

# TEXAS STATE SOIL & WATER CONSERVATION BOARD



## SEMI – ANNUAL REPORT

TO THE

GOVERNOR,  
LIEUTENANT GOVERNOR,  
AND  
SPEAKER OF THE HOUSE

JULY 1, 2004

## FORWARD

In response to S.B. 1828 passed by the 78<sup>th</sup> Texas Legislature in Regular Session, 2003, the Texas State Soil and Water Conservation Board presents this review of its programs and activities. S.B. 1828 added §201.028 to the Texas Agriculture Code to provide that the TSSWCB shall prepare and deliver to the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives a report, not later than January 1 and July 1 of each year, relating to the status of the budget areas of responsibility assigned to the State Board including outreach programs, grants made and received, federal funding applied for and received, special projects, and oversight of water conservation district activities.

Additionally, S.B. 1828 added §201.029 to the Agriculture Code requiring the State Auditor, in coordination with the Legislative Board to conduct a management audit of the TSSWCB and deliver the audit report to the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives. The audit report was required to include an evaluation of the administrative budget for the TSSWCB. The audit was required to be delivered by March 1, 2004 and §201.029 expired April 1, 2004.

The State Auditor management audit report along with TSSWCB management response is attached to this report.

The FY04 Operating Budget versus Expenditures is attached to this report. Information on grants made to local districts and other entities is incorporated within the program section it involves. Federal grants received for the Clean Water Act are provided in that section.

The Texas State Soil & Water Conservation Board takes pride in the accomplishments and remarkable progress that have been made in soil and water conservation in this state. Often environmental successes are slow to be realized. We have realized and already reported one success story that involves reducing the level of Atrazine in several water bodies, particularly the Aquilla Reservoir in the Hill County-Blackland SWCD.

However, we recognize there remains a continuing challenge and an ongoing need to ensure our land has the capability to produce food and fiber for future Texans. Because of changes in land use, ownership, technology, and population growth, the need for soil and water conservation programs will remain critical. Texas has a finite number of acres to provide for the needs and desires of citizens and visitors, and this places an ever-increasing demand on agricultural land. Farmers and ranchers face complex decisions concerning the best ways to manage and utilize the land available to them.

We believe that soil and water conservation programs must remain dynamic as land uses change and technology improves to make some conservation practices more capable of meeting demands on soil and water resources. We also maintain the belief that the purpose of the soil and water conservation program is to promote the wise use of our renewable natural resources and provide for the conservation and enhancement of the soil and water resources of this state through and by the dynamic decisions of local soil and water conservation districts which promotes the use of each acre of land within its capabilities and treating it according to its needs.

From the beginning, the Texas State Soil and Water Conservation Board and local soil and water conservation districts have formed an organizational framework through which various complex governmental conservation programs are delivered to local landowners and operators. This relationship

has successfully been utilized to disseminate sound management techniques and practices to maintain individual productive land uses to provide for the needs of present and future generations.

To the landowners of Texas, the individual soil and water conservation district directors, and the many agencies and organizations assisting and working with our programs, we offer our sincere thanks.

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## **HISTORICAL BACKGROUND**

In the early history of the United States, those involved in agriculture often did not consider the conservation of soil and water resources . . . Land was cleared and put into farm production. When the land quit producing at a profitable level, the farmers merely moved on to new land farther west and started the process over again. There was no need to be concerned with soil conservation, as there was a seemingly unlimited supply of virgin land waiting to be tilled. This process continued through the 1800s and into the early 1900s. With the outbreak of World War I, farmers in the Great Plains states were encouraged to break out native grassland to grow wheat and other foodstuffs to feed the nation and the world. As a result of these and other unwise management practices and the fact that the farmlands were experiencing long periods of drought, the 1930s produced some of the worst dust storms the nation had ever seen. Clouds of dust rolled across the plains states sending dust storms through the south and into the nation's capitol. At the same time, the nation was in the midst of a great economic depression. The federal government, seeking ways to put people back to work and encourage conservation, created the Civilian Conservation Corps and Soil Erosion Service. Through these mechanisms, demonstration projects were initiated to train technicians and to educate the public in ways to conserve soil resources. These programs were successful in putting people back to work, but lacked the local ties to establish lasting conservation programs.

One of the early day leaders in the national effort to control soil erosion was Hugh Hammond Bennett from North Carolina. After graduation from the University of North Carolina in 1903, Hugh Bennett took a job with the Bureau of Soils in the United States Department of Agriculture. Because of his experience, scientific knowledge and leadership ability, he was put in charge of the Soil Erosion Service when it was created in 1933. In 1935, P.L. (Public Law) 46 was passed creating the Soil Conservation Service within the U.S. Department of Agriculture and Hugh Bennett became the first Chief of the agency. He soon became internationally known for his accomplishments in conservation work.

With the help of Congressman Buchanan from Columbus, Texas, Hugh Bennett was able to persuade President Franklin Roosevelt that the soil resources of this nation were being wasted. He convinced the President that a Model Soil Conservation Act should be developed and sent to the governors of each state for passage by their state legislatures. The purpose of this Model Act would be to develop programs at the state and local level to control soil erosion.

In 1936, such a Model Act was sent to the governors with the endorsement of President Roosevelt. The Model Act, developed in Washington, was patterned after the Texas Wind Erosion Act, the Grass Conservation Acts in the Northern High Plains and certain water conservation district law.

In 1937 legislation was introduced in the Texas Legislature based on this Model Act. It is reported that as many as 25 different versions of this soil conservation law were considered before a final version was passed. There was much heated discussion of the proposed legislation. When the final version was adopted, the bill contained many undesirable features. The law would have set up Soil Conservation Districts automatically on a county basis and made County Commissioners Courts the governing body. A portion of the county tax was to be used to finance the program and county agricultural agents were to be the administrative officers.

A number of agricultural leaders from across the state had, by this time, become concerned about the newly passed legislation. It was their opinion that, if the responsibility for installing and maintaining conservation measures lay in the hands of the land owners, the control of such a program should also be

in their hands. As a result of these and other concerns, a group of landowners led by V.C. Marshall of Heidenheimer, Texas, convinced the Governor to veto the 1937 legislation.

Hard feelings among agricultural leaders resulted from the attempt to pass this soil conservation law. Under the leadership of Mr. Marshall, a concerted effort was made during the interim between legislative sessions to heal the old wounds and to put together a version of a law that would be generally accepted by the farmers and ranchers of Texas. Mr. Marshall organized a committee of leaders from across the state to promote the passage of a new Soil Conservation Law. He traveled many miles at his own expense seeking the views of agricultural leaders and promoting the idea of the Soil Conservation District Program.

The key points Mr. Marshall felt should be included in the new law were that (1) farmers and ranchers should determine whether or not a Soil Conservation District was needed and hold a local option election prior to the establishment of the district; (2) the program should be controlled by landowners; and (3) the Soil Conservation Districts should have no taxing authority or the power of eminent domain.

In 1939 the Texas Legislature passed H.B. (House Bill) 20 which incorporated those features and was the first Soil Conservation Law for the state. The law created the State Soil Conservation Board and allowed for the creation of the Soil Conservation Districts. Mr. Marshall was elected as the first Chairman of the Soil Conservation Board and later resigned to become the first Executive Director of the agency.

On April 30, 1940, the Secretary of the State issued Certificates of Organization for the first 16 Soil Conservation Districts paving the way for the program we now operate. Today, Texas has 217 local soil and water conservation districts that encompass more than 99% of the state.

As previously mentioned, the Model Act endorsed by President Roosevelt was in part patterned after the Texas Wind Erosion Act. Texas was already making attempts to address soil conservation as a result of the “Dust Bowl” days of the 1930s. The 44<sup>th</sup> Legislature in 1935 passed legislation authorizing the establishment of Wind Erosion Conservation Districts. This law provided for the creation of districts to “conserve the soil by prevention of unnecessary erosion caused by winds, and the reclamation of lands that have been depreciated or denuded of soil by reasons of winds.” Although a number of Wind Erosion Control Districts were created, the passage of the Soil Conservation District Law in 1939 resulted in those districts becoming dormant.

In 1975, Governor Dolph Briscoe, by Executive Order, designated the TSSWCB as lead agency to assume the planning and management responsibility for control of agricultural and silvicultural nonpoint source pollution as required by the Federal Water Pollution Control Act.

In 1981 the 67<sup>th</sup> Legislature passed H.B. 1436, which for the first time codified the agricultural laws of Texas. Title 7, Chapter 201 of this code contains the portion pertaining to Soil and Water Conservation.

In 1985 the 69<sup>th</sup> Legislature passed S.B. 1083 creating a Brush Control Program in Texas and granting new powers and responsibilities, without funding, to the TSSWCB and Soil and Water Conservation Districts under Chapter 203 of the Agriculture Code. In 1999, the TSSWCB received its first appropriation in the FY00-01 biennium to control water-depleting brush and trees, such as cedar and mesquite. The program received \$9.1 million to establish a pilot project in the North Concho Watershed.

In 1993, the 73<sup>rd</sup> Legislature passed S.B. 503 which named the TSSWCB the lead agency to address water quality issues relating to runoff from diffused, or nonpoint sources resulting from agricultural and forestry operations. In 1999, the Legislature expanded the TSSWCB's environmental mission and appropriated money to address water pollution from nonpoint sources under a separate, federally mandated program.

The leaders who framed the Texas Soil and Water Conservation Law in 1939 recognized that landowners and operators of private land constitute the basic resource for the conservation of our renewable natural resources. Without the support and willing participation of private landowners and operators in the development and implementation of soil and water conservation programs there is little hope of success. Local soil and water conservation districts led by farmers and ranchers who know the land and the local conditions and problems have the means to develop conservation plans that address each acre of land specific to its needs to solve or reduce the severity of its problems.

## **ORGANIZATION**

Since inception, the TSSWCB has been governed by five board members, elected by delegates from each of five regions of the state's 217 local soil and water conservation districts. Elections occur annually at regional conventions of the local soil and water conservation districts, with members serving two-year staggered terms. However, with the enactment of S.B. 1828 by the 78<sup>th</sup> Legislature, two Governor appointees join the five elected board members to create a seven-member board. Currently the two Governor appointed positions remain unfilled. When appointed, the term of one member appointed by the Governor expires February 1 of each odd-numbered year, and the term of the other member appointed by the Governor expires on February 1 of each even-numbered year.

Elected State Board members must be 18 years of age or older; hold title to farmland or ranchland; and be actively engaged in farming or ranching. The Governor appointees must be actively engaged in the business of farming, animal husbandry, or other business related to agriculture and wholly or partly owns or leases land used in connection with that business; and may not be a member of the board of directors of a conservation district.

The State Board elects its own Chair and generally meets every odd month, unless specific programs or issues require more immediate action. The following list shows the current Board members and shows which State Board Region they represent.

### **Texas State Soil and Water Conservation Board**

<b>Member Name</b>	<b>Region</b>	<b>Term</b>	<b>Residence</b>
Aubrey L. Russell	#1	May 5, 2003 – May 3, 2005	Panhandle
Reed Stewart	#2	May 4, 2004 – May 2, 2006	Sterling City
Guillermo "Memo" Benavides Z.	#3	May 5, 2003 – May 3, 2005	Laredo
Jerry D. Nichols	#4	May 4, 2004 – May 2, 2006	Nacogdoches
W.T. "Dub" Crumley	#5	May 5, 2003 – May 3, 2005	Stephenville

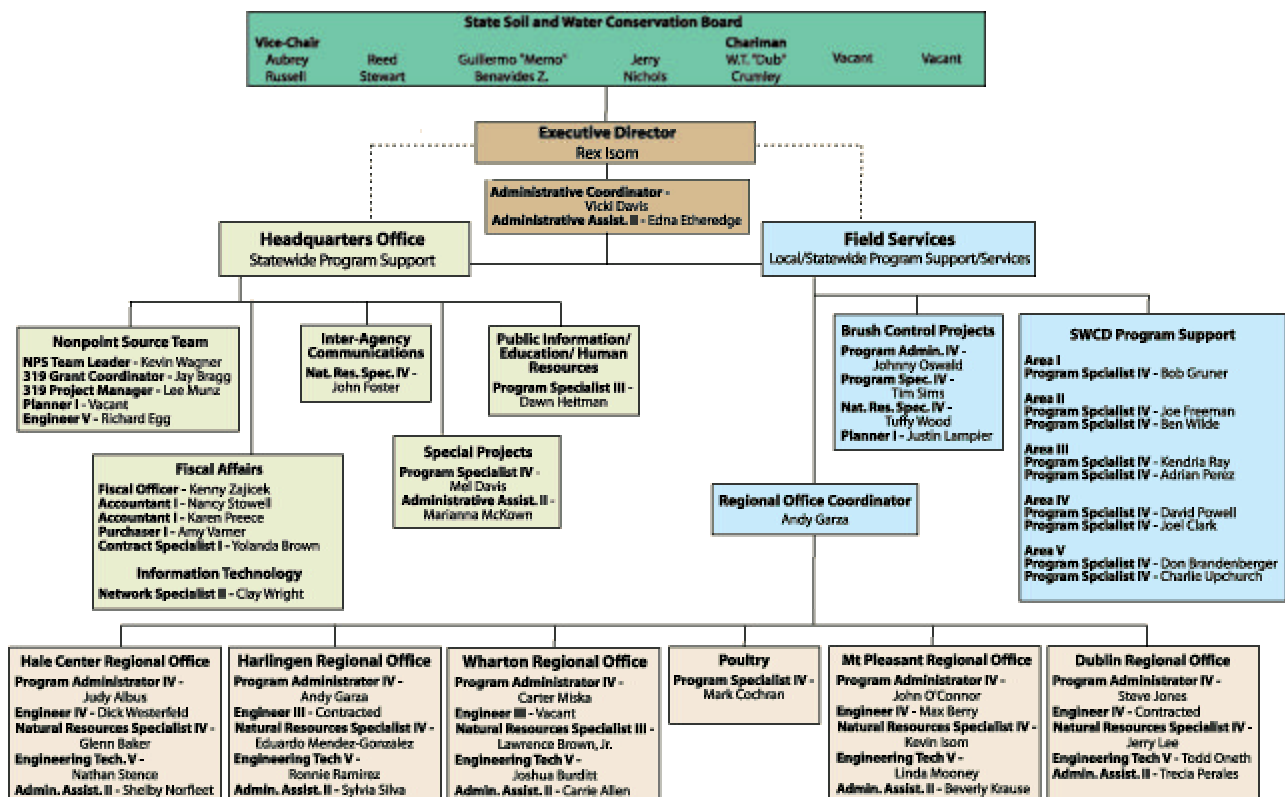
## **STAFF**

The TSSWCB began downsizing in July 2003 and in that process the Board appointed Rex Isom as Interim Executive Director. Mr. Isom was named as the Executive Director in January 2004 and continues to carry out the directives of the State Board and directing staff efforts.



We emphasize our agency philosophy as stated in our Strategic Plan, “The State Soil and Water Conservation Board will act in accordance with the highest standards of ethics, accountability, efficiency, and openness. We affirm that the conservation of our natural resources is both a public and a private benefit, and we approach our activities with a deep sense of purpose and responsibility.” Mr. Isom, as Executive Director, is leading the agency in that direction and expects all employees to follow that lead.

On December 1, 2002 the TSSWCB employed 62 staff, 28 of which worked in the Temple headquarters. The remaining 34 employees were field staff, either working out of their homes or located in the five regional offices located throughout the state. The FY04 budget for personnel was reduced and as of June 1, 2004 the TSSWCB employs a total of 53, with 17 employees working in the Temple headquarters and 36 employees in the field. Due to difficulty in recruiting engineers, two field engineer positions are contracted. The following organization chart shows the agency’s current structure.



The current results of restructuring the TSSWCB’s organizational structure to move more personnel to the field and away from the headquarters has been a 70% to 30% ratio of Field personnel to Headquarter personnel. Prior to restructuring, the ratio for Field Staff to Headquarter Staff was 55% to 45%.

