

**Wisconsin State Laboratory of Hygiene
Board of Directors Meeting
June 16, 2009
1:00 p.m. – 4:00 p.m.
2601 Agriculture Drive, Madison, Wisconsin**

**APPROVED MINUTES
April 21, 2009**

MEMBERS PRESENT: Darrell Bazzell (Chair), Dr. Bernard Poeschel (Vice-Chair), Robert Bagley, Dr. Charles Brokopp, Susan Buroker, Dr. Seth Foldy, Michael Ricker, Michael Russell, John Stanley, and Jack Sullivan

MEMBERS ABSENT: David Taylor

WSLH STAFF PRESENT: Miel Barman, Terry Burk, John Chapin, Sherry Gehl, David Hassemer, Jan Klawitter, Kathy Kuno, Dr. Sharon Long, Garrett Peterson, Dr. Gordana Raca, Dr. Peter Shult, Dr. Bill Sonzogni, and Jim Sterk

DNR STAFF PRESENT: Ronald Arneson and David Webb

GUEST PRESENT: No guests present

The meeting was called to order at 1:00 p.m. by Chair Darrell Bazzell.

Item 1. APPROVAL OF MINUTES

Motion: Approve minutes of the February 24, 2009 board meeting as submitted. Mr. Darrell Bazzell made a motion to approve. Mr. Jack Sullivan moved to approve, seconded by Mr. Robert Bagley. The motion passed on a voice vote. (016:0808)

Item 2. REORGANIZATION OF THE AGENDA

None.

Item 3. PUBLIC APPEARANCES

There were no public appearances.

Item 4. TRIBUTE TO DR. RONALD LAESSIG

Mr. Darrell Bazzell recognized the passing of Dr. Ronald Laessig and asked board members to share their thoughts. Mr. John Sullivan spoke on behalf of the Department of Natural Resources (DNR) stating that Dr. Laessig will be remembered for providing environmental support to the DNR, ensuring that the agency received services needed. On behalf of the Department of Agriculture, Trace and Consumer Protection (DATCP) Ms. Susan Buroker mentioned how Dr. Laessig touched many lives and lived his own life to the fullest. Mr. John Stanley thanked Dr. Laessig for his support of the Wisconsin Coroners and Medical Examiners Association, and that he worked hard on DINS that affected their toxicology testing. On behalf of public health, Mr. Robert Bagley stated that public health did not have a better advocate than Dr. Laessig. Dr. Charles Brokopp added that Dr. Laessig was a quality builder of the laboratory and lab science and public health for the state. Mr. Bazzell stated it is important to continue to build on the strong foundation created by Dr. Laessig. Mr. Robert Bagley suggested that either the Wisconsin State Laboratory of Hygiene (WSLH) Agriculture Drive facility or the building's board room be renamed in honor of Dr. Laessig. Dr. Brokopp replied that there have been a number of suggestions; naming a building, room, scholarship or fellowship in honor of Dr. Laessig. He said he would like to establish a memorial in Dr. Laessig's name. Dr. Poeschel then related a story to the group about the first time he met Dr. Laessig.

Item 5. CONTRACT REPORTS

- A) Government Agencies – For Information and Discussion (8)
- B) Private Contracts (0)

Ms. Gehl stated that there were no contracts that needed board approval.

Item 6. NEW TEST OFFERED TO THE PUBLIC

- A) *Rhodococcus coprophilus* by qPCR
- B) *Rhodococcus coprophilus* by traditional PCR

The Water Micro Unit has been offering a toolbox of microbial source tracking (MST) tests to the Wisconsin DNR for just over 2 years. In Wisconsin, this MST toolbox has been used to determine if manure from farm fields are contaminating drinking water wells. In one instance, the MST toolbox was able to confirm that human sewage was entering a drinking water well. Concurrent dye tests indicated that the septic system at the site had not been installed properly.

In 2008, Dr. Sharon Long secured a Groundwater Council grant to develop and validate a molecular-based test for the target *Rhodococcus coprophilus*. This MST indicator is indicative of manure and fecal matter from grazing animals and domestic animals that eat or bed in hay. The molecular-based test utilizes polymerase chain reaction or PCR for detection of the indicator organism. The molecular test was used in parallel with the existing culture-based method starting in August 2008 through February 2009 on MST samples submitted by Wisconsin DNR during that time. It has proved to be a great improvement over the culture method, allowing results to be provided to the Wisconsin DNR staff within as little as 48 hours. This has provided a needed answer to families whose homes were served by these wells.

WSLH would like to add the molecular *Rhodococcus coprophilus* test to the Water Micro Unit's fee schedule. WSLH has had inquiries from out of state and water utilities for such testing. Also, Wisconsin DNR staff has been directing homeowners to WSLH to arrange testing directly depending on the situation. Dr. Bill Sonzogni stated that he did not think WSLH would receive a large number of samples (30-40 per year). He added that he felt there was a good public health benefit to offering the test. The technology needed to perform the test is already in place. Mr. Jack Sullivan made a motion to approve both tests. Dr. Bernard Poeschel seconded and the motion passed on a voice vote.

