



2012 Annual Report

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Arizona
Arkansas
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New Jersey
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Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Rhode Island
South Carolina
Tennessee
Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming

Interstate Pest Control Compact

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Introduction

Each year billions of dollars of damage are 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 allowed 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 rather a one-time contribution, unless the Insurance 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. To date, this has not happened and with investment income being what it is, it does not appear likely anytime soon.

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 request. This committee is composed of two state plant regulatory officials from each of the four regions of the National Plant Board, 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 10-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

June 2012

Officer Turnover

An unexpected change took place in the Governing Board's chair position following the annual meeting in Salt Lake City in September. Illinois Director Tom Jennings, who had agreed to serve as chair for the current 2011-12 business year prior to the meeting, informed the Executive Director afterward in October that he had made the decision to retire. He apologized for any inconvenience his inability to serve would cause, but was made aware that the Governing Board understood his decision was a personal one and wished him well.

The vice chair, Oregon Director Katy Coba, who, under the bylaws, had the responsibility to take over the chair position until the next election at the 2012 annual meeting, was contacted and stepped in to fulfill that responsibility.

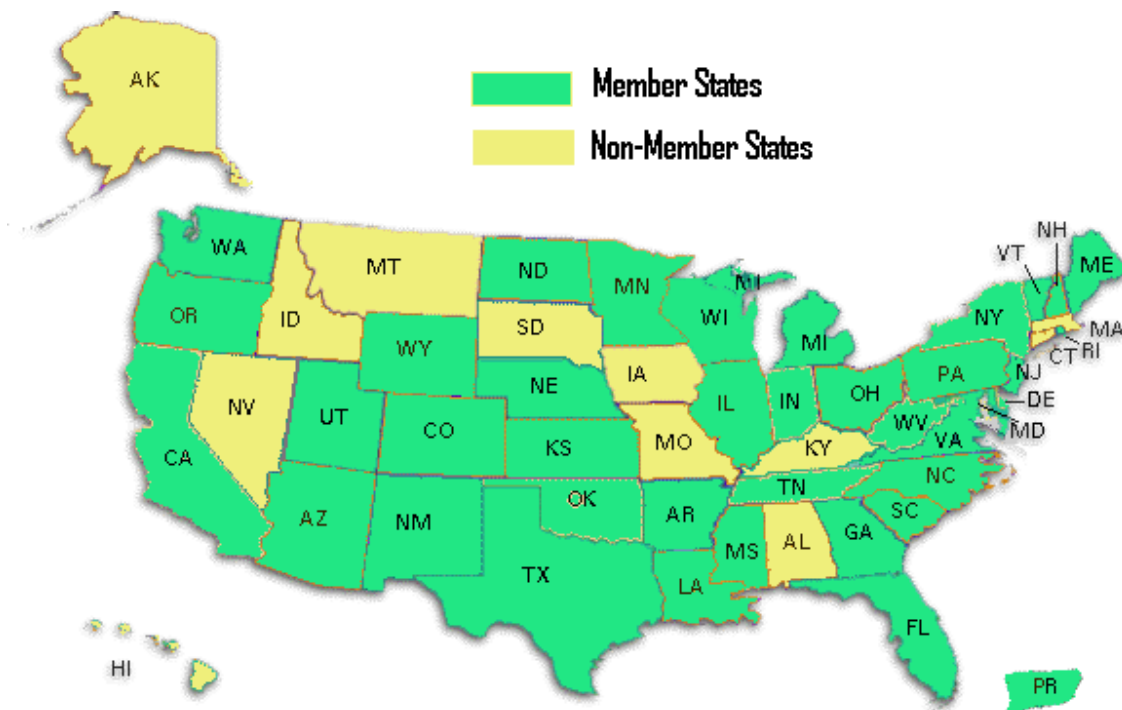
The office of vice chair, in turn, was filled by election of Minnesota Commissioner Dave Frederickson at the mid-year meeting in February.

Membership

Membership in the Interstate Pest Control Compact (IPCC) continued to hold at 39 total parties, as no new members joined the Compact this year. Membership promotion contact was had during the year with Alaska, Hawaii, Idaho, Kentucky, Massachusetts, and Nevada. Issues for all non-member states continued to be the cost of joining in struggling economies, their individual political atmospheres for making such a commitment and, in some cases, a feeling that the benefits just aren't there for them. With Kentucky having elected a new commissioner in the person of Jamie Comer, an introduction to the Compact was provided there, along with an invitation to join.

Concerning membership assessments, Wisconsin paid its final installment of \$6,359.00 in October on a total assessment fee of \$19,077.00. This was received on October 3, 2011 and credited to the operating account on October 5. An official welcome to full membership was extended to Wisconsin at the mid-year meeting. Louisiana was billed for its fourth of six installment payments of \$2,038.00 on a total assessment fee of \$12,228.00 on February 20, 2012, and their check was credited to the operating account on April 18. There are no other outstanding membership fees.

Regarding enabling legislation, Arizona made an attempt to get theirs introduced and passed to reestablish full membership, but it was unsuccessful.



Insurance Fund Claims/Projects

Colorado: Eradication of Yellow Starthistle in Two Colorado Counties

An update report on the project's final field season through August 2011 was provided by the Colorado Department of Agriculture's Steve Ryder on September 2, 2011 as follows:

Implementation —

- For the third year, a two-person Early Detection Rapid Response (EDRR) field team was hired for each of Moffat and Larimer Counties, trained and provided with equipment.
- Moffat County is the more lightly infested of the two counties.
- Newspaper articles and radio broadcasts were used to advertise the project and solicit cooperation from the public.
- Bureau of Land Management (BLM) and Colorado State Land Board employees were enlisted to help locate infestations of yellow starthistle (YST).
- Global Positioning System equipment was used to record the location of areas scouted and infested/treated sites.

Moffat County —

- A wet spring and first half of the summer led to ideal conditions for YST germination.
- A color flyer was distributed for the third year to raise awareness of YST. The flyer promotes a \$25 cash reward payable to anyone finding and reporting YST in Moffat County or the Little Snake River Resource Area (BLM).
- The county continued developing a partnership with BLM range conservationists and fire crews to train field personnel on noxious weed identification and report suspect plants to the county.
- The EDRR team returned every two weeks to known YST sites – no plants have been detected to date.

- The team continued verifying possible YST sightings; to date all reports have been look-alikes.
- The EDRR crew continued to search for YST along pipeline right-of-ways and transportation routes in the northern part of Moffat County near the Wyoming border.

Larimer County —

- County personnel spent 360 hours in June, 330 hours in July and 325 hours in August on YST scouting, monitoring and treating. The Colorado Department of Agriculture seasonal crew assisted with these activities, logging 112 hours during this time.
- Scouting and monitoring included trailheads, trails, parks, open spaces and roadsides and other areas of high equestrian use throughout Larimer County in addition to known YST sites. Literature addressing YST identification and reason for concern was distributed to people encountered at these sites.
- Known sites had been sprayed in 2010, which eliminated winter rosettes.
- A wet spring and hot summer were ideal for YST germination, however, no YST plants were found through July in all areas scouted/monitored.
- In August, 34 plants were found and eradicated, 30 of which came from one small infestation within the original larger infestation, which had not seen any plants for at least the last four years.
- No new plants were found in the hotspots that had been sprayed the last two years.

The final report on this project was not due until mid-March 2012, but was submitted early in late January, published on the website in the “Projects History” section and is provided here in its entirety beginning on page 53.

Minnesota — Gypsy Moth Eradication

The cooperative agreement for the Minnesota claim project, approved at the 2011 mid-year meeting, was finalized with Minnesota Department of Agriculture (MDA) Commissioner Dave Frederickson’s signature on February 22, 2011. Project treatments were completed on June 3, the Compact was invoiced for the full claim amount of \$52,000 on August 9 and the claim paid on August 15. An interim summary of the project was provided by MDA Gypsy Moth Unit Supervisor Lucy Hunt on September 1, 2011 as follows:

- Treatments were applied to three sites in the Minneapolis/St. Paul metro area, one in the city of Grant, one in Coon Rapids and one in Minnetonka.
- Total acreage of the three sites was 1,519.
- Each site had two applications of BTK (Foray 48B), the first on May 24 and the second on June 2 and 3, with a break for bad weather.
- The per-acre cost of application was \$35.50.
- A Minnesota Department of Health environmental health expert was available as a resource for human health issues and questions.
- For public notification, a “Local Leaders” network was utilized that included a wide array of officials with ties to a wide audience.
- Direct-mailed an 8-page bulletin to approximately 6,000 households in the project area.
- Hosted a Safety Assurance Review at the request of the Aerial Application Safety Council and earned overall high marks for the project.
- Placed approximately 200 male moth traps in the eradication area and as of September 1 had not caught any males in or around the treatment blocks.

The final report for this project was submitted on February 6, 2012, but the financial reporting section was not sufficiently detailed. The effort to correct this was slowed by the state's switch to new accounting software and MDA accounting staff turnover and was not completed until mid-May. Once complete, the report was published on the website in the "Projects History" section and is provided here in its entirety beginning on page 66.

Treasury Status

FY 2011 Financial Report

With assistance from the Executive Director and the Louisiana Department of Agriculture & Forestry's Dr. Carrie Castille, the FY 2011 Financial Report was prepared by Silva Gurtner & Abney (SG&A) and filed with the Executive Director on August 29, 2011 for inclusion in the record and submittal to the Governing Board by IPCC Treasurer Mike Strain at the annual meeting on September 17. It was posted on the website in early September.

2010 Tax Return

The 2010 tax year (IPCC 2011 fiscal year, July 1, 2010 to June 30, 2011) federal income tax return was also prepared by SG&A. This year's return was required to be filed on Form 990, which is the long form. This required significant additional time from the Executive Director to respond to a detailed, 12-page, 990 Client Organizer questionnaire for the firm and then to review the lengthy draft return. The protracted preliminary work and preparation time for this long form caused the firm to request a 90-day extension of time to file to February 15, 2012, which the Internal Revenue Service (IRS) granted. The return was filed in late January and posted on the website for public viewing.

For the record, note is being made here of a request from the IRS, dated July 25, 2011, for overdue tax returns; specifically, Employers Quarterly Federal Tax Returns for the three quarters ending 3-31, 6-30 and 9-30, 2008. Several things stood out in assessing this request. First, that the Compact does not have any employees to file returns on, second, it has never been required to file quarterly returns and third, all of its annual returns have been properly filed prior to their deadlines. The attached form was filled out and an accompanying note written on August 1, 2011 in an effort to resolve the matter. Nothing further was heard until receipt of a second letter, dated October 31, 2011, that said, essentially, if the Compact didn't send the returns previously requested that action could be taken against it. This was immediately followed up on the next day, November 1, with a call to them and contact with a Ms. Noboa, ID# 0676724, who checked the Compact's file and found the original response. Following an explanatory statement and further discussion, she couldn't understand why the request was made in the first place, so she proceeded to obtain permission from the appropriate staff to close the matter out and did so. She advised, however, that if nothing was heard from them after a period of time, to place a follow-up call to ensure that the matter had been closed. Such a call was placed on January 18, 2012, and it was determined, from talking with a Mrs. Calendar, ID# 1001137322, that it was closed.

FY 2012 Mid-Year Financial Report

The engagement letter with SG&A, for preparation of the FY 2012 Mid-Year Financial Report, was drafted by the firm in late December, routed through the Executive Committee for approval and signed by the Executive Director on January 16, 2012. The quoted fee for the report, \$2000, was the same as that for the previously completed year-end report. A budget amendment was

needed and passed at the mid-year meeting to cover this cost approved by the Executive Committee.

The report, itself, was subsequently prepared by SG&A from MorganStanley SmithBarney (MSSB) statements and other documentation provided by the Executive Director. It was filed on January 26, 2012, for inclusion in the record and submittal to the Governing Board by Treasurer Mike Strain at the mid-year meeting on February 7. The report was posted on the website on February 3.

During the above process, discussion was had with SG&As Amy Verberne about the reports themselves and the procedure the Compact currently has for both the reports and the engagement letters. What was gone through triggered a more analytical look at whether the Compact even needed an independent mid-year report, which would save it that much cost. It would be possible for the Executive Director to put together what might be sufficient in the way of a mid-year report from the MSSB statements; the question would be how much time it would take and what that cost would be versus what the Compact is paying them for an independent reconciled report. She said some firms/organizations actually have a system that works that way where they do their own internal quarterly or mid-year oversight reporting and only contract with them for a year-end/annual report, so she thought it was worth bringing up for discussion. She said there was also the possibility of setting up a spreadsheet process for the Compact to follow to plug in data for them from the MSSB statements, which would be that much less time they would have to spend on compiling the final report, but there would still be the issue of how much time the Executive Director would spend doing that and what that cost would be. She said when she looked at the cost to their lowest paying customers the figures were in the \$1600 to \$1800 range, which is less than half of what the Compact is paying now for the two reports. If that ended up being the full cost for a full-year report and a mid-year report cost from the Executive Director could be kept to a few hundred dollars, say 8 to 10 hours of work, it might be considered worth it.

As for the engagement letters, she said, historically, they have tried to get the July 31 (year-end) report deadline letters out in the March-April time period and the January 31 (mid-year) report deadline letters out in November, but, due to a number of reasons, they were late getting most all of their letters out even into the last week of December this year. She said that in 2012 they were planning to move to a system where they would have the July report deadline letters out with, or shortly thereafter, the January reports and the January report deadline letters out with, or shortly thereafter, the July reports. Implementation of the first part of this schedule did come to pass, as the engagement letter for the year-end financial report was issued on January 27, immediately following the completion of the mid-year report, which allowed it to be considered for approval by the full Governing Board at the mid-year meeting.

Investment Committee

With the retirement of Illinois Director Tom Jennings in October 2011, a vacancy was created on the Investment Committee. North Dakota Commissioner Doug Goehring was subsequently selected to fill this vacancy at the mid-year meeting in February.

Tax Status

Classification

Follow-up continued on the Compact's tax classification. Previously, Mauldin & Jenkins CPA's LLC, the firm that assisted the organization during Commissioner Tommy Irvin's treasurer term, being familiar with the Compact and its operation, agreed that a 501(c)(5) classification looked like our best option if we could not meet the public support test for a 501(c)(3). At the time, with one full tax year (2010) remaining on our 501(c)(3) advance ruling period, the pursuit of reclassification to a 501(c)(5) was temporarily shelved to see if it was possible for an organization to maintain a 501(c)(3) classification without meeting the public support test. The indication from the IRS was that it was possible as a private foundation, but the question of whether the Compact could remain fully tax exempt was still unclear.

Upon becoming involved with SG&A under new Treasurer Mike Strain, the firm was apprised of the uncertainty surrounding the Compact's tax classification status. Staff member Kellie Roe indicated that after the current tax return (2010) was completed they would take a look at what might be the best direction for the Compact to go. Further discussion was had with her on this prior to the mid-year meeting in February. She said for them to proceed on the Compact's behalf they would need to be given temporary power-of-attorney to be able to talk to the IRS. At that point, the discussion shifted to what the cost might be and she couldn't give an answer, as it was too difficult to estimate. She was asked if they would consider donating their time to the Compact as a nonprofit and said she would have to ask management. She was made aware that we were investigating a second opinion from an individual recommended by Georgia Commissioner Gary Black.

At Commissioner Black's recommendation, contact had already been made with Dublin, Georgia, CPA Wayne Christian in December. Wayne had a lot of experience with non-profit organizations and Commissioner Black felt he could possibly be of help to the Compact on this issue. When contacted, he said would take a look at a range of the documentation on the Compact's website to form an opinion. He, too, was asked if he could do the work at no charge, since we work purely in the public interest, and he said he would consider that, but a final decision would have to wait until he saw how involved it was going to be. Follow-up from him occurred on February 2 and 3. He said the way he sees the Compact's stream of assessment income, with the source of it being strictly through publicly supported state government agencies, the fact that none of its investment income inures to private interests, and the way it operates, he believed it to be on solid ground with the classification the way it was. He said that he, too, would need temporary power-of-attorney to talk to the IRS if we chose to have him work on the matter. He said another possibility might be to get him, or our alternate firm, on a three-way call with the Executive Director and the IRS where the Executive Director would be the one with the authority to speak and allow our support interests to ask questions.

Following the mid-year meeting in February, Treasurer Mike Strain took on the role of working directly with SG&A on the Compact's tax status classification. Work continues on this and will be reported on at the 2012 annual meeting. Concerning the Compact's 2011 tax return, the decision was made for SG&A to file it as a 501(c)(3) Private Foundation on a Form 990-PF. This is the default filing classification for the Compact having failed the public support test as a 501(c)(3) Public Charity over the course of its advance ruling period.

MorganStanley SmithBarney (MSSB)

Internal Revenue Service (IRS) W-9s, Request for Taxpayer Identification Number and Certification, were filed for both of the Compact's accounts with MSSB at their request. The purpose being to allow us to certify the Compact as an unincorporated nonprofit association to address new IRS reporting requirements on certain gross proceeds transactions for "S Corporations", which the Compact is not. The forms were filed electronically with our MSSB financial advisor, Claire Meade, on December 22, 2011.

Directors and Officers Liability Insurance

A copy of the Darwin National Assurance Company's ForceFieldSM Not-for-Profit Organizations Management Liability Package Policy was distributed to Governing Board members for filing on December 16, 2011. This coverage was first purchased in September 2010 and was renewed effective October 1, 2011 for a second year.

2011 Annual Report

The 2011 Annual Report was prepared by the Executive Director, distributed to the Governing Board on September 7, 2011 and published on the website on September 9.

Conflict of Interest Policy Distribution

The annual distribution of the Compact's conflict of interest policy and accompanying signature page was initiated following the 2011 mid-year meeting via e-mail. As reported at the 2011 annual meeting, response to this first-time effort was slow using this approach, as the last signature was not obtained until December.

In 2012, in an attempt to make the exercise more efficient for everyone and improve turnaround time, signature pages were distributed to those attending the mid-year meeting in February for signing there. Members not in attendance were followed up on for signature via e-mail after the meeting. The first notice went out on February 16, a reminder was sent on April 26 and then phone calls were placed to the remaining 10 board member offices the last week of June in an attempt to get these last signatures by June 30. The turnaround on these last 10 did go quicker with the phone campaign, but the last one was still not obtained until August 14. All signature pages from this exercise were filed electronically.

Executive Director Personal Services Contract Revision

While answering questions on the SG&A 990 Client Organizer about Executive Director (ED) compensation, it became apparent that there was no wording in the ED personal services contract covering travel cost reimbursement. These costs have been routinely reimbursed using the same standards applied to the previous ED, but they should be addressed directly in the contract. Therefore, the following addition to the compensation section of the contract, which would be the third bullet, was proposed and approved beginning with the 2012-13 contract year during the mid-year meeting in February:

- The COMPACT will reimburse the EXECUTIVE DIRECTOR for normal travel expenses related to the position not to exceed the amount set by the annual budget of the COMPACT.

Administrative, Information Technology and Website Support Acknowledgement

Appreciation is extended to West Virginia Commissioner Gus Douglass and his staff, Senior Executive Assistant Robin Gothard, IT Division Director Darius Walker and Communications Division Director Chris Kelley-Dye for their support in, respectively, the above three management areas for a third year.

Resignation of the Executive Director

Effective at the close of business on June 30, 2012, Charles Coffman resigned as Executive Director of the Interstate Pest Control Compact. He served the Compact in the position from June 15, 2009 to the present.

