

MINUTES OF PUBLIC MEETING

Arizona Livestock Loss Board
Arizona Game and Fish Department
5000 W. Carefree Highway
Phoenix, AZ 85086

PRESENT: (Board Members)

Wednesday, May 31, 2017

Stephen Clark
Director Killian
Larry D. Voyles
Jim O'Haco
Ken Van De Graaff, Chairman
Dr. George Ruyle
Sarahmarge Crigler

(Staff)
Kevin Kinsall
Nancy Cline
Jim deVos
Jon Cooley
Jim Odenkirk

1. Welcome

Chairman Van De Graaff called the meeting to order at **1:10pm**. This meeting followed an agenda dated May 30, 2017.

2. Roll Call

Chairman Van De Graaff led the roll call and noted attendance of the Board members. Board members present were: Stephen Clark from Glendale, representing Wildlife Conservation & Knowledge of Livestock; Director Larry Voyles from Phoenix, Director of AZ Game and Fish Department; Jim F. O'Haco from Winslow, representing Livestock Industry; Ken Van De Graaff from Gilbert, representing Livestock Industry; Dr. George Ruyle from Tucson, representing Faculty Member at University; Director Mark Killian from Phoenix, Director of AZ Department of Agriculture; and Sarahmarge Crigler from Springerville, representing Livestock Industry. Not present for this meeting were Clay Parsons from Marana, representing Livestock Auction Market Owner and James Unmacht from New River, representing Wildlife Conservation & Knowledge of Livestock. Mr. Unmacht encountered problems trying to call in.

3. Review and approve minutes of November 3, 2016 meeting

The members individually reviewed the drafted minutes.

MOTION: APPROVE THE MINUTES OF THE NOVEMBER 3, 2016 MEETING AS WRITTEN. Director Killian moved and Director Voyles seconded.

VOTE: Unanimous

4. Review Agenda

Chairman Van De Graaff reviewed the meeting's agenda. There were no questions on the agenda items.

5. Call to the Public

Chairman Van De Graaff invited any public attendees who wanted to be heard to present their Blue Speaker Cards. There was one Blue Speaker Card which reference Item No. 8. They can also speak again when agenda Item No. 8 is discussed.

Patrick Bray, representing the Arizona Cattleman's Association. There are multiple different ways to not only market calves but raise calves. The beef cut-out number is done once a week by the USDA. It is an official government number that looks at the entire market. Take the factor of 7 based off of feeder weight calves and there's \$500 a head above the market weight. If you ask anyone in the region that has to deal with this day in and day out, that the \$500 is not worth driving calves into wolf territory to be eaten. We fully support the formulas being presented. The formulas take into account or eliminate many of the variables that could be considered. With these formulas, you will have very few producers coming in a saying "my calves are worth more." That would put a lot of you on the Board that are producers in an awkward situation to determine if their program is worth that extra 50 cents or not. It will keep a lot off the table by coming up with a solid number. The only thing left open are bulls. You can buy bulls today at \$3000 or \$11000, so a bill of sale can be presented.

6. Staff Presentation / Discussion

The Board reviewed and discussed the interim policy establishing procedures to compensate for wolf depredations.

Mr. Kinsall reviewed two points from the November meeting. If there is a depredation, the wildlife service's field representative needs to issue a report on the incident confirming a wolf depredation. The claimant can request reimbursement for up to \$2500 and must provide dollar for dollar match.

DISCUSSION: The \$2500 cap is per animal. The dollar for dollar match can be a cash match, or it can be in-kind contributions both from the rancher or an NGO. The grant has a requirement that there is a 1 to 1 match. We need to verify the match requirement under audit with receipts related to the expenses. If there is a differential between the value of the animal and what we pay, because of the cap is that uncompensated value something that can be claimed as match? That would need to be researched.

NO MOTION IS NECESSARY:

7. Staff Presentation / Discussion

The Board reviewed and discussed submitted claims for wolf depredations.

Mr. Kinsall explains the Depredation Report Forms.