The regional office staff provides on-site technical assistance to farmers and ranchers. The field staff serves as a liaison between the TSSWCB and local districts. The field staff also provides assistance to local districts and district employees concerning operations, programs, and activities. The regional office staff coordinates with the Texas Commission on Environmental Quality (TCEQ), Texas Cooperative Extension (TCE), and the USDA’s Natural Resource Conservation Service (NRCS) to provide technical assistance to landowners on conservation projects.

## **SOIL AND WATER CONSERVATION DISTRICTS**

The TSSWCB performs many of its activities in coordination with the state's 217 local soil and water conservation districts. These local districts are political subdivisions of the state, established through local option elections of agricultural landowners. Districts generally reflect county boundaries, but may also follow river basin or watershed boundaries, depending on the desires of the local landowners.

The following soil and water conservation district map shows the current 217 local districts that cover almost the entire state. That portion of the state not in a soil and water conservation district is in Kenedy County and contains the privately owned King Ranch. The map also shows the grouping of the districts into the five State Board Districts that respectively elect a State Board member and shows the field staff that is assigned to work with each district within a specific area.



## **ANNUAL STATE MEETING OF SOIL AND WATER CONSERVATION DISTRICT DIRECTORS**

The Annual State Meeting of Soil and Water Conservation District Directors, required in §201.081, Texas Agriculture Code, is scheduled for October 18-20, 2004 in Laredo.

### **DIRECTOR MILEAGE AND PER DIEM**

Due to the reductions in staff at the headquarters office, director mileage and per diem claims are now managed directly by districts. The TSSWCB sent each district 75% of their approved allocation (grant) on October 1, 2003. The remaining 25% will be used as a pool for any expenses not covered through the initial allocation (grant). Field staff will approve each claim before payment to ensure claims are accurate and comply with state statutes and guidelines. The FY04 state appropriation for this program is \$325,000.00.

### **DISTRICT TECHNICAL ASSISTANCE FUNDS**

Rider 4 of the TSSWCB 2004-2005 Appropriation revised the allocation method for technical assistance funds. On September 1, 2003, the TSSWCB authorized the payment of 25% of each district's approved allocation (grant). The remaining balance for each district allocation will be distributed on a reimbursement basis during the fiscal year as expenditures are incurred. The FY04 state appropriation for this program is \$1,036,241.00.

### **DISTRICT SUB-CHAPTER H FUNDS**

Sub-chapter H funds were appropriated to the TSSWCB from the Agricultural Soil and Water Conservation Account No. 563. Senate Bill 1053 enacted by the 78<sup>th</sup> Legislature moved the bond that funded Account No. 563 to the Texas Water Development Board (TWDB). Account No. 563 no longer exists and future funding for what was Sub-chapter H grants will come from the TWDB in the form of competitive Agricultural Water Conservation Grants. This spring the TWDB adopted rules and developed a grant application process for distributing the funds from the fund. The TSSWCB, on behalf of districts, applied to the TWDB for grant funding. The Texas Water Development Board met June 16, 2004 to review applications and awarded the State Board a grant of \$115,000.00 for agricultural water conservation to be carried out by districts. The FY04 state appropriation for this program is \$115,000.00.

### **DISTRICT CONSERVATION ASSISTANCE PROGRAM**

District Conservation Assistance funds are appropriated to the TSSWCB from general revenue funds. Of the 217 local soil and water conservation districts, 216 districts request to receive an allocation (grant) from these funds. Local districts receive these funds as a dollar for dollar match for money that they generate locally through various activities. The local districts use this money to pay operational expenses. The FY04 state appropriation for this program is \$916,364.00.

### **MANAGEMENT AUDIT**

In accordance with Senate Bill 1828, Section 5, 78th Legislature, Regular Session, the State Auditor's Office (SAO) implemented a management audit of the Soil and Water Conservation Board (TSSWCB). The purpose of the audit as outlined in SB 1828 was to determine whether the TSSWCB maintains and



reports reliable data, safeguards assets and uses them efficiently, complies with relevant laws and regulations, and makes progress towards its goals and objectives. The audit focused primarily on conditions and transactions from fiscal years 2000 through 2003. Please reference Attachment 2 Audit Report for SAO recommendations and TSSWCB management responses.

## **PROGRAMS & ACTIVITIES SUPPORTING THE TSSWCB**

The services and programs provided by the TSSWCB target rural Texas farmers and ranchers, but the results of these services benefit all Texans. For example, many of the flood control structures maintained by soil and water conservation districts serve to protect heavily populated areas from flood damage, and also prevent sediment from building up in suburban drinking water supplies. Another example is the use of best management practices, implemented through TSSWCB-certified water quality management plans, to prevent pesticides, nutrients, and other contaminants from impairing Texas waters.

The agency is responsible for numerous natural resource conservation efforts, the most prominent of which is serving as the lead state agency for the prevention, management, and abatement of nonpoint source pollution resulting from agricultural and silvicultural, or forestry-related, activities. As a result, the majority of the agency's programs and services aim to improve and protect water *quality*. The TSSWCB is also responsible for water conservation, or water *quantity*. The major existing program addressing water conservation is the Texas Brush Control Program, although the agency is currently working on a new program that will provide assistance to Texas landowners who irrigate cropland from both ground and surface water sources. Other responsibilities include prevention of soil erosion, control of floods, maintaining the navigability of waterways, the preservation of wildlife, protection of public lands, and providing information to landowners regarding the jurisdictions of the TSSWCB and the Texas Commission on Environmental Quality related to nonpoint source pollution. The TSSWCB has no regulatory functions; all of the agency's programs and services are voluntary in nature.

## **TOTAL MAXIMUM DAILY LOAD (TMDL) PROGRAM**

Section §303(d) of the 1972 Federal Clean Water Act (CWA) requires all states to compile a list of water bodies that do not meet their designated uses and then to develop total maximum daily loads (TMDLs) for the particular pollutant(s) that is causing the impairment. Following the development of a TMDL, a state approved implementation plan is developed prescribing the measures needed to restore the polluted water bodies.

In Texas, the responsibility to develop TMDLs is shared between two state agencies: the Texas State Soil and Water Conservation Board (TSSWCB) and the Texas Commission on Environmental Quality (TCEQ). In general, the TCEQ is the lead agency for protecting Texas' water quality. However, TCEQ shares the responsibility for managing and abating nonpoint source pollution with the TSSWCB. The TSSWCB is designated as the lead agency for *agricultural and silvicultural* nonpoint source pollution abatement while the TCEQ is the state's lead agency for *urban* nonpoint source pollution abatement and for *point source discharge permitting* through the Texas Pollutant Discharge Elimination System. As a result, any organization considering undertaking a TMDL project for a water body listed for an impairment due to agricultural or silvicultural nonpoint source pollution must coordinate efforts with the TCEQ and with the TSSWCB.

There are numerous watershed segments on the §303(d) List that involve agricultural nonpoint source (NPS) pollution and are targeted by TSSWCB Programs (i.e. CWA §319 and WQMP Programs) as

funding becomes available. The TSSWCB is actively involved in the development for of TMDLs for 24 water bodies and the implementation of 5 TMDLs (E.V. Spence Reservoir, North Bosque River, Lake Aquilla, Lake of the Pines, and Arroyo Colorado) that have been identified as being impaired, at least in part, by agricultural activities. These TMDLs, which are primarily addressing dissolved oxygen/nutrients, bacteria, Atrazine, and salinity, are being implemented using both CWA §319 funding and WQMP Program funds. These programs are described in detail in following sections.

## **CLEAN WATER ACT, §319(h) GRANT PROGRAM**

In the 2003 Federal Grant Cycle the TSSWCB applied on May 12, 2003 for and received on September 11, 2003, a grant of \$5,513,600.00 to carry out our responsibilities under the Clean Waters Act. The programs and projects to which those funds are being expended are listed below. During January 2004, EPA started a new grant cycle. At that time the TSSWCB submitted a grant application for \$5,457,800.00. The projects submitted for funding are listed below. These projects will be initiated in August 2004 and are scheduled for completion in March 2007.

### **FY04 CWA§319 Grant Funding**

<b>Grantee</b>	<b>Amount</b>	<b>Project Title</b>
Administered by the TSSWCB	\$154,220	Grant Administration
Administered by the TSSWCB	\$520,477	Statewide Technical Assistance and Information Education Assistance
Texas A&M University	\$390,657	Field Validation of Phosphorous Index
Lower Colorado River Authority	\$507,300	Creekside Conservation Program
USDA – Natural Resource Conservation Service	\$96,000	Model Impacts of WQMP Development in Sam Rayburn
Jack Soil and Water Conservation District	\$100,000	WQMP Implementation Assistance in Jack SWCD
Zapata Soil and Water Conservation District	\$461,290	WQMP Implementation Assistance in Falcon Reservoir Watershed
Haskell, Knox, and Jones Soil & Water Conservation Districts	\$764,054	Seymour Aquifer Water Quality Improvement Project
USDA – Agricultural Research Service	\$136,724	Leaf Beetle Dispersion Modeling
Nueces River Authority	\$170,703	Nueces River Education Project
Leon-Bosque RC&D	\$300,000	Field of Dreams Project

Tarleton State University	\$238,859	Phytoremediation of Excessively High Phosphorous Soils
Texas Agricultural Experiment Station	\$709,381	Pecos River Basin Assessment Project
Texas Institute of Applied Environmental Research	\$90,090	Little Wichita River Basin Assessment Project
Upper Colorado River Authority	\$375,240	Concho River Basin Assessment Project
Northeast Texas Municipal Water District	\$442,805	Assessment of Ag NPS Activities in the Cypress Creek Basin

Total: \$5,457,800

### **FY03 CWA\$319 Grant Funding**

<b>Grantee</b>	<b>Amount</b>	<b>Time Period</b>	<b>Project Title</b>
Administered by the TSSWCB	\$154,231	5/12/03-3/31/06	Grant Administration
Administered by the TSSWCB	\$245,109	5/12/03-3/31/06	Statewide Technical Assistance and Information Education Assistance
Upper Colorado River Authority	\$19,200	5/12/03-3/31/06	The Aquatic Experience
Texas Forest Service	\$367,620	5/12/03-3/31/06	Texas Silviculture BMP Effectiveness
Shelby Soil & Water Conservation District	\$350,000	5/12/03-3/31/06	Sam Rayburn WQMP Implementation Supplemental
Texas Agricultural Experiment Station	\$247,198	5/12/03-3/31/06	Bacteria Monitoring for Buck Creek
Texas Cooperative Extension	\$98,341	5/12/03-3/31/06	Nitrate Impacts in Groundwater
Central Texas Soil & Water Conservation District and Little River – San Gabriel Soil & Water Conservation District	\$424,080	5/12/03-3/31/06	Central Texas Water Quality Management Plan Implementation Assistance (Supplemental)
Texas Agricultural Experiment Station	\$227,793	5/12/03-3/31/06	Technologies for Animal Waste Pollution

Navarro Soil & Water Conservation	\$430,279	5/12/03-3/31/06	Navarro Water Quality Management Plan District Implementation Assistance (Supplemental)
Administered by the TSSWCB	\$95,490	5/12/03-3/31/06	Santa Rosa Springs Well Plugging
Brazos River Authority	\$96,081	5/12/03-3/31/06	Edge of Field Monitoring
Texas Cooperative Extension	\$101,271	5/12/03-3/31/06	Reducing Atrazine Losses in Central Texas
USDA – Natural Resources Conservation Service	\$158,400	5/12/03-3/31/06	Atrazine Modeling
Administered by the TSSWCB	\$2,208,446	5/12/03-3/31/06	E.V. Spence Salt Cedar Project
USDA – Agricultural Research Service	\$99,246	5/12/03-3/31/06	Leaf Beetle Demonstration
Brazos River Authority	\$190,815	5/12/03-3/31/06	Bosque Watershed Coordinator
<b>Total:</b>			<b>\$5,513,600</b>

In addition to the grant received in 2003, the 319 Grant has been utilized to assist in the implementation of a number of TMDLs (i.e. North Bosque), Initiatives (i.e. Atrazine Initiative), and Programs (i.e. Poultry WQMP Program) as described in following sections.

## **WATER QUALITY MANAGEMENT PLAN (WQMP) PROGRAM**

In 1993, the Texas Legislature passed Senate Bill 503 that directed the TSSWCB to implement Water Quality Management Plans (WQMPs) in Texas. The agency has implemented more than 6000 WQMPs since the inception of the program.

The WQMP Program is administered from five Regional Offices around the state. A poultry program specialist supports the WQMP Program out of a home office in East Texas. The Regional Offices are:

- Dublin Regional Office
- Hale Center Regional Office
- Harlingen Regional Office
- Mount Pleasant Regional Office
- Wharton Regional Office
- Poultry Program Office (Nacogdoches)

A WQMP is a site-specific conservation plan developed through (and approved by) SWCDs for agricultural or silvicultural lands. The plan includes appropriate land treatment practices, production practices, management measures, technologies or combinations thereof. The purpose of WQMPs is to



achieve a level of pollution prevention or abatement determined by the TSSWCB, in consultation with local soil and water conservation districts, that is consistent with state water quality standards.

The TSSWCB selected requirements for a WQMP based on the criteria outlined in the *Field Office Technical Guide (FOTG)*, a publication of the United States Department of Agriculture's Natural Resources Conservation Service (NRCS).

Nutrient management must be included if nutrients are applied. If an animal feeding operation is involved (such as an unpermitted dairy), a WQMP will be planned with practices that individually or in combination with other practices will properly manage animal wastes. Waste utilization will be considered when agricultural wastes are applied. These WQMPs also have subcomponents for irrigation waters, erosion control, and are flexible enough to cater to a wide range of operating systems.

Agricultural and forestry landowners may enter into these cooperative agreements with their local district to control nonpoint source pollution from their operations. While the decision to develop a plan is voluntary, landowners have many reasons to do so. These plans provide for landowners to use best management practices in their operations to protect their most precious agricultural resources by controlling erosion, conserving water, and protecting water quality. In addition, certified plans have the same legal status as Texas Commission on Environmental Quality (TCEQ) point source pollution permits, without having to go through that agency's regulatory process. Landowners may also receive financial incentives to help pay for implementing these plans.

It should be noted that the certified plans only have the same legal status as a TCEQ point source permit. An animal feeding operation that is required by law to operate within the confines of a water quality permit issued by the TCEQ cannot participate in the TSSWCB program.

Water Quality Management Plans are especially useful for animal feeding operations. Depending on their size, animal feeding operations may be regulated by TCEQ as a point source or are unregulated and eligible for the TSSWCB's voluntary program. Generally, these feeding operations are classified according to the number of animals they have, calculated as "animal units"; however, TCEQ has adopted rules that provide if you have or exceed a certain number of animals, you will be regulated. Animal feeding operations with more than the number of animals listed in TCEQ rules must apply for a permit. Most animal feeding operations in Texas are not large enough to require a permit, which makes this program critical to protecting Texas' water quality.

In developing the Water Quality Management Plan, the TSSWCB, SWCDs, and the USDA Natural Resources Conservation Service (NRCS) provide technical assistance to help the landowner meet the criteria of the plan. A plan establishes practices and installations on the farm that adhere to best management practices specific for that area. The various installations that a plan calls for depend on the operation. A farm may include a combination of cropland, dairy cows, poultry, hogs or cattle.

These plans may also include erosion control measures such as terraces or grass waterways; or they may address nutrient management to help landowners avoid over-fertilizing their land, or over-applying animal waste. Although a plan will take into consideration each farm's unique components, all WQMPs generally attempt to control erosion, conserve water, and protect water quality.

Upon TSSWCB certification of a WQMP, a landowner may apply for a financial incentive that will help pay for implementing the plan. Local districts have varying rates for sharing the cost of plan

implementation, however cost-share may not exceed 75% with a maximum \$10,000 grant limit per plan. Landowners receiving financial incentive have approximately three years to implement the provisions of the WQMP.

The TSSWCB allocates money to local districts for financial incentives based on whether the area has impaired water bodies as determined by TCEQ, or if the TSSWCB had previously designated it as a priority. Most of these financial incentives were appropriated from General Revenue funds. Some plans received financial incentives from federal funds. State appropriations provided to local districts in FY04 amounted to \$2,171,740.00 to carry out a WQMP cost-share program in their district.

