

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the August 21, 2020 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
August 21, 2020
404 Ann Street
Frankfort, KY 40601**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:00 a.m. (EDT).

Roll Call

The following members were present: Dorsey Ridley (designee for Governor Andy Beshear), Agriculture Commissioner Ryan Quarles, Sarah Butler (designee for interim Secretary Larry Hayes), Dean Nancy Cox, Dr. Kirk Pomper (designee for Dr. M. Christopher Brown II), Mark Barker, Bobby Foree, Fritz Giesecke, Pat Henderson, Stewart Hughes, Matthew Hinton, Wayne Hunt, Dr. Gordon Jones, Katie Moyer and Al Pedigo
Members absent: Jim Mahan.

Notification of Media

Commissioner Quarles received verification from Marielle McElmurray, Director of Public Affairs, that the media had been notified of the KADB monthly meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the July 17, 2020 board meeting.

Mr. Barker moved to approve the minutes, as presented; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

Commissioner Quarles updated the board on the activities of the Kentucky Department of Agriculture (KDA). These activities included changes and updates for the state fair, freezers purchased for food pantries, and Dr. Stout retiring as State Veterinarian. He noted that Keith Rogers would be serving as chair for the veterinarian search committee.

Executive Director's Report

Commissioner Quarles yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler welcomed everyone to the meeting and updated the board on recent activities including the Governor's AgriTech Advisory Council meeting. Mr. Beeler also discussed future funding of distillery related applications for KAFC loan programs.

Board members agreed with being supportive of the distillery industry and recommended a funding cap while considering farmer and community impact scope of the projects.

Deputy Executive Director's Report

Commissioner Quarles yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey referenced the June 2020 Kentucky Broadcaster's Association Public Education Partnership (PEP) Program memorandum (*on file*).

Mr. McCloskey referenced the GOAP Monitoring & Compliance, Spring 2020 Quarterly Report (*on file*).

Mr. McCloskey referenced the State funds to limited allocation counties memorandum (*on file*).

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of July 24, 2020.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of July 21, 2020.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund Cash Flow Statement (*on file*) as of July 24, 2020.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of July 31, 2020.

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation meeting agenda (*on file*) and reviewed applications submitted to the KAFC Board for action (*on file*) as of August 14, 2020.

Mr. Hughes moved to approve the Deputy Executive Director's Report; Mr. Giesecke seconded the motion.

VOTE: Motion Passed; Unanimous.

Meat Processing Expansion Committee Report

Commissioner Quarles called on Mr. Hunt to provide the Meat Processing Expansion Committee report.

Mr. Hunt updated the board on the Meat Processing Expansion Committee meeting on July 21. The committee recommended funding three of the seven submitted projects and pended the remaining four projects. The committee requested an additional \$500,000 for the MPIP. Mr. Hunt noted these recommendations would be considered later in the meeting.

Dean Cox moved to approve the committee report; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

Compliance Committee

Commissioner Quarles called on Mr. Henderson to give the Compliance Committee report.

Mr. Henderson updated the board on the August 4 Compliance Committee meeting. He provided information on six projects requesting modifications that will be discussed later under Memo Action items.

Mr. Henderson moved to accept the committee report; Dr. Jones seconded the motion.

VOTE: Motion Passed; Mr. Barker abstained.

Program Evaluation Committee Report

Commissioner Quarles called on Mr. McCloskey to provide the Program Evaluation Committee report.

Mr. McCloskey updated the board on the August 6 Program Evaluation Committee meeting.

Mr. Hinton moved to approve the committee report; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

On-Farm Water Management Committee Report

Commissioner Quarles called on Mr. Giesecke to provide the On-Farm Water Management Committee report.

Mr. Giesecke updated the board on the August 17 On-Farm Water Management Committee meeting.

Mr. Giesecke moved to accept the committee report; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

Memo Action Items

Commissioner Quarles called on Mr. McCloskey, Danielle Milbern, Renee Carrico and Brian Murphy to present the following memo action items:

KADF Meat Processing Investment Program

Ms. Carrico presented a memorandum (*on file*) on the above referenced program from the Meat Processing Expansion Committee requesting an additional \$500,000 in KADF State funds and approval of updated guidelines to include a new level of funding for new or start-up meat processors.

Ms. Moyer moved to approve the committee request, as presented; Mr. Barker seconded the motion.

VOTE: Motion Passed; Unanimous.

A2007 – 0421 J.D. Country Milk, LLC

Mr. McCloskey presented a memorandum (*on file*) on the above referenced project requesting to continue subordination under refinanced debt.

The KADB Compliance Committee recommended to approve the request to subordinate the loan to be refinanced with no additional funds.

Mr. Henderson moved to approve the committee recommendation, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Mr. Barker abstained

A2008 – 0280 Foothills Products and Services, Inc.