Item 7. PRELIMINARY FISCAL YEAR 2009 THIRD QUARTER FINANCIAL REPORT

Ms. Sherry Gehl presented the preliminary FY2009 third quarter financial report for January 1, 2009 – March 31, 2009. She stated that the \$14K favorable variance in revenues was a result of the testing WSLH performed for other agencies. She added that WSLH acquired a \$600K contract with DPH for their Public Health Information Network. Ms. Gehl stated that fee-for-service revenues decreased 3%. Supplies and services were over budget by \$120K. Negative variances of total expenses were over budget by \$392K (1.3%), driven by the recalculation of salaries and fringe benefits and a general increase in supplies. The third quarter ended with a net operating loss of \$803K, an unfavorable variance of \$378K.

The comparative income statement showed revenues increased 4.7% and expenses increased 2.1% in the third quarter of 2009 compared to the third quarter of 2008.

The comparative balance sheet showed current assets increased by \$470K and current liabilities increased by \$726K. There was a balance of \$2.4M in working capital and a net decrease of \$254K compared to June 2008. The third quarter ended with a working capital balance of \$260K.

In summary:

- WSLH was over budget at the end of the third quarter by \$380K driven by expenses. The rate of loss has slowed compared to the third quarter of 2009.
- Revenues are on budget, but economic conditions have impacted fee-for-service work.
- WSLH expects to end FY09 on budget

FY09 Year-End Projections

Dr. Brokopp stated that he expects WSLH will end FY09 at (\$600K) as directed by the board. Monies not spent will be carried forward to FY10. He added that because of the downturn in the economy, a shortfall in revenue is a concern. WSLH position vacancies have been frozen to offset the decrease in revenue (a total of

\$600K). Capital expenses have been limited to \$1M and supplies and services expenses have been reduced by \$200K. Dr. Brokopp added that the WSLH is committed to sustaining the \$2.2M contingency fund.

Mr. Jack Sullivan asked if there has been a lag in sample turnaround time due to the position vacancies. Ms. Sherry Gehl replied this has not happened yet because staff has been reassigned from lower volume to higher volume testing areas.

Dr. Seth Foldy asked if WSLH was looking at any capital acquisitions that could greatly reduce the costs of tests in FY09 or FY10. Dr. Brokopp replied that the Newborn Screening program was investigating the use of robotics for research testing and will be asking for federal grant funds to cover the purchase of equipment that will increase turnaround time.

Mr. Robert Bagley asked if the Agriculture Drive facility contractual agreement has annual increases built into the contract. Ms. Gehl replied that the GPR supplement WSLH receives covers 50 percent of the rent. WSLH is responsible for the balance.

A revised FY09 year-end report will be presented to the board at the June board meeting.

Item 8. PRELIMINARY FISCAL YEAR 2010 BUDGET

Dr. Charles Brokopp reported the net income target for FY10 is a balanced budget. WSLH will have to make up loss in revenue, primarily state and fee revenues. There are also significant salary increases that will carryover from FY09 to FY10. Cost reduction strategies for FY10 include carrying over the position vacancies from FY09 to the FY10 budget. Three to four additional positions will be identified, resulting in a savings of \$200K. The supply budget will also be reviewed to find \$400K in reductions. Capital expenditures will be put on hold for the first six months of FY10. WSLH will be reviewing test costs in 2010. It has been over two years since there has been a fee increase. The fee recommendations will be presented to the board at a future meeting. EBP has recommendations on how to streamline some processes and policies that when implemented are expected to result in cost savings. WSLH will continue to look for additional sources of revenue.

Ms. Sherry Gehl reported that to attain a balanced budget in FY10, WSLH must make an additional \$600K in savings while still keeping the reserve of \$2.2M intact.

Ms. Gehl stated that to balance the budget in 2010 WSLH must:

- Continue budget reductions implemented in FY09
- Remove an additional \$200K from salary and fringe and an additional \$400K from supplies and services
- Generate added net savings of \$600K over the ending position for FY09

She added that factors that could affect the FY10 budget are unknowns like fee for service revenues, state budget cuts, reductions in grant funds, and a lack of new business. She stated that if revenues increase in FY10, WSLH could release \$700K for capital expenditures in January 2010, look at filling some crucial vacancies, and move forward on new LIMS and/or billing system acquisitions. If revenues continue to decline WSLH will not release \$700K for capital expenditures, use revenue to plug added deficits, and hold off on IT acquisitions

Planning ahead for FY11 and FY12 Ms. Gehl predicted that WSLH won't depend on fee increases to solve the problem. Test costing and pricing processes will be reviewed in more detail. EBP will implement process changes to gain efficiencies and reduce costs. WSLH will also review some of the board policies and procedures to potentially gain some efficiencies.

