

**MINUTES OF THE 382nd COMMISSION MEETING
TEXAS ANIMAL HEALTH COMMISSION
JANUARY 24, 2012**

The Texas Animal Health Commission Meeting was called to order by Chairman Ernie Morales at 8:30 a.m. in the Texas Animal Health Commission conference room.

Item 1 – Welcome and Call to order by Chairman Morales

Commissioner Tommy Kezar was not present.

Item 2 – Approval of Minutes

A motion to APPROVE the minutes of the 381st Commission Meeting held on September 20, 2011 was made by Commission Locke and seconded by Commissioner Ken Jordan. The motion carried.

Item 3 – Audit Subcommittee Report

Chairman Ralph Simmons called the meeting to order at 8:00 am.

The Audit Subcommittee APPROVED the minutes of the 381st Audit Subcommittee meeting held on September 20, 2011.

Mr. Monday Rufus presented the FY 2011 Annual Internal Audit Report for the Texas Animal Health Commission. It consisted of the following points:

- I. The Commission approved the following audits for FY 2011:
 - Consumable Supplies Inventory Controls
 - Ft. Worth Laboratory
 - Region 3 Office (Ft. Worth)
 - Legal and Compliance
 - Follow-up prior internal audit recommendations:
 - State/Federal Laboratory, Palestine (Original report date: July 26, 2007)
- II. The internal audit function received a peer review in October 2010. Based on the peer review report, the internal audit function at the Texas Animal Health Commission fully conforms to *Institute of Internal Auditors (IIA)* standards. A copy of the Peer Review Report was included in the Commissioners' notebook.
- III. A list of audits completed showing high-level objectives, observations/findings, recommendations and status was also included in the Commissioners' notebook.
- IV. List of Consulting Engagements and Non-audit Services Completed – for the FY 2011 – there were NO consulting engagements and non-audit services completed.

- V. Organizational Chart for 2011 was included in the Commissioners' notebook.

- VI. Report on Other Internal Audit Activities
 - Fiscal Year 2012 Internal Audit Plan in Compliance with Texas Internal Auditing Act (Government Code, Chapter 202)

- VII. Internal Audit Plan for Fiscal Year 2012 – the following areas are recommended for audit in FY 2012:
 - Cash Receipts and Fee Processing
 - Region 2 Office (Hempstead, TX)
 - Region 6 Office (Lampasas, TX)
 - Follow-up on prior internal audit recommendations:
 - Public Information (Original report date: May 16, 2007)
 - Information Systems – Security (Original report date: August 23, 2010)

The Audit Subcommittee also heard a report on the internal audit of the Region 6 Office in Lampasas, Texas as of October 14, 2011, with respect to the reliability and integrity of information, compliance with rules, policies, procedures, laws, and regulations, safeguarding of assets, and the efficiency and effectiveness of operating procedures. The results of tests disclosed that, generally, the systems are functioning adequately and are reliable. The only suggestion was that the Region 6 office should enhance its process of verifying E-permits by having each assigned Inspector sign the verification documents on a consistent basis. Management's response to this suggestion was to ensure that the inspector provide their signature on all verified e-permits. The members of the Audit Subcommittee commended the Region 6 Office on their excellent operating procedures.

Chairman Simmons thanked Monday Rufus and commended his staff on the good job they do for the agency.

A motion to APPROVE the Audit Subcommittee Report was made by Commissioner Real and seconded by Commissioner Locke. Motion carried.

Item 4 – Report of the Executive Director and Approval of Waiver Requests for the period 7/20/11 – 9/20/11

A report describing out-of-office meetings, trips and interviews from September 21, 2011 – January 23, 2012, was provided in the Commission notebooks and was not included in the verbal presentation. Also, included in the Commission notebooks were copies of all press releases for the period September 20, 2011 – January 23, 2012, along with a few examples of Social Media, Facebook and Twitter, taken from the TAHC webpage.