Respectfully submitted,

*Charles C. Coffman
Executive Director*

2011 Annual Meeting Minutes – September 2011

Saturday, September 17, 2011

7:30 AM – 8:30 AM

Little American Hotel, Salt Lake City, UT

Attendees:

Member States Present (26):

| | |
|----------------|--------------------------------|
| Arizona | – Don Butler |
| California | – Karen Ross |
| Colorado | – John Salazar |
| Delaware | – Ed Kee (IPCC Chair) |
| Indiana | – Joe Kelsay |
| Louisiana | – Mike Strain (IPCC Treasurer) |
| Maine | – Walt Whitcomb |
| Michigan | – Gordon Wenk (MDA staff) |
| Minnesota | – Dave Frederickson |
| Mississippi | – Lester Spell |
| New Jersey | – Doug Fisher |
| North Carolina | – Richard Reich (NCDACS staff) |
| North Dakota | – Doug Goehring |
| Ohio | – Jim Zehringer |
| Oklahoma | – Jim Reese |
| Oregon | – Lisa Hanson (ODA staff) |
| South Carolina | – Martin Eubanks (SCDA staff) |
| Tennessee | – Jai Templeton (TDA staff) |
| Texas | – Drew DeBerry (TDA staff) |
| Utah | – Leonard Blackham |
| Vermont | – Chuck Ross |
| Virginia | – Matt Lohr |
| Washington | – Jeff Canaan (WSDA staff) |
| West Virginia | – Steve Miller (WVDA staff) |
| Wisconsin | – Ben Brancel |
| Wyoming | – Jason Fearneyhough |

Others Present (3):

| | |
|-----------------|---|
| Charlie Coffman | – IPCC Executive Director |
| Carrie Castille | – IPCC Treasurer Assistant & Deputy Assistant Commissioner, Louisiana Department of Agriculture & Forestry |
| John Campbell | – Mississippi Department of Agriculture & Commerce staff |

Call to Order

Chairman Ed Kee (DE) welcomed everyone to the meeting and asked Executive Director Charlie Coffman to call the roll.

Roll Call of Member States

Charlie called the roll and counted 19 member states present. Chairman Kee noted that a quorum (19) was present and thanked everyone for being diligent on a Saturday morning. *(Note: Upon examination of the attendance roster following the meeting, it was noted that seven additional states were represented for a total of 26.)*

Report of the Chairman

Chairman Kee: On the agenda is a report of the chairman and what I really want to say is thank you to Charlie Coffman for holding everything together over the past year and before that. We've been in a transition (with the treasurer position) and also owe special thanks to Commissioner Strain and Carrie for really doing a lot of legwork on this over the past year.

Please note that the Governor of Utah is coming in about 8:30, so we want to be forewarned and get our business done efficiently.

Our first item is the report of our Executive Director Charlie Coffman.

Charlie: Thank you Chairman Kee; I have just a few housekeeping items before we get started. Each of you should have a paper copy of the agenda and my PowerPoint presentation at your location. There were some minor adjustments to the PowerPoint since I sent it out. I apologize, but I inadvertently duplicated one table in the financial report in the draft I sent out but that's been fixed in the copy you have today.

If you are concerned that you're not getting the documents or other mailings I send out, please see me or e-mail me. If there is anyone else on your staff that you'd like to have on the distribution list other than the ones that are already on there, I will be happy to add those for you.

There is an attendance roster going around; I started it over here on the left with Don. Please be sure to sign that to document your state's presence for quorum purposes and if you see anybody come in after it has gone around, please try to get it to them. Perhaps Robin Gothard from Commissioner Douglass' staff can help with that too, if necessary.

Not that I expect any of you to necessarily need me, but to save the Compact money after the meeting this morning I'll be on my own time. My wife is with me and we'll be doing some sightseeing, but if you need me at any time for Compact business I'm in room 716. I'll be here until Tuesday so just to make that note.

Approval of the February 15, 2011 Mid-Year Meeting Minutes

Chairman Kee noted that the mid-year meeting minutes had been previously distributed and called for a motion and a second to approve same. Approval was moved by Mississippi and seconded by Wyoming. Motion carried.

Executive Director's Report

Executive Director Coffman gave his report highlighting issues affecting the Compact since the mid-year meeting on February 15, 2011 as follows:

Membership

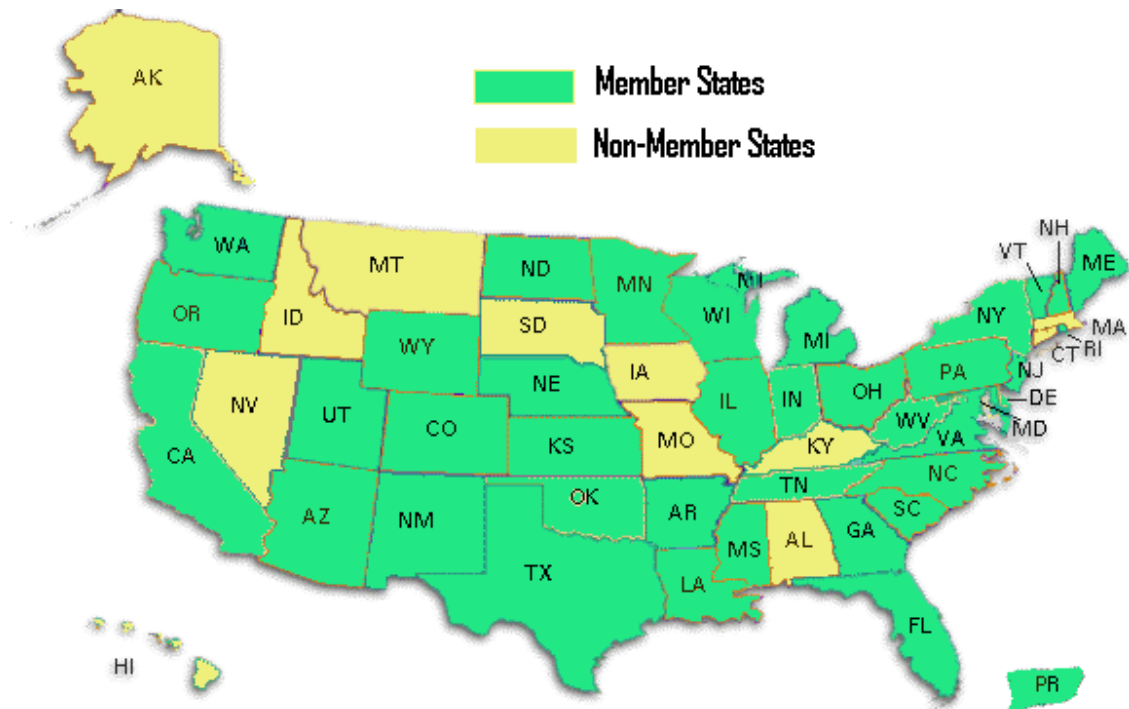
There have been no changes in membership since the mid-year meeting. We continue to remain static with 39 total parties; that's 38 states and Puerto Rico.

Assessments in Progress – Louisiana and Wisconsin

Louisiana paid its third installment on April 6 and Wisconsin was billed for its final installment on September 2. There are no other outstanding fees.

Enabling Legislation – Arizona and Nebraska

As those of you who have attended the last couple of meetings know, Arizona and Nebraska lost their voting privileges as a result of not being able to get their enabling legislation passed in the six-year period after they paid their assessment fee. I was just informed here at the meeting by Arizona Director Don Butler that they feel they're in a position to move on theirs. He has a draft copy of the bill and some legislative support, so we certainly hope they are successful and that we get them back to full membership.



Treasury Status

The engagement letters for financial reporting and tax return services were drafted by Silva Gurtner & Abney, approved by the Executive Committee and signed by the Executive Director on May 6. The estimated approved fees for these services were \$2,000 for financial reporting and \$1,200 - \$1,500 for the tax return services. I've incorporated these fees into the FY 2011-12 budget.

Dr. Castille and I have talked here at the meeting about the need for a separate engagement letter from the firm for the mid-year financial report. Once the final draft of the letter is ready, it will be passed through the Executive Committee for approval before it is signed. I'm hoping the cost figure will come in a little lower for this mid-year report. We'll just have to see how that goes. We'll be working with the firm in the coming months on the tax return, the new engagement letter and the mid-year report.

The FY 2011 Financial Report was prepared by Silva Gurtner & Abney, distributed to the Governing Board on August 30 and posted on the website on September 9.

Tax Status

To recap quickly; our five-year advance ruling period was scheduled to end on June 30 of this year and we've failed to meet the public support test during any of the years since our 501(c)(3) status was granted in 2006. The direction approved at the February meeting was for me to seek 501(c)(5) status under that category's agricultural organization definition.

As directed, I proceeded to contact the Internal Revenue Service (IRS) after the meeting by letter on March 11; it took two months to get a response. After getting their letter, I ended up calling them twice; once on June 16 and again on August 17. What was learned was that we could proceed to file for reclassification as a 501(c)(5) at any time and the advance ruling period, this kind of set me back a little, had been eliminated. We had no written notice of the latter. Apparently, it just happened this spring and we still haven't received any written notice of it. I would have thought they would have sent notice to every organization that was under an advance ruling period. I found out about it during one of the phone conversations. They said as long as we'd been filing our tax returns properly and on time, that we didn't have anything to worry about, so I think we're in good shape there.

In addition to the above, I asked if there was any possibility that we could maintain our 501(c)(3) status as a private foundation, since further reading on my part suggested there was, and was told that all we had to do was to continue filing our returns as we had been. I believe it is more complicated than that, but didn't argue the point as I felt more research needed to be done and that we would need to seek a written opinion from them in the end. When you look at the definition of a private foundation under 501(c)(3), it's not clear whether we can qualify for that or not.

Following my contact with the IRS, I contacted Silva Gurtner & Abney for an informal opinion, since they are going to be doing our tax return this year. They encouraged us to go ahead and take advantage of what was to be our final year under the advance ruling and file the long Form 990 that will be required of us this year and I agreed with that.

In the conversation I had with the IRS on August 17, the gentlemen I talked with said all we needed to do in the future was to file a 990 PF (for private foundation) instead of the 990 and that would take care of us under our current 501(c)(3), but I'm not sure that's correct. Silva Gurtner & Abney recommended that we explore our options in the coming months to maintain our 501(c)(3) status without meeting the public support test before we file for 501(c)(5) recognition. Additional assistance with this has been offered by Commissioner Gary Black from Georgia. He has recommended that I call an accountant they have who works with a lot of non-profits to get another opinion and I plan to do that.

Conflict of Interest Policy

The annual distribution of the conflict of interest policy was initiated following the mid-year meeting. The chronology of my effort to date to get all of your signatures is as follows: The policy and a signature page went out with an explanation via e-mail on February 25. With only nine responses received by May 23, a reminder went out to those that had not responded and that brought in an additional 10 by August 17. A second reminder went out on August 18 in an effort to pull in the remaining signatures before the annual meeting and I believe I now have all but two of those, as I have received several here at the meeting.

2011 Annual Report

The annual report was prepared by the Executive Director in August, distributed to the Governing Board on September 7 and published on the website on September 9.

Funding of Temporary Interstate Duty for State Personnel in Plant Pest Emergencies

This is a piece of business that needs to have some closure put to it. We had a lot of new members at this year's mid-year meeting and it was not on that agenda. It is something that was introduced at the 2010 mid-year meeting by National Plant Board (NPB) President Carl Schultz. He referenced the cooperative use of state personnel in wildfire control and animal disease emergencies within state and federal circles. He said the NPB would like to see a parallel mechanism for plant pest emergencies. He speculated whether the IPCC could underwrite such a mechanism with backing from APHIS and we looked at that. The Technical Advisory Committee and I reviewed Compact language with the conclusion that existing language would support such an endeavor. After that, nothing more was done on our part. The NPB continued its pursuit of this with APHIS into 2011 with the eventual determination that there were too many legal obstacles for APHIS to fund such a mechanism through the Compact. Efforts continue by the NPB and APHIS to find an appropriate vehicle to fund a cooperative emergency response mechanism that provides for temporary interstate duty by state personnel in plant pest emergencies. I just wanted those of you who weren't in on this when it came out originally to know exactly what was going on if you hear it being talked about.

Treasurer's Report

Executive Director Coffman gave the Treasurer's Report for Commissioner Strain.

Year-End Financial Report

All of the tables for the formal report are in the PowerPoint slides, so I'm not going to go through those individual tables. If you have any questions, you can certainly ask us, but in the

interest of time I'm just going to move on through those as we have done in the past. Looking at the highlights, total assets as of June 30 of this year were \$1,186,376.00. This represents an increase of \$9,706 from June 30 of last year. Funds are invested in a MorganStanley SmithBarney portfolio at varying rates of yield.

As for the investment risk, the IPCC portfolio follows the conservative investment strategy approved by the Governing Board on September 18, 2010. Investments were diversified in the following way as of June 30:

| | |
|--------------------------------------|------------|
| Money Market Funds | 9% |
| Accrued Interest | 1% |
| Exchange Traded and Closed End Funds | 10% |
| Preferred Stocks | 1% |
| Corporate Funds | 45% |
| Mutual Funds | <u>34%</u> |
| | 100% |

Contracts payable reported as \$52,000 represented the contractual balance due to the state of Minnesota for its approved eradication program this season.

Total revenues amounted to \$49,631, of which income on investments totaled \$41,234. Wisconsin paid the second installment on their state assessment and Louisiana made their third installment payment. No donations were received.

Investment income covered all of the administrative and operating costs of \$26,430 for the fiscal period. There were no fees or expenses associated with the investments.

A copy of the full report was sent out prior to the meeting for Governing Board member files and has been posted on the website.

At this point, I'm going to turn it over to Commissioner Strain to make any comments he might like to make and also Dr. Castille if she has any.

Commissioner Strain: Thank you, Charles. I also want to thank the investment committee and that would be Director Tom Jennings, Commissioner Steve Troxler, and Secretary Kee. What we've done, we've taken a hard look at the different investments that we have to make sure they are safe as these are all government funds. The rate of return is anywhere from 2 or 3 to 5%, but we've had a pretty sound investment strategy. We continue to work with Claire Meade, who is our investment person with MorganStanley SmithBarney. Do you have any questions on where we have the monies? Dr. Castille, do you have any comments?

Dr. Castille: No comments.

Commissioner Strain: Okay, thank you.

Chairman Kee: Thank you Commissioner and Dr. Castille. I will entertain a motion to accept the year-end financial report as presented. Motioned by North Dakota, thank you; seconded by Oklahoma. Any discussion on the motion? All in favor of the motion signify by saying 'I'; opposed... none. Thank you. Motion carried.

FY 2011-2012 Budget Approval

Chairman Kee: The next item is the FY 11-12 budget approval. It is in your packet, the sheet with the spreadsheet, and it is on the screen, thank you. Are there any questions for Charlie? We can entertain those. I would just say it is virtually the same level except the Colorado project is complete, so if you go down the blue column you can see the annual budget is less than the previous year, primarily because of the completion of the Colorado project. Charlie, do you have anything to add to that? Are there any questions about the proposed budget or comments?

Charlie: I might just say that we began purchasing the directors and officers liability insurance policy last year and the premium on that has gone up a little bit. I wasn't too keen on that, but I included that increase, and the \$850 that's shown on other expense, that's the fee that would be required if we filed for 501(c)(5) status with the IRS, so I plugged that in as a contingency. There is no figure in there yet for the additional engagement letter that we'll need from Silva Gurtner & Abney for the mid-year financial report, but I was planning to submit that when I get the information from them and have it ready for the Executive Committee.

Chairman Kee: Motion to approve the budget, please. Motioned by Wyoming; seconded by Wisconsin. Thank you, any other questions about the proposed budget? Hearing none...

Commissioner Doug Goehring (ND): Nothing specific, but in the future could we have the font just a little bit larger?

Chairman Kee: Some guys look like they're getting older, but we'll take that into consideration, thank you. Okay, with no further comments, all those in favor of the motion to approve the budget signify by saying 'I'; opposed... none. Okay, thank you. Motion carried.

The next item on our agenda is the insurance fund claims/projects; I'll turn it back to Charlie.

Insurance Fund Claims/Projects

Historical Denials

At the mid-year meeting, I think it was Director Coba from Oregon that asked as we were going through and considering approval of the Minnesota gypsy moth claim project, if there had been any historical denials of project proposals. I did some research on that and wanted to close it out with everybody, since the question was asked.

A review of the projects' history table lists two; one for cereal leaf beetle all the way back in 1970 and one for a common barberry survey in 1999. The table also lists a claim for gypsy moth eradication in 1985 that was withdrawn and two where less money was spent than originally requested; one for white-fringed beetle control in 1979 and one for Echium vulgare eradication in 2005. As a hedge against whether these listings were exhaustive, I consulted with previous Executive Director Bob Balaam, who built the website by the way, and he said he had researched

the record to construct the table for the website and to the best of his knowledge that was a complete list, so that should close that out for us.

Colorado: Eradication of Yellow Starthistle in Two Colorado Counties –

As Chairman Kee said, we had the closing out of the Colorado project against yellow starthistle, which was the third year of that project. Their second interim report, a report that is done every year which is more thorough than the update that is presented at these meetings, dated March 15, was published on the website on March 18. It can also be found in the recently completed 2011 Annual Report, which is on the website.

An update on the project's final field season through August was provided by the Colorado Department of Agriculture's Steve Ryder. That information is provided in the bullets in my slide, but I'm not going to go through those with the time constraint we have. I don't want to short change the project, but you can read those and they can also be found in my personal Executive Director's Report that was distributed to you prior to the meeting. The final report on the project will be due March 15, 2012, after which it will be put on the website, so you can look for it there.

Minnesota – Gypsy Moth Eradication

I do want to touch on the Minnesota project, as I have the bullets from their update here as well for you, mainly just to show you how fast we can move on projects. The cooperative agreement was finalized on February 22 with Commissioner Frederickson's signature. I didn't start work with them on the application until December and it was finalized prior to the mid-year meeting, so you can see how quickly we were able to move. Project treatments were completed on June 3, the invoice for the full claim amount of \$52,000 was received on August 9 and Dr. Castille paid the claim on August 15. The final report on the project is due January 31, 2012, and that will also be loaded on the website when it is completed. Again, you have the bullets there, but I'm not going to go through those in the interest of time.

Unfinished Business

We have the bylaws amendment to address and vote on this morning that was read at the mid-year meeting. Just briefly, Article 9 on Finance, I've put up the same slide we used then, addresses audits. It says the receipts and disbursements of the insurance fund shall be subject to the audit and accounting procedures established under its bylaws. It goes on to say that these audits shall be conducted yearly by a certified or licensed public accountant, but there were never any procedures put in the bylaws for this. So, with Tony Amoroso and Mauldin & Jenkins' staff, who we were working with at the time, we put together an amendment to Bylaw 7 by adding an 'e' to it. Bylaw 7 is "Financial Affairs" and we did read this at the mid-year meeting as required by the bylaws for an amendment: *"The insurance fund receipts and disbursements shall be accounted for using generally accepted accounting principles and mid-year (January) and annual (July) reviews conducted of that accounting that culminate in reconciled mid-year and annual financial reports. Full audits will only be conducted at the request of the Governing Board."* I'll turn it over to Chairman Kee for a motion on that.