In addition to certifying WQMPs to ensure that they help abate nonpoint source pollution, the TSSWCB monitors WQMPs to ensure they are properly implemented. Each year, the TSSWCB conducts status reviews on a minimum of 10% of the plans. Additional technical assistance may be offered to a landowner when a WQMP is found noncompliant. In the unlikely case that the landowner does not achieve compliance with the WQMP, the TSSWCB may decertify the plan.

During FY03, the WQMP Program was administered from the TSSWCB office in Temple. The staff reductions in the FY04 budget made it necessary for the program to be reorganized and the Regional Offices are now administered from the Harlingen Regional Office. Additionally, plan certification authority was shifted from the Temple headquarters to each regional office. This change is already expediting the certification process and reducing postage expenditures, while maintaining the integrity and standards of the program.

The last adjustment involved the complaint process, which was also administered out of the headquarters office during FY03. Headquarters office no longer has an individual to do complaint inspections and all complaints are investigated from the appropriate Regional Office.

Through the third quarter of FY04 the following had been accomplished: (1) 867 water quality management plans were certified; (2) 373 cost-share applications were processed; (3) 99.7% of the total cost-share allocation (of \$1,946,001.00) was obligated. All five Regional Offices conducted their required evaluations effective through the program cycle of FY01. The evaluation period for the next round of cost-share allocations for FY-05 will include the fiscal years 98-02.

Considering the changes that have occurred for FY04, the WQMP Program is operating exceptionally well. For the first quarter of FY04, all performance measure goals were met and all challenges have been addressed in a reasonable and proficient manner.

#### **POULTRY WATER QUALITY MANAGEMENT PLAN (WQMP) INITIATIVE**

In 1994, the Texas State Soil and Water Conservation Board (TSSWCB) began assisting poultry operations with the establishment of the Northeast Texas - Senate Bill 503 Cost-share Area. Since 1994, over \$300,000 of WQMP Program funding has been provided annually to six soil and water conservation districts (SWCDs) in Northeast Texas to address animal feeding operations (AFOs).

In 1995, the TSSWCB initiated three Clean Water Act, §319(h) projects to demonstrate composting as a means for dead bird disposal, buffer strips, and proper land application of poultry litter. In 1996, the TSSWCB expanded its efforts by initiating a composting and marketing project. This effort to promote

the installation of composters and other means of mortality management on poultry farms resulted in accelerated WQMP development.

In 1997, the Texas Legislature passed Senate Bill 1910, which required all poultry farms to have a TCEQ-approved method of dead bird disposal. The law took effect in March 1998. However, the rules were not adopted and did not take effect until fall 1999. It was during this time that requests for poultry-WQMPs significantly increased due to pursuit of cost-share for mandated mortality management. This activity intensified the TSSWCB's poultry initiative.

In response to water quality concerns and the initiation of TMDL development in the Big Cypress/Lake O' the Pines watershed in 1999, the TSSWCB began using §319 funds for cost-share in the area in addition to the Senate Bill 503 cost-share funds already directed to the watershed. Due to rising concerns in nearby watersheds, the TSSWCB also included the Sam Rayburn and Toledo Bend Reservoir watersheds in its initiative in 1999. The TSSWCB expanded the poultry initiative again in 2001 to the Gonzales area.

All together, the TSSWCB has focused \$5.3 million in §319 funding and over \$3 million in state funding to assist poultry operations with abating NPS pollution in Texas. Nine of the sixteen §319-funded projects are ongoing. Another \$2.9 million in USDA-NRCS Environmental Quality Incentives Program (EQIP) funding was obligated to assist poultry producers in Northeast Texas and Gonzales County from 2000 to 2003.

The 77<sup>th</sup> Legislature, in 2001, passed Senate Bill 1339, which requires all poultry facilities in Texas to operate in accordance with a WQMP certified by the TSSWCB. The review and certification process assures the plan includes appropriate practices, management measures and schedules of implementation.

This law provides a staggered-schedule of deadlines by which each producer, depending on their initial date of operation, must have requested the development of a WQMP from their soil and water conservation district. Any poultry facility constructed after January 1, 2002 is required to have a WQMP prior to the receipt of any birds.

Since the effective date of the new law, the TSSWCB has identified 1462 total poultry farms, of which 1300 (89%) currently operate under a certified WQMP. The TSSWCB estimates that 12 farms need to request a WQMP before January 2005 and 68 farms before January 2008. The other estimated 82 farms have already requested a plan and those plans are in various stages of development. However, there is an ongoing challenge of identifying new poultry farms continually being constructed and put into production and locating other poultry farms not yet identified.

Producers who fail to submit an application for a WQMP before the appropriate submission date for their specific facility are subject to enforcement actions by the Texas Commission on Environmental Quality. In FY04, new WQMPs have been developed for 123 poultry farms and 86 existing WQMPs have been revised for poultry farms. In addition, status reviews have been conducted on 247 poultry farms in Texas, which is approximately 19% of poultry farms with a WQMP.

Since 2001, seven soil and water conservation district (SWCD) technicians have been employed under Federal Clean Water Act §319 contracts to develop WQMPs in poultry producing areas. Those contracts will expire in 2004. An eighth §319 district technician was hired in 2003 in the Shelby SWCD to conduct WQMP status reviews and that contract will expire in 2005. As a result, beginning in FY 2005, there will

be a substantial reduction of available staff for developing new plans, conducting status reviews, and revising plans as needed.

Beginning in fiscal year 2004, a TSSWCB Poultry Program Specialist was assigned to a field location in Nacogdoches County to assist with all aspects of the Poultry WQMP Program. Nearly 500 (34%) of the estimated 1462 poultry farms in Texas are located in Nacogdoches and Shelby counties. Approximately 82 (17%) of the existing farms in those two counties still need a WQMP developed. The specialist will also assist other soil and water conservation districts with poultry WQMP development as needed.

State appropriated grants in FY04 were made to the Hopkins-Rains SWCD and the Nacogdoches SWCD in East Texas for technical assistance in the Poultry WQMP Program for \$250,000.00. State appropriated grants made to entities other than local districts in FY04 were two grants made to the USDA-Agricultural Service (ARS). The first grant was for \$114,989.00 to conduct an investigation of nutrient loss mechanisms from land-applied poultry litter. The second grant was for \$80,000.00 to conduct an investigation of additional tasks involving nutrient loss mechanisms from land-applied poultry litter.

The following is a summary of the status of farms that we are currently aware of:

<u>Date Due</u>	<u>Status</u>	<u>Number of Farms</u>
1/1/2002	Not Signed-up	0
1/1/2002	Plans in Progress	3
1/1/2003	Not Signed-up	0
1/1/2003	Plans in Progress and/or Signed-up	2
1/1/2005	Not Signed-up	12
1/1/2005	Plans in Progress and/or Signed-up	12
1/1/2008	Not Signed-up	68
1/1/2008	Plans in Progress and/or Signed-up	28
Unknown	Not Signed-up	0
Unknown	Plans in Progress and/or Signed-up	30
N/A	Turkey Farms Not Signed-up	7 (6 of 7 assumed to be out of business)
N/A	Turkey Farms In Progress	0
Subtotal:		162
Unknown	Additional Gonzales area farms*	30

\* One integrator in the Gonzales area has indicated approximately 30 farms that are or have been wet operations and required permits will now convert to dry operations and will need WQMPs.

## **NORTH BOSQUE RIVER WATERSHED INITIATIVE**

In 1998 the North Bosque River (Segments 1226 and 1255) was included in the Texas CWA §303(d) List of impaired waters under narrative water quality standards related to nutrients and aquatic plant growth. In February 2001, the TCEQ adopted *Two Total Maximum Daily Loads for Phosphorus in the North Bosque River* for segments 1226 and 1255.

The TMDLs concluded that:

- Use of the two segments was “impaired” by high levels of nutrients.
- The nutrient of principal concern was soluble reactive phosphorus (SRP)
- Reduction of SRP of approximately 50% would reduce the potential for problematic algal growth in the river.
- The major controllable sources of nutrients in the North Bosque River basin were municipal wastewater treatment plants (WWTPs) and NPS pollution from dairy waste application fields (WAFs).

In December 2002, both the TCEQ and the TSSWCB adopted *An Implementation Plan for Soluble Reactive Phosphorus in the North Bosque River Watershed*. The four basic elements of phosphorus control identified in the plan were:

- Phosphorus application rates in WAFs.
- Reduced phosphorus diet for dairy cows to reduce the phosphorus content of dairy wastes.
- Removing approximately half of the dairy-generated manure from the North Bosque River watershed for use or disposal outside of the watershed.
- Effluent limits on phosphorus for municipal wastewater treatment plants.

Before and since the adoption of the Implementation Plan, the TSSWCB TMDL Program has been actively working on numerous projects and programs designed to assist the agricultural community in meeting its recommendations and requirements. All of the efforts explained in the following discussions are in support of the TMDL and the Implementation Plan.

State appropriated grants to entities other than local districts for projects in the North Bosque River were made to one project. That project was for \$15,000.00 to Keith Broumley as financial assistance to conduct a Comprehensive Nutrient Management Plan to support the North Bosque River Anaerobic Digester Demonstration Project.

### **DAIRY MANURE EXPORT SUPPORT (DMES) PROGRAM**

The TSSWCB initiated the Dairy Manure Export Support (DMES) program in an effort to bring an innovative solution to the problem of elevated phosphorus levels in the North Bosque and Leon River Watersheds. The DMES program offers financial incentives to commercial manure haulers to support the transport of raw manure from dairy farms in the North Bosque and Leon River Watersheds to commercial composting operations. The raw manure is then improved through a composting process so it may be put to beneficial use. Entities such as the Texas Department of Transportation and municipalities, as well as agricultural producers and the general public are some of the target purchasers of the composted product. The TCEQ, TSSWCB’s partner in the overall regional program, provides rebates to these target



purchasers to facilitate the development of a sustainable market. The export of this surplus manure (and the nutrients contained in the manure) will help address concerns regarding potential NPS water quality impacts associated with traditional on-farm land application of manure in the region.

Overall DMES program management is controlled through the TSSWCB. The TSSWCB has contracted everyday activities to the Texas Institute for Applied Environmental Research (TIAER) at Tarleton State University. In April 2001, TIAER subcontracted many aspects of the program to the Foundation for Organic Resources Management (FORM), which was replaced by imanage, LLC in July 2003. Through FORM, and later imanage, LLC, the DMES program has been managed at the local level through a DMES program office located in Stephenville, Texas. The TSSWCB has contracted TIAER to manage the program through August 31, 2004.

Participation requirements for dairies include being located in the North Bosque and/or Leon River Watersheds. Dairies must have (or have applied for) a TSSWCB-certified Water Quality Management Plan or a TCEQ water quality permit and an approved nutrient utilization plan. Each composting facility must be compliant with all state regulations regarding compost facilities and be approved for participation in TCEQ's Composted Manure Incentive Project (CMIP). Manure haulers must attend a workshop convened by the TSSWCB's contractor and obtain a vendor number from the Texas State Comptroller and authorize direct deposit.

Individual hauling jobs are coordinated through manure haulers that make arrangements with dairies and commercial composting operations. A manure hauler completes a job notification form, which is then submitted to the DMES office for approval. Once approval is received, the manure hauler performs the work and submits an invoice to the DMES office, which is signed by a representative of the dairy, accompanied by load tickets signed by a representative of the composting facility, and a scale ticket for each load. The DMES office prepares semi-monthly reimbursement request summaries, has them approved by TIAER, and then submits them to the TSSWCB for payment. Because the TSSWCB is using Clean Water Act §319(h) funding from the U.S. Environmental Protection Agency (EPA), the TSSWCB must then request that the funds be released from EPA to the TSSWCB. The TSSWCB then issues reimbursements via direct deposit to the manure haulers.

The initial target amount of manure to be exported from dairy farms participating in the program was 300,000 tons during a 36-month program period from October 2000 through October 2003. Hauling of dairy manure under the DMES program has proceeded at a much faster rate than originally anticipated. In fact, as of October 31, 2003, over 685,500 tons of manure, or more than double the target amount, has been hauled under this program. The TSSWCB anticipates the DMES Program will continue through August 2004 and possibly beyond.

#### **COMPREHENSIVE NUTRIENT MANAGEMENT PLAN (CNMP) PROGRAM**

The TSSWCB Comprehensive Nutrient Management Planning (CNMP) Program was developed in response to a control measure recommended in the *Implementation Plan for the North Bosque River Total Maximum Daily Load for Soluble Reactive Phosphorus*. The implementation plan recommended that dairy producers in the watershed voluntarily develop and implement a Comprehensive Nutrient Management Plan (CNMP). This program is confined to the North Bosque River Watershed by rule.

A CNMP is a resource management plan containing a grouping of conservation practices and management activities which, when combined into a conservation system, will help ensure that both

agricultural production goals and natural resource concerns dealing with nutrient and organic by-products and their adverse impacts on water quality are achieved. A CNMP incorporates practices to utilize animal manure and organic by-products as a beneficial resource. The TSSWCB selected requirements for a CNMP based on the TCEQ rules and regulations required for permitted and unpermitted animal feeding operations and criteria outlined in the *Field Office Technical Guide (FOTG)*, a publication of the United States Department of Agriculture's Natural Resources Conservation Service (NRCS). The FOTG represents the best available technology and is already tailored to meet the needs of soil and water conservation districts all over the nation. To be certified by the TSSWCB, the local SWCD, the producer, and the local NRCS Field Office must approve a CNMP. However, no state or federal regulations currently require a facility to develop a CNMP.

The TSSWCB is currently working with the owner of a dairy operation that was selected as the site of an anaerobic manure digester demonstration project in the North Bosque River Watershed. The overall project, managed by a group of entities including the Brazos River Authority, the TECQ, and the Texas Farm Bureau, is designed to reduce the amount of phosphorus present in the dairy's wastewater. The TSSWCB's contribution to the project is to provide the dairy with financial assistance from §319 grant funds toward the development of a CNMP so that the operation can appropriately utilize the reduced phosphorus wastewater, protect the natural resources on location, and be consistent with the recommendations of the Implementation Plan. The CNMP is currently under development by a third-party technical service provider with the assistance of the TSSWCB and NRCS.

### **Water Quality Management Plan (WQMP) Program Implementation in the North Bosque Watershed**

The regional offices are maintained around the state for the purpose of providing technical assistance to rural landowners interested in conserving natural resources and protecting water quality. The Dublin Regional Office is located within the North Bosque River Watershed, and has been providing service to the area since 1993. Since September 1, 2002 (three months prior to the adoption of the TMDL Implementation Plan), the TSSWCB has certified 40 WQMPs covering more than 8,500 acres in the watershed. As stated in the TMDL Implementation Plan, the TSSWCB is interested in working with SWCDs to get as many acres of land as possible under the scope of a nutrient management plan (nutrient management plans are required components of WQMPs that cover land receiving either commercial fertilizer or animal waste). The previously mentioned 40 WQMPs include more than 4,900 acres now within the scope of a nutrient management plan. They also include more than 2,400 acres scheduled for cover by improved vegetation under landowner/operator plans. Vegetation helps to prevent NPS pollution by absorbing nutrients and preventing erosion that can carry nutrients with sediment into the North Bosque River stream system.

### **CLEAN WATER ACT, §319(H) GRANT PROJECTS IN THE NORTH BOSQUE WATERSHED**

Clean Water Act §319(h) Grant Program funding has been used extensively to assist in the development and implementation of the North Bosque River TMDL. Currently, seven CWA §319(h) are actively assisting the implementation of the North Bosque River TMDL. These are briefly described below.

*Technical and Financial Assistance to Dairy Producers and  
Landowners of the North Bosque River Watershed Within the  
Cross Timbers and Upper Leon SWCDs*

This project provides technical and financial assistance to landowners toward the development and implementation of certified WQMPs and CNMPs for any agricultural operations that land-apply animal waste. The project employs three SWCD technicians for developing WQMPs for unpermitted animal feeding operations (AFOs) or non-AFO farms, and for reviewing the technical completeness of CNMPs developed by third-party technical service providers on permitted dairy CAFOs.