DISCUSSION: A form is required on each depredation. If there are multiple depredations on the same day, they are recorded as separate incidents. Sterling Simpson is the primary investigator for Wildlife Services.

ACTION ITEM: Look at the legal issues and feasibility of the Board establishing their own criteria and contracting for someone who can investigate and provide evidence of a wolf depredation and report back next meeting.

DISCUSSION: The claimant's address and privacy on the claim form is to help prevent harassment to the rancher. Jim Odenkirk: Any document in a public agency is a public record and is subject to disclosure on a Public Records Request. That would include these investigative reports. However, the courts said in some situations, information within a record can be redacted or withheld if the privacy

interest outweighs the public interest in accessing that report. We would need to make a determination at the time of the public records request. In most cases we would side with the privacy interest and redact information.

MOTION: To keep the claimant's personal information private to the maximum extent allowable by law. Ms. Crigler moved and Director Voyles seconded.

VOTE: Unanimous

8. Staff Presentation / Discussion

The Board reviewed and discussed compensation formula(s).

Mr. Kinsall summarized the formulas. The goal is to be as simple and as transparent as possible. Using the US Department of Agriculture's comp cut-out value number 463 for a feeder calf is the basis for the formula (most depredations). Their website posts a report weekly.

Example given: If a claim fell within the week of February 8, 2016 and in this case its \$215.14 then take the value and multiply by 7, 7 is the value that we're suggesting is the weight factor. 7×100 will yield your 700lb animal. 7×215.14 is \$1505.98.

The first choice is \$2500 that you could award. The second is the proposal in this formula that is just going to one number on the USDA form and then the second formula is basically an average of that monthly value.

The monthly value requires some manipulation to arrive at a value. It would be simpler to stick with the weekly average. A replacement Heifer and cow have added value at the end, \$750 and \$600 respectfully. If a documented sale value is brought in for a bull, the board can look at that and determine if that's a reasonable value.

DISCUSSION: One challenge will be the need for a defensible / consistent methodology. The statute constrains the Game and Fish Departments ability to pay for staffing.

Jim Odenkirk: Operating under an interim policy makes you vulnerable because you should be making these decisions pursuant to rules which you haven't established yet and the reason for the interim policy is because you have some funding that is

available and it might expire if you have to wait until your rule. Rulemaking can expand on criteria and allow for variations in value that will come up with different types of livestock. Claimants can wait until a final rule and resubmit the claim if there is an opportunity for more latitude in the compensation approach.

Director Killian suggested that in the interim, a policy be adopted with the formula and when the rule is adopted, that the producers have an option to either select the formula of the committee or present their case as to why the formula does not apply to them. If the documentation and criteria are strong enough that they should be paid more than the formula then go down that path.

Mr. Van De Graaff asked that this be put on a future agenda to be discussed/addressed. Director Voyles felt the board was in agreement and that a vote is not needed. Chairman agreed. Ms. Crigler explained in more detail how the co-existence council pays out.

MOTION: The rule be adopted on an interim basis to see how it works out over the next 6 months before adopting the permanent rule. Director Killian moved and Director Voyles seconded.

VOTE: Unanimous

9. Staff Presentation / Discussion

The Board reviewed and discussed approval of payments of submitted claims for wolf depredations.

QUESTION: Director Killian asked if the staff evaluated the claims and do they support the claims that have been submitted? Mr. Kinsall: yes.

Director Voyles made an observation for the record: The claims are backed up by documentation from an investigator with Wildlife Services. He pointed out they include photographs, and photographs of canine tooth injuries and that they reflect hemorrhage which indicates that the animal was alive at the time the injury was inflicted. There is good documentation that supports that those were actually inflicted in a live animal by a critter that had canine spreads very consistent with a wolf and were identified as wolf kills by Wildlife Services.

MOTION: To approve the claims as a group. Director Voyles moved and Ms. Crigler seconded.

