

**MINUTES OF THE 380TH COMMISSION MEETING
TEXAS ANIMAL HEALTH COMMISSION
JULY 19, 2011**

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

Commissioners Beau White and Thomas Kezar were not present.

Item 2 – Approval of Minutes

A motion to approve the minutes of the 379th Commission Meeting held on May 24, 2011 was made by Commissioner Randy Brown and seconded by Commissioner William Edmiston. The motion carried.

Item 3 – Audit Subcommittee report

Commissioner Reta Dyess, Chair of the Audit Subcommittee gave a report of the Audit Subcommittee meeting held at 8:00 am.

The Audit Subcommittee approved the minutes of the meeting held on May 24, 2011.

Mr. Rufus provided a report on the:

- Follow-up audit of the Legal and Compliance Process. The primary objectives of the internal audit were to determine the following:
 - Compliance with Policies, Procedures, Laws, and Regulations
 - Efficiency and Effectiveness of operating procedures
 - Safeguarding of assets

It was determined that the agency has adequate internal controls and procedures in place to provide reasonable assurance that the Legal and Compliance processes are effectively established and that employees adhere to these guidelines and procedures established by the Commission. The scope of the internal audit work included reviewing the Legal and Compliance controls, written procedures or guidelines, and the operational and reporting processes of the Commission. Audit work included interviews with the appropriate staff of the Commission, reviewing the operational processes and controls, policies and procedures, testing of the compliance with these operating procedures and guidelines, and review of other pertinent reports and documentation.

- Adoption of a new TAHC Audit Charter. The Institute of Internal Auditors (IIA) recently made significant changes to the International Standards for the Professional Practice of Internal Auditing (Standards). These changes which became effective in 2011 have necessitated the need for a new Internal Audit Charter for the Texas Animal Health Commission. A motion was made and approved to adopt the TAHC Audit Charter. The motion carried.
- There were no public comments at the Audit Subcommittee Meeting.

Commissioner Coleman Locke moved and Commissioner Ralph Simmons seconded a motion to APPROVE the Audit Subcommittee Report as presented. Motion carried.

Item 4 – Report of the Executive Director and Approval of Actions for the Period 5/25/2011 through 7/18/2011

A report describing out-of-office meetings and trips from May 25, 2011 through July 18, 2011 was provided in the Commission notebooks and was not included in the verbal presentation.

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

Brucellosis

- A Market Positive sheet for May and June was included in the Commission notebooks for reference.

Animal Disease Traceability

- Proposed rule still not out.

Bovine Tuberculosis

- Comments submitted on USDA Brucellosis – TB rule making were included in the Commission notebooks.
- Traced Corriente roping steers from infected Arizona consignment – entry violations for permit, test, and health certificate.
- As per state vet of Nebraska – currently tracing Gibbons Pack TB positive – put together cattle from markets in various states – cattle fed 30 days then slaughtered – no back tags on any.

Trichomoniasis

- Trich rules were passed under Agenda Item 11.
- Trich positive at Fort Hood.
- May need to revisit program if TAHC cannot be at all cattle markets all the time
 - permitting untested bulls to new buyer
 - accepting virgin certificate on Texas bulls
 - allowing untested bulls to go to feedyard
 - allow positive bulls to be sold at Texas market
 - revisit completion of epi investigation on infected herds

TAHC/USDA Laboratory System

- Closure of two laboratories – Lubbock and Palestine.
- Dr. Schwartz provided more information later in his report.

Equine Herpes Virus (EHV 1)

- Outstanding response by agency personnel - Dr. Schwartz provided more information in his report.

Bi-national TB/Brucellosis/Fever Tick Meeting – Mexico

- Represented Border State Vets
- Discussed infected brucellosis herd in Candalaria with Chihuahua officials.
- Discussed cattle that entered from Tamaulipas with questionable TB tests with Tamaulipas officials.
- USDA announced downgrade of Chihuahua TB status effective August 18.
- USDA to continue Mexican state reviews.

Cattle Fever Ticks

- 93 infested premises – 62 in systemic – 31 in free areas.
- Actively pursuing vaccine options.
- Dr. Schwartz provided more on downsizing/release of blanket zones in his report.

Border Port Issues

- 3 Border ports still closed for USDA vets to work in Mexico.
- Temporary facility at Amistad will be closing August 31 due to cost constraints.
- Temporary solution working well:
 - Temporary facilities at San Juan, Amistad and Laredo operating
 - USDA continues to upgrade temporary facilities
 - Crossing numbers up – 400,000 + this year (report attached)
 - Still no contingency for Del Rio if Acuna closed
 - USDA owns property in Presidio – could be upgraded quickly
 - Port in California was recently closed
- Long term goal to still find safe facilities in Mexico – Nuevo Leon plans approved by USDA and facilities under construction.