Mr. McCloskey presented a memorandum (*on file*) on the above referenced project requesting KADB to forgive the remaining forgivable loan balance.

The KADB Compliance Committee recommended to forgive \$250,000 subject to the buyer of the facility being ineligible for funding under the Meat Processing Investment Program Level 3 guidelines. The KADB loan balance after the forgiveness offer would be \$164,415.

Mr. Foree moved to approve the committee recommendation, with the additional requirement new owner will allow a KADB consultant to complete a technical and operational review of the business and make recommendations; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

A2018-0225 Kentucky State Beekeepers Association

Ms. Milbern presented a memorandum (*on file*) on the above referenced project requesting a budget amendment to reallocate funds and time extension.

The KADB Compliance Committee recommended approving the KSBA budget reallocation of \$26,302.81 and six month time extension request until June 23, 2021.

Mr. Giesecke moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

A2019 – 0159 J.R. Chaney Bottling Co., LLC

Ms. Milbern presented a memorandum (*on file*) on the above referenced project requesting a budget amendment to reallocate funds in several categories and time extension.

The White Application Review Committee recommended approving the amendment request to reallocate \$8,914.34 in funds in several categories. Staff recommended approval of a six month time extension until January 31, 2021.

Dr. Jones moved to approve the committee and staff recommendations, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

A2019 – 0195 Kentucky State University

Ms. Carrico presented a memorandum (*on file*) on the above referenced project requesting a budget amendment and early release of second year funds.

The KADB Compliance Committee recommended approving the budget amendment request to reallocate \$38,854 in funds and allow early release of second year funds when terms for release are met.

Mr. Pedigo moved to approve the committee recommendation, as presented; Dean Cox seconded the motion.

VOTE: Motion Passed; Dr. Pomper abstained.

A2019 – 0208 Bagdad Roller Mills, LLC

Mr. Murphy presented a memorandum (*on file*) on the above referenced project requesting to modify required security documentation.

The Compliance Committee recommended amending the terms and conditions of the loan agreement to:

- a. Waive the requirement that a certified appraisal be performed on collateral securing the participation loan;
- b. Waive the requirement that Bagdad Roller Mills grant the Board a mortgage on real estate;
- c. Waive the requirement for title report; and
- d. Require Bagdad Roller Mills to execute a security agreement that grants a first position security interest in equipment, and provide proof that the purchase price of the equipment is at least twice the amount of the loan.

Mr. Foree moved to approve the committee recommendation, as presented; Ms. Butler seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0042 Marksby Farm Foods, LLC

Mr. Murphy presented a memorandum (*on file*) on the above referenced project requesting to modify required security documentation.

The Compliance Committee recommended amending the terms and conditions of the loan agreement to:

- a. Waive the requirement that a certified appraisal be performed on collateral securing the participation loan;
- b. Waive the requirement that Marksby Farm grant the Board a mortgage on real estate;
- c. Waive the requirement for a title report; and

- d. Require Marksby to execute a Security Agreement that grants a first position security interest in equipment, and provide proof that the purchase price of the equipment is at least twice the amount of the loan.

Mr. Henderson moved to approve the committee recommendation, as presented; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0131 Dennis Wise d/b/a Wise Meat Packaging

Ms. Carrico presented a memorandum (*on file*) on the above referenced project requesting a budget amendment.

The KADB Meat Processing Expansion Committee recommends approval of the budget amendment for an additional \$4,050 in State funds.

Ms. Moyer moved to approve the committee recommendation, as presented; Mr. Barker seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral¹

Commissioner Quarles called on Mr. McCloskey to present new applications for referral.

Mr. McCloskey referenced eight (8) new applications for referral.

Mr. Hughes moved to refer the submitted applications to the appropriate committees; Dr. Pomper seconded the motion.

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval²

Commissioner Quarles called on Mr. McCloskey to present programs recommended for approval.

Mr. McCloskey referenced ten (10) County Agricultural Investment Program (CAIP) applications totaling \$1,553,406; two (2) Dead Animal Removal (DAR) applications totaling \$22,500; and two (2) Youth Ag Incentives Program application totaling \$21,300. The total program funding is \$1,597,206.

Dr. Jones moved to approve all programs meeting state guidelines, as presented; Ms. Moyer

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

Commissioner Quarles called on Mr. McCloskey to present requested program amendments.

Mr. McCloskey referenced four (4) counties requesting additional funds for an existing CAIP: Anderson County (\$135,000); Clinton County (\$245,000); Perry County (\$33,739); Rockcastle County (\$220,830). Total program amendment funding is \$634,569.

Ms. Moyer moved to approve the program amendments, as presented; Mr. Giesecke seconded the motion.