Dr. Dee Ellis, Executive Director of TAHC, discussed the following issues in his report:

1. Agency Budget Situation

Historical, Current, and Prospective Revenue
Texas Animal Health Commission

	2010	2011	2012	2013
Federal Funds/Grants	\$4,268,779	\$3,168,927	\$2,873,620	\$961,818
General Revenue	\$9,676,312	\$10,158,527	\$6,203,280	\$6,282,489
Total	\$13,945,091	\$13,327,454	\$9,076,900	\$7,244,307

- 2nd round of reductions completed December 1, 2011
- Agency personnel – approximately 130
- Working with Comptroller and LBB on fee retention authority – Commissioner Vickers and Commissioner White both volunteered their time to speak to the LBB on agency’s behalf if necessary
- Major problem next fiscal year
- USDA funds for next year still not known
- Agency pay raises for first time in 3 years this spring

2. Agency Strategic Planning

- Will work with Chairman for Commissioner input before beginning new agency plan later this spring
- Ideas – cervids, equine, vet outreach, road stops, ADT, surveillance

3. Public Information Update

- Social Media – Facebook and Twitter examples
- Press releases
- Vet Corner
- Creation of Equine Issues Committee – first call later this week

4. Brucellosis

- Cattle volume moving through markets finally broke before Christmas
- New tag rule proposed later in meeting as result of meeting with Cattle association representatives in October – concessions to concern about markets being singled out, and concern about recording information – now similar to sheep scrapie rule

5. Animal Disease Traceability

- TAHC picked vendor recommended by USDA (Trace First) to transform existing cattle testing data into new database
- 35 states are using this vendor
- Trace First will be used for national rule data management if passed
- Turned in to USDA the 3 yr road map for traceability – hopefully some funds will follow – copies available
- Agency must continue to work with markets and vets on e-data

6. Cattle Fever Ticks

- Numbers little lower so far this year – on track for 60 versus 100+ almost all newly infested premises are microplus tick – near Zapata
- All blankets released except part of Starr County
- Ivermectin tub field trial still under way - expanded to 9 month length to mirror quarantine period at request of FDA
- Microplus infested pasture near Laredo and annulatus pasture near Del Rio being tested
- Comprehensive capture plan for spring to evaluate permethrin levels and effectiveness of both treatments in March – Zapata County
- Cuban vaccine trials still haven't started
- No word from Pfizer on autogenous/US vaccine development

7. Border Port Issues

- 3 Border ports still closed for USDA vets to work in Mexico
- New pens in Nuevo Leon under construction – March/April completion date – discussed building horse facility during inspection
- Temporary solution still working well at all 3 facilities
- Recent shut down at Santa Teresa for bovine popular stomatitis (parapox) – concerning for various reasons

8. Elk Movement

- TAHC now enforcing elk surveillance movement rule
- 2 special sales in January – only 1 elk consignment
- TAHC will continue to monitor for compliance and enrollment

9. Waiver Report

- 5 waivers requests and approved:
 - Trichomoniasis – **Approved** - Request to allow 5 virgin bulls to enter with 50 day old trich test – Oklahoma state vet inspected animals prior to shipment – 7 others in consignment had tests

- Trichomoniasis – **Approved** – Request to allow 35 13-month old virgin bulls to enter and be tested after arrival
- Fever tick – **Approved** – Allowed washed and processed sand and gravel to be moved from quarantine zone to a concrete production facility without treatment or inspection
- Feral Swine – **Approved** – Allowed variance to double fence requirement for feral swine study by Kerr Wildlife Management Area – allowed feral swine to be transported into pasture for study
- Tuberculosis – **Approved** - Allowed 1000 Holstein bull calves to be banded upon arrival for castration – waiving Tb test requirement but once calves banded, requirement was not necessary – TAHC inspected feedyard for compliance

Next Meeting

Microchip Piro reactors, calf ranch permit, prohibition of M-brands next to breeding animals, PRV quarantine release timeframes, elk hybrids

A motion to APPROVE the actions of the Executive Director for the period from September 21, 2011 – January 23, 2012 was made by Commissioner Jordan and seconded by Commissioner Locke. Motion carried.

