



2005 Annual Report

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Arizona
Arkansas
California
Colorado
Delaware
Florida
Georgia
Illinois
Indiana
Kansas
Maine
Maryland
Michigan
Minnesota
Nebraska
New Hampshire
New Jersey
New Mexico
New York
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Rhode Island
South Carolina
Tennessee
Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wyoming

Interstate Pest Control Compact

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Introduction

Each year billion of dollars of damage is caused by plant pests - insects, weeds, plant diseases, and other organisms that attack U.S. crops and forest resources. Many of the same pests also attack lawns, gardens, and the general environment, causing still more damage in dollars and esthetics. These pests don't recognize political boundaries. They can easily move across state lines on the wind or in soil or water, or hitchhike to new areas with goods, vehicles, or people. Tremendous losses occur even though farmers, industry, and local, state, and federal governments spend billions each year on control.

At one time, only coastal and border states had to fear infestations of new foreign plant pests, but today heartland states are also at risk. International containerized cargo with the potential for carrying foreign pests can travel through ports of entry and reach interior states before it can be opened and inspected.

Federal and state agencies have ongoing control and regulatory programs against a number of plant pests, and many have recently stepped up their pest detection and monitoring efforts. In most cases, however, appropriations are earmarked for specific pests - a mere handful of the 10,000-odd species that cause damage in this country. In general, too, state funds may be spent only on in-state control, even though pests just across the border may be equal threats. If a single state undertakes necessary pest control activities, on its own or with federal assistance, it cannot be certain that companion measures will be taken in other states.

Often the budget process does not allow governments to move quickly against newly introduced pests or take on challenges outside already approved program plans, a particular problem in times of decreasing resources. Technology is available to control or eliminate many pests, but its effectiveness often depends on speedy action.

The Interstate Pest Control Compact was instituted in 1968 under the Council of State Governments to bridge economic and jurisdictional gaps among state and federal governments, to enable agencies to respond to plant pest infestations. The Compact, through the Insurance Fund it administers, provides financial assistance to address:

- New and economically significant destructive plant pest outbreaks;
- Plant pest infestations outside the control or means of a single jurisdiction; or
- Destructive single-state outbreaks which could affect other states if allows to spread.

Funding

The basis for determining the amount of funds to be appropriated from each of the participating states is as follows: 1/10th of the total budget of \$1 million in equal shares (i.e. \$100,000), and the remainder in proportion to the value of agricultural and forest crops and products, excluding animals and animal products produced in each party state. This is not an annual appropriation, but has been a one-time contribution to the Insurance Fund. It is conceivable that, if Compact

funds were appreciably depleted in carrying out a containment or eradication program, a state could be assessed its proportional share to return Compact funds to the \$1 million Insurance Fund level. However, with investment income, this does not appear likely.

How the Fund Operates

The Compact provides that any party state can apply to the Insurance Fund for financial support of pest control or eradication activities which it wishes to have undertaken or intensified in one or more other party or, in limited circumstances, in nonparty states. When a pest is found in another state that constitutes a threat to valuable agricultural or forest crops or products within the applying state, the Insurance Fund can provide financial support for control or eradication measures. State parties to the Compact are expected to maintain their existing pest control programs at normal levels aside from any assistance from the Insurance Fund. This safeguards the soundness of the Fund and assures that it will be used to apply the additional thrust necessary to combat outbreaks, which otherwise would not be controlled.

The Insurance Fund is under the control of a Governing Board, consisting of an official representative of each party state chosen by that state in accordance with its own laws. An Executive committee, consisting of the chairman and a representative from each of the four regions, is authorized to exercise certain responsibilities for the Governing Board when the Board itself does not meet.

A Technical Advisory Committee has been established to assist the Governing Board with the technical information necessary to make a decision on whether or not the Compact should be invoked on any particular requests.

The Technical Advisory Committee is composed of two state plant control officials from each of the four regions of the Plant Boards, together with a representative of the U.S. Animal and Plant Health Inspection Service and a representative of the U.S. Forest Service.

When a request is filed for invoking the Compact, the request is referred to the ten-member Technical Advisory Committee, which makes a study of the request and a recommendation on the feasibility of the project to the Governing Board. In an emergency, the Committee could make this recommendation within 72 hours or less after receiving the initial request for Compact assistance

Annual Report from the Executive Director

September, 2005

Membership

Currently there are 36 total parties to the Interstate Pest Control Compact (IPCC). The latest State to join is Indiana which passed its enabling legislation effective in July 2005 and submitted their complete membership fee of \$32,342 also in July of 2005.

The States of Arkansas and Rhode Island completed their membership installment payments in May and June of 2005 and have now fulfilled their financial obligations as members of the Compact. Colorado continues to make installment payments of their membership fee.

Texas passed its enabling legislation which became effective September 1, 2005. Wyoming passed its enabling legislation in February 2005. Seven (7) party/member states still have not passed specific enabling legislation (AZ, AR, CO, FL, NE, PR, and RI) as legally required by the Compact. These member states have until September 2010 in which to pass enabling legislation or they will rescind all voting rights. Florida, a current member without enabling legislation, has its enabling legislation written and intends to introduce it in the coming year.

Kansas reintroduced and passed enabling legislation in March 2005 following repeal of their original (1996) legislation in 2002.

In May 2005 Maine's legislature passed new legislation which repealed the Pest Control Compact contained in the Maine Revised Statutes, Title 12 under the laws governing the Department of Conservation, Bureau of Forestry and enacted the Compact instead in Title 7 under the laws governing the Department of Agriculture, Food and Rural Resources. This legislation essentially changed Maine's Pest Control Compact Administrator to the Commissioner of Agriculture, Food and Rural Resources. The legislation was signed by the Governor on May 20 and is expected to become law in late September.

Mississippi had drafted enabling legislation to join the Compact as a new member, but later felt that the timing for introduction of the legislation was just not right. They intend to introduce the legislation at the next legislative session.

