Kansas Agricultural Remediation Board

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BOARD MEMBERS: Chairman Larry Shivers, Vice Chairman Brian Norton, Laura Pearl, Kamyar Manesh, Gary Starr, Randy Carlson, and Dr. Gary Meyer

Date: February 5, 2015

To: Senate Committee on Natural Resources: Senator Larry Powell, Chairman

From: Randy E. Stookey, Administrator, Kansas Agricultural Remediation Board (KARB)
Re: Kansas Agricultural Chemical Remediation Reimbursement Fund Annual Audit/Report

Chairman Powell and Members of the Committee:

The Agricultural Chemical Remediation Reimbursement Fund and the Kansas Agricultural Remediation Board (KARB) were created by the legislature in the year 2000 to provide financial reimbursement to eligible persons for ag-chemical remediation expenses. Under the program, commercial grain elevators and participants in the ag-chemical and fertilizer industry pay fees into the Remediation Reimbursement Fund. The Board then distributes up to \$200,000 from the fund to applicants of eligible remediation sites.

The Board consists of five governor-appointed members and two ex-officio representatives: an agricultural retailer, an agricultural producer, an agricultural processor, a specialty chemical distributor, and an agricultural and specialty chemical registrant.

There is no SGF money for this program, as 100% of the fund is collected from industry. Likewise the Board maintains no administrative staff, but appoints an administrator for all of its administrative services, as authorized by the enabling act.

The act requires the Board to annually provide for an independent audit, and submit the audit and an annual report of all fund activities to this committee. You have been provided with copies of each.

In summary, the Board met four times during calendar year 2014 to review and consider reimbursement applications. Upon due consideration and review, the Board ordered reimbursement of fifty-eight (58) applications for nitrate and ag-chemical remediation projects, totaling \$995,063.36. The average reimbursement was \$17,156.26. Over the past thirteen years, a total of \$15,308,812.04 has been distributed through this program to help offset ag-chemical remediation expenses incurred through the remediation of environmental contamination, furthering the goal of ensuring clean soil and water in Kansas.

In January of 2015, an independent audit of the fund was conducted by Berberich Trahan & Co., P.A. for calendar year 2014. The fund received an unmodified/unqualified audit report.