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

Commissioner Quarles called on Ms. Carrico and Ms. Milbern to present the following recommendations for funding:

Meat Processing Investment Programs

A2020 – 0182 Moonlight Meat Processing, Inc. (Level 1)

Ms. Milbern referenced the above application requesting \$225,000 in State funds to purchase processing and packaging equipment, as an MPIP Level 1 project

The Meat Processing Expansion Committee recommended approving the request up to \$20,000 in State funds, subject to terms and conditions

Mr. Hinton moved to approve the committee recommendation, as presented; Ms. Moyer seconded the motion.

Dr. Jones requested in the future the board be given updates on applicants receiving Level 1 funding.

VOTE: Motion Passed; Unanimous.

A2020 – 0135 Laird Meat Co. (Level 2)

Ms. Carrico referenced the above application requesting of up to \$19,358 in State funds to purchase and install a meat grinder and sausage stuffer for its USDA inspected processing facility.

The Meat Processing Expansion Committee recommended approving the request up to \$19,358 in State funds as a forgivable loan, subject to terms and conditions.

Mr. Hughes moved to approve the committee recommendation, as presented; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous

Projects

A2020 – 0142 Central KY Custom Meats, Inc. (Level 3)

Ms. Milbern referenced the above application requesting \$225,000 in State funds to purchase processing and packaging equipment.

The Meat Processing Expansion Committee recommended approving the request for up to \$225,000 in State funds as a forgivable loan, subject to terms and conditions.

Dr. Jones moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0143 Fulton County Board of Education

Ms. Milbern referenced the above application requesting \$31,420* in Fulton County funds to build a new high school greenhouse. *Note that a portion of these funds are from the *State Funds to Limited Allocation Counties Initiative*.

The White Application Review Committee recommended approving the request for up to \$31,420 in Fulton County funds, subject to terms and conditions.

Mr. Hinton moved to approve the committee recommendation, as presented; Dean Cox seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0147 Daviess County Conservation District

Ms. Milbern referenced the above application requesting \$20,000 in Daviess County funds for a Daviess County Youth Agriculture Production Cost-Share Program.

The White Application Review Committee recommended approving the request for up to \$20,000 in Daviess County funds, subject to terms and conditions.

Dean Cox moved to approve the committee recommendation, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0148 Daviess County Lions Club Fair, Inc.

Ms. Milbern referenced the above application requesting \$2,500 in Daviess County funds to help pay for premiums and awards for the 4-H and FFA portion of the fair.

The White Application Review Committee recommended approving the request of up to \$2,500 in Daviess County funds, subject to terms and conditions.

Dr. Jones moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Commissioner Quarles called on Mr. McCloskey to present the following pending applications:

Mr. McCloskey stated there were seven (7) project application pending.

No action necessary on pending projects or programs.

Withdrawn/Expired Applications

Commissioner Quarles called on Mr. McCloskey to present the following withdrawn applications:

Mr. McCloskey stated there were two (2) withdrawn applications.

No action necessary on withdrawn or expired applications.

Closing Remarks

Commissioner Quarles invited everyone to visit the State Fair online and invited everyone to participate in the Championship Drive.

On behalf of Governor Beshear, Dorsey Ridley thanked everyone for their participation on the KADB.

The KADB White Application Review Committee will meet immediately following adjournment of the regular business meeting.

Next Meeting

Commissioner Quarles stated the next KADB meeting will be held on Friday, September 18, 2020 at 10:00 a.m. (EDT).

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Mr. Hunt moved to adjourn the August KADB meeting; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:00 p.m. (EDT).

APPROVED DATE:

9-24-2020

PRESIDING OFFICER:



Commissioner Ryan Quarles

BOARD SECRETARY:

Milinda Sosby

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1. A detailed list of the New Applications for Referral is attached as Appendix A.
 2. A detailed list of the applications funded under the listed programs is attached as Appendix B.
 3. A detailed list of amendments funded under the listed programs is attached as Appendix C.
 4. A detailed list of the applications funded under the Meat Processing Investment Programs: Level 1 & 2 as Appendix D.
 5. A copy of the Meat Processing Expansion Committee minutes is attached as Appendix E.
 6. A copy of the KADB Compliance Committee minutes is attached as Appendix F.
 7. A copy of the Program Evaluation Committee minutes is attached as Appendix G.
 8. A copy of the On-Farm Water Management Committee minutes is attached as Appendix H.
 9. A copy of the KADB White Application Review Committee minutes is attached as Appendix I.
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APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY	Cmte.
A2020-0172	McLean County Fiscal Court <i>Myers Creek Park Facility Improvements</i>	McLean	White
A2020-0173	Hinton's Orchard & Farm Market, LLC <i>Farm Retail Market</i>	LaRue	White
A2020-0178	Owen County Farm Bureau, Inc. <i>Farmer Market Facility Improvements</i>	Owen	White
A2020-0179	Greenup County Extension District Board <i>Mobile Livestock Panels</i>	Greenup	White
A2020-0180	Nash Farms <i>Produce Facility Expansion</i>	Washington	White
A2020-0187	Kentucky Agriculture and Environment in the Classroom, Inc. <i>Ag Education Program and Curriculum Development</i>	_ALL	White
A2020-0197	Kentucky Department of Agriculture <i>Kentucky Grape & Wine Council Initiatives</i>	_ALL	White
A2020-0198	Bourbon County Board of Education <i>Greenhouse</i>	Bourbon	White