Insurance Fund Claims/Projects

In response to a request by the New Mexico Department of Agriculture (NMDA), the Interstate Pest Control Compact granted \$60,000 to the Texas Department of Agriculture (TDA) in March 2004 for eradication of *Diaprepes abbreviatus*, citrus root weevil. In 2004, Texas was confronted with a budget shortfall coupled with an urgent need to maintain a program to contain and eradicate the *Diaprepes* root weevil that had become established in a small area in McAllen, Texas. It was crucial that continuity in the eradication program be maintained because of the insect's potential for dramatic rate of increase, difficulty to control, and wide host range. These funds, which were matched by an in-kind \$15,000 contribution by TDA, paid for applications of

adulticides and larvicides to two quarantined groves and 21 homeowner properties, weekly monitoring of adult *Diaprepes*, and employment of a half-time technician to enforce the quarantine and interface with pesticide applicators, trappers, and property owners.

All funded activities were completed on schedule. Chemical treatments reduced populations of larvae and adults in quarantined orchards and home landscapes. Monitoring of adults allowed optimization of treatment timing and disclosed a single escape from the quarantine. Patrolling of the quarantine area interdicted attempts to remove quarantined plant materials. In summary, eradication momentum was maintained. TDA has now secured interim state funding, has expanded the area being treated, has sought and obtained valuable suggestions from experts in other parts of the country, is mapping the locations of trap catches (with assistance from USDA), is conducting educational meetings with concerned citizens, and is implementing an enhanced action plan to speed progress toward eradication.

No other requests for claims have been received although one is expected from a state(s) neighboring Wyoming.

IRS Status of the Interstate Pest Control Compact

Following evaluation by the Internal Revenue Service of our December 2004 request for an "Instrumentality Affirmation Letter" regarding our tax exempt status as a government instrumentality according to Section 170(c)(1), we decided to instead seek tax exempt status under Section 501(c)(3) of the Internal Revenue Code. In August we submitted the extensive application and fee for such status. Obtaining this tax exempt status will enable donations to the IPCC to be considered as tax deductible by the donor. This should assist us in our efforts to obtain non-membership funding from foundations and other sources in the future.

Our Employer Identification Number (EIN) has been reinstated.

Alternative Funding

At the February meeting of the Pest Control Insurance Fund's Governing Board, Chairman Kuperus requested that each of the Compact Administrators submit to the Executive Director a list of at least six potential contacts/donors to the Compact from their States. We received a list from only one State (Texas). If our application to receive tax exempt status under IRS Code 501(c)(3) is approved, we will utilize that list to seek alternative funding for the Compact.

IPCC Website

In May, at the approval of the Executive Committee, the IPCC website was moved from the USDA server to a commercial server (Hostway.com). The IPCC's new website address is www.pestcompact.org. The Executive Director will continue to maintain the site, but a cost of approximately \$200 per year will be incurred for the domain name and web hosting.

Bylaws Amendments

Changes to the bylaws of the Pest Control Insurance Fund were approved at the February 2005 mid-year meeting of the Governing Board. The members were subsequently notified of the approved revisions and the revised bylaws have been posted on the Compact's website.

Respectfully submitted,

*Robert J. Balaam
Executive Director*

2004 Annual Meeting Minutes – September 2004

**Sunday, September 26, 2004
The Radisson Hotel
St. Paul, MN**

Attendees:

Member States Present (20):

Arizona	- Don Butler
Arkansas	- Darryl Little
California	- A.G. Kawamura - Sharlene Garcia (CDFA staff)
Delaware	- Michael Scuse (IPCC Executive Committee)
Florida	- Leslie Palmer (FDACS staff)
Georgia	- Tommy Irvin
Kansas	- Constantine
Maine	- Robert Spear
Michigan	- Ken Rauscher
Nebraska	- Merlyn Carlson
New Jersey	- Charles Kuperus (IPCC Vice Chairman and Executive Committee)
New York	- Nathan Rudgers
North Carolina	- Bill Dickerson (NCDA staff and NPB President)
North Dakota	- Jeff Weispenning (NDDA staff)
South Carolina	- Larry Boyleston (SCDA staff)
Texas	- Martin Hubert (TDA staff)
Utah	- Cary Peterson
Vermont	- Louise Calderwood (VAAFM staff)
Virginia	- Carlton Courter
West Virginia	- Gus Douglass (IPCC Executive Committee)
Wyoming	- John Etchepare

Call to Order

Chairman Charles Sharpe (SC) was unable to attend the meeting so Vice Chairman Charles Kuperus (NJ) called the meeting to order at 12:45 pm.

Roll Call of Member States

IPCC Executive Director, Bob Balaam, took role call, declaring 20 member states present.

Approval of Meeting Minutes

Vice Chairman Kuperus called for an approval of the February 22, 2004 meeting minutes. It was moved by Bob Spear (ME) to accept the minutes and was seconded by Gus Douglas (WV). Motion passed with a majority vote.

Report of the Chairman

Due to the absence of the Chairman no report was given.

Report of the Treasurer

Treasurer Carlton Courter reviewed financial reports and Tommy Irvin (GA) asked what was being done to find new sources of revenue for the compact. After discussion a motion to accept the report was made by Michael Scuse (DE) and Tommy Irvin (GA) seconded it. Motion passed with a majority vote.

Replacement Officer Election

Bob Balaam recommended a member be nominated to fill the place of Bill Lyons (CA) who served as Secretary. Susan Combs (TX) moved that A.G. Kawamura (CA) be elected to Secretary and the Executive Committee. It was seconded and motion passed with a majority vote.

Report of the Executive Director

Bob Balaam gave a report highlighting issues affecting the compact this year-they are as follows:

- Membership
 - There are 35 current member states
 - Three of these states are on installment payments and nine are with out enabling legislation.
- Claims/Projects
 - Texas received \$60,000 for citrus room weevil eradication
- Bylaws Amendments
 - #12 (new) Requirement for joining
 - #7d (amended) Financial affairs
 - #4c (amended) Executive committee

FY 2004-2005 Budget

Bob Balaam presented the following budget proposal for the 2004-2005 fiscal year. No increase or decrease from the 2003-2004 fiscal year was proposed; just some slight changes in budget line items that did not affect the overall total budget.