Chairman Kee: OK, does everyone understand the motion. Those of you that were here at the mid-year probably remember some of the history. I'll entertain a motion to accept that bylaws

amendment. Okay, motioned by North Carolina and seconded by North Dakota. Any further questions or discussion on the amendment?

Commissioner Strain: Do you think we should give it some clarification... to better understand it?

Chairman Kee: Sure.

Commissioner Strain: The reason we're doing this, when you look at the amount of transactions they are very, very low and to do a full audit as is currently described would be costly. What we're saying is that our CPAs will do a review by standard accounting practices, but it had been in the bylaws for all these years that we were supposed to be doing these full audits which can run \$5-10,000 each time for just a handful of transactions. So therefore, in order to have our bylaws reflect what we have been doing, which was generally accepted, is why we have the amendment. But it also says that full audits will be conducted at the request of the Governing Board. So that when you turn in these reports, we are in compliance with what our bylaws say.

Chairman Kee: Thank you, commissioner; very helpful. Any other questions or discussion? Okay, hearing none, all those in favor of the amendment as presented signify by saying 'I'; opposed... none. Okay, thank you. Motion carried.

New Business

Personal Services Contract of the Executive Director (distributed prior to the meeting) – Renewal with no changes

Chairman Kee: The next item we're moving to is new business and that would be approval of the personal services contract for the Executive Director and that is reflected in the proposed budget or the finance part of it is. Charlie, do you have anything you'd like to say.

Charlie: No.

Chairman Kee: So I'll entertain a motion for what is a one year contract with no changes, and it was distributed, so I'll entertain a motion for approval of this personal services contract for Charles Coffman. Motioned by California; seconded by North Carolina. Any questions or discussion? Okay, seeing none, all those in favor of approving the contract signify by saying 'I'. Thank you. Motion carried.

Election of Officers and Executive Committee for 2011-2012

Chairman Kee: This slate was discussed and sort of arrived at both the mid-year meeting and in the months after that. You can see the slate as it is being presented. All of these folks have agreed to do this, so I will entertain a motion to accept the slate for both the officers and the executive committee as presented. Motioned by Wyoming; seconded by Vermont. Any other questions or discussion? Okay, all in favor of the two slates as presented signify by saying "I"; opposed... none. Motion carried.

Officers Slate

Chairman..... Tom Jennings (IL)
Vice Chairman..... Katy Coba (OR)
Secretary..... Walt Whitcomb (ME)
Treasurer..... Mike Strain (LA)

Executive Committee Slate

Chairman..... Tom Jennings (IL)
Midwestern Region..... Keith Creagh (MI)
Northeastern Region..... Chuck Ross (VT)
Southern Region..... Gus Douglass (WV)
Western Region..... Jason Fearneyhough (WY)

Chairman Kee: Okay, thank you very much. Is there any other new business to come before the Compact?

Commissioner Fredrickson: Thank you, I missed my opportunity to extend my appreciation for the expediency regarding the moving of the resources to Minnesota. We've been a member since 1969, I'm told, and we've applied for funds on a couple of occasions, and again I want to compliment you, Charlie, and the staff for moving that through on a rather quick basis. We were stuck with some financial problems at the state this past year with a significant deficit and a government shutdown. With the exception of the Department of Agriculture, we were fortunate enough to have our budget move along, so again, thank you very, very much, and I want to thank the state of Wisconsin and North Dakota, our neighbor states, for submitting letters of support for the project. So, thank you.

Chairman Kee: Thank you, we appreciate that comment. It is a system that works and I appreciate your observation, sir.

Any other new business to come before the Compact? Okay, hearing none and seeing none, I'll entertain a motion that we adjourn. Motion to adjourn was made and seconded. Meeting adjourned at approximately 8:10.

** Note: Appreciation is extended by the Executive Director to West Virginia Department of Agriculture (WVDA) Senior Executive Assistant Robin Gothard for providing the transcript from which the minutes were prepared and to the WVDAs Communications Director Chris Kelly-Dye for her assistance with maintaining the Compact's website.*

2012 Mid-Year Meeting Minutes – February 2012

Tuesday, February 7, 2012

5:00 PM – 6:00 PM

Hyatt Regency Reston, Reston, VA

Attendees:

Member States Present (24):

| | |
|----------------|-----------------------------------|
| Arizona | – G. John Caravetta (ADA staff) |
| California | – Karen Ross |
| Colorado | – Jenifer Gurr (CDA staff) |
| Louisiana | – Mike Strain (IPCC Treasurer) |
| Maine | – Walt Whitcomb (IPCC Secretary) |
| Maryland | – Buddy Hance |
| Michigan | – Keith Creagh |
| Minnesota | – Dave Frederickson |
| Mississippi | – Umesh Sanjanwala (MDAC staff) |
| Nebraska | – Bobbie Kriz-Wickham (NDA staff) |
| New Mexico | – Jeff Witte |
| North Carolina | – Richard Reich (NCDACS staff) |
| North Dakota | – Doug Goehring |
| Ohio | – Howard Wise (ODA staff) |
| Oklahoma | – Jim Reese |
| Oregon | – Katy Coba (IPCC Chair) |
| Tennessee | – Julius Johnson |
| Texas | – Todd Staples |
| Vermont | – Chuck Ross |
| Virginia | – Matt Lohr |
| Washington | – Dan Newhouse |
| West Virginia | – Janet Fisher (WVDA staff) |
| Wisconsin | – Ben Brancel |
| Wyoming | – Jason Fearneyhough |

Others Present (4):

| | |
|-----------------|---|
| Charlie Coffman | – IPCC Executive Director |
| Carrie Castille | – IPCC Treasurer Assistant & Deputy Assistant Commissioner, Louisiana Department of Agriculture & Forestry |
| Jim Barbee | – Acting Director, Nevada Department of Agriculture |
| John Campbell | – Mississippi Department of Agriculture & Commerce staff |

Call to Order

Chair Katy Coba (OR) welcomed everyone, called the meeting to order at 4:55 pm and asked Executive Director Charlie Coffman to call the roll.

Roll Call of Member States

Charlie called the roll and counted 22 member states present, which constituted a quorum (19 needed). *(Note: Upon examination of the attendance roster following the meeting, it was noted that two additional states were represented for a total of 24.)*

Approval of the September 17, 2011 Annual Meeting Minutes

Chair Coba noted there was a quorum and asked for a motion to approve the minutes of the 2011 annual meeting. Approval was moved by Doug Goehring (ND) and seconded by Keith Creagh (MI). Motion carried.

Report of the Chairman

No further report.

Executive Director's Report

Administrative Items

Executive Director Coffman opened with several administrative items. It was noted that an attendance roster had been placed at Arizona's station and the request was made for that to be circulated for attendees to sign for documentation of quorum purposes. Also, that a hard copy of the agenda had been placed at each station and a conflict of interest policy signature page for commissioners/secretaries/directors to sign.

Concerning the conflict of interest policy, the annual distribution of the policy and accompanying signature page was initiated following last year's mid-year meeting via e-mail. As reported at the annual meeting, response to that first-time effort was slow using that approach, as the last signature was not obtained until December. This year, in an attempt to make the exercise more efficient for everyone and improve turnaround time, signature pages are being distributed here. Those that signed last year already have a copy of the policy and know what it is, so I believe it is acceptable to proceed this way. For the record, the page must be signed by the Governing Board member, not a subordinate. The signed pages will then be scanned into the Compact's electronic record following the meeting. Those members not in attendance will be followed up on for signature via e-mail after the meeting. Signed pages should be left at the seating station and they will be picked up after the meeting.

Concerning the hard copy of the PowerPoint presentation that has been provided for the past four meetings or so, that is being discontinued. The only reason the practice was started was that Governing Board members weren't getting an electronic copy of it. Last year at this time, Secretary Brancel requested that an electronic copy be distributed prior to the meeting and that request was honored starting with the annual meeting in the fall. Cutting out the hard copy at the meetings just goes along with the effort that started with the previous executive director to go electronic as much as possible. Since the copy that goes out before the meeting is a draft and may get edited some with business continuing up to the meeting, a copy of the final version will be sent out after the meeting for members' electronic files.

Executive Director Coffman then gave his report highlighting issues affecting the Compact since the annual meeting on September 17, 2011 as follows:

Officer Turnover

An unexpected change took place in the Governing Board's chair position following the annual meeting in Salt Lake City in September. Illinois Director Tom Jennings, who had agreed to serve as chair for the current 2011-12 business year prior to the meeting, informed the executive director afterward in October that he had made the decision to retire. He apologized for any inconvenience his inability to serve would cause, but he was reassured that we understood his decision was a personal one and he was wished well.

Our vice chair, Oregon Director Katy Coba, who, under the bylaws, has the responsibility to take over the chair position until the next election at the 2012 annual meeting, was contacted and said she would be pleased to step in and fulfill those responsibilities and did so in early November.

The office of vice chair, in turn, is to be filled by election at this meeting. There is no specific written policy on regional rotation of officers, but past history has been to try to do that. Since the Midwestern Region lost the opportunity to serve in the chair position with Director Jennings' retirement, it is suggested that the nominee for the vacant vice chair come from that region.

Membership

Membership in the Compact continues to hold at 39 total parties. No new members have joined since the annual meeting in September. Membership promotion continued at that meeting with contact with Alaska, Hawaii, Idaho, Massachusetts, and Nevada. Follow-up contact was had with Massachusetts in December and Hawaii in January. Issues for all non-member states continue to be the cost of joining in struggling economies, their individual political atmospheres for making such a commitment and, in some cases, a feeling that the benefits just aren't there for them. Care has been taken not to be too pushy with promotion so as not to become counterproductive with it.

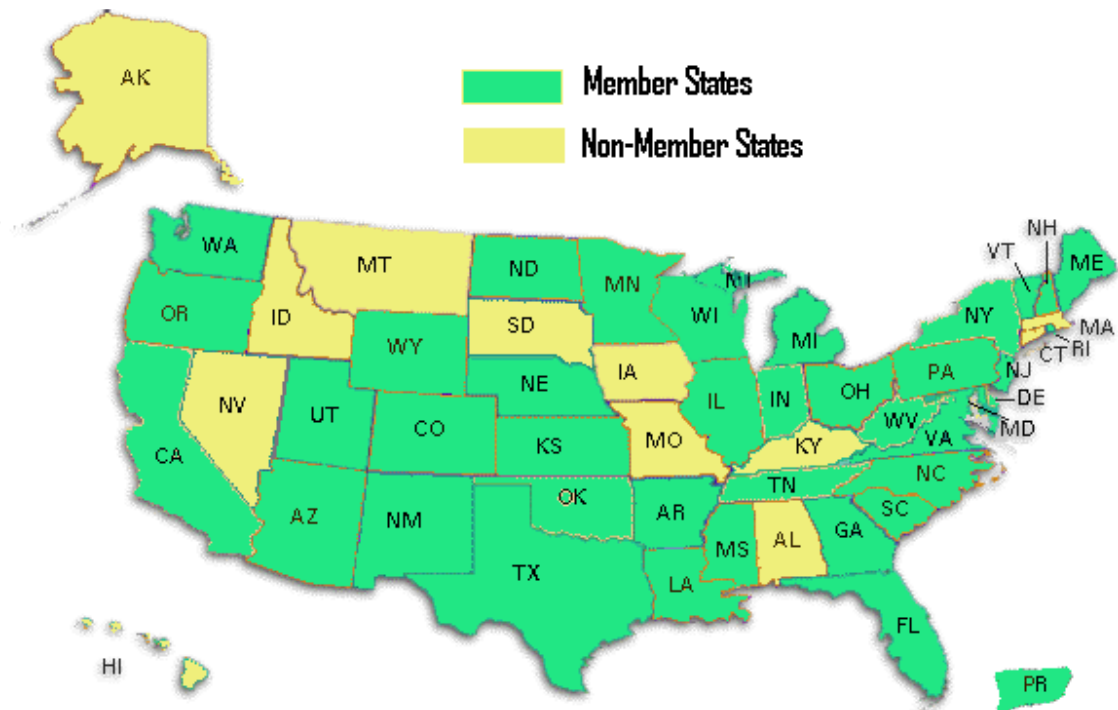
With non-member Kentucky having elected a new commissioner in the person of Jamie Comer, an introduction to the Compact was provided there, along with an invitation to join, which seemed to be very well received. Kentucky has split responsibilities for pest issues that include both the department of agriculture and the University of Kentucky. An effort was made to contact the university's Dr. John Obrycki to discuss membership with him prior to the meeting here without success. This effort will continue following the meeting.

Concerning membership assessments, Wisconsin paid its final installment of \$6,359.00 in October on a total assessment fee of \$19,077.00. This was received on October 3 and credited to our operating account on October 5. An official welcome to full membership is extended to Wisconsin on behalf of the Governing Board. Louisiana will be billed for its fourth installment payment on February 20. There are no other outstanding membership fees.

Regarding enabling legislation, Arizona has started its efforts to move again on theirs to reestablish full membership. Hopefully, that effort will be successful. John Caravetta is here from Arizona representing Director Butler and has an update for us.

John Caravetta (AZ): We very much support the Compact and have had our assessment fee paid in full for quite some time, but our enabling legislation has been challenging. This year, we had one of our farm organizations reach out to us to assist in possibly getting the legislature to consider the necessary enabling language. Up to this point, we have not been successful in getting any legislation introduced. We will continue to pursue it and will be doing whatever we can to get it done, as that is our objective.

Charlie: Thank you, John. Moving on to look at our membership map, please recall that I have encouraged those of you who have nonmember states adjacent to you to help in promoting membership in the Compact. Anytime you have an opportunity to do that, it would certainly be appreciated for you to help out and maybe it would turn the tide in getting them to take that step.



Treasury Status

MorganStanley SmithBarney (MSSB)

Internal Revenue Service (IRS) W-9s, Request for Taxpayer Identification Number and Certification, were filed for both of the Compact’s accounts with MSSB at their request. The purpose being to allow us to certify the Compact as an unincorporated nonprofit association to address new IRS reporting requirements on certain gross proceeds transactions for “S Corporations”, which we are not. The forms were filed electronically with our MSSB financial advisor, Claire Meade, on December 22.

Tax Return

For the record, note is being made here of a request from the IRS, dated July 25, 2011, for overdue tax returns; specifically, Employers Quarterly Federal Tax Returns for the three quarters ending 3-31, 6-30 and 9-30, 2008. Several things stood out in assessing this request. First, that we do not have any employees to file returns on, second, we have never been required to file quarterly returns and third, all of our annual returns have been properly filed prior to their deadlines. The form attached to the letter was filled out and an accompanying note written on August 1, 2011 in an effort to resolve the matter. Nothing further was heard until receipt of a second letter, dated October 31, 2011, that said, essentially, if we didn't send the returns previously requested that action could be taken against us. This was immediately followed up on the next day, November 1, with a call to them and contact with a Ms. Noboa, ID# 0676724, who checked our file and found the original response. Following an explanatory statement and further discussion, she couldn't understand why the request was made in the first place, so she proceeded to obtain permission from the appropriate staff to close the matter out and did so. She advised, however, that if nothing was heard from them after a period of time, to place a follow-up call to ensure that the matter had been closed. Such a call was placed on January 18, 2012, and it was determined, from talking with a Mrs. Calendar, ID# 1001137322, that it was closed.

The 2010 tax year (IPCC 2011 fiscal year, July 1, 2010 to June 30, 2011) federal income tax return was prepared by Silva Gurtner & Abney (SG&A). This year's return was required to be filed on Form 990, which is the long form. This required significant additional time from the executive director to respond to a detailed, 12-page, 990 Client Organizer questionnaire for the firm and then to review the lengthy draft return. The protracted preliminary work and preparation time for this long form caused the firm to request a 90-day extension of time to file to February 15, which the IRS granted, but then it was learned at the end of January, after Commissioner Strain had signed the return and they were prepared to file it, that the IRS had shut down the e-filing system for Form 990s and had suspended filing until March 1. Automatic extensions were granted to the affected organizations, so it should be filed shortly after March 1. The expectation was that the return would be loaded on the website by now, but that will have to wait until it is officially filed.

Mid-Year Financial Report

The engagement letter with SG&A, for preparation of the FY 2011-12 Mid-Year Financial Report, was drafted by the firm in late December, routed through the Executive Committee for approval and signed by the executive director on January 16. The quoted fee for the report, \$2000, was the same as that for the previously completed year-end report. A budget amendment will be needed later in the meeting to cover this cost approved by the Executive Committee.

The report, itself, was subsequently prepared by the firm from MSSB statements and other documentation provided by the executive director. It was filed on January 26, distributed to the Governing Board the same day and posted on the website on February 3.

While going through this exercise, discussion was had with SG&As Amy Verberne about the reports themselves and the processes we currently have for both the reports and the engagement letters. What we went through triggered a more analytical look at whether the Compact even needed an independent mid-year report, which would save it that much cost. It would be possible for the executive director to put together what might be sufficient in the way of a mid-year report from the MSSB statements; the question would be how much time it would take and what that cost would be versus what the Compact is paying them for an independent reconciled report. She said some firms/organizations actually have a system that works that way where they do their own internal quarterly or mid-year oversight reporting and only contract with them for a year-end/annual report, so she thought it was worth bringing up for discussion. She said there was also the possibility of setting up a spreadsheet process for the Compact to follow to plug in data for them from the MSSB statements, which would be that much less time they would have to spend on compiling the final report, but there would still be the issue of how much time the executive director would spend doing that and what that cost would be. She said when she looked at the cost to their lowest paying customers the figures were in the \$1600 to \$1800 range, which is less than half of what we are paying now for the two reports. If that ended up being the full cost for a full-year report and a mid-year report cost from the executive director could be kept to a few hundred dollars, say 8 to 10 hours of work, it might be considered worth it. All of this was brought up to Commissioner Strain, as our treasurer, and I'd like to let him comment on it at this point.

Commissioner Mike Strain (LA): There is a system where you can load the data in for a mid-term report and we could also use the information that is provided for us by Smith Barney. We have the monthly reports from them which we could use to do an in-house mid-term. We certainly could do that.

Charlie: The one hurdle here would be that we just got through passing a bylaws amendment last year that calls for an independent, reconciled report at year-end and mid-year, so we'd have to go back and address that. I think I could produce just about everything that's in the discussion points page fairly easily myself, but just how much time it would take, and hence cost, I don't know. With the bylaws issue facing us, we'd have to decide whether we want...

Commissioner Strain: That would be something we can decide at the annual meeting.

Charlie: Okay.

Commissioner Strain: That would require a bylaws change where we would only do an annual report, but we're not talking about a whole lot of data. We don't write that many checks.

Charlie: No.

Commissioner Strain: Right, we don't make that many pay-outs; one or two a year is what we pay, it's very, very few. So you're only talking about a handful of checks and then you take the statement, the printed statement coming from the investment company itself, Smith Barney, and that gives you the data.

Charlie: That's right.

Commissioner Strain: We can incorporate that; we could provide a copy of the investment report, a copy of the bank statements and our reconciliation and all the information is there.

Charlie: If we did a bylaws amendment to change that for the mid-year report, it would require two meetings, because we have to read the change one meeting in advance of the vote on it, so do you want me to draft language? What's your preference for an amendment, or do we want to stick with what we're doing?

Commissioner Strain: Well, I think we could take, if we needed to, in our bylaws, we have to have two meetings how far apart?

Charlie: No, it just has to be read one meeting in advance of the amendment.