The project also includes cost-share funding. The cost-share, applied through the TSSWCB rules and requirements, encourages producers to properly implement the best management practices (BMPs) included in the WQMPs and CNMPs. The project also includes funding for water quality monitoring, carried out by TIAER, at the micro-watershed level. This methodical monitoring scheme is being performed to determine the nutrient reductions that are achieved through the implementation of BMPs within the watershed.

Funding is also provided for the SWCDs and TIAER to conduct “micro watershed producer council” meetings with the owners of the WQMPs and CNMPs once a sufficient number of the plans have been implemented. Topics such as the overall TMDL progress, the latest water quality monitoring results, and how they relate to the impact of WQMP and CNMP implementation are intended to be presented to the councils.

*Development of a Bacterial Source Tracking Library and  
Assessment of Bacterial Sources Impacting Lakes Waco and Belton*

This project is a component of a larger statewide bacterial source-tracking (BST) program. This project includes Parsons Engineering Science, Inc., Texas Farm Bureau, Brazos River Authority, City of Waco, TSSWCB, and the Environmental Protection Agency as project partners.

Protection of our water resources is one of the most significant environmental challenges of the new millennium. Nonpoint sources (NPS) of pollution, especially from agricultural activities, can greatly impact water quality. One key component in effectively implementing a NPS pollution management program is the identification and assessment of sources of bacterial contamination, especially for impaired waterbodies on the Texas Clean Water Act §303(d) list. Proper evaluation of these sources is needed to develop microbial total maximum daily loads (TMDLs) and appropriate best management practices (BMPs). This information may also be useful to properly assess risk in contact recreation, as many waterborne pathogens causing human illness do not colonize nonhuman hosts.

Fecal coliform bacteria have extensively been used as an indicator of fecal pollution and the potential presence of other pathogenic microorganisms in water. It has been established that the fecal coliform bacterium *Escherichia coli* (*E. coli*) is more closely associated with fecal pollution than other fecal coliform bacteria, which may normally reside and multiply in the environment.

*E. coli* is a common inhabitant of animal and human intestines and recent studies have shown that isolates from humans and various host animals (e.g. cattle, chickens, and pigs) may differ genetically and phenotypically. Use of genetic and biochemical tests may allow the original host animal to be identified,



referred to as bacterial source tracking (BST). Molecular tools appear to hold the greatest promise for BST, providing the most conclusive characterization and level of discrimination for isolates. Of the molecular tools available, ribosomal ribonucleic acid genetic fingerprinting (ribotyping) and pulsed-field gel electrophoresis (PFGE) are emerging as versatile and feasible BST techniques. A phenotypic characterization method, antibiotic resistance analysis, also has the potential to identify the human or animal origin of isolates. However, reference “libraries” of bacterial genetic fingerprints and antibiotic resistance profiles are needed to correctly identify the source of bacteria isolated from environmental water samples.

There are projects in progress at Lake Waco and Lake Belton, the San Antonio River and tributaries, Oyster Creek and a project planned for the greater Houston area. These projects have two general objectives: (1) to assess the water quality with regard to the relative contributions of fecal bacteria from bovine, human, and other animal contributions to the water bodies and (2) to develop local libraries, genetic and biochemical that can be used in determining the animal or human nonpoint fecal source contamination of surface water.

#### *Field Validation of the Texas Phosphorus Index*

This project is intended to determine the effects of selected soil properties in the North Bosque and Leon River Watersheds for measuring and predicting phosphorus runoff, as well as comparing and correlating different soil test and soil solution soluble phosphorus extracts to runoff phosphorus. The project, carried out by Texas Cooperative Extension, will also attempt to validate and/or modify the Texas Phosphorus Index as a predictive tool for classification of field sites relative to phosphorus loss potential. The information attained from these field studies will help validate and improve the Texas Phosphorus Index. With this information and additional studies similar to this across the state, quantitative assessments to predict the amount of phosphorus in runoff utilizing the Texas Phosphorus Index can be estimated. The runoff analyses will help determine the form of phosphorus, and whether it is mainly solution soluble or suspended. This will enable identification of appropriate best management practices to reduce the amount of phosphorus leaving fields, thus decreasing the amount of phosphorus reaching surface water resources. The Texas Phosphorus Index is an integral part of effective nutrient management planning.

#### *Improving Water Quality by Developing, Implementing, and Field Testing Innovative Methods*

This project, conducted by Texas Water Resources Institute, provides funding for the testing of new technologies designed for reducing water pollution associated with animal production systems, principally dairies. The focus is restricted to reducing phosphorus in dairy waste streams. Four technologies have already been selected, while the overall project is designed to accommodate two additional technologies yet to be determined. The four selected technologies include an electrocoagulation system, a polymer enhanced solids separation system, an aeration with microbubblers system, and a geotextile solids separation system. These technologies are tested and utilized in municipal waste treatment systems, dredging and sediment recovery from streams, and the oil and gas industry but they have not been adequately tested or demonstrated for treating animal waste. This is especially true for testing these technologies for the reduction of phosphorous from land applied liquid dairy manure in the Bosque River Watershed.

*Edge-of-Field Monitoring of a  
Wastewater/Manure Management System Demonstration*

This project will monitor and evaluate the phosphorus reduction capabilities of a state-of-the-art methane digester system installed on a dairy facility in the North Bosque River Watershed operating in conjunction with a TSSWCB-certified Comprehensive Nutrient Management Plan (CNMP). A multi-agency group including the Brazos River Authority, Texas Farm Bureau, and TCEQ is carrying out the overall methane digester project. Edge-of-field monitoring, funded by the TSSWCB and conducted by the Texas Institute for Applied Environmental Research, was initiated to determine the level of phosphorus reduction associated with the wastewater that has undergone treatment using methane digester technology and applied in accordance with the dairy's CNMP. Monitoring will occur on the liquid application fields used by the dairy operator to determine nonpoint source pollution (NPS) reductions.

*Establishment of a Watershed Coordinator for the North Bosque River Watershed*

The objectives of this project include identifying all pollution prevention projects and measures that are currently underway in the watershed, tracking the progress of these projects and measures, tracking rules and regulations that affect operations of entities in the watershed, reviewing water quality data for trend identification, providing opportunities for efficient and effective use of resources, and communicating through regularly scheduled stakeholder group meetings. Another objective of this project is to identify areas within the watershed that may not have received the attention necessary to reduce potentially detrimental impacts to water quality. The TSSWCB has contracted the Brazos River Authority to provide overall coordination of the project.

*Athletic Field Topdressing as a Commercial Market for Compost from Dairy Manure*

Composting of dairy manure and exporting of the compost out of the watershed have been advanced as a solution to the problem of the impaired water quality in the North Bosque River Watershed. The composting facilities have been established and the infrastructure to move manure from dairies to these facilities is in place. A high-volume market is needed that can afford the production and transportation costs of the compost. This project, carried out by the Leon-Bosque Resource Conservation and Development Council, seeks to develop that market by demonstrating the value of compost as a component to a premium blend of compost and sand.

## **TEXAS ATRAZINE INITIATIVE**

### ***BACKGROUND***

Atrazine is a pre-emergent herbicide primarily used to control broadleaf and grassy weeds in corn and sorghum. Since it went on the market in 1958, it has become the most widely used herbicide in the United States.

It is classified as a restricted use herbicide due to its potential for groundwater contamination. Inconsistent with its restricted use designation, it is commonly found in *Weed and Feed* and other home and garden products, making it not only an agricultural issue, but an urban issue as well.

Atrazine, a chlorinated triazine herbicide, acts as a photosynthesis inhibitor. It is nontoxic to humans, having about the same toxicity as table salt. It has no adverse reproductive effects. It's not teratogenic or mutagenic. Only low levels of bioaccumulation may be expected in fish organs. It is nontoxic to birds and only slightly toxic to aquatic life.

Atrazine is, however, a possible human carcinogen (Class C). Due to this, a Maximum Contaminant Level (MCL) of 3 µg/L (micro-grams per liter) has been established for finished drinking water. A micro-gram would equate to 0.000,001 grams per liter of water.

Atrazine is persistent in the environment, having a field half-life of 60 days. It is moderately soluble in water and is not removed from drinking water by conventional water treatment methods. Activated carbon, ozonation, cation exchange, and UV treatment methods must be used to remove it from drinking water.

Because of its persistence, solubility, and widespread use, Atrazine is commonly found in surface water. A 1993-95 US Geological Survey (USGS) study of pesticides in urban and agricultural streams in the Trinity River Basin found Atrazine in 100% of samples from both sources. This suggests that Atrazine is both an agricultural and urban problem. The concentrations in the agricultural streams were, however, greater than the concentrations in the urban streams.

#### **DEVELOPMENT OF THE TEXAS APPROACH**

In Texas, testing of Atrazine in drinking water began in 1993. However, the method used only had a detection limit of 3 µg/L, and little detection was observed. In 1996, the state began using EPA (testing) Method 525.2, which has a much lower detection limit 0.065µg/L. Once the state began using this new (testing) method, numerous detections began appearing around the state in both surface and groundwater supplies. Between 1996 and 1999, Atrazine was detected in 69 water supplies around the state. In addition to drinking water monitoring, some raw water monitoring for Atrazine has been performed, but it has been infrequent and project specific.

In 1995, due to a detection of 9.6 µg/L in Marlin City Lake, the Marlin City Manager contacted the TCEQ-Source Water Assessment and Protection (SWAP) team for assistance. The City of Marlin and TCEQ-SWAP team then approached EPA for federal assistance. In 1996, Marlin City Lake was designated an EPA Region 6 Pilot Source Water Protection Program project.

To deal with the growing number of Atrazine detections around the state, TCEQ-SWAP formed an "Atrazine Steering Committee" in 1997 (later, the committee was renamed the "Surface Water Protection Committee). Committee membership consisted of the TSSWCB, the TDA, Texas A&M University, Novartis, the USDA- NRCS, the USDA-Agricultural Research Service (ARS), the Texas Farm Bureau, the Brazos River Authority, and municipal representatives. The committee's goal was to develop a strategy to address the numerous detections of Atrazine in drinking water in a proactive manner through BMP implementation and public education.

In 1998, nine reservoirs were listed as impacted by Atrazine on the §303(d) List. One of these, Aquilla Reservoir was listed as impaired by Atrazine. The running annual average at the Aquilla Water Supply District's treatment plant for the second quarter of 1997 through the first quarter of 1998 was 4.0 µg/L, violating the drinking water standard (3 µg/L) and triggering the listing of Aquilla Reservoir as an impaired water of the state. The other eight reservoirs, Lake Bardwell, Joe Pool Lake, Marlin City Lake,

Lake Lavon, Lake Tawakoni, Richland Chambers Lake, Lake Waxahachie, and Big Creek Lake, were listed as threatened by Atrazine.

Following the listing of these reservoirs on the §303(d) List, the state began developing and implementing an initiative to remediate the Atrazine threats and impairments consisting of:

- Performing a standard TMDL in Aquilla Reservoir
- Building on the Source Water Protection Program in Marlin City Lake
- Performing targeted monitoring and implementing BMPs in the 7 threatened lakes

#### **IMPLEMENTATION OF THE ATRAZINE INITIATIVE**

The Aquilla TMDL was initiated in November 1998. It was a cooperative effort among the Texas Agricultural Experiment Station (TAES), Texas Cooperative Extension (TCE), Texas Department of Agriculture, Texas A&M University, TCEQ, TSSWCB, NRCS, Novartis, and local stakeholders. Over \$500,000 was provided for the Aquilla and Marlin projects through PPG funds, §§319(h), 604(b), Source Water Protection, TCEQ GR, and in-kind contributions. Stakeholder committees were formed for the Marlin and Aquilla projects. Training for pesticide applicators, demonstration of BMPs, and TEX\*A\*SYST was provided by the TAES in cooperation with the TCE. The Texas Agricultural Experiment Station conducted monitoring in the Aquilla and Marlin Watersheds. SWAT modeling of the watershed was completed as an in-kind contribution effort of NRCS, TDA, and TCEQ. Economic analyses of the implementation of BMPs on farms in both watersheds were also completed by the TAES.

The TMDL for Atrazine in Aquilla Reservoir was adopted by the TSSWCB and TCEQ in March 2001, and was revised in June 2002 in response to comments from the Environmental Protection Agency (EPA). The implementation plan was approved by the TSSWCB and TCEQ in January 2002. Region 6 of the EPA approved the TMDL on October 30, 2002.

The TMDL stated that a load reduction of approximately 25% would result in attainment of the water quality standards.

The environmental target set for measuring the success of the TMDL implementation plan is a running annual average concentration of Atrazine *in the reservoir* that does not exceed 3.0 µg/L for two consecutive years.

The TCEQ and the TSSWCB had the leadership roles for implementing the project, as well as for developing the TMDL. The key groups involved in implementing the plan at the local watershed level were agricultural producers and city governments. Regionally, the key partners were Aquilla Water Supply District, the Woodrow-Osceola Water Supply Corporation, the Hill County Appraisal District, and the Hill County-Blackland Soil and Water Conservation District. The Texas Cooperative Extension (TCE) and the Texas Department of Agriculture (TDA) also implemented aspects of the project. The U.S. Army Corps of Engineers, the federal agency that owns and operates the lake, also cooperated.

Since the source of the Atrazine was known, some activities were initiated before the TMDL and its implementation plan were complete. In 1998, the NRCS established the Aquilla EQIP Priority Area. From 1998-2003, the NRCS obligated over \$2 million to implement BMPs in the Aquilla Watershed. Along with the EQIP funding, the TSSWCB initiated a §319 project in 1999 to provide cost-share and technical assistance through the Hill County-Blackland SWCD to encourage the implementation of BMPs in the Aquilla Watershed to reduce sediment and pesticide runoff from corn and sorghum farms.

In 1999, Aquilla area farmers formed a Producers Atrazine Action Committee. Meetings featured speakers on water quality topics and training on pesticide application. The Producers Committee developed a list of BMPs recommended for use in the watershed, and composed a questionnaire to document adoption of BMPs over time. In addition, the committee met with pesticide dealers to increase dealers' awareness of the problem and to gain their assistance. The practice to incorporate herbicides into the soil upon application was already adopted by about 33% of area producers at the end of the first year, and reached nearly 100% by the third year of the project.

In the seven threatened lakes, targeted monthly monitoring was conducted near water supply intakes to verify the level of impairment and provide baseline data for future actions. Texas A&M University conducted the analysis. Water quality sampling conducted by the TCEQ was used to measure the effectiveness of the practices. In addition, Syngenta, a private corporation that markets Atrazine, continued its voluntary pesticide-monitoring program with the area's public water suppliers.

Partners in the program include the TSSWCB, the TCEQ, the TDA, the TPWD, the Texas Agricultural Experiment Station (TAES), the TCE, and the federal Natural Resources Conservation Service (NRCS). Several other agencies and interested parties were involved, including the EPA, the Brazos River Authority, the Sabine River Authority, the Aquilla Water Supply District, and Syngenta (formerly Novartis), a private corporation.

Monitoring was completed in August 2003, with the exception of Bardwell and Lake Waxahachie. The City of Waxahachie continues to sample these lakes to obtain the needed 36 monthly samples.

Technical and financial assistance was provided to corn and sorghum farmers to implement BMPs in the seven lakes watersheds through 12 TSSWCB §319 projects funded by EPA, over \$4.1 million in cost share and TA was provided to farmers through SWCDs. Demonstrations, monitoring, and modeling were also conducted through TSSWCB 319 projects to support and evaluate the implementation of BMPs in the seven threatened lakes. Through the TSSWCB 319 program, almost \$4.6 million has been obligated to address the Atrazine issues in the seven threatened lakes.

In 2000, the Little River was listed as threatened by Atrazine. In response to this listing, the TSSWCB initiated two 319 projects in 2002 to provide technical and financial assistance to the area to address this threat. These efforts were continued in 2003 with the provision of additional funding. Over \$1.1 million in 319 funding has been provided to encourage BMP implementation.