Swine brucellosis

- Texas received Swine brucellosis free status on May 19 – last state! USDA to provide certificate for presentation at the next meeting.

Waiver Report

2 waiver requests approved:

- Trichomoniasis - Request to allow a bucking bull to go to Auburn University in Alabama for research for a possible treatment – 2nd time
- Trichomoniasis – Request to allow bulls from burned pasture in Colorado to enter and be tested upon arrival

Commissioner Coleman Locke moved and Commissioner Ken Jordan seconded a motion to APPROVE the actions of the Executive Director for the period May 25, 2011 through July 18, 2011. Motion carried.

Item 5 – Presentation of Animal Health Program Activities, Epidemiological Actions Report and Laboratory Update

Dr. Andy Schwartz, Assistant Executive Director of Epidemiology and Laboratories reported on the following:

Cattle

- **Tuberculosis:** Six slaughter lesion cases have been initiated so far in FY 2011. Four have been determined to be of Mexico origin, and two investigations are pending. There may be an increase in cases in the coming months due to higher numbers of cattle being imported.
- **Cattle Fever Ticks:** The Northern or Carrizo Springs blanket quarantine was released in May 2011. The Zapata and Jim Hogg County portions of the Southern blanket were released last Friday. The Starr County portion of the Southern blanket remains in place pending additional herd inspections. The western portion of the Olmal blanket was released in May 2011. The eastern portion of the Olmal blanket, straddling the Starr – Hidalgo County line, is currently being reviewed for release.

Equine

- **Equine piroplasmiasis (EP):** TAHC rules requiring a negative test on horses entering racetracks and requiring the use of an EP test form went into effect June 23, 2011. TAHC management has urged the states of Kentucky and Florida to relax entry test requirements on all Texas horses. A detailed report was recently prepared addressing Kentucky's concerns over the location and number of affected horses, the amount of surveillance testing for EP, and tick surveillance conducted in the state. This report and some additional information requested by Florida will be shared with that state in the near future.
- **Equine Herpes Virus (EHV-1):** EHV-1 infection in horses can cause respiratory disease, abortion in mares, neonatal foal death, and/or neurologic disease. The neurologic form of EHV-1 is called Equine Herpes Myeloencephalopathy (EHM). Cases of EHV-1 were identified in horses that attended the National Cutting Horse Association (NCHA) Western National Championship event in Ogden, Utah held from April 29 to May 8, 2011. The final national report compiled on June 22, 2011, indicated approximately 25% of premises receiving horses either directly exposed at the event or indirectly exposed later had animals that showed clinical signs. There were 90 horses confirmed affected, and 13 either died or were euthanized. Twenty seven Texas horses competed in the event. Only one clinical case was confirmed in Texas (a New Mexico horse brought to Texas for veterinary treatment).
 - TAHC is actively participating in the USDA led EHV-1 Case/Control Study being conducted to gain information on factors affecting the severity of the disease, biosecurity measures that worked, and the impact of vaccination on disease outcome.

- TAHC has a written response plan prepared for an EHV-1 outbreak at an equine event.

State-Federal Laboratory Update

Currently, TAHC operates four laboratories - a primary facility in Austin and satellite labs in Palestine, Fort Worth, and Lubbock. Market testing represents approximately half the samples tested at the four labs combined. The number of samples collected at markets is expected to decrease from 1 million per year to an estimated 250,000 per year when compulsory testing ceases at the end of July. As a cost savings measure and as a reflection of the expected decrease in number of samples to test, a careful review of the laboratory system was conducted. The decision was made to close two of the satellite labs, Palestine and Lubbock, at the end of August, 2011. Multiple factors were considered in making this decision, including but not limited to the location of each lab relative to the TAHC Central Office in Austin, location relative to mail distribution hubs, the number of current personnel affected by a closure, and terms of each building lease contract. There are dedicated employees doing great work at each of the labs, and the choice of labs to close was a difficult one to make.

- Dr. Schwartz then read a retirement letter from Dollye Jeffus – Laboratory Supervisor, Palestine Lab. The letter is included in its entirety at the end of these minutes for reference.

Item 6 – Administration/Budget and Emergency Management Status Report

Dr. Matt Cochran, Assistant Executive Director of Administration presented the Administration/Budget Status report:

Budget

Dr. Cochran gave a report on the historical, current and prospective revenue (Federal funds and General Revenue funds combined) – without fees for the Texas Animal Health Commission. He also gave a report on the year to date activity (75% of the year complete) and projections for the month ending 6/30/2011.