Item 5 – Presentation of Animal Health Program activities, Epidemiological actions report and Laboratory Update

Dr. Andy Schwartz, Assistant Executive Director/State Epidemiologist discussed the following issues:

Cattle

- **Tuberculosis:** Thirteen slaughter lesion cases were initiated in FY 2011. Nine have been determined to be of Mexico origin, two were determined not to be TB, and two investigations are pending. So far in FY 2012, three slaughter lesion cases have been initiated.
- **Brucellosis testing:** Epidemiological investigations are conducted when animals are found to have reactor level test results. Testing can sometimes be limited to the herd or even unit of origin if movement and herd records are adequate and the animal was individually identified.
- **Enhanced Passive Surveillance Pilot Project:** Set to begin next week. Utilizes federal funds to conduct syndromic surveillance.

Swine

- **Pseudorabies Free Status:** Coordinate efforts with USDA-VS office to compile and compose reports necessary to continue recognized status.

- **Influenza:** Monitoring scientific and popular press regarding variant strain.

Poultry

- **Influenza:** One broiler farm depopulated by industry in December due to non-notifiable AI. TAHC asked to attend meeting with broiler, egg, turkey industry to discuss future responses.

Equine

- **Equine piroplasmiasis (EP):** Three recent cases in south Texas disclosed through case investigation and high-risk testing. Use of EP Laboratory Test chart being enforced through efforts with approved labs.
- **Equine Herpes Virus (EHV-1):** Outbreaks reported recently in North Carolina and California. Neurologic form reportable to TAHC – one case currently pending diagnostics.
- **Equine Viral Arteritis (EVA):** Nine of fifteen horses on one farm affected by a horse returning from two major horse shows.
- **Equine Infectious Anemia (EIA):** Federal rule to be published soon.
- **Texas Equine Issues Committee:** Initial meeting (call) this week.

Cervids

- **Cervid Health Issues meeting:** December, 2012. Multiple issues addressed.
- **Federal CWD rule:** Publication promised soon.

Multi-Species

- **Vesicular Stomatitis:** Recommendation to modify entry requirements.
- **National Database:** Transition to new database scheduled for mid-February.

State-Federal Laboratory Update

- **Management:** Dr. Holly Poremski has taken on the duties of Director of Laboratories.
- **Sample volume:** The number of market samples processed monthly at the two labs has decreased since last July, but the number of slaughter samples has essentially remained unchanged (higher than normal).
- **NAHLN Approval:** Remains a priority. Currently conducting audits of all lab processes.
- **EIA Laboratory Approval:** Are now testing all EIA program samples at the State-Federal lab in Austin.
- **TB testing:** Conducting gamma Interferon TB tests for other states, under federal cooperative agreement.
- **Lab Information Management System:** New web-based installation near completion. Will incorporate fees if approved by Commission.

Item 6 – Presentation of Field Animal Health Activities and Emergency Management Status Report

Dr. Terry Hensley, Assistant Executive Director for Animal Health Programs and Emergency Management, discussed the following issues:

ANIMAL HEALTH FIELD ACTIVITIES

PERSONNEL CHANGES:

A. Dr. Brad Williams' resignation: Dr. Williams resigned this month in order to accept a job in the private sector with a pharmaceutical company working with the feed lot industry.

B. Dr. David Finch, currently region 5 Director in Beeville, will be transferring to the region 1 office in Amarillo where he will be the new director.

C. Interviewed 7 veterinarians on Jan.19 for the regional director position for region 5 in Beeville. We should be able to announce the new director within the next week or two.

D. Bart Stockbridge has been selected as the new supervising inspector for region 5. He will be replacing Howard Helmers, current supervising livestock inspector for region 5, who is retiring this month. David Martin was selected as the supervising inspector in region 6 replacing James Dickison who retired.

E. An administrative assistant has been hired for region 2 to replace Tammy Draper who resigned in December to accept a job in the private sector.