### **ATRAZINE INITIATIVE RESULTS – A SUCCESS STORY**

As a result of the Atrazine Initiative, Atrazine concentrations in Aquilla Reservoir have been reduced to safe levels. Between 1998 and 2003, Atrazine concentrations in Aquilla Reservoir have been reduced by approximately 60%, to amounts lower than those required for treated drinking water. There have also been no Atrazine concentrations higher than the allowable amount at the Aquilla Water Supply District's drinking water treatment plant. Monitoring will be continued on a quarterly schedule to ensure that Atrazine concentrations remain at a safe level.

Monitoring by TCEQ indicates that Atrazine concentrations in five of the seven lakes have been reduced to levels that warrant their reclassification from threatened. Those lakes are now attaining their uses as a source for treated drinking water.



The other two lakes, Bardwell and Waxahachie Reservoirs, are still being monitored. However, trends in those two reservoirs indicate that they, too, will no longer be classified by the TCEQ as threatened within the next six months.

## **COASTAL MANAGEMENT PROGRAM**

### ***BACKGROUND***

The Texas Coastal Management Program (CMP) was created to coordinate state, local, and federal programs for the management of Texas coastal resources. The program brings in federal Coastal Zone Management Act (CZMA) funds to Texas state and local entities to implement projects and program activities for a wide variety of purposes. The Coastal Coordination Council (CCC) administers the CMP and is chaired by the Commissioner of the GLO. It comprises the chair or appointed representatives from the TPWD, the TCEQ, the TWDB, TxDOT, a member of the Texas State Soil and Water Conservation Board, a member of the RRC, the director of the Texas A&M University Sea Grant Program and four gubernatorial appointees. These members are selected to provide fair representation for all aspects concerning coastal issues.

The Council is charged with adopting uniform goals and policies to guide decision-making by all entities regulating or managing natural resource use within the Texas coastal area. The Council reviews significant actions taken or authorized by state agencies and subdivisions that may adversely affect coastal natural resources to determine their consistency with the CMP goals and policies. In addition, the Council oversees the CMP Grants Program and the Small Business and Individual Permitting Assistance Program.

The Coastal Zone Act Reauthorization Amendments (CZARA), Section 6217, requires each state with an approved coastal zone management program to develop a federally approvable program to control coastal nonpoint source pollution. The Texas CCC appointed a Coastal Nonpoint Source Pollution Control Program workgroup to develop this document. The National Oceanic and Atmospheric Administration and the U.S. Environmental Protection Agency jointly administer the program. In Texas, two agencies hold primary responsibility for the program's development and implementation: the Texas Commission on Environmental Quality and the TSSWCB.

Section 6217 calls for implementation of management measures (§6217(g) measures or (g) measures) that will control significant nonpoint sources of pollution to coastal waters. Six source categories are addressed by these measures: agriculture, forestry, urban and developing areas, marinas, wetland/riparian areas, and hydro modification. States can use voluntary approaches combined with existing state authorities to achieve implementation of management measures. However, if the voluntary mechanisms are not effective, states must have backup enforcement authorities in place to ensure that management measures are implemented.

Texas requested exclusion from the program for silviculture, rangeland, and dry land row crop agriculture from the northern boundary of the Coastal Bend Bays and Estuaries Program Area southward to the northern boundary of the Arroyo Colorado Watershed. The silviculture and rangeland exclusions were not allowed.

Texas submitted the Texas Coastal Nonpoint Source Pollution Control Program to EPA and NOAA in December 1998. In October 2000, Texas submitted the Texas Coastal NPS Control Program 15-year Program Strategy and FY 2001-2005 Implementation Plan.

Final findings were issued by NOAA/EPA in July 2003, which contained conditional approval of the program. The agricultural and silvicultural portions of the program were approved without conditions. In these findings, the dry land row crop exclusion was denied. Texas is collecting additional information to support the dryland row crop exclusion and will provide this to NOAA/EPA for further consideration.

### ***CURRENT STATUS***

The TSSWCB is responsible for implementing the agricultural and silvicultural management measures of the program. The main mechanism we have for this is the State's cost-share program for implementing Water Quality Management Plans on farms and ranches through local soil and water conservation districts (SWCD). For over five years, more than \$300,000 of state funds has been spent annually in the coastal zone to provide cost-share to implement approximately 80 Water Quality Management Plans.

In addition to state funding, Texas receives §6217 funding from NOAA for implementing the Coastal Nonpoint Source Pollution Control Program. For the past several years, SWCDs in the Coastal Management Zone have received grants from NOAA's §6217 Implementation Funds to install agricultural management measures through the TSSWCB Water Quality Management Plan program. This has been very effective in expanding Texas' effort in carrying out the agricultural portion of its coastal nonpoint source program.

In March, NOAA issued final guidance for the program funds. As written, the guidance would no longer allow these funds to be used to implement agricultural best management practices on private lands unless a number of conditions are met. However, GLO is currently working with NOAA to determine what is needed to get approval of the NPS projects submitted by SWCDs in the coastal zone.

During the week of March 22, a team from NOAA, under the leadership of Chris McKay, visited Texas to evaluate the State's coastal management program. TSSWCB Executive Committee member (Richard Egg) and Council Member (Mr. Memo Benavides) had the opportunity to visit with the team and explain our program and how important it was for the CNP funds to continue to be used to implement management measures on private land.

The NOAA evaluation team also participated in the Coastal Coordination Council (CCC) meeting on March 22. TSSWCB Council member took the opportunity to again express concern over this change in the CNP guidance. Several other council members also supported the continued use of these funds on private land to implement BMPs. The CCC also approved the projects submitted for this program at its March meeting. This included funding (at a reduced level) for nine projects from SWCDs. These projects were submitted to NOAA in April for approval.

We are hopeful that NOAA will approve the projects, but we have no guarantees. In the meantime, our Water Quality Management Plan program in the coastal management zone continues.

Implementation of the silvicultural management measures in the coastal zone is through a CWA §319 grant from the TSSWCB to the Texas Forest Service.

## **INFORMATION TECHNOLOGY**

### **LDAP DIRECTORY SERVICE**

In January 2004, the TSSWCB brought a light weight directory access protocol (LDAP) server online to provide a centrally maintained online directory of employee email address, job titles, and phone and fax numbers. LDAP is a standards-based service, and is easily accessible from all the mail clients in use at the agency. This service eliminates the need for employees to maintain individual contact lists for agency personnel and provides a convenient look-up service for retrieving contact information. This project was completed using open source software components resulting in no cost to the agency for software purchases, licensing, or support.

### **EXPANSION OF BROADBAND NETWORK CONNECTIVITY**

During the early part of 2004, the TSSWCB upgraded the Internet connectivity of its field representatives, providing them with broadband connections for the first time. The need for additional bandwidth had become apparent in recent years as the field representatives increasingly rely on network connectivity to perform tasks electronically. Because of the remote locations of the field representative offices, the new connections use satellite technology and were arranged through the Texas Department of Information Resources with a new service provider for Texas agencies, Hughes Network Systems.

### **PC HARDWARE REPLACEMENT**

During the early part of 2004, the TSSWCB replaced the laptop PCs for its field representatives. The replacement schedule is in keeping with the guidelines recommended by the Texas Department of Information Resources. Beyond the increased reliability of the new equipment, the new laptops provide the agency field staff with new capabilities that are important for their work – including CD-authoring capabilities for data storage and backups, and integrated wireless adapters configured for use at agency offices.

### **SMTP AUTHENTICATION SERVICE**

In May 2004, the TSSWCB added SMTP authentication capability to its outgoing mail server. This service gives remote users on outside networks the ability to send mail through the TSSWCB mail server as if they were on an internal network. This provides considerable convenience to traveling employees and adds security to the outgoing mail as it can be scanned for spam and viruses at the TSSWCB server. SMTP authentication uses an encrypted user name and password to verify an employee's identity. This project was completed using open source software components resulting in no cost to the agency for software purchases, licensing, or support.

### **REMOTE ADMINISTRATION OF WORKSTATIONS**

In May 2004, the TSSWCB began installing VNC client software on its PCs on an as needed basis. This software allows an administrator to login to a workstation from a remote location to perform system administration, troubleshooting, and other tasks. In the short time this has been deployed, this service has already proven to be an effective and timesaving tool for agency employees. This project was completed using open source software components resulting in no cost to the agency for software purchases, licensing, or support.



## **FIREPROOF SAFES FOR REGIONAL OFFICES**

In an incremental step in ongoing efforts to protect agency data, in May 2004 the agency began providing its regional offices with fireproof safes to store important program data. As more program data is now being housed at the regional offices, this step was needed to add an additional layer of protection to the agency's information assets.

## **FACILITY MONITORING ENHANCEMENT**

In June 2004, agency staff configured and installed new monitoring equipment at the agency's main network operations facility. This equipment provides continuous monitoring of environmental conditions at the site and provides alerts to the appropriate staff as conditions warrant. With the increased monitoring, the IT services of the agency are better protected from disruptions due to cooling equipment failures or other environmental factors.

## **PUBLIC INFORMATION /EDUCATION REPORT FY04**

### ***GENERAL OVERVIEW***

The purpose of the public information/education program is to provide leadership and coordination of information/education programs relating to the agency and district programs, services, operations and resources. The TSSWCB prepares and disseminates public information relative to the agency and district functions, programs, events and accomplishments for the public and to farmers and ranchers. TSSWCB staff coordinates seminars, conferences, workshops, displays at trade shows and training for district directors and district bookkeepers, conservation professionals, youth groups and other entities. Staff provides guidance to districts with their own individual information/education programs as well as regional and state information/education programs initiated by districts. Staff prepares and disseminates press releases, news stories and printed promotional products. The TSSWCB monitors the use of the publications and use of information. Staff represents the agency as needed with various information/education groups and entities. The TSSWCB has a cooperative agreement with the Association of Texas Soil and Water Conservation Districts to provide assistance and help coordinate district involvement and participation with Association's Information/Education Committee and its programs.

### **2004 SUMMER TEACHER WORKSHOPS**

Several teacher workshops are held each summer for teachers interested in conservation and natural resource issues. The workshops are held in various parts of the state in cooperation with the TSSWCB. The Texas Environmental Education Advisory Committee to the Texas Education Agency approves the content of these workshops, sponsored by the TSSWCB. As an approved Environmental Education Professional Development Provider teachers are able to get credit hours toward their required continuing education units (CEUs), while experiencing nature and the outdoors.

One workshop was recently held at the Lyndon B. Johnson State Historical Park, sponsored by the Pedernales SWCD, June 8-9, 2004. It was attended by 60 teachers. Another workshop was held June 16-18, 2004 in Orange County. Forty-eight teachers attended and toured various agricultural industries and demonstrations.

Lower Sabine-Neches SWCD will host a Teachers Workshop in China, Texas at the Texas A&M Rice Experiment Station on July 8, 2004 from 8:00am-3:00pm. The workshop includes: Rice research, including fertilization, insect management, water management and rice varieties. There will be a demonstration of rice cooking qualities.

## **2004 TEXAS CONSERVATION AWARDS PROGRAM**

Each year, the Texas State Soil and Water Conservation Board and the Association of Texas Soil and Water Conservation Districts co-sponsor the Texas Conservation Awards Program to recognize and honor those who dedicate themselves and their talents to the conservation and wise use of renewable natural resources. The 2004 Awards Program marked the 26<sup>th</sup> year of this joint program.

Local districts select their outstanding individuals as winners and submit them by mid-February each year for regional judging. Those selected as regional winners are honored each May at regional Awards Banquets. From these regional winners, a state winner is selected for the Outstanding Conservation Districts, Outstanding Conservation Teacher, Poster Contest, and the Essay Contest. These individuals are invited to the Annual State Meeting for recognition.

The conservation awards program provides competition and incentives to expand and improve conservation efforts, resource development, and increase the wise utilization of renewable natural resources. As a result, soil and water conservation districts, and both rural and urban citizens of Texas are benefited.

Soil and water conservation districts may enter their local recognition honorees in any of 10 categories (East Texas has an additional category of Forestry Conservationist), depending on appropriateness to the category description. For the youth of the district, there is also a poster and essay contest. The categories, a brief explanation and the names of first place winners for this year are:

### ***OUTSTANDING CONSERVATION DISTRICT***

Awarded to the winning soil and water conservation district in each area for the most outstanding program during the past fiscal year.

2004 Winners were:

Parmer SWCD #140

Bandera SWCD #229

Victoria SWCD #346

Upshur-Gregg SWCD #417

Little River-San Gabriel SWCD #508

### ***RESIDENT CONSERVATION RANCHER***

Awarded to the outstanding resident conservation rancher in each area. They **must** be a resident of the district, perform ranching activities within the district and be a cooperator with the district from which the entry was submitted. The rancher may have other business or professional interests.

2004 Winners were:

B. R. Carter; Hockley County SWCD #129  
Jack Brown; Highland SWCD #210  
Guerra Cattle Company; Starr County SWCD #332  
Sam Harris; Rusk SWCD #447  
Oren Soules; Mills County SWCD #554

#### ***RESIDENT CONSERVATION FARMER***

Awarded to the outstanding resident conservation farmer in each area. They **must** be a resident of the district, perform farming activities within the district and be a cooperator with the district from which the entry was submitted. The farmer may have other business or professional interests.

2004 Winners were:

David and Keith Wied ; Lynn County SWCD #119  
Phil Colburn; Runnels SWCD #232  
A. J. Richter; Wharton County SWCD #342  
Dr. Angie Patton; Upshur-Gregg SWCD #417  
Kirk Shepherd; Young SWCD #539

#### ***ABSENTEE CONSERVATION FARMER/RANCHER***

Awarded to the outstanding absentee conservation farmer or rancher in each area. They **must** reside **outside** the district, but operate farming or ranching activities within the district and be a cooperator with the district from which the entry was submitted. The person may have other business or professional interests.

2004 Winners were:

Chanas Ranch; Llano County SWCD #233  
Eduardo (Lalo) Hinojosa; Loma Blanca SWCD #328  
Crooked Tree Ranch; Lower Clear Fork of the Brazos SWCD #551

#### ***WATER QUALITY MANAGEMENT PLAN***

Awarded to the outstanding Water Quality Management Plan recipient in each area. They **must** be a district cooperator who has a district approved Water Quality Management Plan and has incorporated water quality into their farming or ranching activities and soil and water conservation work.

2004 Winners were:

Dieter Issacson; Parmer SWCD #140  
James Wilde; Tom Green SWCD #248  
Blue Creek Ranch Co. (Bill Oehmigs); Wharton County SWCD #342  
David Barringer; Nacogdoches SWCD #401  
E. C. Crump; Little Wichita SWCD #560

### ***ESSAY CONTEST***

Essays (topic: “The Living Soil”) are to be submitted to local soil and water conservation districts for local judging. Each local district will judge the entries and submit three essays to the TSSWCB for competition on the area level. Plaques will be awarded to 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> place winners on the area level and state winners will be selected from the area winners. This contest is open to students, 18 years and younger, and does not jeopardize Texas University Interscholastic League eligibility.

2004 Winners were:

Heather Posey, (Home Schooled), Rotan, TX – Upper Clear Fork SWCD #165  
Beth Ballew, Brackettville High School, Brackettville, TX – West Nueces-Las Moras SWCD #236  
Whitney Wehmeyer, Poth High School, Poth, TX – Wilson County SWCD #301  
Ashlie Black, Fairfield High School, Fairfield, TX – Freestone County SWCD #424  
Chance Propps, Benjamin High School, Benjamin, TX – Wichita-Brazos SWCD #544

### ***POSTER CONTEST***

Posters should address one of the following subjects: “Food for the Future” or “The Living Soil”. Posters shall be submitted to local soil and water conservation districts for local judging. Each local district will judge the entries and submit three posters to the TSSWCB for competition on the area level. Plaques will be awarded to the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> place winners on the area level and state winners will be selected from the area winners. This contest is open to students, 12 years and under, and does not jeopardize Texas University Interscholastic League eligibility.

