

## Unknown

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**From:** Todd Palin [fek9wnr@yahoo.com]  
**Sent:** Wednesday, September 12, 2007 3:16 AM  
**To:** Austerman; Joseph M (CED)  
**Subject:** mm ah blog

Joe,

This is from ah blog. Is it true about the ARLF.

First off, the only things I've ever written about the dairy are factual, and correct me if I'm wrong but wasn't this going to be the government that was based on truth and transparency?

So if Palin appoints her friends and neighbors to take over running a state dairy and they end up running it further into debt while putting the entire agriculture community at risk, shouldn't that be discussed in a truthful and transparent manner?

But this letter reflects the growing strategy of the Palin administration and it's supporters are relying on; finger pointing away from where the real accountability should be....on the Governor.

Let's review some key facts:

During the first week of June, Palin made the decision

to ignore the recommendation from the previous Agriculture Board to shut the dairy down and pay off creditors.

During a week long media circus with Palin telling television cameras that Mat Maid was refusing to give her information, she in fact never once bothered to call the CEO of Mat Maid and ask for information. Not one phone call, voice mail or even an email.

Palin openly accused the management of Matanuska Maid of mismanagement and corrupt behavior. After an eight week witch hunt, not one shred of proof was found.

Palin fired the Agriculture Board, which she claimed was incompetent, (even though her current DNR Commissioner Tom Irwin was responsible for appointing almost all of them)

Palin hired a board comprised of personal friends, including many without any qualifications and some with clear conflicts of interest.

The new Director of Agriculture hired by Palin has both a lack of experience and a conflict of interest. Franci Havemeister's official bio includes a stint as

a Valley real estate agent and a volunteer basketball coach. But more importantly, her father in law is one of the four local milk producers who are the only people currently making money off of Matanuska Maid's demise.

The new Agriculture Board fired the Creamery Board, and took over the "direct responsibility" of managing the dairy. This in turn is breaking the law established by the legislature concerning the management of Mat Maid. When Mat Maid's lawyer pointed this out, she was fired.

The first vote Palin's handpicked board took to salvage the dairy that was being buried under cost increases, was to voluntarily raise the price paid to local farmers (their valley neighbors) for milk.

Palin ignored a warning letter dated June 16 from Matanska Maid's accounting firm that predicted record losses of anywhere from \$400,000 to \$600,000 per month.

Then on August 25th, when losses of \$300,000 for July were publicly reported, Palin and her Board Chair said they were "shocked".

Today, with dairy assets for sale at a minimum bid of \$3.35 million, this doesn't even begin to make things better. Currently Matanuska Maid owes over \$5 million alone to the Agriculture Revolving Loan Fund (ARLF). In addition, every day the dairy stays open they grow their payables higher and higher as they're losing money on every transaction.

Last report was payables were at \$1.2 million and growing. Palin's Board Chair dismissed any chance of outstanding liabilities in press interviews, claiming asset proceeds would more than cover bills owed. This is a flat out lie.

For one, they haven't even talked about the likely environmental costs at both the Anchorage and Palmer sites. Some have estimated potential remediation costs up in the millions.

The strategy of continuing to operate the dairy while looking for a buyer is putting the entire ARLF at risk. Every day the dairy remains open increases the likelihood that Mat Maid will be completely upside down and unable to repay the ARLF. This fund is for the entire agriculture community, not just five valley

milk farmers who happen to be Palin's valley neighbors.

The current plan calls for bids to be due by Dec 14, meanwhile another three months of dairy losses will accumulate. Even on Dec 14, Board Chair Kristen Cole has stated the state reserves the right to reject any and all bids. Then what?

This is really an exercise about protecting milk producers. Especially since the new dairy management has a policy about milk producers getting paid first before any other vendors.

But yet Trish Hoyer in her letter to the editor wants Alaskans to believe that somehow it's my fault because I'm simply repeating facts.

Here Trish, this is what the governor should do, ironically most of it's the same advice she was given back in June.

1.) Require the Agriculture Board to immediately appoint an independent Creamery Board with appointees who are actually versed in the private sector and understand about asset disposal. (By doing this, the

governor will satisfy the valid concerns that the Agriculture Board is acting illegally and avoid any litigation regarding the potential disposal of assets.)

2.) Shut the dairy down immediately to stem the record monthly losses and protect the state against any further legal exposure brought on by the actions of her handpicked Agriculture Board.

3.) Once the new Creamery Board is in place, immediately review offers for the disposal of Mat Maids assets. There is no way we should wait until December. Time wasted is money lost.

4.) Finally, the governor needs to assure the entire agriculture community that the ARLF will be paid back the entire amount owed. The ARLF has first priority among creditors and that needs to be honored to protect the viability of the remaining farming industry.

But then again Trish, all this was recommended in June by the previous board. Even in June I wrote an Op/Ed piece explaining what the only viable options were.

Nobody is taking glee that Palin took a bad situation and made it worse by ignoring economic warnings and turning the keys to the dairy over to a bunch of folks, including a CPA that apparently couldn't recognize records losses coming down the track right at him.

Nobody is taking glee that Palin's handpicked Board Chair was quick to take full credit that Mat Maid had turned a magical \$62,000 profit in June, but just two weeks later when the real numbers came out and showed the dairy losing more money than anytime in its prior 22 year history, that same Board Chair was blaming others.

Nobody is taking glee that the 50 employees at Matanuska Maid are going to be out of work. And most certainly nobody takes glee in the fact that a governor who has absolutely no private sector experience keeps lecturing us on what the private sector needs.

Please, wake up and get real Trish. And next time you write a letter to the editor, maybe lean on the whole concept of truth and transparency a little more.

"Alaskan Trish Houser is the Web mistress for the Palintology Web site. It's available online -- and gets roughly 800 to 1,000 hits a day, she says.

"I like her. She's just a good person who cares what you have to say," Ms. Houser says. "She's very sweet and interested in what people think and need." Houser also doesn't know Palin's stand on national issues other than the two already mentioned."

Pittsburgh Tribune 7.23.07

Tony Knowles was right on the money last year during the gubernatorial campaign when he said over and over again, "The candidate you see is the governor you get".

And I do not need to say that any slower.

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