F. The reduction in force has been completed. In November we eliminated another 3.5 inspector positions. We are now down to what we consider a critical number of field employees. As TAHC employees, we will continue to do our best to provide animal health services to the livestock and poultry industries of Texas. Some services will undoubtedly have to be reduced and we will work hard to prioritize this reduction so as to have the least impact possible on animal owners and the public. We are now at a level so as to have little redundancy which will impact our ability to conduct day to day activities and still respond to an emergency disease outbreak. In order to help bridge this gap we are working closely with our USDA colleagues to develop plans which will allow for more effective use of both agency's employees.

FIELD UPDATE

A. Cervid/Exotics : CWD working group, now referred to as the Cervid Health working group, met on Dec. 9. The CWD program and guidelines, elk regulations and other pertinent topics were discussed. The elk regulations are now being enforced.

B. Trans Pecos project: The USDA's Center for Epidemiology and Animal Health is conducting a risk analysis study, at the request of Dr. Ellis, to quantitate the risk from Mexican cattle, horses

and donkeys entering Texas illegally in this region of the state. They will be making site visits and interviewing TAHC, USDA and Border Patrol employees as well as ranchers and others from the area. This study should be completed by early fall 2012. Region 6 and Central office personnel will be assisting the USDA as needed. The final analysis may show the critical need for additional personnel in this area to address this risk.

C. Cattle gather along the Rio Grande: TAHC and USDA obtained information that cattle were being drifted across the Rio Grande south of El Paso and then gradually moved 5 miles or so NE past I-10 where they were loaded and marketed as Texas cattle. Eighteen head have been trapped by TAHC and USDA personnel. Another 50 to 60 head are in the same area but too wild at this time to be baited into the corral. Plans are to continue feeding and attempt to trap additional cattle and horses. We are also in the planning stages for a larger gather using a helicopter.

EMERGENCY MANAGEMENT

A. After an active year of wildfire responses, TAHC completed after action reports with field personnel to streamline emergency response activities and with partnering agencies and organizations to improve communication protocols during disaster responses.

B. During the upcoming Texas Veterinary Medical Foundation winter conference, TAHC emergency management personnel will lead a 4-hour workshop aimed to prepare veterinary practitioners to support their community during disaster planning and responses. The workshop will include a table top exercise designed to encourage practitioners to develop preparedness plans for their clinics and to think through their role as a responder in their communities. There will also be a panelist discussion from practitioners with disaster response experiences.

C. TAHC will participate in three upcoming multi-state exercises. The first scheduled for May 2012 is a FEMA Food Safety exercise with the objective of improving communications between states during widespread disaster events. The second is a USDA-APHIS Foot and Mouth Disease Exercise intended to streamline resources requests during disease outbreaks affecting multiple states in June of 2012. The third is a Multi-State Stop Movement Exercise directed at developing movement protocols and permitting systems during disease outbreaks. During the exercise, also scheduled for June of 2012, TAHC will observe and provide technical support and guidance on Texas policies regarding disease response.

D. TAHC recently took a leadership role in the Southern Animal and Agriculture Disaster Response Alliance (SAADRA) which is a multi-state planning group, as Amanda Bernhard accepted a position as the group's co-chairperson. SAADRA is a mechanism to share planning resources response strategies for both disease and natural disaster events between Gulf Coast and Southern States. During the upcoming winter meeting between SAADRA and other state partnerships, Amanda will present a recently developed pre-disaster communication protocols for resource sharing between states and local planning resources for addressing animal-related issues during disasters.

Item 7 – Administration/Budget Status Report

Dr. Matt Cochran, Assistant Executive Director, discussed the following issues:

Budget, Administration, and Disease Traceability

Budget Notes

- The TAHC has unexpended balance authority and can carry forward any savings accrued in the first year of the biennium to the second year of the biennium.
- Carryover of any savings is currently a part of our strategy for softening the significant shortfall anticipated in state FY 2013.
- Currently we do not know funding levels for our federal cooperatives that are scheduled to be renewed in April this year - initial work plans are being submitted this month, and the work plans fall into species-based categories rather than disease-specific categories.
- Our budget forecast allows for federal funding decreases, which are a large contributor to our anticipated budget shortfall.