Commissioner Strain: Any bylaws change would have to be done at the regular yearly meeting. That's when most bylaw changes are made, so for now we have to go ahead, we've done the mid-year report, correct?

Charlie: Yes.

Commissioner Strain: Alright, if we can do this when we have our fall meeting, we can have that drafted for that meeting and discuss it again at that time.

Charlie: Okay.

Chair Coba: The key for me would be to do it if we think it's going to save ourselves money.

Commissioner Strain: It will.

Chair Coba: Charlie, I don't know if you need to do a little more homework to really get a sense of the time it's going to take, and if we think it's going to save money, let's move forward with the bylaws change, if not, we'll leave it the way it is.

Charlie: I can report on that at the annual meeting.

Moving on in regard to SG&A engagement letters, Amy Verberne said that, historically, they have tried to get the July 31 (year-end) report deadline letters out in the March-April time period and the January 31 (mid-year) report deadline letters out in November, but,

due to a number of reasons, they were late getting most all of their letters out even into the last week of December this past year. She said this year they are planning to move to a system where they will have the July report deadline letters out with, or shortly thereafter, the January reports and the January report deadline letters out with, or shortly thereafter, the July reports. Implementation of this schedule appears to be on track, as the engagement letter for our year-end financial report was issued on January 27 immediately following the completion of the mid-year report, which will allow it to be considered for approval by the full Governing Board later on in this meeting.

Directors and Officers Liability Insurance

Just briefly on the directors and officer's liability insurance, a copy of that policy was distributed for your files back on December 16.

Conflict of Interest Policy and Signature Page

On the conflict of interest policy and signature page, for anybody that came in late, a copy of the signature page should be at your station for you to sign today. You've already had the policy itself distributed to you, so I just wanted to let you know the signature page is there to be signed, which will save having to do it later via e-mail.

Executive Director Personal Services Contract Revision

Work on the previously mentioned 990 client organizer for our tax return led to the discovery that there was no wording in the executive director's contract covering travel reimbursement. Why that was overlooked is unknown, but it was not in there and was just discovered when we were asked for that type of information in the client organizer. Therefore, an amendment is proposed to the 2012-13 year contract, which would become the third bullet in the compensation section of the contract. It would read, "*The Compact will reimburse the executive director for normal travel expenses related to the position not to exceed the amount set by the annual budget of the Compact.*" If the amendment is passed, it would be inserted in next year's contract. I'm not recommending that we re-sign the current contract, because I've just been following the same process that my predecessor went through on travel reimbursement and it's working, so this just puts some wording in there for it.

Chair Coba: So Charlie, just to clarify, we already have a line item for executive director travel reimbursement, we just don't authorize it in the travel contract and this amendment would that.

Charlie: That's right.

Chair Coba: Can I have a motion to move the amendment to the personal services contract?

Dan Newhouse (WA) moved, and Doug Goehring (ND) seconded. Motion carried.

Treasurer's Report

Treasurer Mike Strain: The total assets as of December 31st are \$1,148,617, representing a decrease of \$37,759 from June 30, 2011. Funds are invested in a MorganStanley SmithBarney portfolio. Also, in the full report that was sent out to you, you can look at those investments and they are in various different bond funds, considered safe bond funds, and they all bring in a good rate of return with the exception of a few that are about 1.7 to 2.9%. The majority of them are in and around 5% when you blend it out. Total revenues amounted to \$33,561, income on investments was \$27,202 and the State of Wisconsin paid its third and final installment on its

assessment fee. Investment income covered all of the administrative and operating costs of \$16,463 and the reason you see that we have less net assets at this time than we did on June 30 is because in addition to the income there was one payment of, I think, \$50-52,000; is that correct, Charlie?

Charlie: Yes, that was to Minnesota for their gypsy moth project.

Treasurer Strain: So, if you take the difference between the net of the investment income minus the \$52,000 it brings you to the \$37,759.

Charlie: Commissioner, do you want to look at any of the tables specifically; I have each of those on slides?

Treasurer Strain: Each of the investment vehicles?

Charlie: I do have that one, yes.

Treasurer Strain: You can just put that one up. There is a general rule that we have to keep a certain amount of money fluid at all times and we will be reallocating some of the money as these investment entities mature into the cash portion. Of course, we will try to pick the ones that have the lowest rate of return (for reallocation).

Before we leave the report, we are going to have to elect someone else to the investment board and I think, Doug, are you willing to serve on the investment board? The investment board, I think, Commissioner Troxler, you're on there with me as well, and so, before we make any decisions working with our investment counselor that is at Smith Barney, we generally pass it around the investment board so it's not a single person's decision on these investment grades and we invest very conservatively. So, we have a volunteer? Do we need a motion?

Chair Coba: I think we have two motions. First, we need a motion to receive the mid-year financial report. Moved by Jason Fearneyhough (WY) and seconded by Karen Ross (CA). Motion carried.

Our next motion is to approve the selection of Commissioner Goehring (ND) as a member of the Investment Committee. Mike Strain (LA) motioned approval and Richard Reich (NC) seconded. Motion carried.

Charlie: Now that we've taken care of the Investment Committee member, we need a budget amendment for accounting services that's needed to cover the \$2,000 for the mid-year financial report that was approved by the Executive Committee in January. Looking at the budget (attached here at the end of these minutes), the accounting services figure has been increased by \$2,000, to \$4,000, to cover the cost of the report.

Chair Coba: We need a motion to increase the cost in the accounting services line item from \$2,000 to \$4,000. Doug Goehring (ND) moved and Jeff Witte (NM) seconded. Motion carried.

Insurance Fund Claims/Projects

Colorado: Yellow Starthistle Eradication Final Report

Colorado's yellow starthistle final report was submitted early. It was a pleasant surprise getting it from Steve Ryder, who is the weed specialist there. It wasn't due until mid-March, but the initial draft was received the second week in January, the review process was completed shortly thereafter and it has been loaded on the website. It can be found at the end of Colorado's project link in the projects history table. The highlights from the report are as follows:

1. Funds from the Compact were used to hire seasonal employees to form early detection rapid response (EDRR) teams whose sole responsibilities were to scout, map, and eradicate yellow starthistle in the two counties.
2. Moffat County, in 2009, found a total of six plants; in 2010, only one plant was found, and no plants were found in 2011.
3. In Larimer County, the EDRR team invested nearly 1,200 hours on its infestation and past eradication areas have shown no sprouting for a year or more. The county feels the northern half of the 100-acre infestation was finally cleared in 2011 with the removal of the last two plants there.
4. All landowners in both counties with yellow starthistle infestations and many neighboring landowners and others throughout both counties have been educated about yellow starthistle.

Charlie: We need a motion to receive Colorado's final report. Dave Frederickson (MN) moved receipt and Jason Fearneyhough (WY) seconded.

Chair Coba: Thank you; any questions, comments, Colorado, anything to add? Motion carried.

Minnesota: Gypsy Moth Eradication Final Report

Minnesota's final report was received just yesterday via e-mail. The highlights from it are as follows:

1. Three eradication sites totaling 1,519 acres in Anoka, Hennepin, and Washington Counties in the Minneapolis/St. Paul metro area were treated with organic formulations of BTK (Foray 48B).
2. An in-house Incident Command System was used to manage the spray projects.
3. The state government shutdown had significant impact on their public notification process, but, overall, calls and complaints were not unusually high for an urban project of this magnitude.
4. A Safety Assurance Review was hosted by the state in response to a request from the Aerial Application Safety Council. Overall, high marks were earned for emphasizing safety, using social media platforms for outreach and including multiple agencies in the delivery of the treatments.
5. Evaluation of three sites by the Gypsy Moth Slow-the-Spread Program decision algorithm determined that all three projects were successful.

Charlie: Commissioner Frederickson, do you want to comment?

Commissioner Dave Frederickson (MN): Madam Chair, Charlie and members, again, I want to thank the Compact for the early money given the fact we weren't able to come up with the

resources initially, so that \$52,000 helped us move along very quickly, and as you can see on our year-end report, we were successful. The project survived thunderstorms, the state shutdown, migration to a new accounting system in our state, and extreme summer heat. With all of those problems, we still managed to have a successful outcome; so again, my hat is off to you for the support of the Minnesota project, thank you.

Chair Coba: Thank you, commissioner. Do I have a motion to receive the commissioner's final report? Dan Newhouse (WA) moved and Karen Ross (CA) seconded. Motion carried.

Unfinished Business

Tax Status

Charlie: Follow-up continues on the Compact's tax status. This has been a thorny issue since I took over and it hasn't been solved yet, but I feel the best I've felt about it since we started working on it.

To recap, Mauldin & Jenkins CPAs LLC, the firm that assisted us during Commissioner Tommy Irvin's treasurer term, being familiar with the Compact and its operation, agreed in 2010 that a 501(c)(5) classification looked like our best option if we could not meet the public support test for our 501(c)(3). At that point, with one full tax year remaining on our 501(c)(3) advance ruling period, the pursuit of reclassification to a 501(c)(5) was temporarily shelved to see if it was possible for an organization to maintain a 501(c)(3) classification without meeting the public support test. The indication from the IRS was that it was possible as a private foundation, but the question of whether the Compact could remain fully tax exempt was still unclear.

Upon becoming involved with SG&A under new Treasurer Mike Strain, they were apprised of the uncertainty surrounding our tax status classification and staff member Kellie Roe indicated that after our current tax return was completed they would begin to take a look at what direction they think we should go. Further discussion was had with her on this prior to the mid-year meeting. She said for them to proceed on our behalf they would need us to give them temporary power-of-attorney to be able to talk to the IRS. I have not had any experience with temporary power-of- attorney, but I took advantage of one of our non-member states and asked Blair Dunn from South Dakota, who is a lawyer, and he said it shouldn't be any problem if it was needed. He said that normally the firm itself would probably have the forms to fill out if it came to that, because they do this for their clients on a somewhat routine basis; it would be set up for a certain length of time, like 30 days, or whatever it was felt was needed.

Concerning the cost of assistance with the reclassification effort, Kellie said she couldn't give us an answer, as it was too difficult to estimate. She was asked if they would consider donating the time to us as a nonprofit and said she would have to ask Brent Silva and get back to us, but I have not had any feedback from her and that was right before the meeting. In closing, I made her aware that we were investigating a second opinion from an individual recommended by Georgia Commissioner Gary Black.

At Commissioner Black's recommendation, contact had been made with Dublin, Georgia, CPA Wayne Christian in December. Wayne has a lot of experience with non-profit organizations and Commissioner Black felt he could possibly be of help to the Compact on this issue. Wayne said

it would be after Christmas, but he would take a look at a range of the documentation we have on our website to form an opinion and get back to us. He was asked if he could do the work without charging us, since we work purely in the public interest, and he is currently doing that. Follow-up to/from him occurred on February 2nd, 3rd and 4th. He said the way he sees our stream of assessment income, with the source of it being strictly through publicly supported state government agencies, the fact that none of our investment income inures to private interests, and the way we operate, he believes we are on solid ground with our classification the way it is. He said that he, too, would need temporary power-of-attorney to talk to the IRS for us if we chose to have him work with us on the matter. He said another possibility might be to get him, or our alternate firm, on a three-way call with the executive director and the IRS where the executive director would be the one with the organization's authority to speak to them and allow our support interests to ask questions.

Work will continue on this matter until it is resolved following the mid-year meeting. What I would like to do is continue to work with Kellie Roe, since they're the ones preparing our tax return, to see if they come to the same conclusion as Wayne, and be able to do it without having to talk to the IRS.

Commissioner Strain: What I intend to do, I'll work with you on that and I would like to talk to both of them and listen to their opinions as CPAs. This is like getting an opinion from an attorney, it's the same thing, whether we should maintain our current tax status, but also what the risks might be if we do not; that is my intention.

Mike Cooper (National Plant Board President): Just in the way of information, the Plant Board went through this about two years ago and we had the IRS, after a tax filing, just flat out deny our 501(c)(3) status and require us to change to a 501(c)(5).

Commissioner Strain: That was some of the initial discomfort that was brought to our attention; I think by Brent Silva initially, that we may need to look at this. We need to look at what the risk/benefit ratio is and if we need to go ahead and become 501(c)(5), then we will need to pursue that, but what I'd like to do is look at that information and bring that back to you as a report.

Chair Coba: So, if we could have Commissioner Strain work with Charlie to continue this discussion and get a report back at the NASDA annual meeting, does that work? Anybody else have any suggestions, comments? Okay, that's the plan.

Charlie: I might just comment that the problem with our organization is we just don't fit the description of a private foundation. It's like every time I read about this it's like trying to fit a square peg in a round hole. They just don't have a definition that we fit well. Certainly as an agricultural organization as Mike Cooper talked about with the 501(c)(5), that's what actually pulled us in that direction. So, I guess we'll see where we go after further discussion.

New Business

Wording to Cover Travel Reimbursement in the Executive Director's Contract

Charlie: We've already completed this item in the executive director's report above.

FY 2012 Year-End Financial Report Engagement Letter from Silva Gurtner & Abney

Charlie: One thing we haven't approved is the FY 2012 year-end financial report engagement letter from Silva, Gurtner & Abney. These have been going through the Executive Committee, because the firm's preparation timeframe has kept them from being addressed by the full board at regular meetings, but their new schedule for getting them out has changed that. I looked this one over prior to the meeting and it is exactly the same as the preceding ones and the price remains at \$2,000. I think this one will go more smoothly and I just need approval to sign it.

Chair Coba: And the Executive Committee did review the engagement letter and thought it looked fine, so I need a motion to approve the year-end report engagement letter. Keith Creagh (MI) moved approval and Buddy Hance (MD) seconded. Motion carried.

Possible Budget Amendment for Executive Director Personal Services and General Administration Fee

Charlie: This item was not on the tentative agenda. It is something I talked to our chair about – a possible budget amendment for my personal services and general administration fee based on the fact that I've been running ahead (of the budget) with the extra work I've done on financial reporting work with Silva Gurtner & Abney. I'm running about \$1,500 ahead of the same time last year and I don't know how much time is going to be required for this in the coming six months, so we talked about a possible amendment there.

Chair Coba: So, what I'd like to do is move into an executive session to discuss the executive director's contract. In a minute, Charlie, I'm going to have you step out of the room so we can discuss it, but before we do that, Commissioner Strain, I know you probably have the most background on costs and things, but I wanted to see if there were questions of Charlie before we had him step out of the room or if anyone else had questions.

Commissioner Strain: Charlie, my understanding of your basic contract is that you are paid \$35.00 per hour and also a proration of \$38.00 a day to cover office overhead or additional overhead. So, whatever part of the day, if you work four hours in a day then one-half of that \$38.00 is also there plus travel expenses.

Charlie: That's right.

Chair Coba: And you keep track of your hours, basically, and the concern is we're going to bump up and potentially exceed the total amount that's budgeted. Is that correct?

Charlie: That's correct and I'm already donating time to the tune of maybe 15-20 percent or so that I haven't been charging for – just as an added point.

Governing Board Executive Session (Executive Director excused)

Meeting Resumed

Chair Coba: We're now out of executive session. First of all, we want to express our thanks to you, Charlie, and the time you've put in dealing with our tax issue and recognize that has increased the amount of time you're spending. I think it's fair to say that there is just general

concern about the sustainability of the program overall, fixed membership, how we continue to have a viable fund available in case we have issues to deal with, as well as maintaining a very capable, competent executive director, which we have. So, where we've ended up, and I'll try to explain this in the form of a motion and then someone can move it, is that we're hopeful that we can resolve the tax status issue by September. That would be our goal, but recognizing that you have had increased time and effort, what we'd like to move is a supplemental payment in the budget up to \$2,300, so that would be up to \$2,000.00 for your personal services time and up to \$300.00 for the associated overhead costs for that, but make clear that our goal is to resolve this issue hopefully in this budget year, and then we would move back to base salary which we started with this year as the starting point for the 2012-13 budget. Commissioner Strain and you can work between now and September to indeed see if we can get the tax status issue resolved and review overall costs to see if there is any other places we can find savings and bring any recommendations back for the 2012-13 budget at the September meeting. In essence, the motion would be to move to a supplemental payment of up to \$2,300 for the 2011-2012 budget. Jason Fearneyhough (WY) moved and Karen Ross (CA) seconded. Any further discussion, questions or comments? Charlie, any questions for us? Does that make sense to you?

Charlie: Yes, that's fine.

Chair Coba: Again, we really want to thank you for your hard work. So, if there are no further questions, all those in favor signify by saying 'aye'; any opposed? So moved.

Election of a Vice Chair for the remainder of 2011-2012

Charlie: We're up to the election of a vice chair for the remainder of 2011-2012 and I want to thank MASDA for their nominee, Dave Frederickson from Minnesota, that I obtained yesterday in their meeting. Nomination moved by Ben Brancel (WI) and seconded by Keith Creagh (MI).
Chair Coba: Thank you, Commissioner Frederickson, we appreciate you volunteering. That's what happens when you bring a project forward. Do you have any comments to defend yourself?

Commissioner Frederickson: None at this time, I graciously accept.

Chair Coba: Thank you, all those in favor please say 'aye'; any opposed? Welcome aboard.

Charlie: Actually, we have one last item that came to me at this meeting for other new business. We've had a request from the National Plant Board for me to appear at their national meeting in July in Connecticut. Mike Cooper asked me, when was the last time the Compact appeared in front of the Plant Board for a presentation? I looked that up in Bob Balaam's electronic records and it was 2004, so it has been eight years since we've been there with a presentation. I am willing to do it, but it would require another budget amendment when we're talking about saving money. I estimated approximately \$1,000 after checking on airfare and the cost of rooms for the meeting. They're willing to waive the registration costs for me if you approve it.

Commissioner Goehring: Charlie, what would the purpose be? Not that I don't see value, but I need to see more value than just going to the meeting and giving a report and presentation.

Charlie: There are a lot of new members, just like there are new commissioners, secretaries, and directors, and I recognize some of them from my work with them; new state plant regulatory officials in the plant board system. They want to increase awareness, to explain to them how things work, how the Compact works, what it has accomplished, and as a promotional thing for improving membership, maybe getting support from the Plant Board side to get their commissioners, secretaries, directors more interested in joining us. That's the impression I get. Mike, is that correct? (Mike Cooper had left the room and could not respond.)

Secretary Ben Brancel (WI): Madam Chair, if the Plant Board would like to pay for him to attend, I'm all for him attending, but I don't think we can have a discussion about overhead costs and the amount of money that sustains this body and then turn around and adopt another \$1,000. If the Plant Board feels it is valuable and valuable enough to pay for it, I'm all for him going to it.

Chair Coba: Any other comments? My suggestion would be, especially in light of this current year's budget challenges that we hold off and that could possibly be something that Commissioner Strain and Charlie discuss in preparation for next year's budget if we think it is valuable enough and can possibly identify savings in other places, but for this year probably not. Is that okay with everyone? Okay.

Adjourn

After asking for any other new business, questions or comments, of which there were none, Chair Coba adjourned the meeting at approximately 6:06 pm.