A motion was made by Commissioner Randy Brown and seconded by Commissioner Ralph Simmons to APPROVE the Administration/Budget and Emergency Management status report. The motion carried.

Item 7 – Consideration of and Possible Action on Agency Contracts and Purchases

There were no contracts, purchases, or leases requiring approval for the period 5/1/2011 – 6/30/2011.

Item 8 – First Point Brucellosis Testing and Identification of Test Eligible Cattle

Dr. Ellis presented the following items:

GENERAL

- TAHC will no longer enforce change of ownership testing effective August 1.
- First point testing numbers are extremely high due to the drought conditions - April to June (3 months) \$711,788 - \$60,000 per week.

MARKET

- TAHC inspectors will be at markets through end of August regardless of fee decisions, many questions to answer in the mean time;
 - Number of cattle to be tested moving forward at Texas markets–25% ?(attached report)
 - Continued USDA support of supplies including card test kits for private practitioners?
 - TAHC ability to run supplemental tests after 9-1?
 - TAHC ability to permit suspect cattle.
 - Should market vets keep card tests if TAHC cannot run supplemental test?

CATTLE IDENTIFICATION

Dr. Ellis recommended continuation of tagging animals at markets under Chapter 53, Rule 53.5 – Market Record Keeping. At this point, the Commissioners decided to form a small ad hoc working group led by Chairman Ernie Morales to meet within a few days to make a decision about identification of adult cattle.

Item 9 – Discussion of Fees, Budget and Agency Organization

Dr. Dee Ellis presented the following report:

TAHC Budget Discussion

TAHC Spending/ Projected Revenue:

	2010	2011	2012	2013
USDA	\$4,268,779	\$3,544,604	\$1,864,163	\$938,721
Coop				
General Revenue	\$9,676,312	\$10,111,568	\$6,148,280	\$6,227,489
Total	\$13,945,091	\$13,656,172	\$8,012,443	\$7,166,210

Primary goal – meet payroll on 9-1 – payroll as of 4-11 was \$8.6 million

TAHC has consistently stated it needed \$3 million in fee revenue to meet all essential services during the session.

In lieu of new revenue derivation, we are downsizing the agency in two phases. Phase one has begun and is to be completed based on the need to downsize, and the stoppage of market brucellosis testing regardless of any fee revenue derived. We have taken the mandate to downsize the agency seriously and are doing so now.

Phase 1 Goals/Assumptions:

Downsize the agency to the maximum extent possible and still provide essential services – outside of disease outbreaks, TB detection in a large dairy, new brucellosis infected herd, catastrophic natural disaster, etc.

Reduce agency personnel to approximately 150 people (from 178 on June 1, 214 FTE cap) by the following actions in the 3 geographical entities – labs, central office, and field:

- Close two labs – Riff 8 fte - lab system 48% vacant from 2010 level
- Reduce central office staff to approximately 39 positions from 55.5 funded– 30% vacant - 5 people already Riff’ed this summer
- Reduce field staff to approximately 96 from 129.5 funded – 2 vets and approximately 13 inspectors for sure will be Riff’ed minus any more retirements/departures

This will be decided no later than Aug.1 for August 31 implementation.

	Anticipated Filled (9-1-11)	Budgeted (9-1-10)
Lab System	15	29
Central Ofc	39	55.5
Field	96	129.5
TOTAL FTE’s	150	214

If no new fees are identified at the July 19 Commission meeting or through other means quickly – then phase 2 will begin immediately:

Phase 2 Goals/Assumptions:

- Adjust staffing level so payroll can be met- anticipating a revenue of approximately \$8.01 million for FY 2012 – ie. no/limited fees anticipated.
- Historic essential services will not all be met – see attached impact sheet.
- Further cuts may be needed in FY ’12 to meet continued reduction of USDA funds of approximately \$1 million more – anticipated revenue of \$7.16 million.
- Budget will be met through continued Reduction in Force of all remaining personnel.

New proposed Phase 2 agency staffing levels:

	Anticipated 9-1-11 staffing (approximate)
Lab System	14
Central office	28
Field	73
Total FTE's	113

General Fee Discussion

1. **Fowl Registration underway** - \$9,000
2. **CWD Inspection** – - planning underway -363 herds enrolled
 - a. Issues with collection and processing
 - b. Expenses for travel and time charged for inspection complicated
 - c. Downsizing may affect ability to service S. Texas herds quickly
 - d. Herds may drop out of TAHC program thus minimizing revenue

Fee topics listed in the Executive Director report were included in the notebooks but were not presented by Dr. Ellis.