Fees

- This budget report includes a section on potential fee revenue and what has been collected to date.
- The disposition of the funds collected is still being worked through with the LBB and the Comptroller's Revenue Estimating Division.
- The TAHC's Rider 10 in the General Appropriations Act was scripted with an ideal fee revenue target, and there is no indication that the TAHC will be meeting that target.

IT

- The IT team, both development and help desk sections, has continued to lead the agency forward with technology and database development.
- The TAHC is implementing a dramatically reworked database for time, work measures, and eventually travel reporting - a web-based system used daily by every employee.
- The help desk is testing a cloud-based Microsoft Outlook implementation for the agency, which promises increased functionality and reliability paired with static or reduced cost.

Staff Services

- Staff Services is continuing with their WASP inventory and asset management system implementation.
- The goal with this system is the continued 'leaning' of inventory with calculated just-in-time re-stocking and/or drop shipping.

Financial Services

- The Financial Services team continues to maintain an updated and intelligible budget-one of the most critical tools as executive management continues to navigate what have become very narrow budgetary margins.
- The FS team is also implementing the SAGE-Ziegner accounting package, which will interface with Texas' USAS system and with the newly implemented laboratory information system (LabLynx) at our state-federal laboratory.

Animal Disease Traceability

- The adt team is working on a streamlined spreadsheet, a genericized 4-54, that will allow market veterinarians to quickly document cattle ID, and transfer requisite information to health papers for shipment.
- The sheet is being tested at livestock markets in Region 6 (around Lampasas) and in Region 3 (around Decatur).
- The adt team is also working on integration of basic disease traceability into the new Core 1 database - a process that is happening parallel to migration of the Generic Database to the same Core 1 software.
- A no-cost instance of the Core 1 software is being hosted in a federal datacenter in Kansas City, and Texas is exploring inclusion of useful tools with this new system-slaughter 4-54 uploader, robust database query tools built out in IBM's COGNOS.
- Discussion and development of uniform, electronic health certificates is ongoing both in Texas (within TAHC) and at a national level.

Dr. Cochran also discussed the TAHC Budget for State Fiscal Year 2012 and 2013 which was included in the Commission Book. He also discussed the TAHC State FY 2012 and 2013 Methods of Finance and Objects of Expenses which was also included in the Commission Book. A chart outlining the projected fee revenue for the agency, and fees already collected (to date) by the agency was also included in the Commission Book.

A motion to APPROVE the Administration/Budget Status Report was made by Commissioner Jordan and seconded by Commissioner Locke. The motion carried.

Item 8 – Consideration of and Possible Action on Agency Contracts and Purchases

The Commissioners were provided a list of the contracts, purchases, and leases greater than \$5,000 but less than \$10,000 for the period 9/1/11 – 1/31/12 in the Commission notebooks.

A motion to APPROVE the contracts, purchases, and leases greater than \$5,000 but less than \$10,000 for the period 9/1/11 – 1/31/12 was made by Commissioner Locke and seconded by Commissioner Jordan. The motion carried.

Item 9 – Consideration of an Agreed Order in the Matter of Stephen Smeal for violation of Commission Rules

The Commissioners heard a report on the consideration of an agreed order in the matter of Stephen Smeal for violation of Commission rules. Mr. Smeal violated rules by failing to officially identify dairy animals prior to movement in Texas and diversion of untested bulls. It was recommended that he be assessed an administrative penalty of \$2,500 for violating these requirements.

A motion to APPROVE the Agreed Order in the matter of Stephen Smeal resolving violations of Commission rules was made by Commissioner Real and seconded by Commissioner Simmons. Motion carried.

Item 10 – Consideration of and Possible Action on Regulation Adoptions Regarding:

The Commissioners heard a report on the number of comments received on the following regulations up for adoption at this meeting. Each Chapter was reviewed and voted on individually.

- a) Chapter 33, Fees, Lab Fees – to be implemented by May 1, 2012.

