

KANSAS AGRICULTURAL REMEDIATION BOARD

**ANNUAL REPORT
for
CALENDAR YEAR 2014**

**Submitted
JANUARY 31, 2015**

The Agricultural and Specialty Chemical Remediation Program

The 2000 Legislature passed SB 501, entitled the “Agricultural and Specialty Chemical Remediation Act.” The act, codified in K.S.A. 2-3701, *et seq.* created the following programs and board:

1. Remediation Reimbursement Program – Set forth in K.S.A. 2-3708, *et seq.*, this program is administered by the governor-appointed Kansas Agricultural Remediation Board (KARB). The program was created for the purpose of providing financial reimbursement to eligible persons for expenses incurred during the performance of remediation actions that were either approved or ordered by KDHE.
 - KARB reimburses applicants for expenses from remediation activities out of the Remediation Reimbursement Fund.
 - The Remediation Reimbursement Fund receives NO STATE GENERAL FUND money, and is therefore 100% financed by annual assessments on licensed commercial grain warehouses, custom fertilizer blender licensees, commercial fertilizer registrants, agricultural chemical registrants, pesticide dealer fees, and fees paid by responsible parties that have sold or leased a site for which they retain remediation responsibility.
 - An eligible person who has paid all applicable assessments, upon request, can receive reimbursement for 90% of eligible remediation expenses greater than \$1,000 and less than \$100,000, plus 80% of the total eligible remediation expenses greater than \$100,000 and less than \$200,000.
 - Any person who is not required to pay an assessment, or who is a pesticide dealer that sells less than \$2500 of pesticides annually, is eligible to receive 100% of eligible remediation expenses greater than \$1000 and less than or equal to \$10,000.
 - The remediation reimbursement program has sunset date of 2020.
2. Kansas Agricultural Remediation Board (KARB) – The Kansas Agricultural Remediation Board consists of five governor-appointed members and two ex-officio representatives.
 - KARB seats are comprised of one agricultural retailer, one agricultural producer, one agricultural processor, one specialty chemical distributor, and one agricultural and specialty chemical registrant.
 - Ex officio members to KARB include one representative of the Kansas Department of Agriculture and one representative of the KDHE.
 - KARB members serve 4-year terms or until replaced by a new member.
 - KARB’s statutory charge is to administer the Remediation Reimbursement Program and the Remediation Reimbursement Fund.
 - The Board maintains rule and regulation authority concerning terms and conditions of any reimbursement from the Remediation Reimbursement Fund, and setting criteria for prioritization of agricultural remediation properties.

Current Members of the Kansas Agricultural Remediation Board

- Larry Shivers, Chairman
Specialty Chemical Distributor / *SFP*
Term expires: March 15, 2016
- Brian Norton, Vice Chairman
Agriculture and Specialty Chemical Registrant / *Syngenta*
Term expires: March 15, 2018
- Kamyar Manesh
Agricultural Processor / *CB&I*
Term expires: March 15, 2015 (*seeking reappointment*)
- Laura Pearl
Agricultural Retailer / *JB Pearl Sales & Service*
Term expires: March 15, 2018
- Gary Starr
Agricultural Producer / *Gary's Berries*
Term expires: March 15, 2015 (*seeking reappointment*)
- Randy Carlson
Ex Officio, Kansas Department of Health and Environment
- Gary Meyer, DVM
Ex Officio, Kansas Department of Agriculture

KARB Authorities and Responsibilities

Pursuant to K.S.A. 2-3710 of the Act, KARB maintains the following authorities and responsibilities:

- Promulgation of rules and regulations to administer the act;
- Establishment of operating procedures for persons applying for reimbursement, to include determining eligible and ineligible expenses, making priority determinations, approving fund payments, governing conflicts of interest, and setting appeal procedures;
- Appointment of qualified administrative services to administer the remediation program; and,
- Annually provide for an independent audit of the fund.

Remediation Reimbursement Fund - Annual Audit and Report

KSA 2-3710 of the act requires the Board to annually provide for an independent audit of the remediation reimbursement fund. In addition to the independent audit, on or before February 1st of each year, the act requires the Board to submit to the Governor, the Senate Committee on Natural Resources, and the House Committee on Environment, an annual report of the activities and reimbursements for which money from the fund has been expended during the previous fiscal year, including a copy of the annual audit.