Budget Line Item	FY 2003-2004		FY 2004-2005	
	Budget (\$)	Actual (\$)	Budget (\$)	Change (\$ +/-)
Personnel				
Executive Director Wages	15000	8734	15000	0
Travel and Registration	4000	2502	3800	(200)
Bond	100	0	100	0
Facilities and Administrative Costs				
Overhead	2000	988	2000	0
Equipment	0	0	0	0
Supplies	0	0	0	0
Postage	200	242	300	100
Printing	400	452	500	100
Bank Charges	200	192	200	0
Contractual Services				
Audit	100	0	100	0
Special Purpose				
Technical Advisory Committee	500	0	500	0
Special Committee	0	0	0	0
TOTAL	22500	13110	22500	0

After review, Nathan Rudgers (NY) moved to accept the budget and Bob Spear (ME) seconded it. Motion passed with a majority vote.

Bylaws Amendments

Bob Balaam presented a proposal that included changes to two existing bylaws and one new bylaw. The changes were recommended as a result of misunderstandings that currently exist regarding requirements for joining the Compact and for geographical representation on the Executive Committee. The proposed changes had been discussed at the February 2004 meeting. Modifications were made to the draft proposals as a result of those discussions and new proposals were distributed to all member states in July for additional comment. The few comments received as part of that vetting process were incorporated into the current proposals:

- **New Bylaw #12.** Clarification of the two requirements for joining the Compact (i.e. passing enabling legislation and contributing to the Pest Control Insurance fund). A State may become a member of the Compact upon passage of legislation or upon payment of a membership fee as outlined in the Articles of the Compact. Members may make installment payments of their initial "membership fee" assessment over a six year period. However, members must pass enabling legislation within six years of their initial membership fee payment (or passage of this bylaw proposal) or rescind all voting rights on the Governing Board. Actual language of the proposed new bylaw was as follows:

12. REQUIREMENTS FOR MEMBERSHIP IN THE COMPACT AND INSURANCE FUND

As per Articles IX and XI of the Pest Control Compact, there shall be two entry requirements for all States party to the Compact:

- (a) Payment of funds to the Pest Control Insurance Fund according to the apportionment designated in Article IX of the Pest Control Compact. States may make installment payments of their initial assessment to the Insurance Fund over a period of not to exceed six years.
- (b) Enactment of state legislation providing for the joinder of the State in the Pest Control Compact using the suggested state legislation of the Pest Control Compact: Model Enabling Act. Enabling legislation must be passed within six years of payment of funds designated in (a) above, or within six years from enactment of this bylaw. Failure to pass enabling legislation will rescind all voting rights for that State.

Balaam presented the proposal and offered it for discussion. The representative from the Kansas asked if enabling legislation has to mirror the model. The answer was "yes". John Etchepare (WY) moved to approve the new bylaw, and it was seconded by Michael Scuse (DE). The motion passed with a majority vote.

- **Amended Bylaw #7d.** Clarification that the membership fee is a one-time appropriation unless the Fund is depleted through use. Clarification that the Pest Control Insurance Fund should not be depleted below \$500,000, unless required by an emergency program, to ensure that there are ample funds available that would not require member states to reappropriate dollars into the insurance fund. If reappropriation is necessary, assessments to member states will be prorated as needed to bring the total fund balance to \$1,000,000. Actual language of the proposed amended bylaw was as follows:

- (d) The membership fee to join the Compact shall be a one-time appropriation, unless the Fund is depleted through use. The Governing Board shall attempt to ensure that the total assets of the Fund shall not be depleted below \$500,000. If emergency programs require depletion of the Fund below \$500,000, then assessments to member states will be prorated, as needed, to bring the total Fund balance to \$1,000,000, according to the formula contained in Article IX (b) of the Pest Control Compact. States may make installment payments of their reassessment to the Insurance Fund over a period of not to exceed six years.

Balaam presented the proposal and offered it for discussion. Tommy Irvin (GA) commented that he thought allowing the fund assets to go to a level of \$500,000 was too low. Following discussion, Irvin moved to accept the proposal with a change to increase

the Fund minimum threshold from \$500,000 to \$750,000. The motion was seconded and passed with a majority vote. The approved amended bylaw #7d is as follows:

- (d) The membership fee to join the Compact shall be a one-time appropriation, unless the Fund is depleted through use. The Governing Board shall attempt to ensure that the total assets of the Fund shall not be depleted below \$750,000. If emergency programs require depletion of the Fund below \$750,000, then assessments to member states will be prorated, as needed, to bring the total Fund balance to \$1,000,000, according to the formula contained in Article IX (b) of the Pest Control Compact. States may make installment payments of their reassessment to the Insurance Fund over a period of not to exceed six years.

- **Amended Bylaw #4c.** Restructuring of the Executive Committee membership based on the geographical groupings of the Regional Plant Boards, which are grouped by regional plant pest issues, rather than the current regional groupings of NASDA. Actual language of the proposed amended bylaw was as follows:
 - (c) The Governing Board recognizes its responsibility to group party States, pursuant to Article V (e) of the Compact in order that there may be appropriate geographic distribution of membership on the Executive Committee. Geographic distribution shall be based on the geographical groupings of the four regional plant boards which are grouped by regional plant pest issues:
 1. Eastern region shall consist of the following states: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.
 2. Southern region shall consist of the following states and territories: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, and Virginia.
 3. Central region shall consist of the following states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
 4. Western region shall consist of the following states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

The proposed amendment would only affect WV and DE. It would also change the composition of the Compact's current Board of Directors. Following discussion of the proposed amendment Gus Douglas (WV) asked that WV remain in the Southern region. Bob Spear (ME) moved that Compact grouping remain in alignment with NASDA.

Carlton Courter (VA) seconded and motion passed with a majority vote. The approved amended bylaw #4c is as follows:

- (c) The Governing Board recognizes its responsibility to group party States, pursuant to Article V (e) of the Compact in order that there may be appropriate geographic distribution of membership on the Executive Committee. Geographic distribution shall be based on the geographical groupings of the four regional NASDA associations:
 1. **Northeastern** region shall consist of the following states: Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
 2. **Southern** region shall consist of the following states and territories: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, Virgin Islands, and West Virginia.
 3. **Midwestern** region shall consist of the following states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
 4. **Western** region shall consist of the following states and territories: Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Election of Officers and Executive Committee (2004-2005)

Tommy Irvin (GA) nominated **Charles Kuperus** (NJ) to serve as **Chairman** for one year. Bob Spear (ME) seconded.