Item 10 – Consideration of and Possible Action on Regulation PROPOSALS

(a) Chapter 33, Fees – Inspection of Foreign Cattle

The TAHC Commissioners **proposed** the creation of a new Chapter 33, titled “Fees”, Section 33.3 to be entitled Inspection of Foreign Cattle Fee.

Commissioner William Edmiston moved and Commissioner Dick Winters seconded a motion to **PROPOSE** the creation of Chapter 33, with a Section 33.3 to be entitled Inspection of Foreign Cattle Fee, to be located in title 4 of the Texas Administrative Code, as discussed today with notice of the proposed chapter and section to be published in the *Texas Register* with a thirty day comment period. The motion carried.

(b) Chapter 33, Fees – Market Inspection Fee

Commissioner Ken Jordan moved and Commissioner Coleman Locke seconded a motion to **NOT propose** the creation of **Section 33.2, in Chapter 33, to be entitled Market Inspection Fee** to be located in the *Texas Administrative Code, Title 4*. The motion carried with a vote of 7 for and 4 opposed.

Item 11 – Consideration of and Possible Action on Regulation ADOPTIONS

(a) Chapter 38, Trichomoniasis

Commissioner Reta Dyess moved and Commissioner Coleman Locke seconded a motion to ADOPT the amendments of Chapter 38, Trichomoniasis located in Title 4 of the Texas Administrative Code. The motion carried.

(b) Chapter 51, Entry Requirements – Trichomoniasis

Commissioner Reta Dyess moved and Commissioner Ken Wheelis seconded a motion to ADOPT the amendments of Chapter 51, Entry Requirements – Cattle – Trichomoniasis to be located in Title 4 of the Texas Administrative Code. The motion carried.

(c) Chapter 59, Certificate of Veterinary Inspections (CVI) - Fee

Commissioner Coleman Locke moved and Commissioner Chuck Real seconded a motion to ADOPT the amendments of Chapter 59, Section 59.11, Certificate of Veterinary Inspections located in Title 4 of the Texas Administrative Code. The motion carried.

Item 12 – Recognition of Public Comment

There was no public comment.

Dr. Ellis presented a plaque and a Texas flag flown over the Capital Building to Dr. James Lenarduzzi, Region 5 Director, who will be retiring from the Agency after 25 years of service to the State of Texas.

Item 13 – Set Date for 381st Meeting

The 381st Commission Meeting was set for Tuesday, September 20, 2011 at 8:30 am.

Minutes of the 380th Commission Meeting – 7/19/2011

LETTER AS READ BY DR. SCHWARTZ FROM DOLLYE JEFFUS

-----Original Message-----

From: Dollye Jeffus

Sent: Monday, July 18, 2011 4:41 PM

To: Dee Ellis; Dee Ellis

Cc: Andy Schwartz

Subject: PLEASE READ THIS FOR ME AT THE COMMISSION MEETING ON TUESDAY!!!

This is a very sad time for me but I want to thank the Texas Animal Health Commission for the opportunity to have been a part of you for almost 40 years. If you count my several times to work 180 working days on the federal payroll doing my TAHC job, it would be 40 years. It has been a wonderful time in my life serving the citizens of the GREAT STATE OF TEXAS. I started out in the "down the road" testing program in Anderson County and have spent way over half of my life working for the TAHC. The roads were pretty bumpy when we first started testing in East Texas, but we survived it and at last are brucellosis free. There are so many war stories to tell about the first few years, I might write a book about it someday. People would believe it was fiction, but it would certainly beat Ben K. Green's stories by a country mile. I wonder if I am the only person left in the commission who started in the "down the road" program and still working here. The TAHC has allowed me to work and provide for and educate my family and most of the time was the best place in the world to work.

It is something special when you look forward to getting up in the morning and going to work as has been the case with me. The other employees in this lab. all feel the same way. What a nightmare it would be to dread going to work as such is the case with many people.

I just want all of you to know that the Palestine Lab. is the best in the state. We have never caused any problems for human resources to have to deal with and have always been accurate and timely in reporting test results to all concerned. I have opened a new business in South Texas and it is looking like a very promising enterprise. I have started a Hot Shot business in the Eagleford Shale and thus far have been running on a regular basis. It was a pain in the neck getting all permits, TXDOT #'s, 2 million dollars in insurance, a new truck, and trailer, but with a lot of hard work, it all finally came together and I am on everybody's vendor list that is of any significance. Please wish me luck in this new time in my life because I still am not ready to retire.

Please call upon me if ever I can be of service to you in the matters of the TAHC. It will always be the best part of my life. It has been a great ride!

Thank you,

Dollye S. Jeffus
Laboratory Supervisor
State-Federal Laboratory
Palestine, Texas