2004 Winners were:

Rebekah Pollack, Mary Allen Elementary School, Stratford, TX – Sherman County SWCD #159  
Ben Hunt, San Saba Elementary, San Saba, TX – San Saba SWCD #250  
Jessica Gerdes, Industrial Junior High School, Lolita, TX – Jackson SWCD #336  
J. D. Gattis, Rusk Intermediate School, Rusk, TX – Cherokee County SWCD #427  
Peyton Stovall, Graham Junior High School, Graham, TX – Young SWCD #539

### ***BUSINESS/PROFESSIONAL INDIVIDUAL***

Awarded to the outstanding man or woman in the business community who has rendered the most unselfish conservation service in each area. Representatives of the news media (radio, television, newspaper, magazines, etc) who contribute to or provide support for conservation shall also be considered eligible for this award. (This award is not for individual conservation practices or individuals who, because of employment, assist with or augment the work of the soil and water conservation district.)

2004 Winners were:

Jim Steiert; Tierra Blanca SWCD #143  
Llano National Bank; Llano County SWCD #233  
Wayne Hasting; Peerless Equipment Co; Frio SWCD #325  
Ed Smith; Dozer and Backhoe Service; Freestone County SWCD #424  
H. L. “Larry” Campbell; Farm Manager and Consultant; Limestone-Falls SWCD #501

### ***CONSERVATION TEACHER***

Awarded to the outstanding teacher of conservation in schools in each area. Teachers of all grade levels are eligible for this award.

2004 Winners were:

Maureen Broughton; 4<sup>th</sup> Grade Science Teacher; LBJ Elementary School; Pedernales SWCD #218  
Millie Schaer; 3<sup>rd</sup> Grade; Blessing Elementary School; Matagorda County SWCD #316  
Johnny Coleman; High School Vo-Ag Teacher; Ore City High School; Upshur-Gregg SWCD #417  
Joe Ray Burkett; Agriculture Science & Technology; Jacksboro High School

### ***WILDLIFE CONSERVATIONIST***

Awarded to the outstanding wildlife conservationist in each area. They **must** be a district cooperator who has incorporated wildlife conservation into their farming and ranching activities.

2004 Winners were:

Wildcat Mountain Ranch; Coke County SWCD #219  
Kennon Cantley; Gonzales County SWCD #338 Willie D. Pitts; Panola SWCD #448  
Stasney & Sons LTD; Fannin County SWCD #520

### ***CONSERVATION HOMEMAKER***

Awarded to the outstanding conservation homemaker in each area. The homemaker and or family **must** own or operate a farm or ranch, be a district cooperator and have knowledge of the conservation programs being implemented.

2004 Winners were:

Gail Turnipseed; Hockley County SWCD #129  
Doris Block; Tom Green SWCD #248  
Nancy Tom; Atascosa County SWCD #307  
Linda Rhea; Red River County SWCD #423

### ***CONSERVATION DISTRICT EMPLOYEE***

Awarded to the outstanding soil and water conservation district employee who exhibits a degree of knowledge, skill, ability, and leadership that clearly results in superior job performance far above the basic requirements of the position.

2004 Winners were:

Wanda Blackburn; Upper Llanos SWCD #225  
Angie Osborne ; Davy Crockett-Trinity SWCD #404  
Wanda Carter; Parker County SWCD #558

### ***FORESTRY CONSERVATIONIST (AREA IV ONLY)***

Awarded to the outstanding forestry conservationist for the most outstanding farm forestry conservation program in the commercial forest areas of Texas. They **must** be a district cooperator or an individual who

has implemented conservation practices on their land and has done missionary work for conservation and the district program.

2004 Winner was:

Nolan Alders; Nacogdoches SWCD #401

### ***SOIL & WATER STEWARDSHIP PUBLIC SPEAKING CONTEST***

The Soil & Water Stewardship Public Speaking Contest is open to high school FFA students interested in conservation. The contest is aimed at broadening students' interest and knowledge of conservation and how individuals must depend on and take care of the world around them for survival. The contest is coordinated through the Texas FFA, with contests at the local, area and state level. Local winners compete in the 10 state FFA areas and those winners compete for the state title. Each year the state winner is invited to the Annual State Meeting of District Directors to deliver their presentation.

To prepare for the contest, students are to consult with their Agriculture Science teacher and work with their local soil and water conservation district. Students are encouraged to visit with their local SWCD to find out more about conservation practices in their area.

This project is a partnership between the Texas FFA, the Vocational Agriculture Teacher's Association of Texas, The Texas State Soil and Water Conservation Board, and the Association of Texas Soil and Water Conservation Districts.

The State Winner of the Soil and Water Stewardship Public Speaking Contest is invited to attend the Annual State Meeting each year and asked to deliver their winning address. This year's winner will be selected July 13, 2004 at the State FFA Convention in the Fort Worth Convention Center as the area winners compete.

### **WILDLIFE ALLIANCE FOR YOUTH**

The Wildlife Alliance for Youth (WAY) contests offer opportunities at the local district level for 4-H and FFA students to demonstrate their knowledge of the outdoors on wildlife habitat and management, wildlife laws, sportsmanship and other factual information on wildlife. The program offers scholarships to contest winners. It is a powerful tool for students to become involved in conservation and obtain an appreciation for wildlife.

Agscience students who compete in the WAY Contest, first acquire the foundational knowledge and skills for this event through the Agscience 381 - Wildlife and Recreation Curriculum. The WAY contests address the following nine subject areas in Wildlife and Recreation Management: Wildlife Plant Identification; Wildlife Plant Preferences; Wildlife Biological Facts; Wildlife Habitat; Habitat Management; Game Laws; Hunter and Boater Safety; Compass and Pacing; and Identification Techniques. Students should have an understanding of these subject areas before they compete.

The WAY contests are held in the five Texas State Soil and Water Conservation Board areas. Area IV (East Texas) holds their contest in October, which is the only contest held in the fall. Area V (North Central), Area I (Panhandle), Area II (West Texas) and Area III (South Texas) all hold their contests in April. Each team is certified to the area level by their local SWCD. The WAY State Contest was held at



the Welder Wildlife Refuge in Sinton, May 11, 2004 this year. Over 200 high school students participated in the competition.

The TSSWCB is the lead agency in sponsoring and organizing the contests. The Association of Texas Soil and Water Conservation Districts, USDA- Natural Resources Conservation Service, Texas Parks and Wildlife Commission, Cooperative Extension service, and the Texas Education Agency, along with local soil and water conservation districts (SWCD), all partner in the success of the youth organization.

### **STATE WOODLAND CLINIC AND CONTEST**

The Texas State Woodland Clinic and Contest is held annually in the month of April. It is a joint effort between local soil and water conservation districts, Stephen F. Austin University School of Forestry and the NRCS-USDA. The 2004 contest was held in Nacogdoches at the East Texas Plant Materials Center on April 20<sup>th</sup>. There were 184 contestants present

It is an opportunity for 4-H and FFA youth to demonstrate their expertise in different aspects of forestry management and skills in identification of needed practices and management techniques. Competition is between teams composed of four members representing either a 4-H Club or a FFA Chapter. Prior to the state contest several local districts conduct contests for 4-H Clubs and FFA Chapters within their district and the surrounding area.

The contest began in the late 1950s and was initiated by local SWCDs and timber industry personnel to develop forestry and woodland curriculum in schools in the commercial timber area of the state (East Texas Piney Woods). The clinic and contest have experienced widespread popularity and now has participation from outside of the commercial timber area on a regular basis. The state participation level for teams averages around 55 teams per year, with the vast majority of teams being composed of FFA Chapters. Winners at the state level are eligible to participate in the four states regional woodland contest held each May in one of four states. Texas, Louisiana, Arkansas and Oklahoma host the regional contest on a rotational basis.

### ***REGIONAL WOODLAND CONTEST***

The four states regional woodland contest is sponsored by soil and water conservation districts in each of the four states with program and technical support provided by USDA-NRCS and Resource Conservation and Development (RC&D), state organizations and industry personnel. The soil and water conservation districts in Texas hosted the first four states or southern regional woodland contest in 1984.

An attempt was made to expand this clinic and contest to a national level. However, that effort was dropped due to the wide diversity of forestry species and management practices across the nation.

Each state is allowed to send a maximum of six teams to the regional contest. Each state has a competition that determines the six teams from that state that may enter in the regional contest. Those teams may be composed of individuals representing either a 4-H Club or an FFA Chapter.

This year the regional clinic and contest was held in Texas at the Red River Army Depot in Hooks on May 7, 2004. There were 23 teams consisting of four individuals (most with an alternate member) competing. Teams present represented FFA Chapters and 4H Clubs from Texas, Oklahoma, Arkansas, and Louisiana.

## **CONSERVATION EDUCATION VIDEO LIBRARY**

The Association of Texas Soil and Water Conservation Districts has established and updates a conservation related video library that is maintained by TSSWCB staff on their behalf for the benefit of local districts and educators. Currently there are over 180 conservation-related videos in the library available to districts and teachers. No rental fees are assessed to those wishing to borrow the videos from the library. Borrowing privileges are for a length of two weeks and must be returned upon date specified by the librarian. Videos can be ordered through your local soil and water conservation district or by contacting the TSSWCB. So far in FY04, 83 videos have been loaned to various districts and teachers across the state.

## **CONSERVATION EDUCATION MODELS**

The Nonpoint Source Pollution Watershed Flow Model and the Groundwater Flow Model allow students to understand how water supplies can become polluted from nonpoint sources through interactive demonstrations.

### ***NONPOINT SOURCE (NPS) POLLUTION WATERSHED FLOW MODEL***

The NPS model is a hands-on representation of a landscape that allows students to understand how water sources can become polluted from nonpoint sources. The plastic landscape structure has industrial, undeveloped, agricultural, and residential and roadway features complete with individual houses, trees, cars, tractors and cows. When "rain" falls on the model, the runoff flows into a city lake. Using various products to add color to the water, the model demonstrates how potential pollutants are picked up by runoff.

The model is a layout of a watershed that includes all the factors that may contribute to polluting our water. (Urban features such as: factories, parking lots, construction sites, lawn chemicals and golf courses and Rural features such as: forested land, dairies, feedlots, cropland and pastureland). To demonstrate how each type of potential pollutant can enter a water body Kool-Aid and cocoa are used to color "runoff". Grape Kool-Aid is used to represent pollution from factories and oil from parking lots and roads. Orange Kool-aid represents pollution from lawn chemicals, golf courses, and cropland and pastureland chemicals. Cocoa is used to represent pollution from construction sites, forested land, dairies and feedlots. The Kool-aid and Cocoa are sprinkled on the model in the areas that represent each type of pollutant. Once all the pollutants are sprinkled on the model a spray bottle with water is use to represent rainfall. As the pollutants get wet and start to runoff the students can see how the water carries them to the streams and into the lake where we get our drinking water. Once all the pollutants have run into the lake the students can see how these factors have the potential to make surface waters unattractive and unsafe. This demonstration leads to a discussion about how to protect the water quality and prevent our water from looking like the model.

### ***GROUNDWATER FLOW MODEL***

This model shows a cross-section of soil layers with a lake, a lagoon, and several wells represented. It uses a vacuum pump to make the water move through the soil layers and injection dyes to help visualize the flow of groundwater though soil and demonstrates how pollutants can travel in groundwater. The model demonstrates both percolation and the movement of groundwater due to pumping. Accompanied



by an instructional video with tips on the setup, presentation and cleanup, the model is useful and easy to use.

## **PUBLIC INFORMATION AND EDUCATION PROGRAM TRANSITION**

During FY03, the Public Information and Education Department consisted of four full-time employees. The TSSWCB FY04 Public Information and Education Program appropriations were eliminated from the budget, resulting in the loss of the four full-time employees that were in the department.

Because our conservation program is a voluntary program, education and information concerning the availability, value, and need for soil and water conservation is an important tool for contributing to continuing participation and support for the program. To maintain a reasonable level of outreach and assist local districts with their planned programs, our agency has reorganized in a manner that provides for the public information and education program to be coordinated through one employee who is also assigned Human Resource responsibilities. As needed, other staff assists in carrying out program activities.

## **BRUSH CONTROL PROGRAM**

The TSSWCB's Brush Control Program is designated to enhance water availability by removing water-depleting brush and trees, such as cedar and mesquite, which have invaded much of the state's cattle grazing land. In 1985, the Legislature directed the TSSWCB to administer the program entailing the development of management strategies and the designation of areas where brush control is most needed.

In 1999, the Legislature appropriated \$9 million to the TSSWCB for financial incentives to landowners who adopted Water Quality Management Plans and would participate in a Brush Control Pilot Project in the North Concho River Basin.

State appropriated grants made to entities other than a local district was made to the Upper Colorado River Authority in the amount of \$60,000.00 to conduct North Concho River Pilot Brush Control Program monitoring and paired watershed evapotranspiration studies.

The current status of all projects is as follows:

### **NORTH CONCHO**

The North Concho Watershed project was initiated September 1, 1999. It is approximately 953,000 acres in size with approximately 432,000 acres of brush.

Cost share funding in the amount of \$13,253,950 has been made available in the North Concho River watershed.

Status of Project:

- 370,715 acres were under contract to be treated at a cost of \$13,173,242
- \$80,708 remained to be obligated (<1%)
- 238,700 acres had been treated at a cost to the State of \$9,837,267
- There are 143 active contracts, 57 completed contracts, 200 total contracts.

## **PEDERNALES**

The Pedernales Watershed project was initiated September 1, 2002. It is approximately 815,000 acres in size with approximately 200,000 acres of brush. It is divided into 35 sub-basins with 13 sub-basins currently eligible for cost-share.

Cost share funding in the amount of \$4,001,199 has been made available in the Pedernales River Watershed.

### **Status of Project:**

- 59,708 acres were under contract to be treated at a cost of \$3,987,521.
- \$13,678 remained to be obligated (<1%)
- 45,750 acres had been treated at a cost to the State of \$2,987,224
- There are 116 active contracts, 170 completed contracts, 286 total contracts

## **TWIN BUTTES**

The Twin Buttes Watershed project was initiated September 1, 2002. It is approximately 2,423,854 acres in size with approximately 1,015,407 acres of brush. It is divided into 69 sub-basins with 28 sub-basins currently eligible for cost-share.

Cost share funding in the amount of \$8,295,950 has been made available in the Twin Buttes Watershed.

### **Status of Project:**

- 182,091 acres were under contract to be treated at a cost of \$8,287,506
- \$8,444 remained to be obligated (<1%)
- 124,854 acres had been treated at a cost to the State of \$5,961,440
- There are 136 active contracts, 51 completed contracts, 187 total contracts.

## **LAKE BALLINGER**

The Lake Ballinger Watershed project was initiated September 1, 2002. It is approximately 148,849 acres in size with approximately 54,485 acres of brush.

Cost share funding in the amount of \$484,886 has been made available in the Lake Ballinger Watershed.

### **Status of project:**

- 8,570 acres were under contract to be treated at a cost of \$406,901
- \$77,985 remained to be obligated (16%)
- 5,676 acres had been treated at a cost to the State of \$263,332
- There are 45 active contracts, 20 completed contracts, and 65 total contracts.

## **OAK CREEK LAKE**

The Oak Creek Lake Watershed project was initiated September 1, 2002. It is approximately 151,532 acres in size with approximately 96,616 acres of brush.

Cost share funding in the amount of \$1,095,765 has been made available in the Oak Creek Lake Watershed.

Status of Project (May 14, 2004):

- 18,261 acres were under contract to be treated at a cost of \$832,468
- \$263,297 remained to be obligated (24%)
- 12,624 acres had been treated at a cost to the State of \$603,687
- There are 18 active contracts, 14 completed contracts, 32 total contracts.

### **PECAN CREEK**

The Pecan Creek Watershed project was initiated September 1, 2002. It is approximately 60,400 acres in size with approximately 43,000 acres of brush. It is divided into 13 sub-basins with all sub-basins eligible for cost-share.

Cost share funding in the amount of \$323,764 has been made available in the Pecan Creek Watershed.

Status of Project:

- 12,195 acres were under contract to be treated at a cost of \$323,589
- \$175.00 remained to be obligated (<1%)
- 10,095 acres had been treated at a cost to the State of \$232,774
- There are 3 active contracts, 2 completed contracts, 5 total contracts.

### **MOUNTAIN CREEK LAKE**

The Mountain Creek Lake Watershed project was initiated September 1, 2002. It is approximately 18,500 acres in size with approximately 10,458 acres of brush.