Bob Spear (ME) nominated **A.G. Kawamura** (CA) to serve as **Vice Chairman**, Tommy Irvin (GA) seconded.

A.G. Kawamura (CA) nominated **Roger Johnson** (ND) to serve as **Secretary**, it was seconded.

Michael Scuse (DE) nominated **Carlton Courter** (VA) to remain as **Treasurer**, A.G. Kawamura (CA) seconded.

Bob Spear (ME) moved to accept the nominees. A.G. Kawamura (CA) seconded. Motion passed with a majority vote.

The Officers of the Interstate Pest Control Insurance Fund for FY 2004-2005 are as follows:

Chairman	Charles Kuperus, New Jersey
Vice Chairman	A.G. Kawamura, California
Secretary	Roger Johnson, North Dakota
Treasurer	Carlton Courter, Virginia

In compliance with the bylaws, Chairman Charles Kuperus also serves as chairman of the Executive Committee. Bob Spear (ME), moved the regional representatives from 2003-2004 remain the same for 2004-2005; A.G. Kawamura (CA) seconded. The motion passed with a majority vote. The elected executive committee for FY 2004-2005 is as follows:

Chairman	Charles Kuperus, New Jersey
Midwestern Region	Fred Dailey, Ohio
Northeastern Region	Michael Scuse, Delaware
Southern Region	Gus Douglass, West Virginia
Western Region	A.G. Kawamura, California

New Business

Some discussion followed regarding funding level for this Insurance Fund. It was recommended that states solicit funding from the foundations in their own States before the 2005 Mid-Year meeting. Due to time constraints, Nathan Rudgers (NY) moved to table the discussion to the Mid-Year meeting, but make the discussion a high priority for that meeting. The representative from North Dakota seconded and motion passed with a majority vote.

Adjourn

Chairman Kuperus adjourned the meeting at 1:30 p.m.

Assistance with minutes provided by Sharlene Garcia, Policy Analyst, CDFA.

2005 Mid Year Meeting Minutes – February 2005

**February 20, 2005
Renaissance Hotel, Washington D.C.**

Attendees:

Member States Present (16):

Arizona	- Don Butler
Arkansas	- Darryl Little
California	- A.G. Kawamura - Sharlene Garcia (CDFA staff)
Florida	- Leslie Palmer (FDACS staff) - Darci Poole (FDACS staff)
Maine	- Robert Spear
Michigan	- Ken Rauscher
Nebraska	- Dennis Blank
New Jersey	- Charles Kuperus (IPCC Chairman and Executive Committee)
North Dakota	- Roger Johnson
South Carolina	- Larry Boyleston (SCDA staff)
Texas	- Susan Combs - Lisa Eldridge (TDA staff)
Vermont	- Louise Calderwood (VAAFMS staff)
West Virginia	- Gus Douglass (IPCC Executive Committee)
Wyoming	- John Etchepare - Roy Richenback (WDA staff)

Non-Member States Present (16):

Indiana - John Baugh (IDA staff)

Call to Order

Chairman Charles Kuperus (NJ) called the meeting to order at 8:00 am.

Roll Call of Member States

IPCC Executive Director, Bob Balaam, took roll call, declaring 16 member states present.

Approval of Meeting Minutes

Vice Chairman Kuperus called for an approval of the September 26, 2004 meeting minutes. A.G. Kamamura noted a correction to the distributed minutes indicating that he should be listed as the Vice Chairman. Acceptance of the minutes as corrected was moved by Susan Combs (TX) and was seconded by Gus Douglass (WV). Motion passed with a majority vote.

Report of the Chairman

The Chairman had no report.

Report of the Treasurer

Treasurer Carlton Courter was not present so the Treasurer's report was presented by B the Executive Director, Bob Balaam. Bob Spear (ME) asked about the decrease in operating expenses. Balaam explained that due to now full time employment with USDA APHIS, he had less time available to spend on Compact issues. Spear commented on the high quality of work the Compact gets from Bob Balaam. A motion to accept the report was made by Susan Combs (TX) and was seconded. Motion passed with a majority vote.

Report of the Executive Director

Bob Balaam gave a report highlighting issues affecting the compact this year-they are as follows:

- Membership
 - There are 35 current member states
 - Three of these states are on installment payments and eight are without enabling legislation.
 - KS reintroduced enabling legislation on February 15, 2005 in their Senate following repeal of their original (1996) legislation in 2002. The bill passed unanimously out of the Senate Agriculture Committee.
 - Indiana legislation passed out of committee in both houses and is expected to soon pass.
 - Texas is pursuing legislation; bills have been introduced in both the House and Senate.
 - Mississippi is working toward introduction of legislation; expect to introduce such legislation in the next session.
- 2004 Annual Report
 - Report was prepared by the Executive Director and copies were distributed to the member states.
- Insurance Fund Claims/Projects
 - Texas received \$60,000 for citrus room weevil eradication last year. A brief progress report was provided by Commissioner Combs and Bob Balaam.
 - No other requests for claims have been received.
- IRS Status of the IPCC
 - Compact is seeking an "Instrumentality Affirmation Letter from the Internal Revenue Service.
 - Since IPCC is not required to file a tax return as a Section 115 organization, our EIN appears to have been dropped from the IRS database; request has been made to reinstate that number.
 - IPCC has requested from IRS written confirmation that the IPCC is a government instrumentality according to the IRS Code section 170 (c) 1, and as such enables donations to the Compact to be considered tax deductible by the donor. This should assist the IPCC in obtaining non-member funding from foundations and other sources.

- **IPCC Website**
 - Executive Director sought permission to explore the possibility of moving the IPCC web site to a private server and obtain a unique domain name. Current location, on USDA APHIS, web server has some security issues that may cause web maintenance problems in the future. Members directed Bob Balaam to explore several options and report back to them via email before a final decision is made.

