:

- Mr. Simonson said that there were two budget changes made in the last two months
  - \$150,000 worth of bonuses approved by HB13 for payroll were received for the DOL staff, giving each full-time employee basically, a \$1,000 bonus
  - The Federal Umbrella, on the Operations side, was plumped up \$36,000 to match the Federal Rent dollars
- Personal Services were down \$23,000, quite an improvement, Mr. Simonson said, from two months ago
- Total Operations were \$189,000 under authority, leaving total expenditures of \$173,233 to the positive on authority
- Budget figures, Mr. Simonson said, were basically following the same trend they had all year, with positives in Shielded Egg, Milk Control and Per Capita Fee. But, there was a big negative in VDL, as the DOL was spending all the other money first
- Mr. Simonson explained that the Livestock Loss Board got plussed up some as they usually were in the negative on their personnel side

**(6:14:51) 5:49 PM – May 31, 2023 Budget Status Report**

Brian Simonson reported that the total Personal Services was quite positive, a bad number, in comparison to 2022:

- Personal Services was overspent by \$689,488 because of pay increases, the \$150,000 bonus was this year, not in 2022, and a 55 cent increase was also this year. Mr. Simonson said there would be an extra pay period the following month in 2022, so that would close the gap and those numbers will right themselves
- The numbers on the Operations side, Mr. Simonson said, were going negative, in a good way for a couple months now, showing a negative \$160,938
- The DOL, on Personal Services were 87% expended with 89% of the payrolls completed
- Operations were 80% expended with 83% of the budget year left
- Mr. Simonson said that we've had million-dollar surpluses and even \$500,000 surpluses, but the DOL wasn't going to get anywhere near that this year, but, were still going to end this year looking good

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

**(6:17:43) 5:51 PM**

Mike Honeycutt announced that there were no public left, only staff. No comments were given when Gene Curry asked for them

**SET DATE FOR THE NEXT BOARD MEETING**

**(6:18:02) 5:52 PM**

Gene Curry said they were running a little past the 5:45 PM time set on the agenda for this segment:

- Mike Honeycutt said that he was going out of state the last week of July, but, that usually, the next summer BOL meeting was scheduled somewhere during the first of second week of August, because the books closed that last week of July
- Brian Simonson said that for that first report, they've given a June 29<sup>th</sup> assessment and then in September had given the June 30<sup>th</sup> ending assessment, because it was in that July period where things were move around and the "magic" happened
- Brian Simonson would be on vacation starting the 7th of August, Mr. Honeycutt said, so, he felt that from a DOL standpoint, that the first week of August timeframe would be a good one
- William Kleinsasser said that Wednesday didn't work for him, and Lily Andersen said that Tuesday would be better than Thursday for her
- The next BOL meeting was scheduled for Tuesday, August 1, 2023, starting at 8 AM

## **MEETING ADJOURNED**

**(6:22:32) 5:56 PM**



Gene Curry, Chairman