A motion to ADOPT the amendments to Chapter 33, Fees, Lab Fees, located in title 4 of the Texas Administrative Code was made by Commissioner Locke and seconded by Commissioner White. Motion carried.

- b) Chapter 33, Fees, Herd Certification – a discussion of the flat fee of \$100 was discussed and it was decided that a sliding scale based on the number in a herd should be implemented instead of the flat fee.
 - \$25 for less than 25 head,
 - \$50 for 25-100 head, and
 - \$100 for more than 100 head in a herd.Exceptions will be for swine brucellosis/PRV certification – regardless of size of herd, second certification is only \$25, and swine brucellosis/tuberculosis certification – regardless of size of herd, second certification is only \$25.

A motion to ADOPT the amendments to Chapter 33, Fees, Herd Certification, located in title 4 of the Texas Administrative Code was made by Commissioner Jordan and seconded by Commissioner Winters. Motion carried.

Public comment on the elk rule by Charly Seale, Texas Exotic Wildlife Association and Warren Bluntzer, Wildlife Biologist centered around the inability to get elk producers to sign up for the TAHC CWD program. Appreciated TAHC patience with the elk producers and assured Commissioners that they supported the program and that TAHC is doing what it has to, to look after the health of all exotic livestock in the State of Texas.

- c) Chapter 53, Market Identification – was not addressed because of the regulation proposal of Chapter 35, Brucellosis, change of ownership, later in the meeting.

Item 11 – Consideration of and Possible Action on Regulation Proposals Regarding:

- (1) Proposed amendment to Chapter 35, which is entitled “Brucellosis”. The proposed amendment will remove the Brucellosis test requirement, but will require permanent official identification on all sexually intact adult cattle at change of ownership.

Commissioner Locke moved and Commissioner Edmiston seconded a motion to PROPOSE amendments to Chapter 35, Brucellosis, Change of Ownership located in Title 4 of the Texas Administrative Code, with notice that the proposed amendments be published in the *Texas Register* with a 60-day comment period. Commissioner Ken Jordan abstained from voting on this Proposed Amendment. The motion carried.

Public Comments:

Judith McGeary appreciated the Commission revisiting the rule requiring markets to tag animals and questioned whether USDA would provide long term funding for tags.

Jason Skaggs expressed appreciation for TAHC working with industry to revisit the tagging rule. TSCRA is committed to supporting a traceability program that is affordable and effective but should continue to protect producer confidentiality. He also asked that this new rule work hand in hand with the Federal ADT rule already being proposed.

- (2) Proposed amendment to Chapter 51, which is entitled “Entry Requirements”. The proposed amendment is to make the entry requirements more consistent with the current national interstate movement standards.

Commissioner Real moved and Commissioner Simmons seconded a motion to PROPOSE amendments to Chapter 51, Entry Requirements, located in Title 4 of the Texas Administrative Code, with notice that the proposed amendments be published in the *Texas Register* with a 30-day comment period. The motion carried.

Item 12 - Recognition and Awards

Chairman Morales recognized past Commissioner Reta Dyess – Dairy Industry Representative for her 12 years of service to the Commission.

Region 5 Supervising Inspector Howard Helmers was also recognized for his service to the Commission. Howard is retiring after 23 years with the Commission. Howard began his career with the agency as a Region 7 Field Inspector, and then worked his way up to Supervising

Inspector in Region 5. Howard was presented a plaque and a Texas flag flown over the State Capital for his many years of service to the agency.

Chairman Morales expressed condolences to Commissioner Dick Winters in regard to the recent death of his father Richard Winters, who was a past commissioner for the TAHC, representing the Texas exotic livestock industry.

Item 13 – Recognition of Public Comment

Additional comments from Judith McGeary centered on the need for enhancement of a response plan for a potential FMD outbreak, and the need for educational outreach to small livestock producers such as backyard poultry operators.

Item 14 – Set date for the 383rd Meeting

No date was set for the next Commission meeting - it could be sometime in May, 2012.