Future Funding Options

During the Annual Meeting of the IPCC in September there was some discussion regarding funding level for this Insurance Fund. At that time it was recommended that states solicit funding from the foundations in their own States before the 2005 Mid-Year meeting, and that discussion of this issue should be a high priority for the Mid-Year meeting. Commissioner Combs stated that they had looked into some possibilities in Texas, but she was very concerned about conflict of interest issues that may arise if she should seek funding from groups she regulates. Several suggestions were offered as potential sources, including: grower groups, private foundations, large corporations, Homeland Security, etc. Chairman Kuperus asked that each member state forward the contact information of six entities in each of their states to the Executive Director so that as soon as the tax status of the IPCC is officially confirmed by the IRS, the Executive Director can then pursue potential donations.

New Business

There was no new business.

Adjourn

Chairman Kuperus adjourned the meeting at 8:40 am.

Assistance with minutes provided by Sharlene Garcia, Policy Analyst, CDFR.

Financial Statement - Final (July 1, 2004 – June 30, 2005)

Highlights from Fiscal Year 2005:

Total assets available at June 30, 2005 were \$1,072,588. An increase of \$16,201 over the June 30, 2004, balance of \$1,056,387.

Income on investments totaled \$21,851. There were no investment fees or expenses. The Average Yield for the year was 2.13%. The effective yield for the month of June 2005 was 3.06%. Investment income covered all of the administrative and operating costs (\$14,221) for the year.

Investment Risk: The Virginia Local Government Investment Pool, in which IPCC funds are invested, follows guidelines that permit only high quality corporate investments. The IPCC investment is diversified in the following way as of June 30, 2005:

U.S. Treasury / Agency	20%
Repurchase Agreements	25%
Negotiable CDs & BAs	13%
Non-Negotiable CDs	0%
Commercial Paper*	31%
Corporate & Bank Notes*	11%
Total:	100%

* Commercial Paper is restricted to a maximum of 35% and Corporate & Bank Notes to a maximum of 25% of the entire investment pool by law. This minimizes the risk to the IPCC while attempting to maximize gains.

Membership dues totaling \$8,400 were received from the states of Arkansas (final Payment, Colorado (2 payments), and Rhode Island. Indiana joined the IPCC in July 2005, by paying its dues of \$32,342.

Efforts are being made to get an official letter ruling from the Internal Revenue Service regarding the IPCCs status as a not-for-profit-organization to accept contributions that are tax deductible to the donor.

The operating account (checking) was moved from Bank of America to SunTrust halfway through the fiscal year. The new money market account eliminates the bank service fees while earning interest similar to the old account.

INTERSTATE PEST CONTROL COMPACT

Balance Sheet

June 30, 2005

Assets

Operating Account	\$29,212.82	
Investments	<u>1,043,375.27</u>	¹
TOTAL ASSETS		\$1,072,588.09

Liabilities & Equity

Liabilities	\$0.00	
Equity	<u>1,072,588.09</u>	
TOTAL LIABILITIES & EQUITY		\$1,072,588.09

- 1 Funds are invested in the Local Government Investment Pool (LGIP) through the Commonwealth of Virginia's Treasurer's Office. The average yield for the fiscal year ended June 30, 2005 was 2.13%.

INTERSTATE PEST CONTROL COMPACT

Statement of Cash Flows

For the Year Ended June 30, 2005

<i>Balance on July 1, 2004</i>		\$ 1,056,386.83
 <i><u>Add - Inflows</u></i>		
Investment Income:		
LGIP	21,851.31	21,851.31
 Dues Income:		
Arkansas	3,956.00	
Colorado	4,096.00	
Rhode Island	348.00	
		8,400.00
Operating Account Interest	170.64	
		30,421.95
 <i><u>Deduct-Outflows</u></i>		
Operating Expenses:		
Executive Director	8,906.27	
Travel	2,418.44	
General Administration Fee	1,662.69	
Bank Service Charges	93.71	
Conference Registrations	805.00	
Printing	334.58	
		14,220.69
 Insurance Claims		
None	0.00	
		14,220.69
 <i>Balance on June 30, 2005</i>		 <u>\$ 1,072,588.09</u>

INTERSTATE PEST CONTROL COMPACT

Statement of Revenues, Expenditures, & Changes in Fund Balance Equity

For the Year-Ended Ended June 30, 2005

Revenues

Investment Income	\$21,851.31	
Dues Income	8,400.00	
Operating Account Interest	170.64	
Total revenues		\$30,421.95

Expenditures

Operating Expenses	\$14,220.69	
Insurance Claims	0.00	
Total expenses		14,220.69

Excess of revenue over expenditures **\$16,201.26**

Fund balances/equity July 1, 2004 **1,056,386.83**

Fund balances/equity June 30, 2005 **\$1,072,588.09**

INTERSTATE PEST CONTROL COMPACT

**Operating Budget
July 1, 2004 to June 30, 2005**

<u>Description</u>	<u>2004-2005</u>		<u>2003-2004</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Personnel				
Executive Director Wages	15,000	8906.00	15,000	8,734.00
Travel and Registration	3,800	3223.00	4,000	2,502.00
Bond	100	0.00	100	0.00
Facilities and Administrative Costs				
Overhead*	2,000	1470.00	2,000	988.00
Equipment	0	0.00	0	0.00
Supplies	0	0.00	0	0.00
Postage	300	193.00	200	242.00
Printing	500	335.00	400	452.00
Bank Charges	200	94.00	200	192.00
Contractual Services				
Audit	100	0.00	150	0.00
Special Purpose				
Technical Advisory Committee	500	0.00	0	0.00
Special Committee	0	0.00	500	0.00
TOTAL	22,500	14221.00	22,550	13,110.00

* includes website hosting, domain name registration, and Quicken software upgrade as well as agreed upon general overhead allowances.