APPENDIX B: Programs Recommended for Approval**CAIP**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0169	Green River Area Beef Improvement Group, Inc.	McLean	\$36,480.00
A2020-0170	Elliott County Conservation District	Elliott	\$156,045.00
A2020-0171	LaRue County Beef Cattle Association, Inc.	LaRue	\$106,000.00
A2020-0176	Greenup County Conservation District	Greenup	\$142,164.00
A2020-0183	Laurel County Cattlemen's Association, Inc.	Laurel	\$165,000.00
A2020-0184	Allen County Conservation District	Allen	\$138,584.00
A2020-0188	Trigg County Soil Conservation District	Trigg	\$67,142.00
A2020-0190	Barren County Conservation District	Barren	\$346,292.00
A2020-0191	Knox County Soil Conservation District	Knox	\$95,699.00
A2020-0195	Bourbon County Fiscal Court	Bourbon	\$300,000.00
			\$1,553,406.00

Deceased Farm Animal Removal (DAR)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0168	Russell County Conservation District	Russell	\$7,500.00
A2020-0189	Bourbon County Fiscal Court	Bourbon	\$15,000.00
			\$22,500.00

Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0174	Owen County 4-H Club Council, Incorporated	Owen	\$15,000.00
A2020-0175	Breathitt County Farm Bureau of Breathitt County, Kentucky	Breathitt	\$6,300.00
			\$21,300.00

Total County Funds Recommended for Approval in Programs: **\$1,597,206.00**

APPENDIX C: Requested Program Amendments

App # A2020-0114
Applicant Name Anderson County Farm Bureau Federation
Original Amount Approved \$114,500
Execution Date 06/29/2020
Requested Change The applicant requests an additional \$20,500 in Anderson County funds for the *CAIP Program*. The request received a high priority from the County Council.

This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.

Approval of this request would bring the program total to \$135,000.

Recommend Approval

App# A2019-0232
Applicant Name Clinton County Farm Bureau
Original Amount Approved \$135,000
Execution Date 11/18/2019
Requested Change The applicant requests an additional \$110,000 in Clinton County funds for the *CAIP Program*. The request received a high priority from the County Council.

This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.

Approval of this request would bring the program total to \$245,000

Recommend Approval

App# A2020-0059
Applicant Name Perry County Conservation District
Amount Approved \$30,739
Execution Date 5/21/2020
Requested Change The applicant requests an additional \$3,000 in Perry County funds for the *CAIP Program*. The request received a high priority from the County Council.

This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the agreement.

Approval of this request would bring the program total to \$33,739

Recommend Approval

APPENDIX C: Requested Program Amendments

App #	A2020-0033
Applicant Name	Rockcastle County Conservation District
Original Amount Approved	\$86,875
Execution Date	03/06/2020
Requested Change	The applicant requests an <u>additional</u> \$133,955 in Rockcastle County funds for the <i>CAIP Program</i> . The request received a <u>high</u> priority from the County Council.

This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.

Approval of this request would bring the program total to \$220,830.

Recommend Approval




APPENDIX D: Meat Processing: Level 1 Incentives Recommended for Approval

APP #	APPLICANT	COUNTY	FUNDS REQUESTED
A2020-0182	Moonlight Meat Processing, Inc <i>Meat Processing Investment Program - Level 1</i>	Whitley	\$20,000.00
Total State Funds Recommended for Approval:			\$20,000.00
# Awards: 1		# Counties: 1	

Meat Processing: Level 2 Simplified Processor Capacity Expansion Recommended for Approval

APP #	APPLICANT	COUNTY	FUNDS REQUESTED
A2020-0135	Laird Meat Co <i>Meat Processing Investment Program - Level 2</i>	Marshall	\$19,358.00
Total State Funds Recommended for Approval:			\$19,358.00
# Awards: 1		# Counties: 1	

**The Meat Processing Investment Program provides funding to incentivize economical expansion of Kentucky meat processors to process Kentucky livestock and poultry.*

Level 1 Incentives are for a USDA-inspected processing facilities or USDA-exempt poultry processing facilities needing assistance in operating costs related to increasing the number of head of Kentucky animals. Incentives are paid on a per head basis above the applicant's established baseline up to \$20,000.