The audit financial statement for calendar year 2014 was presented for the Board's review on Friday, January 23, 2015. The fund received an unmodified audit report.

Remediation Fund Reimbursements

Since calendar year 2009, KARB reimbursement requests have exceeded the amount paid into the fund through fee contribution. Therefore, pursuant to K.S.A. 2-3710, a priority-ranking system was developed for all applications received wherein each application is assessed by the Kansas Department of Health and Environment (KDHE) and given a priority score.

Applications involving potential risk to human health and safety are given a higher priority level. Any application which is not reviewed by the Board, due to an insufficient fund balance in the quarter that it was received, is carried forward to the next Board meeting to be reviewed based on its priority ranking. Consequently, many applicants who have performed remediation activities and submitted applications for reimbursement may be waiting while their application comes up in order of priority score.

During the 2014 calendar year, KARB met four times to review and consider applications for reimbursement. Upon due consideration and full review, the Board ordered reimbursement for fifty-eight (58) applications that were consistent with the act and regulations. The total dollar amount reimbursed during calendar year 2014 was \$995,063.36, and the average reimbursement was \$17,156.26. The total dollar amount paid into the fund in Kansas fiscal year 2014 was \$1,234,884.00.

Over the past thirteen years, \$15,308,812.04 has been distributed through the Remediation Reimbursement Program to help offset expenses incurred through the remediation of environmental contamination, furthering the goal of ensuring clean soil and water in Kansas.

Communication

Information on the Remediation Reimbursement Program have been submitted for publication to the major agricultural chemical retailer and grain warehouse, to include the Kansas Grain and Feed Association and the Kansas Agribusiness Retailers Association. KARB brochures are linked to the KARB website and are placed by the KDA in private

pesticide applicator licensing packets to provide awareness. Participants in KDHE's voluntary cleanup and property redevelopment program (VCP) receive this information.

Additionally, the KARB administrator continuously corresponds with applicants to provide them with the status of their application(s), and to explain the priority ranking system based on the potential threat to human health and safety, so that participants more clearly understand that, due to a lack of funding, the applicant might not receive immediate reimbursement.

Remediation Reimbursement Fund - Fee Receipts From Last Five Years

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Custom Fertilizer Blender License	43,900.00	78,200.00	48,680.00	48,100.00	46,960.00
Pesticide Product Registrants	474,480.00	754,050.00	520,311.00	490,820.00	508,250.00
Fertilizer Product Registrants	93,860.00	69,610.00	116,060.00	121,200.00	82,105.00
Commercial Grain Storage	436,973.95	657,567.11	505,189.00	483,637.00	494,589.00
Pesticide Dealer License	98,435.00	21,985.00	95,837.00	99,321.00	95,980.00
\$1,000 fee on sold/leased	0.00	0.00	0.00	3,000.00	7,000.00
Total	\$1,147,648.95	\$1,581,412.11	\$1,286,077.00	\$1,246,078.00	\$1,234,884.00

KARB REIMBURSEMENT CHART FOR CALENDAR YEAR 2014

The following chart provides a list of all reimbursements from the Remediation Reimbursement Fund in calendar year 2014.