Cost share funding in the amount of \$95,542 has been made available in the Mountain Creek Watershed.

Status of Project:

- 2,034 acres were under contract to be treated at a cost of \$88,728
- \$6,814 remained to be obligated (7%)
- 1,440 acres had been treated at a cost to the State of \$70,033
- There are have 4 active contracts, 6 completed contracts, 10 total contracts.

### **CHAMPION CREEK LAKE**

The Champion Creek Lake Watershed project was initiated September 1, 2002. It is approximately 115,737 acres in size with 40,347 acres of brush.

Cost share funding in the amount of \$906,932 has been made available in the Champion Creek Watershed.

Status of Project:

- 17,481 acres were under contract to be treated at a cost of \$865,202
- \$41,730 remained to be obligated (<5%)
- 10,786 acres had been treated at a cost to the State of \$504,606
- There are 55 active contracts, 21 completed contracts, 76 total contracts.

## **SPRING CREEK / DOVE CREEK PROJECT**

The Spring and Dove Creek Watershed project was initiated September 1, 2002. It is approximately 163,000 acres in size with 77,468 acres of brush. It is divided into 23 sub-basins with 3 sub-basins eligible through the Spring and Dove Creek Special Project.

Cost share funding in the amount of \$1,146,275 has been made available in the Spring/Dove Watershed.

### **Status of Project:**

- 40,479 acres were under contract to be treated at a cost of \$1,146,275
- \$0.00 remained to be obligated (0%)
- 18,958 acres had been treated at a cost to the State of \$649,329
- There are 16 active contracts, 5 completed contracts, 21 total contracts.

## **PECOS/UPPER COLOARADO SALT CEDAR**

Cost share funding in the amount of \$410,710 has been made available in the Pecos/Upper Colorado Watersheds.

### **Status of Project:**

- 6,354 acres are under contract to be treated at a cost of \$298,477
- \$112,233 remained to be obligated (<27%)
- There are 22 active contracts, 40 completed contracts, 62 total contracts
- 3,468 acres have been treated at a cost to the State of \$180,678.

## **OTHER ACTIVITIES**

TSSWCB Staff completed 9 brush control plans/contract amendments for landowners

TSSWCB Staff completed 62 brush control certifications for landowners

TSSWCB Staff prepared brush control reports/updates for Runnels, Middle Clear Fork, Coke County, Nolan, Tom Green, and Eldorado-Divide SWCDs

TSSWCB Staff provided information on State Brush Control Program to the following groups: Canadian River Authority, Texas Farm Bureau, Texas Wildlife Association, West Central Texas Water Municipal Water District, and the U.S. Fish and Wildlife Service.

Assisted Angelo State University with Wildlife contest.

Completed and mailed State Brush Control Program Survey

State Brush Control Program Tour with the Texas Water Development Board, Representative Scott Campbell, Representative Rick Hardcastle, and City of San Angelo representatives.

319 Salt Cedar Project meetings with Workgroup, NRCS, CRMWD, USFW and TAES to discuss endangered species, contract, and Plan of Operation

Review funding request with Texas Department of Agriculture

Team Tamarisk – 17 state joint task force meeting to develop strategy for control of Salt Cedar.

**TEXAS STATE SOIL AND WATER CONSERVATION BOARD**  
**FY04 OPERATING BUDGET VERSUS EXPENDITURE REPORT**  
**FOR THE TIME PERIOD SEPTEMBER 1, 2003 - JUNE 21, 2004**

**A. GOAL:** To Protect and Enhance the Farm and Grazing Land of Texas by Ensuring that a Quality Conservation Program is Available and Being Applied in All Soil and Water Conservation Districts and that Funds are Being Used Effectively to Increase Water Yield in Targeted Areas

**STRATEGY 1.**

Provide Program Expertise, Technical Guidance and Assistance, and Financial Assistance on a Statewide Basis in Managing and Directing Conservation Programs

<u>Object of Expense</u>	<u>Budget</u>	<u>Expended</u>	<u>Percent Exp.</u>	<u>Balance</u>
Salaries and Wages	\$ 503,855.00	\$ 420,824.90	83.52%	\$ 83,030.10
Administrative and Operating Expenses	\$ 393,675.00	\$ 310,378.04	78.84%	\$ 83,296.96
<u>Programs</u>				
Director Mileage and Per Diem	\$ 325,000.00	\$ 180,993.33	55.69%	\$ 144,006.67
Conservation Assistance Grant (Matching Funds)	\$ 916,364.00	\$ 839,344.11	91.60%	\$ 77,019.89
Technical Assistance Grant	\$ 1,036,241.00	\$ 940,098.96	90.72%	\$ 96,142.04
Subchapter H Water Conservation Grant	\$ 115,000.00	\$ -	0.00%	\$ 115,000.00
Strategy Subtotal	\$ 3,290,135.00	\$ 2,691,639.34	81.81%	\$ 598,495.66
Full Time Equivalent Positions:	12			

**STRATEGY 2.**

Provide Financial and Technical Assistance to Implement Brush Control Projects to Increase Water Yields in Targeted Watersheds

<u>Object of Expense</u>	<u>Budget</u>	<u>Expended</u>	<u>Percent Exp.</u>	<u>Balance</u>
Salaries and Wages	\$21,992.00	\$11,455.34	52.09%	\$10,536.66
Grants to Districts	\$267,086.00	\$120,993.28	45.30%	\$146,092.72
Administrative and Operating Expenses	\$7,500.00	1920.43	25.61%	\$5,579.57
<u>Programs</u>				
Brush Control Monitoring & Feasibility	\$60,000.00	\$15,152.00	25.25%	\$44,848.00
Brush Control Cost-Share	\$4,462,426.87	\$1,709,522.79	38.31%	\$2,752,904.08
Strategy Subtotal	\$4,819,004.87	\$1,859,043.84	38.58%	\$2,959,961.03
Full Time Equivalent Positions:	1			



**TEXAS STATE SOIL AND WATER CONSERVATION BOARD**  
**FY04 OPERATING BUDGET VERSUS EXPENDITURE REPORT**  
**FOR THE TIME PERIOD SEPTEMBER 1, 2003 - JUNE 21, 2004**

**B. GOAL:** To Effectively Administer a Program for the Abatement of Nonpoint Source Pollution Caused by Agricultural and Silvicultural Uses of the State's Soil and Water Resources

**STRATEGY 1.**

Implement and Update as Necessary a Statewide Management Plan for the Control of Agricultural and Silvicultural Nonpoint Source Water Pollution

<u>Object of Expense</u>	<u>Budget</u>	<u>Expended</u>	<u>Percent Exp.</u>	<u>Balance</u>
Salaries and Wages	\$184,182.00	\$132,912.84	72.16%	\$51,269.16
Administrative and Operating Expenses	\$162,834.00	\$46,403.49	28.50%	\$116,430.51
<u>Programs</u>				
319(h) Federal Grants to Cooperating Entities	\$3,851,987.00	\$2,299,054.35	59.68%	\$1,552,932.65
Strategy Subtotal	\$4,199,003.00	\$2,478,370.68	59.02%	\$1,720,632.32
Full Time Equivalent Positions:	5			

**STRATEGY 2.**

Develop and Implement Pollution Abatement Plans for Agricultural and Silvicultural Operations in Identified Problem Areas

<u>Object of Expense</u>	<u>Budget</u>	<u>Expended</u>	<u>Percent Exp.</u>	<u>Balance</u>
Salaries and Wages	\$1,154,145.00	\$807,665.01	69.98%	\$346,479.99
Administrative and Operating Expenses	\$427,778.00	\$279,784.31	65.40%	\$147,993.69
<u>Programs</u>				
Nonpoint Source Water Quality Management Plan Cost-Share Program (S.B. 503)	\$2,171,740.00	\$722,582.38	33.27%	\$1,449,157.62
Poultry Water Quality Management Plan Program (S.B. 1339)	\$218,828.00	\$10,885.38	4.97%	\$207,942.62
Strategy Subtotal	\$3,972,491.00	\$1,820,917.08	45.84%	\$2,151,573.92
Full Time Equivalent Positions:	28			

**TEXAS STATE SOIL AND WATER CONSERVATION BOARD**  
**FY04 OPERATING BUDGET VERSUS EXPENDITURE REPORT**  
**FOR THE TIME PERIOD SEPTEMBER 1, 2003 - JUNE 21, 2004**

**C. GOAL:** Indirect Administration

**STRATEGY 1.**

Indirect Agency Administration

<u>Object of Expense</u>	<u>Budget</u>	<u>Expended</u>	<u>Percent Exp.</u>	<u>Balance</u>
Salaries and Wages	\$282,865.00	\$186,791.24	66.04%	\$96,073.76
Administrative and Operating Expenses	\$130,400.00	\$120,579.07	92.47%	\$9,820.93
Strategy Subtotal	\$413,265.00	\$307,370.31	74.38%	\$105,894.69
Full Time Equivalent Positions:	7			
<b>TOTAL OPERATING BUDGET</b>	<b>\$16,693,898.87</b>	<b>\$9,157,341.25</b>	<b>54.85%</b>	<b>\$7,536,557.62</b>
<b>TOTAL FULL TIME EQUIVALENT POSITIONS:</b>	<b>53</b>			

An Audit Report on

# The Texas State Soil and Water Conservation Board

March 2004

Report No. 04-023



## Overall Conclusion

The Texas State Soil and Water Conservation Board's (Board) past financial reports have not consistently been reliable, in part because the Board has lacked basic written procedures for budgeting and accounting. The Board has met reporting requirements specific to itself, but it has not submitted several key reports required from all state agencies. Some of the reports it did submit contained some deficiencies. For example, the Board's Legislative Appropriations Request did not accurately project future expenditures.

While there are opportunities for the Board to improve its oversight controls of expenditures made or approved by the local soil and water districts, it generally safeguards the physical, cash, and information technology assets held at the central office. The Board's largest expenditures are for cost-share projects implemented by private landowners, such as for brush control. Local districts approve the payments for these projects. The Board needs to strengthen its guidance and oversight of such pass-through expenditures. For example, the Board allows landowners to contract with themselves and related parties. Because this audit focused on the Board's administrative functions and budget, we cannot provide assurance that district-level controls are in place and working effectively. However, we are currently following up on several questionable transactions approved by districts.

The Board was appropriated \$538,265 for its indirect administration strategy for each year of the 2002-2003 biennium. The Board's actual administrative expenditures for these years exceeded its appropriations by 16 percent and 5 percent, respectively. These overages were within the Board's authority to transfer funds across strategies, and the transfers from other strategies did not exceed 25 percent.

The Board also lacks procedures for reporting on its performance. It reports that it meets most of its performance measures; however, our most recent audit of the Board's performance measures could not certify the measures as accurate. This audit confirmed that the Board lacks sufficient procedures and definitions to ensure accurate, consistent performance reporting and progress toward its goals and objectives.

With the exception of not submitting some required reports (as discussed above), the Board complies with key requirements from the Government Code (such as Open Meetings), the Agriculture Code, and the General Appropriations Act. The Board has implemented management recommendations from the Texas Sunset Advisory Commission. However, the

### About the Texas State Soil and Water Conservation Board

The mission of the Soil and Water Conservation Board is to administer the state's soil and water conservation law, coordinate the programs of soil and water conservation districts, and guide the abatement of agricultural and silvicultural nonpoint source pollution.

The weaknesses noted in this report existed before the Board experienced significant changes in the summer of 2003. Specifically, the Board has experienced a reduction in budget; a nearly 50 percent reduction in staffing at its central office; and turnover and reassignments of employees, executive management, and governing board members. We credit management for its positive attitude toward internal controls and the strong contracted internal audit function. We appreciate the cooperation of Board staff throughout the audit.



Board has not maintained a complaint file as required by Section 201.0231 of the Agriculture Code.

In fiscal year 2003, the Board's expenditures to local conservation districts totaled \$3.5 million, and payments to landowners for cost-share programs (such as for brush control) totaled \$13.8 million.

## ***Summary of Information Technology Review***

The Board has made progress in implementing recommendations to address control weaknesses identified during an internal audit of the information technology (IT) function, including compliance with statutory and Department of Information Resources requirements; controls, security, and procedures; and processes and procedures for meeting needs of users.

The Board's IT staff is to be commended on the overall security of the network. Our testing of network vulnerabilities revealed strengths with the Board's wireless system and external network security. However, we identified minor weaknesses with its internal network security. The Board should use the vulnerability reports we provided to address these weaknesses.

## ***Objectives, Scope, and Methodology***

This audit was conducted to meet the requirements of Senate Bill 1828, which stated that:

"Not later than March 1, 2004, the state auditor, in coordination with the Legislative Budget Board, shall conduct a management audit of the State Soil and Water Conservation Board and deliver the audit report to the governor, the lieutenant governor, and the speaker of the house of representatives. The audit report must include an evaluation of the administrative budget for the board."

Accordingly, we coordinated with the Legislative Budget Board throughout the audit, and we have appreciated its advice and assistance. We focused almost exclusively on the administrative functions and budget of the Board's central office in Temple, Texas. Chapter 3 provides summary data on the Board's budget and expenditures, including expenditures for indirect administration.

The objectives for this audit were to determine whether the Board:

- Maintains and reports reliable financial and program data.
- Safeguards its assets and uses them efficiently.
- Makes progress toward its goals and objectives.
- Complies with applicable laws and regulations.

This audit focused primarily on conditions and transactions from fiscal years 2000 through 2003; however, we also took into account newer information as it became available. We conducted this audit in accordance with generally accepted government auditing standards applicable to performance audits.

In addition to sampling and testing financial transactions, our audit methodology included extensive use of analytical procedures, reliance on internal audit findings and recommendations, network scanning, and review of relevant documents such as the Board's enabling legislation and riders from the General Appropriations Act.

# Detailed Results

Chapter 1

## ***Does the Board maintain and report reliable information?***

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The Texas State Soil and Water Conservation Board's (Board) past financial reports have not consistently been reliable, in part because the Board has lacked basic written procedures for budgeting and accounting. The Board has met reporting requirements specific to itself, but it has not submitted several key reports required from all state agencies. Some of the reports it did submit contained some deficiencies. For example, the Board's Legislative Appropriations Request did not accurately project future expenditures. In our limited review of the Board's Annual Financial Report (AFR) for fiscal year 2003, nothing came to our attention to indicate that the financial statements are materially misstated. However, the AFR did not disclose the Board's close relationship with the Association of Soil and Water Conservation Districts (Association).

Chapter 1-A

### **The Board Lacks Basic Budgeting and Accounting Procedures**

The lack of basic procedures for budgeting and accounting and other control weaknesses affect the Board's ability to maintain and report reliable information.

Until recently, the Board did not reconcile the Uniform Statewide Accounting System (USAS) to its internal subsystems. The Board began reconciling USAS to its internal subsystems recently in response to an internal audit recommendation. However, the reconciliations are not sufficiently documented.

### **Recommendation**

The Board should develop comprehensive, detailed, written procedures for budgeting and accounting. The procedures should address documentation of the reconciliations between internal ledgers and USAS and internal control weaknesses identified by the internal auditor and by this audit. We understand that an initiative is partly underway to develop such procedures.

### **Management's Response**

*Management concurs. A lack of comprehensive and detailed written procedures was identified as an internal weakness in August 2003. Since, the Fiscal Officer has started developing comprehensive and detailed written procedures for all agency budgeting and accounting functions. Anticipated completion date for these procedures is August 2004.*



## The Board's Compliance with Reporting Requirements Is Inconsistent

The Board submits reports related to the programs it administers on time and with the required information. However, it did not submit some key required reports or did not submit them in a timely manner:

- Reconciliations of USAS to the Automated Budget and Evaluation System of Texas (ABEST) were not submitted for the first three quarters of fiscal year 2003. The Board hired a contractor to submit the fourth-quarter reconciliation. The Legislative Budget Board uses the ABEST-USAS reconciliation to ensure that expenditures align with the Board's appropriation structure.
- Quarterly federal funds activity reports have not consistently been submitted to the Governor's Office, although the Board submitted the report for the first quarter of fiscal year 2004. The Governor's Office uses these reports to manage federal funding for state government.
- Fleet management policies and procedures have not been submitted to the Texas Building and Procurement Commission (TBPC). The TBPC reviews these to ensure that state agencies' fleet management policies and procedures are consistent with the overall state fleet management objectives.