Level 2 Simplified Processor Capacity Expansion is for processors interested in making small or modest facility improvements. Awards are 75% cost-reimbursement up to \$37,500.

APPENDIX E: Meat Processing Expansion Committee Meeting Minutes

Meeting Date:	Friday, August 28, 2020
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Wayne Hunt
Attendees:	Committee: Wayne Hunt, Al Pedigo, Dr. Gordon Jones, Pat Henderson, Bobby Foree, Stewart Hughes, Keith Rogers and Tim Hughes KCARD Staff: Aleta Botts and Brent Lackey UK Staff: Dr. Gregg Rentfrow GOAP Staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico, Brian Murphy, Sandy Gardner, Dorsey Ridley
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	8:32 AM
Meeting Adjourned:	10:30 AM

Agenda Items:

I. Applications

a. Level 4 Applications

A2020-0144 Bluegrass Lamb Company

- o Valerie Samutin and Daniel Clift gave an overview of the business plans to expand.
- o Committee requests seeing a copy of the USDA and GFSI Certification plans, and discussed pending this application until the 3rd party consultant is hired and has reviewed the facility.
- o A motion to recommend to pend the application until a 3rd party consultant report is submitted was made by Stewart Hughes and seconded by Dr. Gordon Jones. Motion passed unanimously.

b. Level 3 Applications

A2020-0145 Summits Holding Inc.

- o Kyle Turpen gave an overview of the business plans to expand.
- o Committee discussed dollar amounts and types of funding that had been approved for similar meat processing projects.
- o A motion to recommend to pend the application until more detailed information of how KADF funds have supported similar processors has been reviewed was made by Al Pedigo and seconded by Dr. Jones. Motion passed unanimously.

c. Level 2 Applications

A2020-0141 Loretto Butcher Shop, LLC.

- o Ms. Carrico gave a brief overview of the application and additional documentation that had been submitted and answered committee members' questions.
- o A motion to recommend to fund the application for \$37,500 in State funds was made by Bobby Foree and seconded by Mr. Hughes. Motion passed unanimously.

A2020-0200 Moonlight Meat Processing, Inc.

- o Ms. Carrico gave a brief overview of the application and additional documentation that had been submitted and answered committee members' questions.
- o A motion to recommend to fund the application for \$37,500 in State funds was made by Pat Henderson and seconded by Dr. Jones. Motion passed unanimously.

APPENDIX E: Meat Processing Expansion Committee Meeting Minutes

II. Update on Current Projects

Ms. Carrico gave an overview of all current and active projects and requested feedback for additional information the committee would like to see each month.

III. Additional Business

a. Progress of 3rd Party Consultant RFP

- o General Counsel Brian Murphy gave an overview of the RFP process and estimated timeline.
- o Committee members discussed which way is best to compensate a consultant for their work: hourly or set cost per facility.
- o Committee requests that all options are given and once applications are submitted, compensation methods can be compared.
- o A motion to approve and submit the RFP application upon approval of GOAP General Counsel was made by Mr. Henderson and seconded by Dr. Jones. Motion passed unanimously.

IV. Next Meeting – September 21, 2020 at 2:00 p.m. EDT via Zoom Video Conferencing

APPENDIX F: KADB Compliance Committee Meeting Minutes

Meeting Date:	August 4, 2020
Meeting Location:	GOAP via Zoom Meeting ID: 976 2504 7326
Meeting Chair:	Sandra Gardner, Director of Compliance & Outreach
Attendees:	Committee: Sarah Butler, Bobby Foree, Pat Henderson Staff: W. Beeler, R. Carrico, K. Childers, S. Gardner, B. McCloskey, D. Milbern, B. Murphy, S. Osterman, M. Sosby, M. Williams Guests: A. Botts, M. Courtney, E. Davis, J. Farris, K. Hawkins, M. Hays, B. Lackey, M. Mabry, D. Maples, J. Nelson, K. Pomper, T. Potter, S. Preston, B. Thompson, K. Tucker
Minutes Issued By:	Sandra Gardner
Meeting Call to Order:	8:33 a.m. EDT
Meeting Adjourned:	10:16 a.m. EDT
Agenda Items:	
<p>I. Previous Meeting Minutes Staff noted that the committee minutes for the regular meeting of the committee on June 25 were included in their July mailing as part of the full KADB June meeting minutes.</p> <p>II. Old Business</p> <p>Beef Solutions, LLC (A2017-0118) – Update from Last Report</p> <ul style="list-style-type: none"> i. As a follow up from questions asked by the committee at the last regular meeting, regarding the Profit & Loss Statement of the 1st quarter report, staff invited representatives from Beef Solutions LLC to address those questions. ii. Kelly Tucker explained the “Insurance” and “Income Tax Expense” lines and what variables affect the cost. Katelyn Hawkins explained the “Net Income” number, and updated the committee on a revision in Beef Solutions’ pricing model. Ms. Hawkins noted that the Net Income has improved significantly in the recently submitted 2nd quarter report. iii. Committee members asked questions. No action necessary. <p>III. New Business</p> <p>A. Edmonton-Metcalf County Industrial Authority (A2011-0154)</p> <ul style="list-style-type: none"> i. Brian Murphy provided an update on a dispute between the EMCIA and its tenant – the Kentucky Blueberry Growers Association – related to a facility in Metcalfe County supported by the Kentucky Agricultural Development Fund (KADF). ii. At this time, no committee action is necessary, but Mr. Murphy let the committee know that if EMCIA sold the facility prior to 5/23/2022, instead of finding a new tenant, that a pro-rated refund of the award would become due. <p style="padding-left: 40px;">Action: Staff will continue to monitor the project for the duration of the moratorium and report back if there is a change in the status of the project.</p> <p>B. J.D. Country Milk, LLC (A2007-0421)</p>	