AnnualReportChart - 2014

County	BusinessType	ContaminationType	Reimbursement
Atchison	Retailer and Elevator	Nitrates	\$1,365.95
Atchison	Retailer and Elevator	Nitrates	\$5,204.21
Barber	Retailer and Elevator	Nitrates	\$23,269.58
Cloud	Ag Retailer	Nitrates	\$5,579.95
Cloud	Ag Retailer	Pesticides and Nitrates	\$3,981.95
Cloud	Ag Retailer	Nitrates	\$15,820.02
Comanche	Retailer and Elevator	Nitrates	\$23,160.87
Cowley	Retailer and Elevator	Pesticides	\$4,650.94
Dickinson	Retailer and Elevator	Nitrates	\$8,636.76
Douglas	Retailer and Elevator	Combination	\$598.82
Douglas	Retailer and Elevator	Combination	\$1,112.63
Edwards	Retailer and Elevator	Nitrates	\$51,008.01
Edwards	Retailer and Elevator	Nitrates	\$15,387.41
Ellis	Retailer and Elevator	Nitrates	\$7,455.00
Finney	Ag Retailer	Nitrates	\$1,475.60
Finney	Ag Retailer	Nitrates	\$4,549.82
Hodgeman	Retailer and Elevator	Nitrates	\$6,100.34
Jefferson	Retailer and Elevator	Nitrates	\$8,255.21
Jefferson	Retailer and Elevator	Nitrates	\$3,143.85
Kingman	Retailer and Elevator	Nitrates	\$7,365.14
Labette	Ag Retailer	Nitrates	\$8,852.34
Logan	Retailer and Elevator	Nitrates	\$7,363.21
Marshall	Ag Retailer	Nitrates	\$16,776.78
Mitchell	Ag Retailer	Nitrates	\$11,292.62
Nemaha	Retailer and Elevator	Nitrates	\$16,374.81
Ness	Retailer and Elevator	Nitrates	\$2,976.30
Ness	Retailer and Elevator	Nitrates	\$13,687.87
Norton	Retailer and Elevator	Nitrates	\$84,733.79
Osage	Retailer and Elevator	Nitrates	\$315.45
Osage	Retailer and Elevator	Nitrates	\$9,131.71
Osage	Retailer and Elevator	Nitrates	\$29,498.38
Osage	Retailer and Elevator	Nitrates	\$4,963.60
Osage	Retailer and Elevator	Nitrates	\$1,333.04
Osborne	Ag Retailer	Nitrates	\$11,515.33
Osborne	Retailer and Elevator	Nitrates	\$87,643.44
Phillips	Retailer and Elevator	Nitrates	\$8,744.35
Pottawatomie	Retailer and Elevator	Nitrates	\$42,817.32
Pratt	Retailer and Elevator	Nitrates	\$3,714.04

KARB REIMBURSEMENTS FOR CALENDAR YEAR 2014 (continued)

County	BusinessType	ContaminationType	Reimbursement
Republic	Ag Retailer	Nitrates	\$35,042.82
Rice	Ag Retailer	Pesticides	\$52,824.29
Russell	Retailer and Elevator	Nitrates	\$41,005.48
Russell	Retailer and Elevator	Nitrates	\$88,667.23
Sedgwick	Ag Retailer	Nitrates	\$0.00
Smith	Retailer and Elevator	Nitrates	\$2,486.89
Smith	Retailer and Elevator	Combination	\$4,472.52
Sumner	Ag Retailer	Nitrates	\$2,663.34
Sumner	Ag Retailer	Nitrates	\$4,880.40
Sumner	Ag Retailer	Nitrates	\$2,053.00
Sumner	Ag Retailer	Nitrates	\$1,543.65
Sumner	Ag Retailer	Nitrates	\$4,056.21
Sumner	Retailer and Elevator	Nitrates	\$51,795.24
Thomas	Ag Retailer	Nitrates	\$23,805.95
Thomas	Ag Retailer	Nitrates	\$31,949.65
Thomas	Ag Retailer	Nitrates	\$62,238.78
Thomas	Retailer and Elevator	Nitrates	\$7,766.43
Thomas	Retailer and Elevator	Nitrates	\$14,341.23
Washington	Ag Retailer	Nitrates	\$809.92
Wichita	Ag Retailer	Pesticides	\$2,803.89
Summary for 'YearReimbursed' = 2014 (58 detail records)		Sum	\$995,063.36
		Avg	\$17,156.26

KARB Reimbursements by Contaminant

The following chart identifies the total number of applicants reimbursed in calendar year 2014 by type of contaminant. Additionally, the chart provides the total and average dollar amount remitted to applicants by contaminant type.

Type of Contaminant	Claims Per Type of Contaminant	Reimbursement Per Type of Contaminant	Average Reimbursement Per Type of Contaminant
Nitrates	51	\$924,618.32	\$18,129.77
Pesticides	3	\$60,279.12	\$20,093.04
Combination	4	\$10,165.92	\$2,541.48

KARB Reimbursements by Applicant

The following chart identifies the total number of applicants reimbursed in calendar year 2014 by type of applicant. Additionally, the chart provides the total and average dollar amount remitted by type of applicant.

Type of Applicant	Claims Per Type of Applicant	Reimbursement Per Type of Applicant	Average Reimbursement Per Type of Applicant
Ag Retailer	22	\$304,516.31	\$13,841.65
Ag Retailer & Elevator	36	\$690,547.05	\$19,181.86