** Note: Appreciation is extended by the Executive Director to West Virginia Department of Agriculture (WVDA) Senior Executive Assistant Robin Gothard for providing the transcript from which the minutes were prepared and to the WVDA's Communications Director Chris Kelly-Dye for her assistance with maintaining the Compact's website.*

**Interstate Pest Control Compact and Pest Control Insurance Fund
Amended FY 2011-2012 Budget**

| Budget Line Item | FY 2010-2011 | | Amended FY 2011-2012 | |
|--|---------------------|---------------------|-------------------------|--------------------|
| | Budget (\$) | Actual (\$) | Budget (\$) | Change (\$ +/-) |
| Management Services | | | | |
| Executive Director Services | 19000 | 19440 | 21000 ¹ | 2000 |
| Travel and Registration | 3800 | 2787 | 3800 | 0 |
| Bond ² | 100 | 0 | 0 | (100) |
| Facilities and Administrative Costs | | | | |
| Overhead ³ | 3300 | 3429 | 3600 ⁴ | 300 |
| IPCC Website | 200 | 207 | 210 | 10 |
| Supplies | 200 | 0 | 200 | 0 |
| Postage | 200 | 0 | 200 | 0 |
| Printing | 400 | 0 | 400 | 0 |
| Insurance ⁵ | 535 | 535 | 593 | 58 |
| Equipment | 0 | 0 | 0 | 0 |
| Charitable Solicitation Registration ⁶ | 1000 | 0 | 0 | (1000) |
| All Other Expense ⁷ | 0 | 32 | 850 | 850 |
| Contractual Services | | | | |
| Accounting Services ⁸ | 0 | 0 | 4000 | 4000 |
| Tax Return ⁹ | 0 | 0 | 1500 | 1500 |
| Special Purpose | | | | |
| Technical Advisory Committee | 500 | 0 | 500 | 0 |
| Special Committee | 0 | 0 | 0 | 0 |
| SUBTOTAL | 29235 | 26430 | 36853 | 7618 |
| Claims/Projects | | | | |
| Colorado | 22000 | 22000 ¹⁰ | 0 | (22000) |
| Minnesota | 52000 ¹¹ | 0 | 52000 ¹² | 0 |
| TOTAL | 103235 | 48430 | 88853 | (14382) |

1. A one-time, supplemental increase of \$2000 was added to the \$19000 base amount on 2-7-12.
2. Based on the decision at the 2011 mid-year meeting to not purchase a fidelity bond for those handling Compact funds due to the extremely low risk involved, this line item is being zeroed and will be dropped.
3. Includes NASDA meeting room charges as well as agreed upon general administration fee.
4. A one-time, supplemental increase of \$300 was added to the \$3300 base amount on 2-7-12.
5. Directors & Officers Liability Insurance approved for annual purchase on 9-18-2010.
6. State fees for non-profit organization charitable solicitation registration; no longer seen as needed with the anticipated change in status from a 501(c)(3) organization, so it has been zeroed and will be dropped.
7. Anticipated Internal Revenue Service status change application user fee.
8. Silva Gurtner & Abney estimates (\$2000 each) approved by the Executive Committee in May 2011 and

January 2012, respectively.

9. Silva Gurtner & Abney estimate approved by the Executive Committee in May 2011.
10. Final payment of three.
11. MN claim approved for expenditure during the 2011 calendar year at the 2011 mid-year meeting.
12. No invoice submitted by MN in FY 2010-11, so the full amount was carried over.

**Annual Financial Report
July 1, 2011 - June 30, 2012**



**INTERSTATE PEST CONTROL COMPACT
INSURANCE FUND**

FINANCIAL REPORT

**Financial Report as of June 30, 2012
And for the Period of Twelve Months Then Ended**



Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*
*Limited Liability Company

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Governing Board of
Interstate Pest Control Compact Insurance Fund
Saint Albans, West Virginia

We have compiled the accompanying statement of assets, liabilities, and net assets of Interstate Pest Control Compact Insurance Fund (an unincorporated nonprofit association) as of June 30, 2012 and 2011, and the related statements of revenues, expenses, and changes in net assets and cash flows for the twelve month period ended June 30, 2012, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary information are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary information in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements or supplementary information.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Interstate Pest Control Compact Insurance Fund's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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The accompanying financial statements have been prepared assuming that Interstate Pest Control Compact Insurance Fund will continue as a going concern. As discussed in the Discussion Points for Treasurer's Report, Interstate Pest Control Compact Insurance Fund's status changed from a public charity to a private foundation. Because of this, Interstate Pest Control Compact Insurance Fund's management is expected to present various options to its governing board at its annual meeting in September 2012 to discuss whether it should remain a private foundation or otherwise terminate under the provisions of the Internal Revenue Code. The financial statements do not include any adjustments that might result from the outcome of this status change.

Silva Gurtner & Alney, LLC

July 24, 2012

INTERSTATE PEST CONTROL COMPACT INSURANCE FUND
DISCUSSION POINTS FOR TREASURER'S REPORT
JUNE 30, 2012

Highlights from Year-End Financial Report – Twelve months ended June 30, 2012:

Total assets at June 30, 2012 were \$1,167,950. This represents a decrease of \$18,426 from June 30, 2011. Funds are invested in a Morgan Stanley, Smith Barney Portfolio earning varying rates of yield.

Investment Risk: The Interstate Pest Control Compact (IPCC) Portfolio follows the conservative investment strategy approved by the IPCC Governing Board on September 18, 2010. Investments were diversified in the following way as of June 30, 2012:

| | |
|--------------------------------------|------|
| Money Market Fund | 7% |
| Accrued Interest | 1% |
| Exchange Traded and Closed End Funds | 11% |
| Preferred Stocks | 1% |
| Corporate Bonds | 45% |
| Mutual Funds | 35% |
| | 100% |

Total revenues amounted to \$58,497, of which income on investments totaled \$50,100. The State of Wisconsin paid the third (and final) installment on their state assessment and the State of Louisiana paid the fourth (of six) installment on their state assessment. No donations were received.

Total income covered all of the administrative and operating costs of \$54,506 for the twelve month period ended June 30, 2012. There were no fees or expenses associated with the investments.

During the twelve months ended June 30, 2012, Interstate Pest Control Compact's status under section 501(c)(3) of the Internal Revenue code changed from public charity to private foundation due to its failure to meet the public support test as required by IRS form 990 Schedule A and IRC 170(b)(1)(A)(vi) within its first five years of existence. As a result, management recorded an income tax payable and expense in the amount of \$21,599.

IPCC is expected to present various options to its governing board at its annual meeting in September 2012 to discuss whether it should remain a private foundation or otherwise terminate under the provisions of the Internal Revenue Code.

INTERSTATE PEST CONTROL COMPACT INSURANCE FUND
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
AS OF JUNE 30, 2012

| | 2012 | 2011 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Money market fund | \$ 79,005 | \$ 104,055 |
| Accrued interest | 7,973 | 8,043 |
| Exchange traded and closed end funds | 132,188 | 118,688 |
| Preferred stocks | 11,762 | 11,509 |
| Corporate bonds | 530,277 | 538,167 |
| Mutual funds | 406,745 | 405,914 |
| Certificates of deposit | - | - |
| | - | - |
| TOTAL ASSETS | \$ 1,167,950 | \$ 1,186,376 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 1,937 | \$ 576 |
| Contracts payable | - | 52,000 |
| Income tax payable | 21,599 | - |
| | 23,536 | 52,576 |
| Total liabilities | 23,536 | 52,576 |
| NET ASSETS | | |
| Unrestricted | 1,144,414 | 1,133,800 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,167,950 | \$ 1,186,376 |

See accompanying independent accountants' compilation report.

**INTERSTATE PEST CONTROL COMPACT INSURANCE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE PERIOD OF TWELVE MONTHS ENDED JUNE 30, 2012**

| | | |
|---|----|----------------------------|
| REVENUES | | |
| Interest earned - money market fund | \$ | 7 |
| Dividends and interest - stocks and bonds | | 50,093 |
| Membership fees | | 8,397 |
| Donations | | - |
| | | <hr/> |
| TOTAL REVENUES | | 58,497 |
| EXPENSES | | |
| Executive director services | | 20,178 |
| Travel and registration | | 3,081 |
| Overhead | | 2,912 |
| Website expense | | 204 |
| Supplies | | - |
| Insurance | | 592 |
| Miscellaneous expenses | | - |
| | | <hr/> |
| Operating expenses | | 26,967 |
| Accounting services | | 4,000 |
| Tax return | | 1,940 |
| Income tax expense | | 21,599 |
| Contracts expenses (claims) | | - |
| | | <hr/> |
| TOTAL EXPENSES | | 54,506 |
| EXCESS REVENUES OVER EXPENSES | | 3,991 |
| UNREALIZED GAINS (LOSSES) | | 6,623 |
| | | <hr/> |
| CHANGES IN NET ASSETS | | 10,614 |
| NET ASSETS - Beginning of period | | 1,133,800 |
| | | <hr/> |
| NET ASSETS - End of period | | <u>\$ 1,144,414</u> |

See accompanying independent accountants' compilation report.

**INTERSTATE PEST CONTROL COMPACT INSURANCE FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD OF TWELVE MONTHS ENDED JUNE 30, 2012**

| | | |
|---|---------------|----------------------------|
| BALANCE ON JULY 1, 2011 | | \$ 1,133,800 |
| ADD - INFLOWS | | |
| Dividends and interest received | | |
| Interest earned - money market fund | 7 | |
| Dividends and interest - stocks and bonds | <u>50,093</u> | 50,100 |
| Membership fees | | 8,397 |
| Donations | | <u>-</u> |
| TOTAL INFLOWS | | 58,497 |
| DEDUCT - OUTFLOWS | | |
| Operating expenses | | |
| Executive director services | 20,178 | |
| Travel and registration | 3,081 | |
| Overhead | 2,912 | |
| Website expense | 204 | |
| Supplies | - | |
| Insurance | 592 | |
| Miscellaneous expenses | <u>-</u> | 26,967 |
| Accounting services | | 4,000 |
| Tax return | | 1,940 |
| Income tax expense | | 21,599 |
| Contract expenses (claims) | | - |
| Unrealized gains | | <u>(6,623)</u> |
| TOTAL OUTFLOWS | | <u>47,883</u> |
| BALANCE ON JUNE 30, 2012 | | <u>\$ 1,144,414</u> |

See accompanying independent accountants' compilation report.

SUPPLEMENTARY INFORMATION

**INTERSTATE PEST CONTROL COMPACT INSURANCE FUND
BUDGET VS ACTUAL REPORT
FOR THE PERIOD OF TWELVE MONTHS ENDED JUNE 30, 2012**

| | FY 2011 - 2012 | | |
|--|-----------------------|------------------|--------------------------------|
| | Budget | Actual | Over (Under) Budget |
| MANAGEMENT SERVICES | | | |
| Executive director services | \$ 21,000 | \$ 20,178 | \$ (822) |
| Travel and registration | 3,800 | 3,081 | (719) |
| Bond | - | - | - |
| FACILITIES AND ADMINISTRATIVE COSTS | | | |
| Overhead | 3,600 | 2,912 | (688) |
| IPCC website ** | 210 | 204 | (6) |
| Supplies | 200 | - | (200) |
| Postage | 200 | - | (200) |
| Printing | 400 | - | (400) |
| Insurance | 593 | 592 | (1) |
| Equipment | - | - | - |
| Miscellaneous expenses | - | - | - |
| Charitable solicitation registration | - | - | - |
| All other expense | 850 | - | (850) |
| CONTRACTUAL SERVICES | | | |
| Accounting services | 4,000 | 4,000 | - |
| Tax return | 1,500 | 1,940 | 440 |
| SPECIAL PURPOSE | | | |
| Technical advisory committee | 500 | - | (500) |
| INSURANCE CLAIMS | | | |
| Colorado (3 of 3) | - | - | - |
| Minnesota (1 of 1) | 52,000 | - | (52,000) |
| OTHER | | | |
| Income tax expense | - | 21,599 | 21,599 |
| TOTAL | \$ 88,853 | \$ 54,506 | \$ (34,347) |

**includes website hosting and domain name registration

See accompanying independent accountants' compilation report.

**INTERSTATE PEST CONTROL COMPACT INSURANCE FUND
INVESTMENTS
AS OF JUNE 30, 2012**

| Investment | Amount | Date Acquired | Maturity Date | Duration (Years) | Interest | Current Value |
|---|------------|------------------|------------------|---------------------|----------|---------------------|
| Cash balance | \$ - | | | | | \$ - |
| Money market fund | | | | | | |
| Morgan Stanley AA Money Trust | 79,005 | | | | 0.010% | 79,005 |
| Accrued interest on bonds/cds | 7,973 | | | | 0.000% | 7,973 |
| Exchange traded and closed end funds | | | | | | |
| Nuveen Build America Bond Fund | 74,208 | 12/31/2010 | | | 6.150% | 84,600 |
| Municipal bond portfolio | 43,112 | 6/23/2011 | | | 6.150% | 47,588 |
| Subtotal | 117,320 | | | | | 132,188 |
| Preferred stocks | | | | | | |
| General Electric Cap Corp | 10,359 | 6/1/2009 | 8/15/2013 | 4.21 | 6.500% | 11,762 |
| Corporate bonds | | | | | | |
| Citi Group Inc | 98,915 | 8/19/2008 | 8/27/2012 | 4.02 | 5.625% | 100,599 |
| Bank of America Corp Sub Notes | 100,185 | 11/26/2007 | 8/15/2013 | 5.72 | 4.750% | 102,342 |
| Wachovia Corp Sub Notes | 99,428 | 2/22/2008 | 2/15/2014 | 5.99 | 4.875% | 104,964 |
| Berkshire Hathaway Fin Corp | 99,277 | 5/9/2007 | 1/15/2015 | 7.69 | 4.850% | 110,024 |
| Virginia Electric and Power | 101,511 | 2/19/2008 | 12/15/2015 | 7.82 | 5.250% | 112,348 |
| Subtotal | 499,316 | | | | | 530,277 |
| Mutual funds | | | | | | |
| Pimco investment grade corp bond fund | 100,000 | 6/2/2009 | | | 3.250% | 105,433 |
| Lord abbett floating rate | 100,000 | 12/30/2010 | | | 4.840% | 98,394 |
| Prudential short term corp bond fd | 100,000 | 6/2/2009 | | | 2.730% | 103,116 |
| Sentinel short maturity government fund | 50,000 | 6/23/2011 | | | 1.580% | 49,192 |
| Sentinel government securities fund | 50,000 | 6/23/2011 | | | 1.890% | 50,610 |
| Subtotal | \$ 400,000 | | | | | 406,745 |
| Total | | | | | | \$ 1,167,950 |

See accompanying independent accountants' compilation report.

Claims History

| Fiscal Year | Project | Claim Amount (\$) | Recipient State | Requesting State |
|--------------------|---|--------------------------|------------------------|--------------------------|
| 1969 | Golden nematode eradication | 6,000 | Delaware | |
| 1970 | Cereal leaf beetle | Denied | | Minnesota |
| 1972 | Tourist vehicle check for gypsy moth | 10,000 | Pennsylvania | Minnesota |
| 1972 | Tourist vehicle check for gypsy moth | 5,000 | Delaware | Minnesota |
| 1972 | Tourist vehicle check for gypsy moth | 5,000 | Virginia | Minnesota |
| 1974 | Gypsy moth disparlure trial | 1,500 | North Carolina | So. Carolina Virginia |
| 1977 | <i>Scleroderris</i> canker survey | 900 | New Hampshire | New Hampshire |
| 1979 | White fringed beetle control | 5,400 ^[1] | Maryland | New Jersey |
| 1980 | Gypsy moth control | 3,000 | Illinois | Michigan |
| 1980 | Gypsy moth control | 20,000 | Washington | California |
| 1980 | Winter moth control | 2,000 | Oregon | California |
| 1981 | Apple maggot control | 20,000 | Oregon | California |
| 1983 | Grape nematode control (Polar nematode) | 45,000 | Michigan | California |
| 1983 | Corn cyst nematode survey | 93,000 | Maryland | Virginia |
| 1992 | Gypsy moth control | 23,000 | Georgia | No. Carolina |
| 1992 | Africanized honey bee management | 44,500 | Texas | New Mexico |
| 1995 | Tropical soda apple management | 95,355 | Florida | |
| 1996 | Apple Ermine moth regulatory control research | 8,000 | Oregon | Washington |
| 1997 | Corn cyst nematode survey | 19,170 | Virginia | |
| 1997 | Tropical soda apple biological control | 70,000 | Florida | NC, GA, SC |

| Fiscal Year | Project | Claim Amount (\$) | Recipient State | Requesting State |
|--------------------|--|--------------------------|------------------------|-------------------------|
| 1997 | Asian longhorned beetle eradication | 100,000 | New York | DE, ME, NJ, NC, PA, VT |
| 1998 | Grecian foxglove control | 12,093 | Kansas | KS |
| 1999 | Asian longhorned beetle eradication | 100,000 | Illinois | |
| 1999 | Tomato yellow leaf curl virus | 75,167 | Florida | FL |
| 2000 | Clover broomrape survey | 20,000 | Oregon | UT, CA |
| 2002 | Citrus longhorned beetle establishment prevention | 50,000 | Washington | OR, CA |
| 2002 | Gypsy moth eradication | 50,000 | Minnesota | KS, ND |
| 2004 | <i>Diaprepes abbreviatus</i> eradication | 60,000 | Texas | New Mexico |
| 2005 | <i>Echium vulgare</i> eradication | 15,000 | Wyoming | Colorado |
| 2007 | Hemlock woolly adelgid delimiting survey and eradication | 75,000 | Michigan | Ohio |
| 2009 | Yellow starthistle eradication | 66,000 | Colorado | Wyoming |
| 2011 | Gypsy moth eradication | 52,000 | Minnesota | ND, WI |
| Total | 31 claims | \$1,148,549 | | |

^[1] \$10,000 was initially requested and approved, but only \$5,400 was finally disbursed.

Claim Reports

Final Report to the Interstate Pest Control Compact On Yellow Starthistle (*Centaurea solstitialis*) Eradication in Two Colorado Counties

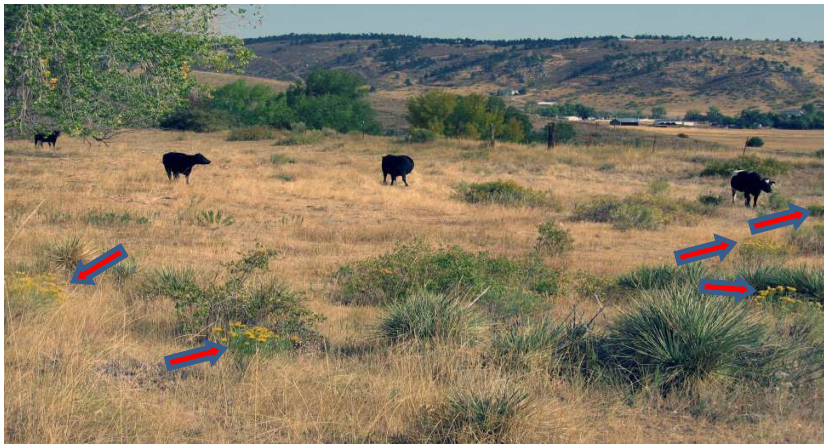
January 25, 2012

Submitted by:

Steve Ryder, State Weed Coordinator
Colorado Department of Agriculture

Background

The State of Wyoming invoked the Interstate Pest Control Compact (IPCC) in 2009 in order to prevent any yellow starthistle populations in Colorado from crossing the border and infesting Wyoming. Two counties that share a border with Wyoming, Moffat and Larimer, currently have populations of yellow starthistle. County weed managers are working to eradicate these populations. Yellow starthistle is classified as a List A species by the State of Colorado; eradication is the management objective for all List A species in the state.