VOTE: Unanimous

QUESTION: Director Killian: With the proposed cuts to the USDA, like a 21% cut, how is that going to impact our AFIS Program and the people we deal with at USDA and are we getting any feedback on that and is there something this committee could do, or maybe we should pass a resolution down the road suggesting that those funds not be cut because that's all part of this whole program and unless the State's going to take that on 100%, I've got some real concerns about that. Letta McLaughlin AZ Department of Agriculture: did check with the office and Sterling is not alone, there are 6 other staffers, probably not as experienced as Sterling. Director Killian asked if we could lose some of those folks. Mr. Kinsall: Possibly.

QUESTION: Director Killian asked how many are trained in wolf predation inspection protocols. Leatta McLaughlin: USDA Wildlife Services in Arizona has about 20 field staff. Sterling from Alpine, is the resident wolf expert. Six of the 20 staff are located statewide and have been trained how to look at the wolf kills.

Mr. Kinsall gave an update on the budget. For depredation dollars there is about \$100,000 and in the avoidance grant there is about \$190,000, both of which have matching requirements.

Ms. Crigler gave details of what other ranchers are experiencing with depredations.

10. Staff Presentation / Discussion

The Board reviewed and discussed to approve interim policy establishing grants to develop measures to prevent wolf depredations on livestock.

Jim deVos (AZ Game and Fish Department) addressed the board: One application from Cary Dobson was received and the fund funded him \$10,000 out of the demonstration grant and also \$5000 in hard cash match from Defenders of Wildlife. That is the only application the Department has received for avoidance.

Mr.Kinsall explained the interim policy.

QUESTION: Director Killian asked if Kangal dogs can be purchased to protect cattle. It is decided that counsel must give an opinion. Jim Odenkirk needs more time to review the question.

QUESTION: Ms. Crigler asked if the Board has a form or is going to create a form for conflict avoidance. Mr. Kinsall: A form will be created by the next meeting.

QUESTION: Mr. Van De Graaff: Through the predation grant, can some of the grant be available to the University to conduct studies? Jim Odenkirk told the board under the interim policy, it would be limited to funds for livestock operators to implement avoidance measures. There would be a constraint on the funding source for avoidance measures by livestock operators as well. The authority as a board is to research and develop measures to avoid or to reduce depredation. If there was a separate funding source and separate direction by policy, you could possibly provide funding to a University but not under the current interim policy.

ACTION ITEM: Long term solutions of the interim policy are needed. Moved by Director Killian and seconded by Director Voyles.

VOTE: Unanimous

11. Staff Presentation / Discussion

The Board reviewed and discussed an update on rule package establishing procedures to pay claims for wolf depredations.

Item 11 has already been addressed.

12. Staff Updates

The Board reviewed and discussed an update on the Board's letter to the Attorney General requesting formal opinion on constitutional takings question.

The Chairman will sign a letter to the Attorney General asking for action on the item.

13. Staff Presentation/Discussion

The board reviewed and discussed the reimbursement of expenses including a sample travel claim form, a meal and incidental breakdown sheet and policy on overnight stays. Money will come from grant funds, not State funds at this time (this will take money from the producers).

If any help is needed, your point of contact is Nancy Cline at Arizona Game and Fish.

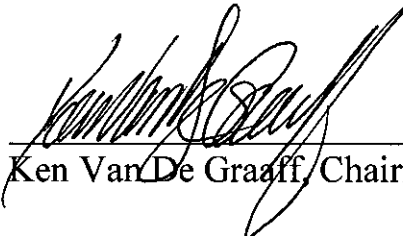
MOTION: BOARD WILL NOT GO INTO EXECUTIVE SESSION.

MOTION: MEETING TO ADJOURN. Chairman Van De Graaff moved and Director Killian seconded.

VOTE: Unanimous

Chairman Van De Graaff adjourned the meeting at **3:15 p.m.**

I attest that these minutes were reviewed and approved by the members of the Livestock Loss Board on 10/16 **, 2017**



Ken Van De Graaff, Chairman