- i. Bill McCloskey reviewed a request from the Recipient to maintain KADB's subordinate position on a forgivable loan to existing debt that is being refinanced. Loan officer Jennifer Farris was available to answer questions.
- ii. After review and discussion, *Mr. Foree moved to accept the request to continue the KADB's subordinate position on this forgivable loan and recommend such at the August KADB meeting; Mr. Henderson seconded the motion.* The motion passed.
Action: Staff will prepare an action memo for the August KADB meeting.

C. Foothills Products and Services, Inc. (A2008-0280)

- i. Mr. McCloskey reviewed background and documents related to the Recipient's project, noting that the committee stated in its 5/16/2019 meeting minutes that it "...may consider a request to forgive a portion of the loan debt should an unrelated party be interested in purchasing the business."
- ii. Mr. McCloskey reviewed the purchase offer from David Hatfield, which would cover Kentucky Highlands Investment Corporation debt, but did not assume the KADB debt and asked to have related assets released. Representatives from Kentucky Highlands and KCARD were present to answer questions.
- iii. After review and much discussion, *Mr. Foree moved to forgive \$250,000 of the remaining debt for the project with the stipulation that the new owner would not be eligible for Meat Processing Investment Program Level 3 funding and recommend such at the August KADB meeting; Ms. Butler seconded the motion.* The motion passed.

Action: Staff will prepare an action memo for the August KADB meeting. Staff will also communicate the committee's recommendation to the Recipient.

D. Kentucky State Beekeepers Association (A2018-0225)

- i. Danielle Milbern reviewed a request from the Recipient to reallocate \$26,302.81 from the travel portions of its budget to a new budget category Promotion (\$21,332.89) and to the Program Manager category (\$4,969.92), as well as a 6-month time extension.
- ii. Sarah Preston with KSBA explained the request and answered questions. Mike Mabry and Tammy Horn Potter were on hand to answer questions, as well.
- iii. After review and discussion, *Mr. Henderson moved to accept the request for a budget change and time extension, as presented, and recommend such at the August KADB meeting; Ms. Butler seconded the motion.* The motion passed.

Action: Staff will prepare an action memo for the August KADB meeting.

E. Kentucky State University (A2019-0195)

- i. Renee Carrico reviewed a request from the Recipient to reallocate \$32,500 from demonstration funds and \$6,354 from travel to the grant awarding budget category, as well as a release second year (2021) funding early.
- ii. Joni Nelson with KSU explained the request and answered questions. Dr. Kirk Pomper was on hand to answer questions, as well.
- iii. After review and discussion, *Mr. Henderson moved to accept the request for a budget change and early release of funds after its required presentation, and*

recommend such at the August KADB meeting; Mr. Foree seconded the motion. The motion passed.

Action: Staff will prepare an action memo for the August KADB meeting. The Recipient will prepare to present at the KADB's September meeting.

F. Bagdad Roller Mills (A2019-0208)

- i. Mr. Murphy reviewed a request from the Recipient and its Participating Lender to modify terms related to security documentation for the participation loan.

Specifically, the request is to waive the following: certified appraisal, mortgage on real estate, and title report. Instead, it was proposed that the loan be secured with equipment purchased and a Security Agreement granting the Board a security interest in collateral valued above the \$150,000 loan. Loan officer Mary Courtney was available to answer questions.