Cattle grazing near flowering yellow starthistle, Larimer County, CO
Photo courtesy of Larimer County



Yellow starthistle on rangeland in California. What this project will prevent from occurring in Colorado and Wyoming.

Photo: Joe DiTomaso

Project Plan as Proposed in the Grant

The application for financial assistance proposed the eradication of yellow starthistle in two Colorado counties as a means to keep Wyoming free from infestation of this plant from Colorado. This was a three-year grant with field seasons in 2009, 2010 and 2011 with \$66,000 of IPCC funds assigned to the project. The counties contracted with the Colorado Department of Agriculture (CDA), which provided matching funds to Moffat County from the state's weed management fund; while matching funds for Larimer County were received from a U.S. Forest Service state and private forestry grant. Both counties also contributed matching funds or in-kind services.

Specifics of the project plan are as follows:

- Counties were to hire two-person teams of early detection and rapid response (EDRR) specialists who were responsible for monitoring, mapping, surveying, education of landowners and public, and eradication of the plant.
- Eradication efforts were to consist of initial control of plants in the rosette to early bolting stages by spot-spraying with Milestone. Any missed plants that reached flower stage were to be manually hand-pulled or dug out. Regular monitoring from flower stage to late-August was required.
- In Larimer County, the infestation consists of 6-8 acres within a 300-acre perimeter or site. The site was to be mapped, and all landowners within the 300-acre area contacted and informed of how to identify yellow starthistle, the harm the plant can cause and the urgency of its eradication.
- In Moffat County, the plant is found in a very small population of less than ten plants. The site was a hunting camp and the yellow starthistle was thought to come from forage brought from out-of-state. As such, all hunting camps were to be mapped and routinely monitored, along with known corridors traveled by hunters. Other disturbed sites with out-of-state traffic use, such as pipelines, roadways and waterways, were to be regularly monitored as well, including all roads leading to Wyoming.

*Summary of Moffat and Larimer Counties’
2009-2011 eradication activities:*

MOFFAT COUNTY

The county hired a two-person EDRR team to work on eradicating yellow starthistle, with the county providing much of the equipment. Moffat County is the more lightly infested of the two counties, starting with only six plants in one site in 2009. In 2010, the crew found only one yellow starthistle plant, near the 2009 infestation site; and in 2011 found no plants while conducting monitoring county-wide the entire season. While finding no plants in one year is not an indication of eradication, it does provide a benchmark for further monitoring of known sites until the plant’s soil seed reserve is exhausted.

Education

In 2009, the county produced newspaper articles that were published with color photos of the plant to increase the public’s interest in and knowledge of yellow starthistle. In 2010, a color flyer was distributed announcing a cash bounty for finding and reporting yellow starthistle. The flyer and additional advertising generated a very active response. However, all of the reported sightings turned out to be look-alike species – not yellow starthistle. In 2011, the county continued to distribute flyers and offered a cash bounty for finding and reporting the plants – again, none of the many reports the county received were yellow starthistle, although as a result of this project, the county did find new noxious weed infestations, including both toadflax species.

Scouting

The EDRR crew investigated the 2009 site on the north side of the town of Maybell, where one yellow starthistle plant was found in 2010. Looking into public reports of possible yellow starthistle plants kept the EDRR team busy for much of the summer, and the crew continued to search for the plant along pipeline rows and transportation routes, focusing attention on the northern part of the county near the Wyoming border. In addition, in 2011, personnel from the Bureau of Land Management (BLM) and Colorado State Land Board assisted in scouting for the plant, and the county continued developing a partnership with the BLM range conservationists and fire crews to train personnel in noxious weed identification.

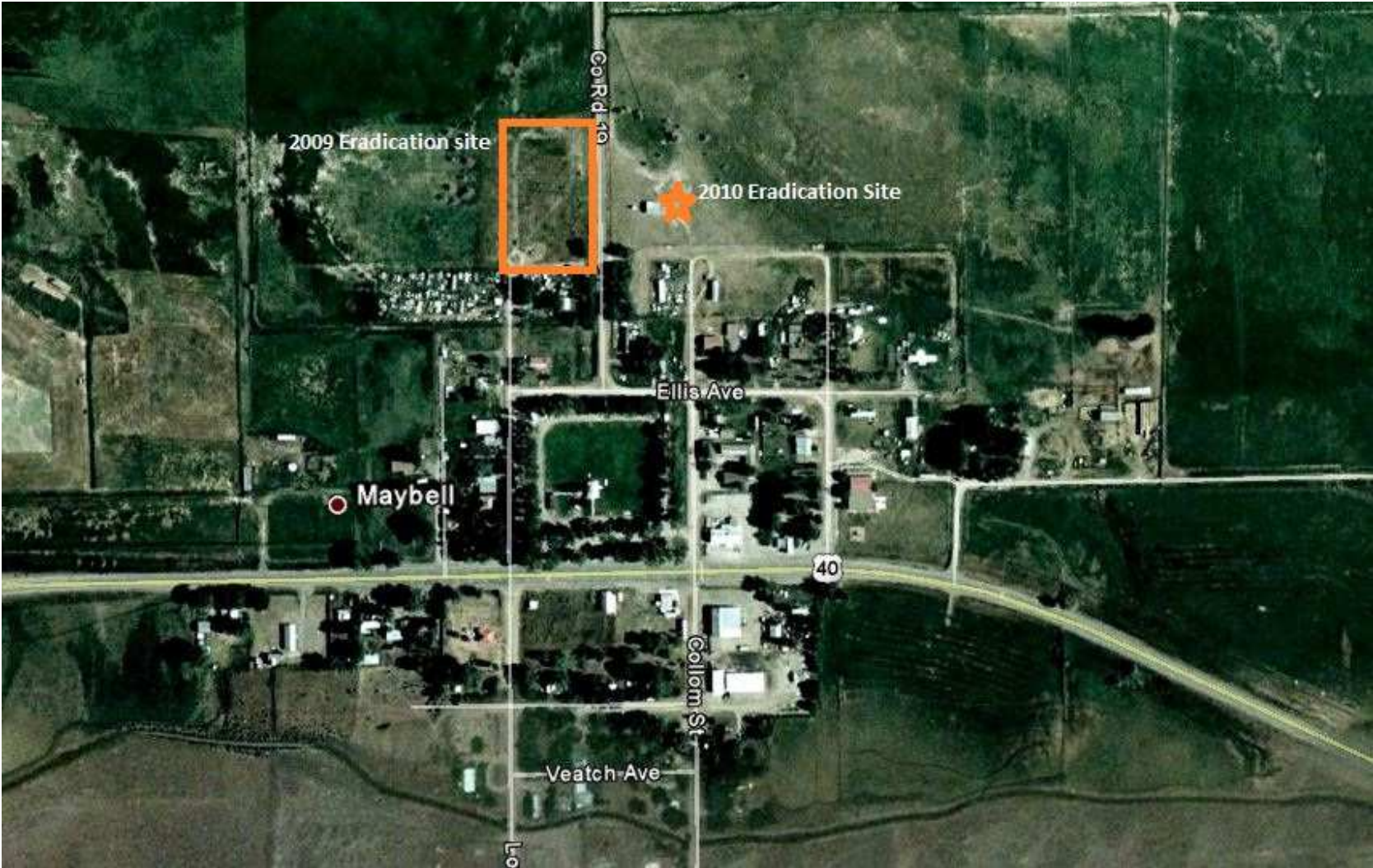
Eradication

2010 was a much drier year than 2009, which may explain why yellow starthistle was not found in the county, with the one exception. In 2011, the late spring and considerable moisture provided ideal conditions for seed germination in both Moffat and Larimer counties. However, in Moffat County, there were no sightings of yellow starthistle the entire field season.

Monitoring and Mapping

The one known yellow starthistle site from the first year of the project was surveyed for additional plants, and will continue to be monitored. In 2010, county weed managers also patrolled and mapped known weed infestation sites in the northeastern part of the county, but found no yellow starthistle. The only known yellow starthistle sites in the county are shown in Figure 1.

Figure 1. Yellow starthistle sites in Moffat County.



2009 eradication site – approximately 1.5 acres.
2010 site – one plant
2011 – no plants found in the county

LARIMER COUNTY

A team of two EDRR seasonal employees was successful in inventorying, mapping, controlling and monitoring the known infestation in Larimer County over the last three field seasons. In 2009, yellow starthistle was found over a 300-acre area, with the total amount of the plant consisting of 6-8 acres within that larger perimeter. In 2010, a total of 193 plants were found over a 100-acre area. The team also closely monitored areas of past eradications, and found no new plants. In 2011, scouting was conducted over 6,000 acres around the infestation. Additional new sightings were responded to (all were similar in appearance, but not yellow starthistle), and scouting was expanded to include roadsides, trailheads and recreation areas in the county.

Education

All of the current infestations occur on private property. Many landowners had been contacted in 2008 and 2009 either in person or via letter; several landowners were contacted again in 2010 and 2011. Landowners were educated about yellow starthistle, the state noxious weed law and given reasons why it was important to allow the team access to their property. The landowner often participated in the management of these weeds. Additional county-wide outreach was conducted at the New West Fest (Fort Collins), Corn Roast (Loveland), Estes Park's Weed Roundup, Pulling for Colorado, and numerous homeowners associations (HOAs) and other association meetings.

Scouting

Past eradication efforts on the fringes of the original infestation have not shown any emergence for a year or more and they were confirmed to still be clear. The area within a mile of the site was combed on foot. All roadsides within five miles of the site were patrolled several times during the summer. Several thousand acres of rangeland downwind from the site were patrolled several times during the summer. Three new potential sightings were responded to, but all were false reports. Most major highways and roads in Larimer County, along with pull-offs, trailheads, and recreation areas were scouted, particularly equestrian trailheads in the northern part of the county.

Eradication

The initial infestation, as of 2009, consisted of over 200 plants. The EDRR team discovered 193 yellow starthistle plants in 2010. These were hand-pulled and bagged to prevent any possible seed dispersal. Late in the summer most of the plants were very small. The summer of 2010 had below-normal precipitation, especially in late July, August and September. The lack of rainfall may have suppressed emergence of the seedbank. All known sites at the end of 2010 were chemically treated, which eliminated winter rosettes. In 2011, a total of 38 plants were found and removed; all but two of these plants came from one small "table-top" sized infestation within the original 300-acre site, in an area that had not produced plants for four years.

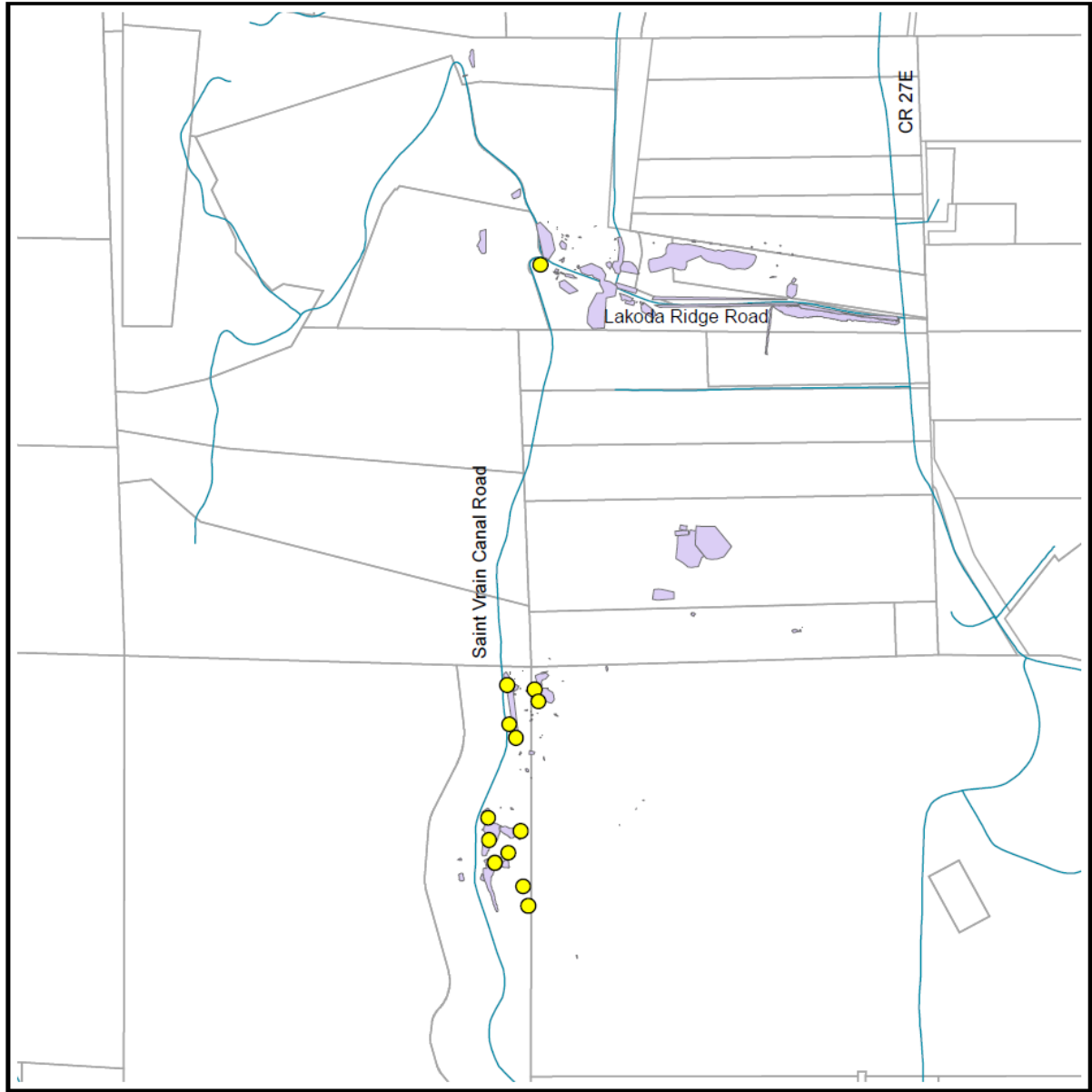
Monitoring

Although the number of plants found in 2010 was the same as 2009, the boundaries of the active infestation continued to shrink. The 2011 count of 38 plants is a significant reduction, although monitoring will continue for up to ten years, to 2021 to ensure the plant is eradicated. No new plants were discovered outside the boundaries of past monitoring efforts since 2000. The core area remained about 100 acres. Within this area, only two plants were found in the northern half of the core area. There was no evidence of seed dispersal. Some plants in the late summer were only 2”–3” tall but still produced flowers.

Mapping

Figures 2, 3 and 4 show infestation sites and patrolled areas in Larimer County.





Figure 2. Core Infestation Area, Southwest Larimer County, 2010



Yellow starthistle IPCC Grant 2010



Legend

-  Infestation 2010
-  Infestation 2006
-  Roads
-  Parcel Owner

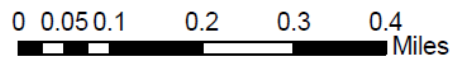


Figure 3. Yellow starthistle locations in Larimer County, 2011

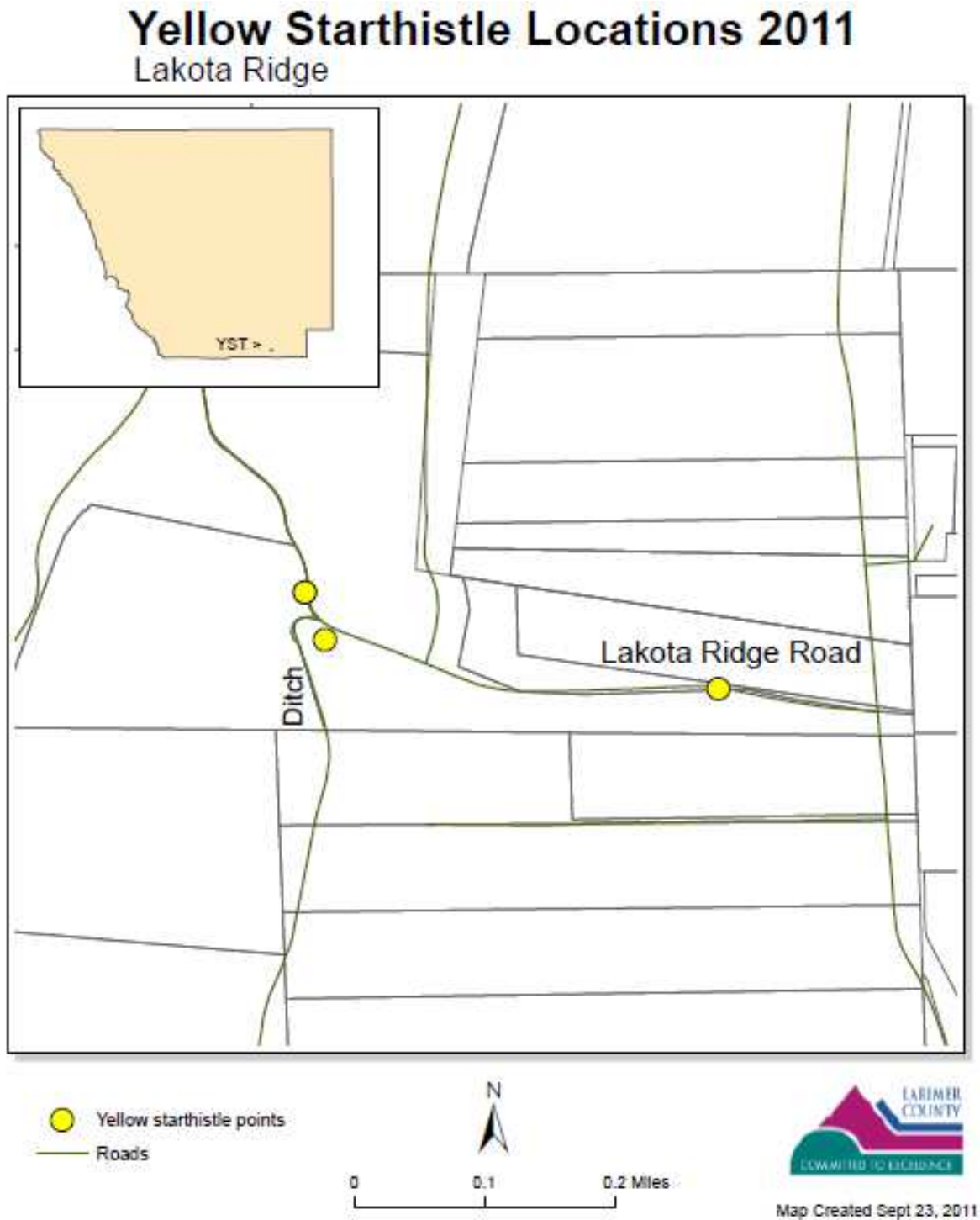
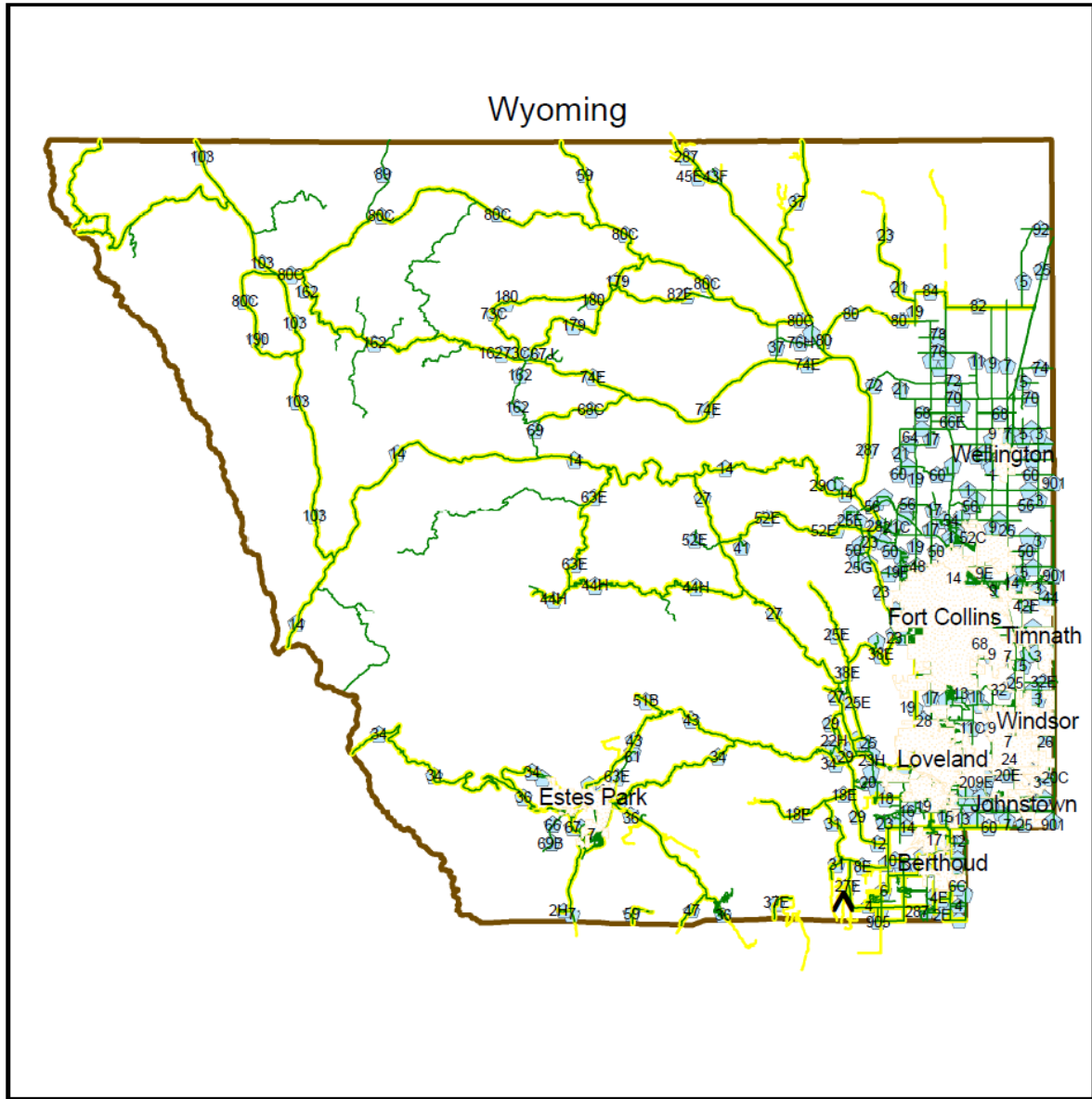
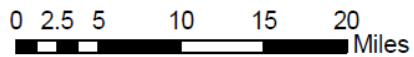