Claims History

Fiscal Year	Project	Claim Amount (\$)	Recipient State
1969	Golden nematode eradication	6,000	Delaware
1972	Tourist vehicle check for gypsy moth	10,000	Pennsylvania
1972	Tourist vehicle check for gypsy moth	5,000	Delaware
1972	Tourist vehicle check for gypsy moth	5,000	Virginia
1974	Gypsy moth disparlure trial	1,500	North Carolina
1977	<i>Scleroderris</i> canker control	900	Vermont and New Hampshire
1979	White fringed beetle control	5,400 ^[1]	Maryland
1980	Gypsy moth control	3,000	Illinois
1980	Gypsy moth control	20,000	Washington
1980	Winter moth control	2,000	Oregon
1981	Apple maggot control	20,000	Oregon
1983	Grape nematode control (Polar nematode)	45,000	Michigan
1983	Corn cyst nematode	93,000	Maryland
1992	Gypsy moth control	23,000	Georgia
1992	Africanized honey bee management	44,500	Texas
1995	Tropical soda apple management	95,355	Florida
1996	Apple Ermine moth regulatory control research	8,000	Oregon
1997	Corn cyst nematode survey	19,170	Virginia
1997	Tropical soda apple biological control	70,000	Florida
1997	Asian longhorned beetle eradication	100,000	New York
1998	Grecian foxglove control	12,093	Kansas
1999	Asian longhorned beetle eradication	100,000	Illinois
1999	Tomato yellow leaf curl virus	75,167	Florida
2001	Clover broom rape survey	20,000	Oregon
2002	Citrus longhorned beetle establishment prevention	50,000	Washington
2002	Gypsy Moth eradication	50,000	Minnesota
2004	Citrus root weevil eradication	60,000	Texas
Total	27 claims	944,085	

Claim Reports

Citrus Root Weevil (*Diaprepes abbreviatus*) Eradication (Final Report)

Recipient Party: Texas
Claim Year: 2004
Claim Amount: \$60,000

Reason for Requesting Funds:

In 2004, Texas was confronted with a budget shortfall coupled with an urgent need to maintain a program to contain and eradicate the Diaprepes root weevil (*Diaprepes abbreviatus*) that had established itself in a small area in the McAllen, Texas. It was crucial that continuity in the eradication program be maintained because the insect's potential rate of increase is immense (5,000 eggs/female/3-4 months), larvae are extremely difficult to control due to their several-foot depth in the soil, and the insect exploits at least 270 hosts (many of them heavily-transported around the country). The larvae feed on roots, often girdling and killing the taproot. This feeding impedes water and nutrient uptake, provides entry for root rot fungi (*Phytophthora*), and results in host mortality. A single larva can kill young host and even older, established hosts will decline from the effects of multiple larvae. Adults cause some damage by notching leaves. The Diaprepes root weevil (or Diaprepes) had entered Texas from Florida where it is causing tens of millions of dollars in damage yearly. In Florida Diaprepes has established itself so far in Broward, Dade, DeSoto, Collier, Glades, Hendry, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Marion, Martin, Orange, Osceola, Palm Beach, Pasco, Polk, Seminole, St. Lucie, Sumter, and Volusia Counties. In those Florida counties, the weevil inflicts an estimated \$70 Million in damage annually. Currently Florida is the only US state other than Texas that is infested by this Caribbean-area pest, although southern tier states as far away as California are at risk. In Texas, Diaprepes threatens \$1.532 Billion in agricultural crops including citrus (ca. 33,000 acres, \$25 Million), cotton (6 Million acres, \$570 Million), vegetables (120,000 acres, \$377 Million), potatoes (18,000 acres, \$54 Million), sweet potatoes (4,200 acres, \$8 Million), woody containerized ornamentals (NA acres, \$390 Million), woody field-grown ornamentals (NA acres, \$61 Million) and sugarcane (45,500 acres, \$57 Million). The potential geographical range of Diaprepes in U.S includes the Gulf Coast States and California, conservatively. Its northern range limit is untested, as is its drought tolerance. It might proceed up the Atlantic coast, perhaps to warmer parts of South or North Carolina. By preventing the spread of Diaprepes, this grant helped to protect an estimated \$43.8 Billion in crops in various states including California, New Mexico, Arizona, Georgia, Alabama, Mississippi, Louisiana, Tennessee, South Carolina, and North Carolina. In terms of principle crops, that would include cotton (\$7 Billion), vegetables and melons (\$15 Billion), nursery (\$8.9 Billion), fruits and nuts (\$11.9 Billion), sugarcane (\$1 Billion).

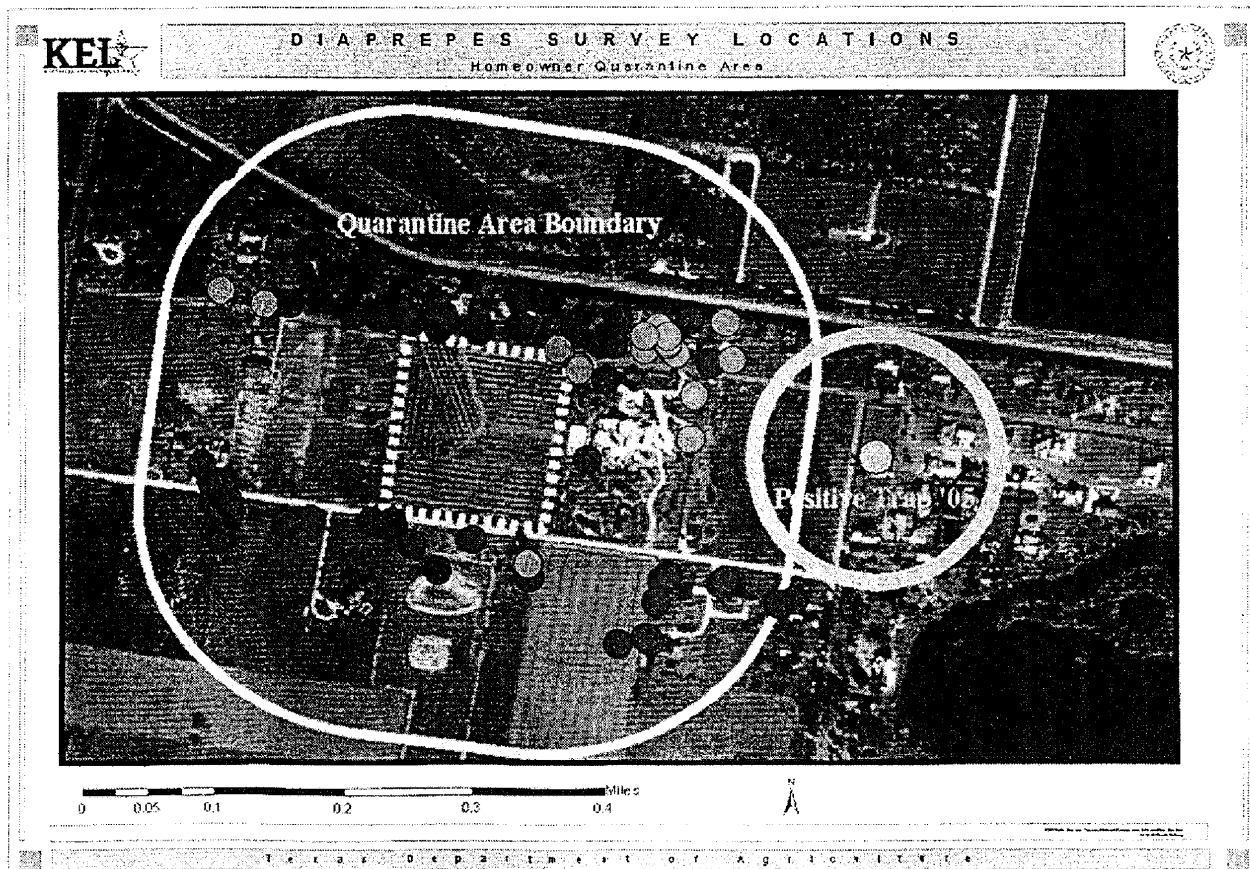
Action Taken:

In response to a request by the New Mexico Department of Agriculture (NMDA), the Interstate Pest Control Compact (IPPC) granted \$60,000 to the Texas Department of Agriculture (TDA)

for eradication of Diaprepes. These funds, which were matched by an in-kind \$15,000 contribution by TDA, paid for applications of adulticides and larvicides to two quarantined groves and 21 homeowner properties, weekly monitoring of adult Diaprepes, and a half-time technician to enforce the quarantine and interface with pesticide applicators, trappers, and property owners.

Results:

All funded activities were completed on schedule. Chemical treatments reduced populations of larvae and adults in quarantined orchards and home landscapes. Monitoring of adults allowed optimization of treatment timing and disclosed a single escape from the quarantine area (See map below: dotted yellow line is citrus grove where infestation first was detected; red and orange circles both are positive traps and blue circles are negative traps; yellow line delimits quarantine; orange circle is 300 m flight radius around site of single escaped weevil). Patrolling of the quarantine area interdicted attempts to remove quarantined plant materials. In summary, eradication momentum was maintained. TDA has now secured interim state funding, has expanded the area being treated, has sought and obtained valuable suggestions from experts in other parts of the country, is mapping the locations of trap catches (with assistance from USDA), is having educational meetings with concerned citizens and is implementing an enhanced action plan to speed progress toward eradication.



Financial Statement:

Compact Funds Authorized

\$60,000

<u>Expenditures:</u>	<u>Compact Funds</u>	<u>State Funds</u>	<u>Other Funds (Specify)</u>
Personal Services:			
Technician	\$22,941.50		
In-kind contribution, with partial salaries of the program coordinator, regional director, and chief inspector involved in overseeing the program		\$15,000.00	
Equipment:	\$0.00		
Supplies:	\$0.00		
Travel & Subsistence:	\$0.00		
Other Expenses:			
Compliance Contract with Texas A&M University-Kingsville for trapping of adult Diaprepes in and around quarantine area.	\$8,000		
Compliance Contract with Esparza Pest Control for treatment of residential properties in quarantine area.	\$24,994.90		
Compliance Contract with Texas Citrus Mutual for treatment of commercial citrus orchards.	\$2,078.56		
Total:	\$58,014.86	\$15,000.00	
Additional Comments:			
Submitted By:	Robert Crocker, Ph.D.	Date: June 29, 2005	
Title:	Coordinator for Pest Management, Citrus and Biotechnology Programs		
Agency & Address:	Texas Department of Agriculture P.O. Box 12847 Austin, TX 78711		

Membership and Committees

Officers 2004-2005

Chair	Charles Kuperus, New Jersey
Vice Chair	A.G. Kawamura, California
Secretary	Roger Johnson, North Dakota
Treasurer	Carlton Courter, Virginia

Executive Committee 2004-2005

Chair	Charles Kuperus, New Jersey
Midwestern Region	Fred Dailey, Ohio
Northeastern Region	Michael Scuse, Delaware
Southern Region	Gus Douglass, West Virginia
Western Region	A.G. Kawamura, California

Technical Advisory Committee 2005 (Selected by Regional Plant Boards)

Central Plant Board
Dave Nelson, North Dakota
Thomas Harrison, Ohio

Western Plant Board
John Caravetta, Arizona
Clair Allen, Utah

USDA APHIS PPQ
Mike Stefan

Eastern Plant Board
Dick Bean, Maryland
Faith Kuehn, Delaware

Southern Plant Board
Benny Graves, Mississippi
Mike Evans, Georgia

USDA Forest Service
Thomas Hofacker

Governing Board

(36 Member States as of July 1, 2005)

Member	Administrator	Year Joined	Member	Administrator	Year Joined
Arizona	Don Butler	1994	North Carolina	Steve Troxler	1975
Arkansas	Daryl Little	1999	North Dakota	Roger Johnson	1973
California	A.G. Kawamura	1969	Ohio	Fred Dailey	1974
Colorado	Don Ament	2001	Oklahoma	Terry Peach	1999
Delaware	Michael Scuse	1969	Oregon	Kathy Coba	1981
Florida	Charles Bronson	1995	Pennsylvania	Dennis Wolff	1968
Georgia	Tommy Irvin	1984	Puerto Rico	Luis Rivero Cubano	1994
Illinois	Charles Hartke	1968	Rhode Island	Kenneth Ayars	1999
Indiana	Andy Miller	2005	South Carolina	Hugh Weather	1972
Kansas	Adrian Polansky	1996	Tennessee	Ken Givens	1969
Maine	Robert Spear	1986	Texas	Susan Combs	1994
Maryland	Lewis Riley	1976	Utah	Leonard Blackham	1985
Michigan	Mitch Irwin	1968	Vermont	Steve Kerr	1978
Minnesota	Gene Hugoson	1969	Virginia	J. Carlton Courter	1974
Nebraska	Greg Ibach	2004	Washington	Valoria Loveland	1999
New Hampshire	Stephen Taylor	1968	West Virginia	Gus Douglass	1968
New Jersey	Charles Kuperus	1970	Wyoming	John Etchepare	1996
New Mexico	I. Miley Gonzalez	1981			
New York	Nathan Rudgers	2002			