- ii. Mr. McCloskey noted that staff is currently considering a more general statement about securing the board's interest in a loan legal agreement, without locking in the specific documents.
- iii. After review and discussion, *Ms. Butler moved to accept the request as presented, and recommend such at the August KADB meeting; Mr. Henderson seconded the motion. The motion passed.*

Action: Staff will prepare an action memo for the August KADB meeting.

G. Marksbury Farm Foods, LLC (A2020-0042)

- i. Mr. Murphy reviewed a request from the Recipient and its Participating Lender to modify terms related to security documentation for the participation loan.

Specifically, the request is to waive the following: certified appraisal, mortgage on real estate, and title report. Instead, it was proposed that the loan be secured with equipment purchased and a Security Agreement granting the Board a security interest in collateral purchased

- ii. After review and discussion, *Ms. Butler moved to accept the request with the stipulation that the KADB's \$392,700 will be in a first position and LTV not to exceed 50% of the purchase price and recommend such at the August KADB meeting; Mr. Henderson seconded the motion. The motion passed.*

Action: Staff will prepare an action memo for the August KADB meeting.

IV. Next Regular Quarterly Meeting – September, date and time TBD

Additional special meetings may be called, as needed.

V. Meeting adjourned by acclamation at 10:16 a.m. EDT.

APPENDIX G: KADB Program Evaluation Committee Meeting Minutes

Meeting Date:	August 6, 2020
Meeting Location:	GOAP <i>via</i> Zoom Meeting ID: 473 334 6709
Meeting Chair:	Pat Henderson
Attendees:	Committee: Mark Barker, Pat Henderson, Matthew Hinton, Gordon Jones, Keith Rogers Staff: W. Beeler, R. Carrico, S. Gardner, B. McCloskey, B. Murphy, S. Osterman, M. Sosby
Minutes Issued By:	Stefanie Osterman
Meeting Call to Order:	9:30 a.m. EDT
Meeting Adjourned:	11:30 a.m. EDT
Agenda Items:	
<p>I. Update/Summary of Programs</p> <ul style="list-style-type: none"> i. 2020 Program Utilization-Sandra Gardner gave an update on Program Investments made Jan.-Jul. 2020, comparing to same time last year. ii. State Support to Limited Allocation Counties-Bill McCloskey gave an update on how those counties have used funding to date and staff's contact with them. <p>II. Prep for 2021 Guideline/Policy Revisions</p> <ul style="list-style-type: none"> i. Timeline for changes-Stefanie Osterman shared with the committee the timeline for staff to receive recommended changes and create the board survey. ii. Requests/Recommendations Received from Public-Osterman reviewed the requested changes that have been received so far. iii. Committee Requests for Staff to Research <ul style="list-style-type: none"> 1. Requests Needing Specialist Input-The Committee discussed having small group industry input for each enterprise/investment area starting in early 2021. 2. Prior Year Topics to Revisit-Committee discussed and decided not to further research drones this year. iv. Additional Discussion: <ul style="list-style-type: none"> 1. Staff inquired about the current scoring committee language within the guidelines that is not uniform with exclusion of administrator and their household language. 2. Pat Henderson suggested that general policy guidelines include language excludes reimbursement for work purchased from a company the applicant or their household are invested in. 3. Committee agreed in the need for investment area focus groups to update and improve each area. 4. Dr. Jones brought up multiple suggestions specific to the beef industry resulting in the following action items: 	

- a. Renee Carrico will work with Dr. Darrh Bullock about the possibility of streamlining EPD categories and adding the University of Tennessee Bull EPD Calculator link to the UK webpage.
 - b. Staff will discuss the possibility of developing a committee to discuss EPD and heifer purchase requirements each year.
5. A copy of the producer application will be emailed to the committee to review questions, points and scoring to be discussed at the next meeting.