Figure 4. Patrolled roadways in Larimer County, 2010, 2011.



Yellow starthistle IPCC Grant 2010

- ^ Infestation site
- City
- 2010 Patrol Scouting
- + Road Name
- Larimer County



Summary

Funds from the IPCC were used to hire seasonal employees to form Early Detection Rapid Response (EDRR) teams whose sole responsibilities were to scout, map and eradicate yellow starthistle in the two counties. Moffat County, in 2009, found a total of six plants; in 2010, only one plant was found, and no plants were found in 2011. The Larimer County EDRR team invested nearly 1,200 hours on its infestation and past eradication areas have shown no new sprouting for a year or more. The county feels the northern half of the 100-acre infestation was finally cleared in 2011 with the removal of the last two plants there. All landowners in both counties with yellow starthistle infestations, and many neighboring landowners and others throughout the counties have been educated about yellow starthistle.

Financial Statements for Cooperative Agreement between the Interstate Pest Control Compact and the Colorado Department of Agriculture

Larimer County

| <u>Interstate Pest Control Compact Yellow starthistle eradication</u> | | | | | |
|--|--|-------------------------------------|--------------|---------------|--------------------------------------|
| <u>Budget Summary</u> | | | | | |
| Organization: | | Larimer County Weed District | | | |
| Project Name | | IPCC Yellow starthistle eradication | | | |
| Date of Project | | From 1-May-09 | | | |
| | | To: 11-Nov-11 | | | |
| | | IPCC | CASH MATCH | IN-KIND MATCH | SOURCE |
| Labor: Seasonal Salaries, 54% of 2-26 week seasonal positions one at \$12.50/hour, the other at \$15.00/hour. | | 42,900.00 | | | IPCC |
| Labor: Seasonal Salaries, 27% of 2-26 week seasonal positions one at \$12.50/hour, the other at \$15.00/hour. | | | 22,000.00 | | USFS State and Private Forestry Fund |
| Labor: Seasonal Salaries, 19% of 2-26 week seasonal positions one at \$12.50/hour, the other at \$15.00/hour. | | | 14,976.40 | | Larimer County Weed District |
| Labor: Seasonal Salaries, 5 week seasonal position \$15.00/hour. | | | 8,645.20 | | Larimer County Weed District |
| Labor: Full time salaries for training, supervision, administration: \$30.00/hour, 4 weeks. | | | | 15,234.00 | Larimer County Weed District |
| Equipment: Truck with water tank, backpack sprayers, gas, GPS, shovels, large dandelion digger, shears, trash bags, snake chaps, PPE, office supplies, computer. | | | | 30,000.00 | Larimer County Weed District |
| Herbicide: 2,4-D Amine (3.6 gallons) | | | | 42.00 | Larimer County Weed District |
| Herbicide: Hardball (5 gallons) | | | | 156.01 | Larimer County Weed District |
| Herbicide: Escort (5.24 ounces) | | | | 48.00 | Larimer County Weed District |
| Herbicide: AquaNeat (0.64 gallons) | | | | 10.73 | Larimer County Weed District |
| Herbicide: Tordon (28 ounces) | | | | 10.64 | Larimer County Weed District |
| Herbicide: Garlon 3A (7 ounces) | | | | 3.35 | Larimer County Weed District |
| Herbicide: Triclopyr 3SL (0.5 gallons) | | | | 43.00 | Larimer County Weed District |
| Herbicide: Milestone (1 ounces) | | | | 2.12 | Larimer County Weed District |
| Herbicide: Transline (2 ounces) | | | | 2.26 | Larimer County Weed District |
| Herbicide: MSO (9 ounces) | | | | 0.63 | Larimer County Weed District |
| Herbicide: Highlight Dye (102 ounces) | | | | 52.90 | Larimer County Weed District |
| Herbicide: Squire 90 Non-ionic surfactant (2.85 gallons) | | | | 29.32 | Larimer County Weed District |
| Landowner Education: Noxious Weeds of Colorado Booklet (50) | | | | 160.00 | Larimer County Weed District |
| Landowner Education: Larimer County Weed Management Reference Guide (50) | | | | 151.50 | Larimer County Weed District |
| Landowner Education: Colorado Department of Agriculture Weed Fact Sheets (120) | | | | 31.50 | Larimer County Weed District |
| Colorado Department of Agriculture Certified Operator Test and License for all seasons. CWMA, ISA, and CALCP training conferences. | | | | 1,200.00 | Larimer County Weed District |
| TOTAL | | \$42,900.00 | \$45,621.60 | \$47,177.96 | |
| | | | \$135,699.56 | | |
| Total Project Percent per Source | | | | | |
| Interstate Pest Control Compact | | 31.61% | | | |
| USFS State and Private Forestry Fund | | 16.21% | | | |
| Larimer County Weed District | | 52.17% | | | |

Specific allocation of funds for seasonals.

| Season | Seasonal | Rate | Hours | Percent of time spent on IPCC yellow starthistle | Total |
|--------|--------------|---------|-------|--|----------|
| 2009 | Steve Priest | \$15.00 | 1040 | 50% | \$7,800 |
| 2009 | Alex Somero | \$12.50 | 1040 | 50% | \$6,500 |
| 2010 | Steve Priest | \$15.52 | 1040 | 52% | \$8,445 |
| 2010 | Alex Somero | \$12.65 | 820 | 56% | \$5,856 |
| 2011 | Steve Priest | \$15.81 | 1040 | 51% | \$8,457 |
| 2011 | Luke Sims | \$11.65 | 817 | 61% | \$5,842 |
| | | | | 54% | \$42,900 |

Moffat County

| | IPCC | CASH MATCH | IN-KIND MATCH | SOURCE |
|---|---------------------|--------------------|---------------------|---------------------|
| Labor: 2-14 Week Seasonal | \$ 23,100.00 | | | IPCC |
| Labor: 2-14 Week Seasonal | | \$11,550.00 | | Colorado Dept of Ag |
| Labor: 2-14 Week Seasonal | | \$11,550.00 | | Moffat County |
| Labor: Supervision | | | \$ 16,450.00 | Moffat County |
| Labor: Training #1 Seasonal | | | \$ 1,200.00 | Moffat County |
| Labor: Training #2 Seasonal | | | \$ 1,000.00 | Moffat County |
| Education: CWMA Annual Training School | | | \$ 350.00 | Moffat County |
| Education: materials and preparation | | | \$ 1,862.00 | Moffat County |
| Administrative resources | | | \$ 4,599.50 | Moffat County |
| Yellow Starthistle Reporting Reward | | | \$ 25.00 | Moffat County |
| Evaluation Projects and Refurbish Equipment | | | \$ 1,567.50 | Moffat County |
| Contracted Services | | | \$ 4,916.00 | Moffat County |
| | | Sub-Total | \$ 31,970.00 | |
| Herbicides | | | \$ 16,776.75 | Colorado 1st CD |
| Cost Share | | | \$ 7,916.80 | HPP |
| | | Sub-Total | \$ 24,693.55 | |
| TOTAL | \$ 23,100.00 | \$23,100.00 | \$ 56,663.55 | |

**INTERSTATE PEST CONTROL COMPACT
GYPSY MOTH ERADICATION IN MINNESOTA
FINAL REPORT**

| | | | |
|----------------------|-------------------------------|-------------------------|-----------------|
| Responding State: | Minnesota | Date Project Approved: | 2-15-11 |
| Requesting State(s): | North Dakota | Date Project Completed: | 12-31-11 |
| | Wisconsin | | |
| Project Title: | Gypsy Moth Eradication | | |

Brief Summary of the Project *(limit to 2 pages or less):*

A. Reason for Requesting Funds:

Three isolated gypsy moth populations were discovered in the St. Paul/Minneapolis metropolitan area in 2010. Eradication grants were requested from the US Forest Service and USDA APHIS PPQ to cover the costs of the operation. State match funds were not available at the time so we requested additional financial assistance from the Interstate Pest Control Compact (IPCC).

B. Action Taken:

The Minnesota Department of Agriculture (MDA) contracts with Btk applicators but is limited by administrative rules that funding must be secured prior to opening a contract for bid. IPCC funding was secured early but the remaining federal funds were only approved on April 7, 2011.

On April 21, 2011 an independent aerial applicator was hired to complete work on 1,519 acres of urban land in Hennepin, Anoka, and Washington Counties. Two applications of Foray 48B (an organic formulation of Btk) were applied on May 24 and June 2-3 at a dose of 24BIU per acre. Survey monitoring was done after treatments, covering the interior and surrounding areas of the blocks, to determine efficacy of the operation.

Gypsy Moth traps were set by June 28, checked twice during adult flight, and removed promptly by September 15, 2011. All data was entered into the Gypsy Moth Slow the Spread (STS) database which analyzed results.

Data was managed by MDA staff and can be obtained directly from MDA or via the STS website: www.gmsts.org.

C. Results:

Applications were successfully made with no incidents or accidents. Evaluation of the three sites by the STS decision algorithm determined that all three eradication projects were successful. Complete results are available on www.gmsts.org.

This project survived strong thunderstorms, a state government shutdown, migration to a new state accounting system, and extreme summer heat indexes. The applicator was paid in full for his work in September.

A full summary report of all 2011 gypsy moth treatment activities in Minnesota, including the eradication portion of those supported by IPCC funds is attached below.

2011 Gypsy Moth Treatment Summary

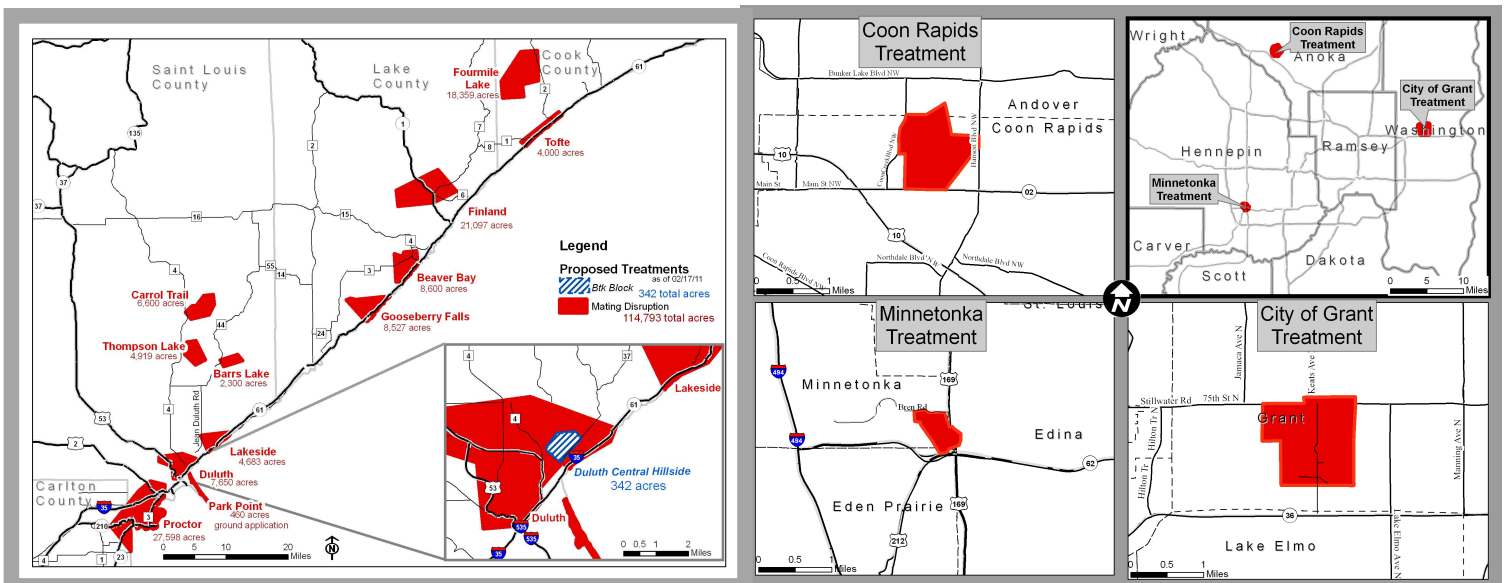
INTRODUCTION

The Minnesota Department of Agriculture's (MDA) gypsy moth treatment projects this year included both eradication and slow the spread (STS) projects. Planning work on the treatments began in the fall of 2010 when individual blocks were defined, and areas were finalized in February, 2011.

A contract was posted with the Department of Administration on April 15th on the website: <http://www.mmd.admin.state.mn.us/process/admin/postings.asp>. It was awarded to the lowest qualified bidder, Airborne Custom Spraying (Halstad, MN), on April 21st. Timing once again impacted the contract process. MDA cannot let a contract without sufficient funds to pay for it and awards for eradication were not secured with sufficient time to ensure completion of the contract prior to treatment time dictated by insect development.

Three eradication sites totaling 1,519 acres in Anoka, Hennepin, and Washington counties in the metro area were treated with the organic formulation of Btk (Foray 48B). An additional 342-acre STS site in Duluth was also treated with Btk. The remaining 114,793 acres were treated with mating disruption. Disrupt II, pheromone flakes, was used on the majority but a 460-acre block on Duluth's Park Point was treated with ground-applied SPLAT. Products were chosen for each site based on management goals and efficacy.

An in-house Incident Command System was used to manage the spray projects, drawing on departmental expertise in planning, public information, operations, and more. Personnel from state, federal, and local organizations were involved throughout the planning process which contributed to a successful spray program with minimal turbulence.



ENVIRONMENTAL ASSESSMENT

The environmental assessment component of the projects was completed by our cooperating federal agencies. The St. Paul office of State and Private Forestry's Forest Entomologist along with the Superior National Forest staff did most of the analysis and writing of the STS EA.

Again this year we used the expertise of a colleague in the Department of Health to answer questions related to human health issues at open houses. Our website was linked to one of their web pages that described the Btk product from a public health perspective.

PUBLIC NOTIFICATION

For the first time this year, we constructed a Local Leaders network and met with them in person during January. The network grew as planning went on, but included personnel from all levels of government, staff from higher education institutions, soil and water conservation districts, watershed districts, military installations, and prominent community leaders from local chapters of organizations, and those with ties to a wider audience. The network was very well received as periodic emails were sent out with updates on the planning and operational progress. Leaders were also able to preview public information materials with the hope that they would serve as resources for the wider community.

Feedback was minimal from these groups, but a handful of positive notes received let us know that this was a valuable tool to promote the transparency of the treatment projects.

A scoping requirement for the environmental assessment (EA) prompted MDA to direct-mail an 8-page bulletin containing detailed information about the gypsy moth and the proposed treatments to all residents in and around the treatment blocks. Via the bulletins, nearly 50,000

households were invited to join us at nearby public venues to learn more about treatments and discuss any issues they might have. We attempted to reduce the days and number of open houses because of declining attendance in past years throughout the area. Ten meetings were offered and attendance at the venues was light with the exception of the Grant eradication site and two of the seven Duluth-area events. Although not everyone signed in to the open houses, we estimate over 90 people attended—the highest level of interest shown by the public in a long time.

In addition to the open houses, MDA sent out several press releases timed to the applications, participated in local community events, made appearances before city councils, and were interviewed for regional and local news segments prior to treatments. No comments were received during the 30-day open period so Decision Notices were signed by authorities without

MINNESOTA
DEPARTMENT OF
AGRICULTURE

NOTICE!

The Minnesota Department of Agriculture, with its local, state and federal partners, is providing notification of an upcoming aerial application of a mating disruptor to slow the spread of gypsy moth in your area. The treatment is scheduled for the week of July 17th. Treatment timing depends on weather conditions and gypsy moth development and could change by up to two weeks from the predicted date.

For more information, please call the Arrest the Pest Hotline as 888-545-MOTH (6684) or visit us online at www.mda.state.mn.us/gypsymoth

delay. The threat of a federal government shutdown in March provided the impetus to complete all EA work prior to March 11th.

A reminder postcard was sent to residents in and around the treatment blocks a week or two prior to their respective treatments. The metro area mailings were received in plenty of time, but once operations moved to Duluth, the time postcards spent in the mailing system was greatly lengthened. The Btk postcard was not received by some until the day of the early-morning treatment and the aerial flakes postcard arrived in some cases, three days post-treatment.