The final FY10 budget will be presented to the board for approval at the June 16 meeting.

Item 9. LOCAL PUBLIC HEALTH LABORATORY NETWORK

Ms. Jan Klawitter described the establishment of the network of local public health laboratories in Wisconsin during the past two years. She presented information on member laboratories. The Wisconsin Association of

Local Health Departments and Boards (WALHDAB) approved the formation of a laboratory subcommittee within their organization.

Ms. Klawitter stated that the Local Public Health Laboratory Network focuses on providing laboratory testing for local public health programs. She also addressed the workforce development and training of laboratory staff.

The network got its start in 2006 when a planning grant from the University of Wisconsin Partnership for a Healthy Future funded a forum for 13 local public health department laboratories to meet, assess capabilities and capacities, participate in training and build a partnership with the Wisconsin Division of Health, DNR, DATCP, and the WSLH. A two-year \$13,350 grant from the Association of Public Health Laboratories (APHL) was received in 2008 and used to further develop the local laboratory network and provide training.

Item 10. SCIENTIFIC PRESENTATIONS

A) Removal of Organic Wastewater Contaminants in Septic Systems Using Advanced Treatment Technologies — Presented by Miel Barman, Co-Director, WSLH Office of Quality Assurance

The detection of pharmaceuticals and other organic wastewater contaminants (OWC) in ground water and surface water bodies has raised concerns about the possible ecological impacts of the compounds on non-target organisms. On-site wastewater treatment systems represent a potentially significant route of entry for organic contaminants to the environment. In this study, effluent samples were collected and analyzed for 13 target compounds from conventional septic systems and from systems using advanced treatment technologies. Six of the 13 compounds were detected in effluent from at least one septic system. The OWC concentrations were significantly lower in effluent after sand filtration or aerobic treatment as compared to effluent that had not undergone advanced treatment.

B) Updates on Applied Microbial Research at the WSLH — Presented by Dr. Sharon Long, Associate Professor, College of Agriculture & Life Sciences

The objective of this research program is to bring cutting edge testing to the Water Microbiology Unit of the WSLH. Development of a microbial source tracking (MST) toolbox, support of the state's preparedness program, and bringing biosolids microbial testing capabilities, are focus areas of the Applied Microbiology Research program. Ongoing projects include further honing the MST toolbox by investigating the use of molecular methods to shorten analysis times. Projects that aim to solve engineering problems such as biosolids foaming and water treatment for hospital preparedness, are also being actively investigated. Dr. Long's presentation highlighted recent accomplishments of the Applied Microbiology Research program.

C) Molecular Techniques in Cytogenetics — Presented by Gordana Raca, MD, PhD, FACMG, Assistant Professor, Pathology and Laboratory Medicine, Director, UW Cytogenetic Services, WSLH

During the presentation Dr. Raca reviewed clinical and research applications of Fluorescence in Situ Hybridization (FISH) and array Comparative Genomic Hybridization (aCGH). She explained the basic principles of the two techniques and showed examples of how they are used in diagnostics and research. She gave a brief overview of the ongoing research projects that use aCGH to look for genetic causes of eye anomalies, non-syndromic mental retardation and speech disorders.

Item 11. DIRECTOR'S REPORT

A) The next board meeting is scheduled for June 16, 2009. Draft agenda items for the June meeting include a fiscal year 2009 year-end projection update, board approval of the fiscal year 2010 budget, and approval of the DNR/DHS basic agreements.

B) Report of Outbreaks and Other Emergency Response Activities for January 26 – March 31, 2009

- Nine cases of pertussis were reported in Marathon County. All were negative.
- WSLH identified cases of Salmonella Carrau, a somewhat rare serotype. PFGE patterns were posted to PulseNet and cases were identified in other states (Wisconsin had 4 cases as of 3/17/09). The source of the outbreak is currently unknown, and the epidemiological investigation is ongoing in Wisconsin and nationally.

- Reinforcing commitment to their communities, 53 hospital and clinical laboratories around the state qualified for the *Certificate of Achievement for Laboratory Training in Emergency Preparedness* from the Wisconsin Clinical Laboratory Network (WCLN) managed by the WSLH.
- WSLH scientists contributed to two important infectious disease articles in the March 11, 2009 issue of [JAMA](#), the *Journal of the American Medical Association* — the increasing resistance of influenza A (H1N1) viruses to the popular antiviral drug Tamiflu, and the revision of TB testing guidelines in order to speed the response time for treating tuberculosis patients and protecting public health.

C) Report on Public Water System Testing: For the period January 1, 2009 – February 28, 2009 there were 18 boil water notices issued, 3,384 systems were tested.