III. Next Regular Meeting – September 23, 9 – 11 a.m. EDT

APPENDIX H: On-Farm Water Management Committee Meeting Minutes

Meeting Date:	August 17, 2020
Meeting Location:	Zoom Video Conferencing
Committee Chair:	Pat Henderson
Attendees:	Committee members: Fritz Giesecke, Pat Henderson, John Dix and Eddie Melton DOW Staff: Alice Mandt, Bill Caldwell KCARD: Spencer Guinn KFB: Joe Cain GOAP Staff: Warren Beeler, Renee Carrico, Bill McCloskey and Brian Murphy
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	9:00 a.m. EDT
Meeting Adjourned:	10:15 a.m. EDT
Agenda Items:	
<p>I. A2020-0090 Barr Farms Organic Produce, LLC – SSG</p> <p>Staff presented a memo requesting a budget amendment for an increase in funds due to a higher bid for equipment.</p> <ul style="list-style-type: none"> • The Committee inquired on how these requests are handled in similar KADF programs. • Pat Henderson gave background on these requests and how they are handled by the KADF On-Farm Energy Incentives Program. <p>The Committee recommends denying the request to maintain uniform procedure with the KADF On-Farm Energy Incentives Program.</p> <p>Motion made by Kevin Jeffries and seconded by Fritz Giesecke; passed unanimously.</p> <p>II. Small Scale Grant Projects</p> <p>Staff gave an overview of each Small Scale Grant Project as well as the Technical Advisory Group's scoring.</p> <p>The Committee recommends funding A2020-0181 Andrew Ellison (\$1,912) and A2020-0185 ASAP Fish, LLC (\$10,000) based on TAG scoring and committee discussion.</p> <p>Motion made by Mr. Jeffries and seconded by Mr. Giesecke; passed unanimously.</p> <p>The Committee recommends denying A2020-0177 Wilburn Sisco (\$10,000), A2020-0186 Anne Severn (\$1,500) and A2020-0192 Honey Tree Farm, LLC (\$6,160) based on TAG scoring and committee discussion.</p> <p>Motion made by Eddie Melton and seconded by Mr. Giesecke; passed unanimously.</p>	

APPENDIX H: On-Farm Water Management Committee Meeting Minutes

III. Updates on Current Projects

Staff gave an overview of all active On-Farm Water Management Projects and presented the following for reference:

Total Funds Committed (2017-2020): \$501,518

Total Funds Dispersed: \$122,927

Total Funds Available as of 8/1/2020: \$909,405

Counties Impacted: 10 approved

Applications Submitted to Date: 20 (*RDD – 5, PIP – 5, SSG – 10*)

Committee Decisions to Date:

Approved – 12 (*2 later withdrew*)

Declined – 3

5 Applications voted on today

IV. Final Discussions

Staff and TAG brought inquiries about the program to the Committee's attention which included Ag Water Quality Plans, Gross Farm Income Requirements and Ponds.

Ponds were heavily discussed and the Committee directed Staff to let any applicants for the next quarter know that potential guidelines for ponds would include, only reimbursing for ponds if they are in conjunction with spring development, however, pipes, pumps and waterers being fed by ponds would be eligible. These guideline discussions will be discussed in further detail and voted on at the next Committee meeting.

The Committee requests that Staff invite economists to the next meeting to discuss Gross Farm Income requirements as well as Adjusted Gross Income for the major sectors of the industry applications are received from: Horticulture and Beef Cattle.

Bill Caldwell gave an overview of PIP and RDD Projects in the queue and invited anyone willing to social distance and wear masks to come along on site visits if they are interested.

The next meeting date was set for November 23rd at 9 a.m. EDT via Zoom Video Conferencing.

There being no further business, the meeting was adjourned.

APPENDIX I: White Application Review Committee Minutes

Meeting Date:	8/21/2020
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Bill McCloskey
Attendees:	Committee members: Fritz Giesecke, Matt Hinton, Dean Nancy Cox, Dr. Gordon Jones, Keith Rogers KADB Members: Dr. Kirk Pomper GOAP Staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Sandra Gardner, Renee Carrico KCARD: Aleta Botts
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	12:05 p.m. EDT
Meeting Adjourned:	1:45 p.m. EDT

Agenda Items:	
1. A2019-0178	City of Marion Kentucky Tourism Commission a) Committee recommends pending the budget reallocation request.
2. A2020-0146	Triple J Farm a) Committee recommends funding the project, matching County funds with State funds in the form of a grant, up to \$180,000 not to exceed 50% of the total project cost. b.) If applicant is unable to secure less than 50% of County and State funds, the difference will be available in the form of a 2.75% participation loan.
3. A2020-0172	McLean County Fiscal Court a) Committee recommends pending the application at the applicant's request.
4. A2020-0173	Hinton Orchard & Farm Market, LLC a) Committee recommends funding the request up to \$10,000 in multiple County funds.
5. A2020-0178	Owen County Farm Bureau Inc. a) Committee recommends funding the request of \$4,000 in Owen County funds.
6. A2020-0179	Greenup County Extensions District Board a) Committee recommends funding the request of \$10,000 in Greenup County funds.
7. A2020-0180	Nash Farms a) Committee recommends funding the project, matching County funds with State funds in the form of a grant, up to \$45,679 not to exceed 50% of the total project cost.

APPENDIX I: White Application Review Committee Minutes

Agenda Items:

b.) If applicant is unable to secure less than 50% in County funds, the difference will be available in the form of a 2.75% participation loan.

8. A2020-0197 Kentucky Department Agriculture

a) Committee recommends funding the request of \$259,000 in State funds.

9. A2020-0198 Bourbon County Board of Education

a) Committee recommends pending the application at the applicant's request.

10. A2020-0200 Kentucky Agriculture and Environment in the Classroom

a) Committee recommends funding the request of \$120,000 in State funds.