Other submitted reports contained some deficiencies. Specifically:

- In the Board's Legislative Appropriations Request (LAR), we found significant variances between the amounts requested/received and actual expenditures. Because the Board has authority to carry forward unexpended balances, the Board spent \$9.0 million more in fiscal year 2003 than it estimated in its LAR and \$13.4 million more than was included in its bill pattern.
- The Board's strategic plan is not comprehensive in describing the implementation of its strategies. It also does not comply with the instructions of the Governor's Office of Budget and Planning and the Legislative Budget Board in providing information such as a historically underutilized business assessment and a description of the Board's planning process.

### Recommendations

To ensure that it consistently complies with reporting requirements, the Board should:

- Track what reports are due and when to ensure that it meets all applicable reporting requirements. During this audit, we provided the Board with an administrative calendar from another state agency that the Board can modify to meet its needs. The Board appears to have already implemented the calendar.
- Integrate, in more descriptive and measurable terms, the information contained in its strategic plan and LAR.

## Management's Response

*Management concurs with recommendation. All reports have been brought current. A master administrative calendar was developed in January 2004 to better track when reports are due and ensure all applicable reporting requirements are met. Management will continue working closely with the Office of the Governor, the Comptroller of Public Accounts, and the Legislative Budget Board to revise and update the agency's strategic plan, legislative appropriation request, and operating budget.*

Chapter 1-C

## The Board Should Disclose Its Relationship with the Association of Soil and Water Conservation Districts

In our limited review of the Board's AFR for fiscal year 2003, nothing came to our attention to indicate that the financial statements are materially misstated. However, the AFR did not disclose the Board's close relationship with the Association of Soil and Water Conservation Districts (Association). Disclosure would help readers of the AFR fully understand the Board's operations and would be consistent with the intention behind Note 14, Related Parties. The Board should disclose the relationship for the following reasons:

- The organizations occupy contiguous leased space in the same building and share other common resources.
- As a chartered nonprofit corporation, the Association can engage in activities, such as lobbying and fundraising, prohibited to the Board.
- Districts pay dues to the Association.
- Members of the governing boards for both the Board and the Association are drawn from the same pool of local district directors, and the organizations jointly host the annual meeting of district directors.
- The organizations have signed a memorandum of understanding that obligates each to the other.

## Recommendation

The Board should disclose its relationship with the Association in its AFR.

## Management's Response

*Management concurs. The agency will disclose all relationships with the Association of Soil and Water Conservation Districts in future Annual Financial Reports.*

## ***Does the Board safeguard its assets?***

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The Board needs to strengthen its oversight of expenditures made or approved by the local districts. Most of these controls reside with the local soil and water districts, which were not included in our planned audit objectives. We noted opportunities for the Board to improve its oversight of these expenditures. However, the Board generally safeguards its physical, cash, and information technology assets held by its central office. In fiscal year 2003, the Board's expenditures for indirect administration totaled \$564,941, expenditures to local conservation districts totaled \$3.5 million, and expenditures to landowners for cost-share programs (such as for brush control) totaled \$13.8 million.

Chapter 2-A

### **The Board's Oversight of Pass-Through Expenditures Needs Improvement**

The Board's oversight of payments either made or approved by local districts is limited; thus, the Board can provide only limited assurance that districts have spent or approved the funds as the Legislature intended.

**Payments to landowners.** The Board's largest expenditures are to landowners via cost-share programs such as the Brush Control program. For these programs, the primary controls are at the district level. The controls include selecting projects, setting the cost-share percentage, certifying that the work has been completed, and approving the payments. By design, the Board merely ensures the administrative completeness of the district approvals. Our testing of brush control contracts found nothing to indicate that the Board had questioned the payments once the payments had received district approval.

We identified the following issues of concern:

- The Board reimburses participating landowners based on the amount that the vendor performing the work invoices rather than on the amount the landowner pays the vendor. This situation allows for possible collusion between the landowner and the vendor to invoice for an amount greater than the actual payment.
- The Board allows landowners to contract with themselves and related parties. We identified a landowner who was reimbursed \$122,180 in state funds for hiring his bulldozing company to bulldoze his land. We identified another transaction in which an employee of a subcontractor authorized \$9,248 in payments to companies operated by her husband and son.
- It is common for local district directors to have cost-share contracts. The Board requires disclosure when a local district director applies for and receives cost-share assistance, and, at local board meetings, the district director is prohibited from voting on projects in which he or she has a financial interest. However, the Board does not have a central control to ensure compliance with this requirement.

We are currently following up on several questionable transactions approved by districts; if we find indications of fraud, we will refer them to our Special Investigations Unit for further investigation and disposition.

The Board's Manual of Fiscal Operations provides guidance to districts on matters of internal control, but the Board has not yet developed a more specific procedure for local districts on how to identify and address potential instances of fraud. In late calendar year 2003, a State Auditor's Office investigation found that a bookkeeper for a local soil and water conservation district had committed payroll fraud (*A Special Investigations Unit Report Regarding the Texas State Soil and Water Conservation Board*, SAO Report No. 04-013, November 2003).

**Payments to districts.** The General Appropriations Act for the 2004–2005 biennium does not give local soil and water conservation districts explicit authority to carry forward balances of state funds across biennia. Without this authority, the unexpended state funds should lapse to the state treasury. Rider 2 of previous General Appropriations Acts gave districts this authority, but the current Rider 2 does not. When the rider changed, the Board should have sought clarification of legislative intent.

At present, the Board does not compile information on the financial activities of districts. As a result, the Board does not have access to information that would help it determine the amount of state funds potentially subject to lapse (depending on further clarification). The lack of this information precludes the governing board and other decision makers from answering such basic questions as: How much in state funds is held in local district bank accounts? What are the sources of district revenues? How much in federal revenues do districts receive that is not budgeted through the state appropriations process?

## Recommendations

To strengthen its oversight of expenditures made or approved by local districts, we recommend that the Board:

- Develop a quality assurance function to review a statistical sample of cost-share contracts. This review should include verification of the amounts actually paid to vendors and verification that contracts involving local district directors were appropriately disclosed. It should also include analytical procedures to identify questionable relationships between landowners and vendors.
- Provide additional guidance to landowners on selecting a vendor, preferably by means of competitive bidding.
- Develop additional controls for circumstances in which the landowner or a related party is also the contractor.
- Develop and include in its Manual of Fiscal Operations a specific procedure for local districts on how to identify and address potential instances of fraud.
- Work with the Legislative Budget Board to develop rider language to clarify the current Rider 2.

- Compile the results of district financial reports and make this information available to the governing board, state oversight agencies, and state decision makers. Using this data, the Board should calculate the amount of state balances held in local accounts that could be subject to lapse.

### Management's Response

*Management concurs with developing a quality assurance function for agency contracts, providing additional guidance to landowners on selecting vendors through a competitive bid process, and developing a fraud policy to be adopted by all local Soil and Water Conservation Districts. The agency will work to further develop and implement these recommendations by August 2004.*

*Management will evaluate developing additional controls for circumstances in which landowners contract with themselves and processes for compiling district financial reports. Agency leadership will continue to work with the Legislative Budget Board to clarify the intention behind Rider 2 of the General Appropriation Act.*

Chapter 2-B

### The Board Generally Safeguards Its Physical, Cash, and Information Technology Assets

In general, the Board safeguards its physical, cash, and information technology assets. It can improve its ability to do so by addressing the following:

- The Board has not segregated the purchasing, receiving, and inventory functions. This weakness could allow for the misappropriation of purchased items. However, our testing of expenditures for physical assets did not identify any questionable purchases.
- When we started this audit in October 2003, the Board began recording deposits in a cash log, but it was not restrictively endorsing checks. The Board reports that it has corrected this weakness, and the deposit log for fiscal year 2004 indicates timely deposits (within three days of receipt) with one exception (within nine days of receipt).

### Recommendations

To improve controls over physical, cash, and information technology assets, we recommend that the Board:

- Segregate its purchasing, receiving, and inventory functions.
- Continue recording deposits in its cash log and restrictively endorsing checks.

### Management's Response

*Management concurs. Recommendations have already been implemented.*

## Administrative and Total Expenditures for Fiscal Years 2000-2003

The Board was appropriated \$538,265 for its indirect administration strategy for each year of the 2002–2003 biennium. As Table 1 indicates, the Board’s actual expenditures for these years exceeded its appropriations by 16 percent and 5 percent, respectively. These overages were within the Board’s authority to transfer funds across strategies, and the transfers from other strategies did not exceed 25 percent.

Table 1

Expenditures for Indirect Administration				
Category of Expense	FY00	FY01	FY02	FY03
Salaries and Wages	\$ 425,198.62	\$ 443,875.36	\$ 472,522.85	\$ 424,294.40
Travel	38,973.81	43,250.19	41,034.79	37,018.71
Rentals and Leases	29,098.72	29,189.01	25,291.78	32,723.53
Other Expenditures	15,404.15	10,503.99	21,412.84	27,717.63
Professional Services and Fees	866.58	3,534.17	18,726.07	14,507.14
Communication and Utilities	4,529.45	8,140.90	8,786.81	9,076.54
Supplies and Materials	7,453.55	4,119.57	6,190.63	6,512.67
Other	12,472.45	13,292.66	30,429.07	13,090.36
<b>Total</b>	<b>\$533,997.33</b>	<b>\$555,905.85</b>	<b>\$624,394.84</b>	<b>\$564,940.98</b>

Note: The strategy “Indirect Administration” does not include all central office functions because some central staff positions are paid from program funds. Here, it refers primarily to executive/ administrative management and the fiscal office.

Source: Uniform Statewide Accounting System

### Expenditures by Appropriation

As Table 2 shows, the Board’s expenditures for its Brush Control program totaled \$11.4 million in fiscal year 2003, a significant increase over the previous fiscal year. Expenditures for all the strategies that provide funds to landowners for specific projects, including Brush Control, totaled \$13.8 million. As Figure 1 shows, the Board’s indirect administration expenditures represented 3.5 percent of the Board’s total expenditures for fiscal years 2000 through 2003.

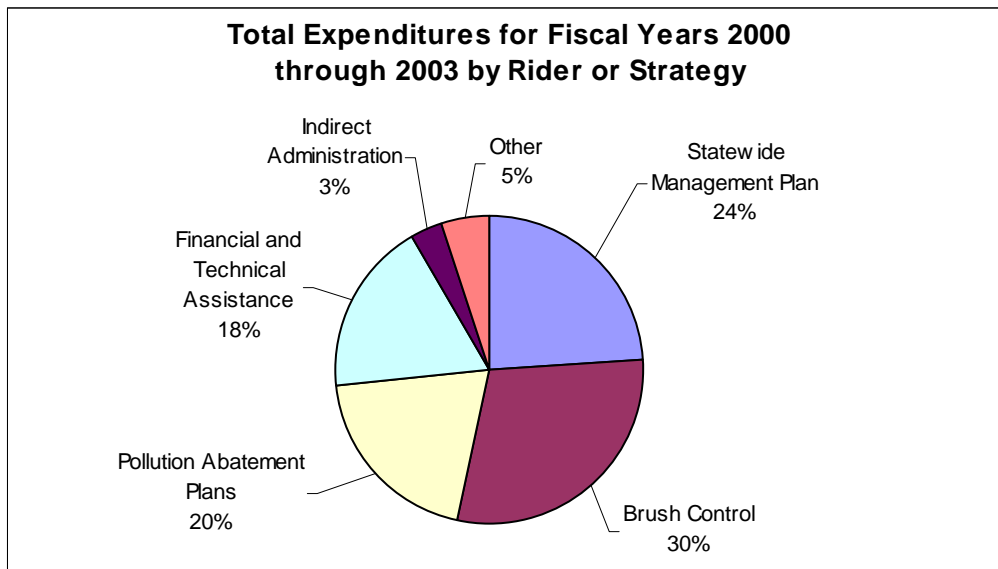
Table 2

Board Expenditures by Rider or Strategy					
Strategy or Rider	FY00	FY01	FY02	FY03	Totals
Statewide Management Plan	\$2,440,574.07	\$4,992,048.30	\$3,927,402.45	\$4,158,292.13	\$15,518,316.95
Brush Control	1,493,072.71	2,732,530.35	3,507,046.84	11,435,291.89	19,167,941.79
Pollution Abatement Plans	2,987,634.99	3,392,739.39	3,502,836.50	3,234,631.92	13,117,842.80
Financial and Technical Assistance	2,814,566.76	2,983,320.29	2,991,985.42	3,070,451.33	11,860,323.80
Indirect Administration	533,997.33	555,905.85	624,394.84	564,940.98	2,279,239.00
Other	710,901.23	763,685.79	816,989.71	887,939.08	3,179,515.81
<b>Totals</b>	<b>\$10,980,747.09</b>	<b>\$15,420,229.97</b>	<b>\$15,370,655.76</b>	<b>\$23,351,547.33</b>	<b>\$65,123,180.15</b>

Source: Uniform Statewide Accounting System



Figure 1



Source: Uniform Statewide Accounting System

Chapter 4

## *Is the Board making progress toward its goals and objectives?*

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In general, the Board reports that it meets most of its performance targets. However, our 2001 performance certification audit was not able to fully certify the results for any of the selected measures. This audit confirmed that the Board lacks procedures and definitions needed to ensure accurate performance reports. Without reliable, accurate performance data, we are unable to determine conclusively if the Board has made progress toward its goals and objectives.

However, the Board has recently developed monthly status reports on its activities and programs. Board staff provides these monthly reports to the governing board and other interested parties. The reports include output, explanatory, and other performance measures for some programs and activities that appear to be more descriptive than those included in the Board's Strategic Plan and LAR. These detailed reports are descriptive and measurable; they suggest that, at the program level, the Board is tracking and managing its performance. But without a direct link between the reports and the Board's official performance measures, we lack assurance that targets for objectives and strategies are being achieved.

### Recommendations

The Board should:

- Develop detailed procedures to ensure accurate and consistent performance reports. The procedures should include the review and approval of performance data to be entered into ABEST.

- Develop standard performance reports to be submitted to the governing board in open meetings. These reports could be modeled after the monthly reports described above.

### Management's Response

*Management concurs. Performance reports to the governing board will be implemented immediately. The Fiscal Officer will develop and implement detailed procedures by August 2004.*

## Chapter 5

### ***Does the Board comply with applicable laws and regulations?***

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With the exception of not submitting some required reports (as discussed in Chapter 1), the Board generally complies with key requirements in the Government Code, the Agriculture Code, and the General Appropriations Act. For example, the Board complies with key Open Meetings and Open Records requirements, appears to substantially comply with riders from the General Appropriations Act (77th and 78th Texas Legislatures), and has adopted the standards of conduct for board members required by the Agriculture Code. However, we noted that at present, the Board does not maintain the complaint file required by paragraph 201.0231 of the Agriculture Code. We further noted that Section 201.129 of the Agriculture Code requires surety bonds for state board members, and Section 201.179 requires surety bonds for local board members. Because of the infrequency of claims on surety bonds, other state agencies may purchase them only with approval from the State Office of Risk Management.

### Recommendations

The Board should establish and maintain a complaint file in accordance with paragraph 201.0231 of the Agriculture Code. It should consider working with the Legislature to make its requirement for the purchase of surety bonds, for itself and for districts, consistent with requirements for other state agencies.

### Management's Response

*Management concurs. The Special Projects Officer has already established a complaint file. Agency leadership will work with the Legislature to evaluate the purchase of surety bonds.*

## ***Project Information***

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Fieldwork was conducted between October 2003 and February 2004. The following members of the State Auditor's staff performed the work:

- John Swinton, CGFM, MPAff. (Project Manager)
- Jeff Grymkoski
- Gary Leach, CQA
- Robert "Bob" Woodward
- Chuck Dunlap, CPA (Quality Control Reviewer)
- Julie Ivie, CIA (Audit Manager)
- Frank Vito, CPA (Audit Director)

## ***Distribution Information***

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