Officers History

Term of Office	Date of Election	Chairman	Vice Chairman	Secretary	Treasurer
1968-69	1968 ^(a)	California Lyng	Michigan Ballo	Illinois Larkin	Illinois Larkin
1969-70	Feb-69	Michigan Ball	N. Hampshire Buckley	California Fielder	Illinois Lewis
1970-71	Mar-70	N. Hampshire Buckley	Tennessee Moss	California Fielder	Illinois Lewis

*Interstate Pest Control Compact and
Pest Control Insurance Fund
2005 Annual Report*

Term of Office	Date of Election	Chairman	Vice Chairman	Secretary	Treasurer
1971-72	Mar-71	W. Virginia Douglass	Delaware Caulk	California Fielder	Illinois Ropp
1972	Jan-72	Delaware Caulk	California Fielder	Minnesota Dennistoun	Illinois Ropp
1972-73	Nov-72	California Christensen	New Jersey Alampi	Minnesota Dennistoun	Illinois Ropp
1973-74	Sep-73	New Jersey Alampi	Ohio Abercrombie	Minnesota Dennistoun	Illinois Williams
1974-75	Sep-74	Ohio Abercrombie	S. Carolina Harrelson	Minnesota Dennistoun	Illinois Williams
1975-76	Oct-75	S. Carolina Harrelson	Ohio Stackhouse	Minnesota Dennistoun	Illinois Williams
1976-77	Nov-76	Ohio Stackhouse	Virginia Carbaugh	Minnesota Dennistoun	Illinois Block
1977-78	Sep-77	Virginia Carbaugh	N. Carolina Graham	Minnesota Dennistoun	Illinois Block
1978-79	Sep-78	Virginia Carbaugh	N. Carolina Graham	Minnesota Dennistoun	Illinois Block
1979-80	Sep-79	Virginia Carbaugh	N. Carolina Graham	Minnesota Dennistoun	Illinois Block
1980-81	Nov-80	N. Carolina Graham	California Rominger	Minnesota Dennistoun	Illinois Block
1981-82	Sep-81	California Rominger	Vermont Dunsmore	Minnesota Dennistoun	Illinois Block
1982-83	Sep-82	Vermont Dunsmore	Michigan Pridgeon	Minnesota Dennistoun	Illinois Werries
1983-84	Sep-83	Tennessee Walker	Ohio Locker	Minnesota Dennistoun	Illinois Werries
1984-85	Sep-84	Ohio Locker	California Berryhill	Minnesota Dennistoun	Illinois Werries
1985-86	Oct-85	Oregon Kunzman	Delaware Chandler	Minnesota Dennistoun	Illinois Werries
1986-87	Sep-86	Delaware Chandler	Georgia Irvin	Minnesota Dennistoun	Illinois Werries
1987-88	Oct-87	Delaware Chandler	Georgia Irvin	Minnesota Dennistoun	Illinois Werries
1988-89	Sep-88	Georgia Irvin	Ohio Maurer	Michigan Cardwell	Illinois Werries
1989-90	Sep-89	Ohio Maurer	Utah Ferry	Michigan Cardwell	Illinois Rundquist

*Interstate Pest Control Compact and
Pest Control Insurance Fund
2005 Annual Report*

Term of Office	Date of Election	Chairman	Vice Chairman	Secretary	Treasurer
1990-91	Oct-90	Utah Ferry	Pennsylvania Wolff	Michigan Cardwell	Illinois Rundquist
1991-92	Sep-91	Pennsylvania Wolff	South Carolina Tindal	Michigan Cardwell	Illinois Doyle
1992-93	Sep-92	South Carolina Tindal	West Virginia Douglass	Michigan Cardwell	Illinois Doyle
1993-94	Sep-93	Ohio Dailey	West Virginia Douglass	Michigan Cardwell	Illinois Doyle
1994-95	Sep-94	West Virginia Douglass	New Jersey Brown	South Carolina Tompkins	Illinois Doyle
1995-96	Sep-95	New Jersey Brown	Arizona Kelly	South Carolina Tompkins	Illinois Doyle
1996-97	Sep-96	Arizona Kelly	Virginia Courter	South Carolina Tompkins	Illinois Doyle
1997-98	Sep-97	Virginia Courter	Maine McLaughlin	South Carolina Tompkins	Illinois Doyle
1998-99	Sep-98	Arizona Jones	Maryland Virts	South Carolina Tompkins	Virginia Courter
1999-00	Sep-99	Maryland Virts	Minnesota Masso	California Lyons	Virginia Courter
2000-01	Sep-00	Minnesota Masso	Maine Spear	California Lyons	Virginia Courter
2001-02	Sep-01	Maine Spear	Oregon Ward	California Lyons	Virginia Courter
2002-03	Sep-02 ^(b)	Maine Spear	Oregon/ So. Carolina Ward/ Sharpe ^(c)	California Lyons	Virginia Courter
2003-04	Sep-03	South Carolina Sharpe	New Jersey Kuperus	California Lyons/ Kawamura ^(d)	Virginia Courter
2004-05	Sep-04	New Jersey Kuperus	California Kawamura	North Dakota Johnson	Virginia Courter

^(a) First meeting of the Compact was January 1969. Records indicate that officers had been elected or selected prior to this meeting, as meeting was chaired by Lyng of California.

^(b) Due to absence of an Executive Director, no elections were held. Existing slate of officers agreed to serve until next annual meeting.

^(c) Sharpe of South Carolina was elected Vice President at the 2003 mid year meeting to fill the vacancy created by the departure of Ward of Oregon.

^(d) Kawamura of California was elected Secretary at the 2004 mid year meeting to fill vacancy created by the departure of Lyons of California