The state government shutdown prevented the Minnesota DNR from printing and distributing large laminated posters again this year. The shutdown and corresponding introduction of a new financial software system combined to create a difficult and protracted printing and mailing process for the largest northern postcard mailing of over 43,000 pieces. The batch was printed by June 30th, but Central Mail's skeleton crew could not handle the request to prep and post the mailing. Eventually, the University of Minnesota's mailroom took on the job, but postcards did not reach residents until after the treatment was completed. Some were understandably upset by this, but overall calls and complaints were not unusually high for an urban project of this magnitude.

MDA made offers to local law enforcement units to provide materials and a presentation to patrol and dispatch units in advance of the treatments. Courtesy calls were made to law enforcement dispatch centers prior to each application. To help them answer calls more effectively, we provided FAQs to some station managers. We did note several instances where block monitors encountered patrol officers who had never heard of the treatments so we will continue to reach out to law enforcement personnel. We received a tip from a metro airport control tower operator that other operators may get calls and questions directly from the public so for the first time, airport towers near the treatment blocks were also given daily notification.



Since the ground applications were new this year and require considerably more intrusion onto private property than aerial options, residents of Duluth's Park Point neighborhood were visited by crews distributing notification prior to the applications. Door hangers reminded residents to allow access to workers through gates and to keep pets indoors. The ground application was extremely costly because of the manpower required to notify and apply the product. We will continue to promote aerial applications and reserve ground

operations only for special circumstances.

The Arrest the Pest Hotline received about 100 calls throughout the treatment season, but the Duluth dispatchers and airport towers were swamped during each application, ostensibly because this was the first ever gypsy moth treatment in the city. For the Btk blocks, we posted signs around block perimeters and strategically placed orange safety traffic barricades with notification signage; which turned out to be a successful move.

OPERATIONS

Eradication: Three eradication blocks in the Twin Cities metro area began on May 24th, 2011. Weather conditions were ideal and the treatments were completed the same day. On June 2nd the second application was called off after only two blocks were finished due to high winds and storms. The final block was completed on June 3rd but a strong weather system moved through shortly after applications were made. ADAM kits tests on foliage collected after the storm were positive for Btk proteins.

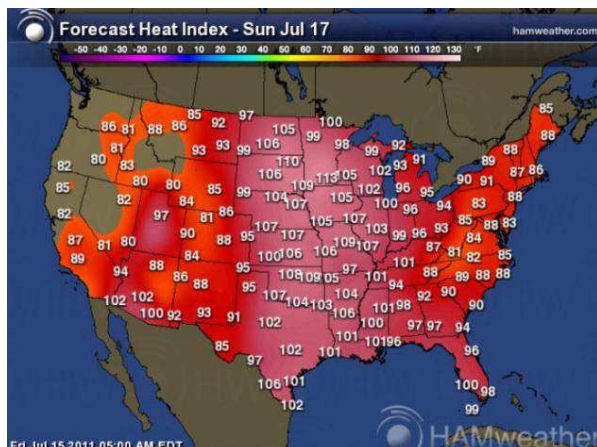
A Safety Assurance Review was hosted by Minnesota in response to a request from the Aerial Application Safety Council. Team members observed, reviewed, and offered suggestions for improvement to the MDA's program. Overall we earned high marks for emphasizing safety, using social media platforms for outreach, and including multiple agencies in the delivery of the treatments. Constructive criticisms included preparing block monitors better, making air to ground communications improvements, and being more familiar with spray aircraft specifications.

No major incidents were reported during the applications, although a Temporary Flight Restriction was placed over a tornado touchdown site in Minneapolis and an unrelated mosquito control helicopter was downed during the second application, making for very busy control towers.

Slow the Spread: The Btk block in St. Louis County was right in central Duluth. Treatments began on June 12th during an open weather window and were completely blocked by fog and rain until June 24th when the second application was completed without incident. The first application fell within "normal" date ranges despite the cool, wet spring.



The Park Point neighborhood of Duluth, situated on one of the world's longest freshwater spits, is too narrow to fly with spray aircraft so a ground application of the mating disruption product SPLAT^(R) was planned for the 460-acre site. Sixteen MDA employees and one federal worker helped to apply the product with caulking guns along the length of the spit, including the southern third which is forested and boasts a healthy poison ivy crop.



The flakes applications began on Friday, July 15 when the caravan moved in to the Superior airport. We were unsure how a weekend treatment would go over with residents and businesses but treated the state lands (during the government shutdown they were supposedly empty) and encountered few problems associated with the timing. Thanks to relatively large blocks and long flight lines,

pilots were able to make up for late starts each day due to heavy haze, fog, rainstorms, and low ceilings. Excessive heat warnings coupled with air pollution from Canadian forest fires the entire week meant extreme conditions for all personnel involved in the project. Aerial treatments wrapped up on the evening of July 20 after all acreage was finished around 7pm.

COST

| <i>Treatment Type</i> | <i>Product</i> | <i>Acres</i> | <i>\$ Per Acre</i> |
|------------------------|-------------------|----------------|--------------------|
| Eradication | Foray 48B | 1,861 | \$35.50 |
| Slow the Spread | Foray 48B | 342 | \$35.50 |
| Slow the Spread | SPLAT GM | 460 | \$10.68* |
| Slow the Spread | Disrupt II | 114,186 | \$7.57 |

*Includes only the product and shipping costs, not the personnel used and expenses to carry out the work.

Financial Statement:

Compact Funds Authorized

\$52,000

| <u>Expenditures:</u> | <u>Compact Funds</u> | <u>APHIS Eradication</u> | <u>USFS Eradication</u> |
|-----------------------------|--|---|--------------------------------|
| Personal Services: | 2,371.76 | 1,439.05 | 2,252.52 |
| Equipment: | | | |
| Supplies: | | | |
| Travel & Subsistence: | 1,566.52 | 149.43 | 1,201.21 |
| Other Expenses: | | | |
| Indirect Cost | 613.57 | 372.29 | 582.71 |
| Other Operating | 28,225.30 | 46,186.91 | 31,087.14 |
| Communications | | | 20.00 |
| Printing | | | 567.18 |
| Rent | 19,222.85 | | |
| Total: | 52,000.00 | 48,147.68 | 35,710.76 |
| Additional Comments: | <p>In July 2011, the state switched to a new accounting software system. That, combined with a 20-day government shutdown and turnover of assigned accountants resulted in the spending of funds from incorrect sources in the last fiscal year. To correct the problem during the current fiscal year, unused eradication program monies, equivalent to proposed eradication program expenditures, were used to pay rent to correct for monies used from other accounts to pay eradication program expenses in the past fiscal year.</p> | | |
| Submitted By: | Lucia Hunt | Date: 1-27-12 (text portion) 5-14-12 (financial statement) | |
| Title: | Pest Mitigation and Biocontrol Unit Supervisor | | |
| Agency & Address: | <p>Plant Protection Division Minnesota Department of Agriculture 625 Robert St. North St. Paul, MN 55155</p> | | |

Governing Board, Officers and Committees

Governing Board

2011-2012

(38 States and Puerto Rico)

| Member | Administrator | Year Joined |
|----------------|-------------------|-------------|
| Arizona | Don Butler | 1994 |
| Arkansas | Darryl Little | 1999 |
| California | Karen Ross | 1969 |
| Colorado | John Salazar | 2001 |
| Delaware | Ed Kee | 1969 |
| Florida | Adam Putnam | 1995 |
| Georgia | Gary Black | 1984 |
| Illinois | Bob Flider | 1968 |
| Indiana | Joseph Kelsay | 2005 |
| Kansas | Dale Rodman | 1996 |
| Louisiana | Mike Strain | 2009 |
| Maine | Walter Whitcomb | 1986 |
| Maryland | Buddy Hance | 1976 |
| Michigan | Keith Creagh | 1968 |
| Minnesota | Dave Frederickson | 1969 |
| Mississippi | Cindy Hyde-Smith | 2006 |
| Nebraska | Greg Ibach | 2004 |
| New Hampshire | Lorraine Merrill | 1968 |
| New Jersey | Doug Fisher | 1970 |
| New Mexico | Jeff Witte | 1981 |
| New York | Darrel Aubertine | 2002 |
| North Carolina | Steve Troxler | 1975 |
| North Dakota | Doug Goehring | 1973 |
| Ohio | David Daniels | 1974 |
| Oklahoma | Jim Reese | 1999 |
| Oregon | Katy Coba | 1981 |
| Pennsylvania | George Greig | 1968 |
| Puerto Rico | Neftali Santiago | 1994 |
| Rhode Island | Kenneth Ayars | 1999 |
| South Carolina | Hugh Weathers | 1972 |
| Tennessee | Julius Johnson | 1969 |
| Texas | Todd Staples | 1994 |
| Utah | Leonard Blackham | 1985 |
| Vermont | Chuck Ross | 1978 |
| Virginia | Matt Lohr | 1974 |
| Washington | Dan Newhouse | 1999 |

| | | |
|---------------|--------------------|------|
| West Virginia | Gus Douglass | 1968 |
| Wisconsin | Ben Brancel | 2009 |
| Wyoming | Jason Fearneyhough | 1996 |

**Officers
2011-2012**

| | |
|------------|---------------------------------------|
| Chair | Tom Jennings, IL / Katy Coba, OR |
| Vice Chair | Katy Coba, OR / Dave Frederickson, MN |
| Secretary | Walt Whitcomb, ME |
| Treasurer | Mike Strain, LA |

**Executive Committee
2011-2012**

| | |
|---------------------|----------------------------------|
| Chair | Tom Jennings, IL / Katy Coba, OR |
| Midwestern Region | Keith Creagh, MI |
| Northeastern Region | Chuck Ross, VT |
| Southern Region | Gus Douglass, WV |
| Western Region | Jason Fearneyhough, WY |

**Technical Advisory Committee
2011-2012**

(Selected by Regional Plant Boards, APHIS PPQ, and USFS)

| | |
|---|--|
| <u>Central Plant Board</u> Brian Kuhn, Wisconsin Julie Van Meter, Nebraska | <u>Eastern Plant Board</u> Dick Bean, Maryland Kevin King, New York |
| <u>Western Plant Board</u> John Caravetta, Arizona Robert Hougaard, Utah | <u>Southern Plant Board</u> Kenneth Calcote, Mississippi Gene Cross, North Carolina |
| <u>USDA APHIS PPQ</u> Mike Stefan | <u>USDA Forest Service</u> Bob Rabaglia |

Officers History

| Term of Office | Date of Election | Chairman | Vice Chairman | Secretary | Treasurer |
|-----------------------|-------------------------|-----------------|----------------------|------------------|------------------|
| 1968-69 | 1968 ^(a) | California | Michigan | Illinois | Illinois |
| | | Lyng | Ballo | Larkin | Larkin |
| 1969-70 | Feb-69 | Michigan | N. Hampshire | California | Illinois |
| | | Ball | Buckley | Fielder | Lewis |
| 1970-71 | Mar-70 | N. Hampshire | Tennessee | California | Illinois |
| | | Buckley | Moss | Fielder | Lewis |
| 1971-72 | Mar-71 | W. Virginia | Delaware | California | Illinois |
| | | Douglass | Caulk | Fielder | Ropp |
| 1972 | Jan-72 | Delaware | California | Minnesota | Illinois |
| | | Caulk | Fielder | Dennistoun | Ropp |
| 1972-73 | Nov-72 | California | New Jersey | Minnesota | Illinois |
| | | Christensen | Alampi | Dennistoun | Ropp |
| 1973-74 | Sep-73 | New Jersey | Ohio | Minnesota | Illinois |
| | | Alampi | Abercrombie | Dennistoun | Williams |
| 1974-75 | Sep-74 | Ohio | S. Carolina | Minnesota | Illinois |
| | | Abercrombie | Harrelson | Dennistoun | Williams |
| 1975-76 | Oct-75 | S. Carolina | Ohio | Minnesota | Illinois |
| | | Harrelson | Stackhouse | Dennistoun | Williams |
| 1976-77 | Nov-76 | Ohio | Virginia | Minnesota | Illinois |
| | | Stackhouse | Carbaugh | Dennistoun | Block |
| 1977-78 | Sep-77 | Virginia | N. Carolina | Minnesota | Illinois |
| | | Carbaugh | Graham | Dennistoun | Block |
| 1978-79 | Sep-78 | Virginia | N. Carolina | Minnesota | Illinois |
| | | Carbaugh | Graham | Dennistoun | Block |
| 1979-80 | Sep-79 | Virginia | N. Carolina | Minnesota | Illinois |
| | | Carbaugh | Graham | Dennistoun | Block |
| 1980-81 | Nov-80 | N. Carolina | California | Minnesota | Illinois |
| | | Graham | Rominger | Dennistoun | Block |
| 1981-82 | Sep-81 | California | Vermont | Minnesota | Illinois |
| | | Rominger | Dunsmore | Dennistoun | Block |
| 1982-83 | Sep-82 | Vermont | Michigan | Minnesota | Illinois |
| | | Dunsmore | Pridgeon | Dennistoun | Werries |
| 1983-84 | Sep-83 | Tennessee | Ohio | Minnesota | Illinois |
| | | Walker | Locker | Dennistoun | Werries |
| 1984-85 | Sep-84 | Ohio | California | Minnesota | Illinois |
| | | Locker | Berryhill | Dennistoun | Werries |
| 1985-86 | Oct-85 | Oregon | Delaware | Minnesota | Illinois |
| | | Kunzman | Chandler | Dennistoun | Werries |
| 1986-87 | Sep-86 | Delaware | Georgia | Minnesota | Illinois |
| | | Chandler | Irvin | Dennistoun | Werries |

| | | | | | |
|---------|-----------------------|----------------|--------------------------------|-----------------------------------|----------------------|
| 1987-88 | Oct-87 | Delaware | Georgia | Minnesota | Illinois |
| | | Chandler | Irvin | Dennistoun | Werries |
| 1988-89 | Sep-88 | Georgia | Ohio | Michigan | Illinois |
| | | Irvin | Maurer | Cardwell | Werries |
| 1989-90 | Sep-89 | Ohio | Utah | Michigan | Illinois |
| | | Maurer | Ferry | Cardwell | Rundquist |
| 1990-91 | Oct-90 | Utah | Pennsylvania | Michigan | Illinois |
| | | Ferry | Wolff | Cardwell | Rundquist |
| 1991-92 | Sep-91 | Pennsylvania | South Carolina | Michigan | Illinois |
| | | Wolff | Tindal | Cardwell | Doyle |
| 1992-93 | Sep-92 | South Carolina | West Virginia | Michigan | Illinois |
| | | Tindal | Douglass | Cardwell | Doyle |
| 1993-94 | Sep-93 | Ohio | West Virginia | Michigan | Illinois |
| | | Dailey | Douglass | Cardwell | Doyle |
| 1994-95 | Sep-94 | West Virginia | New Jersey | South Carolina | Illinois |
| | | Douglass | Brown | Tompkins | Doyle |
| 1995-96 | Sep-95 | New Jersey | Arizona | South Carolina | Illinois |
| | | Brown | Kelly | Tompkins | Doyle |
| 1996-97 | Sep-96 | Arizona | Virginia | South Carolina | Illinois |
| | | Kelly | Courter | Tompkins | Doyle |
| 1997-98 | Sep-97 | Virginia | Maine | South Carolina | Illinois |
| | | Courter | McLaughlin | Tompkins | Doyle |
| 1998-99 | Sep-98 | Arizona | Maryland | South Carolina | Virginia |
| | | Jones | Virts | Tompkins | Courter |
| 1999-00 | Sep-99 | Maryland | Minnesota | California | Virginia |
| | | Virts | Masso | Lyons | Courter |
| 2000-01 | Sep-00 | Minnesota | Maine | California | Virginia |
| | | Masso | Spear | Lyons | Courter |
| 2001-02 | Sep-01 | Maine | Oregon | California | Virginia |
| | | Spear | Ward | Lyons | Courter |
| 2002-03 | Sep-02 ^(b) | Maine | Oregon/ So. Carolina | California | Virginia |
| | | Spear | Ward/ Sharpe ^(c) | Lyons | Courter |
| 2003-04 | Sep-03 | South Carolina | New Jersey | California | Virginia |
| | | Sharpe | Kuperus | Lyons/ Kawamura ^(d) | Courter |
| 2004-05 | Sep-04 | New Jersey | California | North Dakota | Virginia |
| | | Kuperus | Kawamura | Johnson | Courter |
| 2005-06 | Sep-05 | North Dakota | California | Nebraska | Virginia |
| | | Johnson | Kawamura | Ibach | Courter |
| 2006-07 | Sep-06 | California | Nebraska | Delaware | Georgia |
| | | Kawamura | Ibach | Scuse | Irvin ^(e) |
| 2007-08 | Sep-07 | Nebraska | Delaware | Arizona | Georgia |
| | | Ibach | Scuse | Butler | Irvin |

| | | | | | |
|---|-----------------------|------------------------------------|---------------------------------------|--------------------------------|----------------------------------|
| 2008-09 | Sep-08 | New Jersey / Arizona | Arizona / New York | Michigan | Georgia |
| | | Kuperus / Butler ^(f) | Butler / Hooker ^(f) | Koivisto | Irvin |
| 2009-10 | Sep-09 ^(g) | Arizona | New York | Michigan | Georgia |
| | | Butler | Hooker | Koivisto | Irvin |
| 2010-11 | Sep-10 | New York / Delaware | Michigan / Illinois | Colorado / Oregon | Georgia / Louisiana |
| | | Hooker / Kee ^(h) | Koivisto / Jennings ^(h) | Stulp / Coba ^(h) | Irvin / Strain ^(h) |
| 2011-12 | Sep-11 | Illinois / Oregon | Oregon / Minnesota | Maine | Louisiana |
| | | Jennings / Coba ⁽ⁱ⁾ | Coba / Frederickson ^(j) | Whitcomb | Strain |
| ^(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 Chairman 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 | | | | | |
| ^(e) Irvin of Georgia was elected Treasurer at the 2007 mid-year meeting to fill vacancy created by departure of Courter of Virginia. | | | | | |
| ^(f) Vice Chair Butler of Arizona became Chair upon the departure of Kuperus of New Jersey in January 2009. Hooker of New York was elected Vice Chair at the 2009 mid-year meeting to fill the vacancy created by the elevation of Butler. | | | | | |
| ^(g) Due to the lack of a quorum, the existing officers were left to serve until the mid-year meeting in February when, due to the lack of a quorum at that meeting, they were approved by the Executive Committee to serve out the remainder of the year. | | | | | |
| ^(h) Kee of Delaware was elected Chair to fill vacancy created by departure of Hooker of New York, Jennings of Illinois was elected Vice-Chair to fill vacancy created by departure of Koivisto of Michigan and Coba of Oregon was elected Secretary to fill vacancy created by departure of Stulp of Colorado, all at the 2011 mid-year meeting. Strain of Louisiana was first appointed by Hooker to replace the retiring Irvin of Georgia and then elected at the 2011 mid-year meeting. | | | | | |
| ⁽ⁱ⁾ Vice Chair Coba of Oregon became Chair upon the departure of Jennings of Illinois in October 2011. | | | | | |
| ^(j) Frederickson of Minnesota was elected Vice Chair at the 2012 mid-year meeting to fill the vacancy created by the elevation of Coba above. | | | | | |