D) Awards, Honors, and Accomplishments:

- WSLH School of Cytotechnology student **Erin McCarthy** won an ASCP scholarship. Erin was not only in competition with other Cytotechnology students, but also medical technology/CLS students.

E) Staff Publications and Presentations

- **Dr. Charles Brokopp, Dr. Mei Baker, Gary Hoffman, Dr. Ron Laessig, Dr. Dan Kurtycz, Dr. J. Verbsky, Dr. William Grossman, and Dr. Jack Routes** co-authored and submitted an abstract titled "Universal Routine Newborn Screening for Severe Combined Immunodeficiency: Wisconsin First Year Experience" that was accepted as a platform presentation for the 2009 American College of Medical Genetics Annual Clinical Genetics meeting.
- **David Degenhardt and Al Spallato** made presentations at the regional Wisconsin Water Association (WWA) meetings discussing the background, contents, and use of the Wisconsin Emergency Response Drinking Water Collection Kit.
- **James Powell** participated in a training workshop titled *Laboratory Methods for Detecting Rabies*, sponsored by the National Laboratory Training Network and the Viral and Rickettsial Disease Laboratory, California Department of Public Health.
- **Dr. Ronald Schell** co-authored with Dean T. Nardelli and Erik Munson a paper titled "Human Lyme Disease Vaccination: Past and Future" published in the April 2009 edition of *Future Microbiology*.
- **Laura Liddicoat** made a presentation titled "A DUID Case Study: Prescription Drugs, Poor Driving, DRE Evaluation...and a Surprising Verdict", at the American Academy of Forensic Sciences meeting in Denver. In April she made a presentation titled "DRUGGED DRIVING: Prescription Drug Case Studies" at the 15th annual Traffic and Impaired Driving Law seminar sponsored by the UW Law School's Resource Center on Impaired Driving.
- **Steve Marshall** was co-author of an article titled "Infections With Oseltamivir-Resistant Influenza A(H1N1) Virus in the United States" published in the March 11, 2009 issue of [JAMA](#), the **Journal of the American Medical Association**.
- **Patrick Harding** made a presentation titled "The Role of the Toxicology Lab in Vehicular Homicide Investigations" at the Vehicular Homicide Conference. In April 2009, he made a presentation titled "Blood Alcohol: Analysis and Interpretation" at the 15th annual Traffic and Impaired Driving Law seminar sponsored by the UW Law School's Resource Center on Impaired Driving.
- **Dr. David Warshauer** was interviewed by MSNBC.com on whether there should be mandatory submission of salmonella isolates to state public health labs and mandatory PFGE testing of all salmonella isolates. He also contributed to an article titled "Updated Guidelines for the Use of Nucleic Acid Amplification Tests in the Diagnosis of Tuberculosis" published in the March 11, 2009 issue of [JAMA](#), the **Journal of the American Medical Association**.
- **Traci Arts, Michele Smith, Daniel Kurtycz, MD, John Shalkham, Patricia Miller, Jamie Larson, Chanthou Vong, Paul Nichols, Eric Reisdorf, Steve Marshall, Tam Van, T.J. Whyte, Peter Shult, David Warshauer, Jill Northup, Kate Thompson, John Pfister, Julie Tans-Kersten, Matthew Lemahieu, and David Schleis** submitted posters for the March 2009 Population Health Symposium.

F) WSLH Building Update

Dr. Brokopp gave an update on the efforts to obtain new laboratory space. He stated that in the Governor's budget there was a proposal for a \$28M project that would be a 17,000 sq. ft co-located laboratory with

DATCP. DOA will build the facility and lease it back to WSLH for \$400K - \$450K per annum. WSLH programs that are not directly tied to the University campus will move to the new facility.

G) Federal Grants

WSLH has completed two significant grant applications:

- Dr. Bill Sonzogni has been working with Minnesota and Iowa on a biomonitoring proposal. WSLH will use existing laboratory capabilities to monitor environmental clinical samples.
- WSLH submitted a proposal for second-year funding of the SCIDs project.

H) New Board Members

Dr. Brokopp announced that Mr. Jeffrey Kindrai and Mr. Darryll Farmer have been appointed by Governor Doyle to serve on the WSLH Board of Directors by the Governor's Office. Mr. Jack Sullivan thanked outgoing member Mr. Robert Bagley for his time serving on the board. Dr. Brokopp also thanked Mr. Bagley for representing the local health departments and actively participating on the board for the past eight years.

Motion: Move to Adjourn at 4:15 p.m.

Motion by: Mr. John Stanley. Seconded by Mr. Robert Bagley

Motion passed on a voice vote. (018:0808)

Respectfully submitted by:

A handwritten signature in black ink that reads "Charles Brokopp, Dr. PH". The signature is written in a cursive, flowing style.

Charles D. Brokopp, Dr. PH
Secretary