

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Senator Robert Tyson at 8:31 a.m. on January 24, 2003 in Room 423-S of the Capitol.

Members present: Senator Tyson, Senator Taddiken, Senator Huelskamp, Senator Umbarger and Senator Lee

Committee staff present: Raney Gilliland, Legislative Research
Lisa Montgomery, Revisor of Statutes
Shannon Stone, Secretary

Conferees appearing before the committee:
Gary Blackburn, Director of Bureau of Environmental Remediation, KDHE
Bill Bider, Director of the Bureau of Waste Management

Others attending: See attached list

The meeting was called to order by Chairman Robert Tyson. He appointed a subcommittee to research possible water agency reorganization. Senator Schmidt will chair the committee. He will be assisted by Senators Taddiken and Downey.

There were no bill introductions or resolutions.

The first conferee to appear before the Committee was Gary Blackburn, (Director, Bureau of Environmental Remediation). He reported on the status of the "Drycleaner Environmental Response Act" (Attachment 1). He specifically addressed the Bureau's corrective action at contaminated sites in Kansas and the development of KDHE regulations (Attachment 2). Mr. Blackburn also provided a table of expenditures and encumbrances as well as a list of a Kansas contaminated dry-cleaning sites in his handout.

Questions from the Committee regarding surcharges, funding, current dry-cleaning facility standards and clean-up were responded to by Mr. Blackburn.

Bill Bider, (Director, Bureau of Waste Management) appeared before the Committee to review the Kansas Solid Waste Program for fiscal year 2002 (Attachment 3). He informed the committee of revenue sources, 2002 expenditures and 2003 balance and expected revenue and expenditures. According to the budget, expenditures are expected to exceed revenues by \$2,983,628 in the coming year. The Bureau, which generally stays below budget (they spend approx. 95% of their proposed budget, annually) has come up with several plans to reduce expenditures and increase revenue which include: 1) reducing program spending 2) reducing fund transfers and 3) increasing tipping fees. Currently Kansas' tipping fee is \$1.00/ton. Mr. Bider went on to explain that while we are receiving nearly \$1 million from Missouri for transporting trash to Kansas waste facilities, the majority of waste from Missouri is not charged because it comes in on a truck and doesn't go through a transfer station.

In response to Senator Huelskamp's question regarding a newly imposed \$100 fee for certain small business owners, Mr. Bider explained that the fee was a "hazardous waste fee" that the agency always had the authority to enforce but only recently put in action in order to meet financial needs. A book detailing the revenue and expenditures in FY 2002 was made available for committee members. A copy of this book has been filed in Senator Tyson's office.

Senator Tyson concluded by reminding everyone that the deadline for requesting committee bills is February 5.

SENATE NATURAL RESOURCES COMMITTEE

GUEST LIST

DATE: January 24

NAME	REPRESENTING
Connie Burns	Dameron & Assoc.
Leo Henning	KDHE
Gary Blackburn	KDHE
Dennis Kriesel	KAC
E.R. Moses	KAPA
Shawn Herrick	MA TDA
Martin Hawver	Hawver's Capitol Report
TON GACHES	KSPE
John Peterson	Ks Governmental Consulting
Mary Jane Stettelman	KGFA - KARA

**Status of Drycleaner Environmental Response Act
to
Senate Natural Resources Committee
Presented by Gary Blackburn**

January 24, 2003

In response to the threat of groundwater contamination from the chemicals used for dry cleaning clothes, representatives of the drycleaning industry drafted the Kansas Drycleaner Response Act. On July 1, 1995, the Act became law.

The Drycleaner Environmental Response Act establishes a trust fund to provide funding to respond to contamination caused by leaks and spills of the chemicals used for dry cleaning. The Act also requires that dry cleaners adopt practices which will reduce the possibility of future leaks and spills of dry cleaning chemicals.

A Technical Advisory Committee, composed of representatives of the dry cleaning industry and Bureau of Environmental Remediation staff, drafted the regulations necessary to implement and enforce the Act. In developing the regulations, input was sought from the public through a series of meetings held across the state. The regulations became effective on January 3, 1997.

Because of the limited funding and the number of sites that require corrective action, a site priority ranking system is used to focus the limited resources toward the sites that create the greatest risk to the public. The ranking of sites is adjusted as more sites are discovered and as information is gathered about the sites. At this time 72 facilities have been approved for assistance from this program. A list of sites is attached to the annual reports.

Staff manage a state contractor to perform corrective action at contaminated drycleaning sites. At this time, assessments are being performed at 10 sites, remedial systems are being designed for 5 sites, active remediation is ongoing at 15 sites, long term monitoring is performed at 13 sites and 29 sites are waiting for funding to become available. All of the 43 sites where work was performed have groundwater contamination. Fourteen of the sites have contaminated public water supply wells and 8 sites pose a threat to other public water supply wells.

Drycleaning program staff worked with the cities of Salina and Hays to develop and operate remedial systems that clean up groundwater to be used in the public water supply for the cities. These partnerships help the cities by allowing them to obtain clean water and benefits the agency because the cities provide labor and operational expenses in exchange for the clean water. This method is much more efficient where applicable, because a single large system is built rather than several smaller systems.

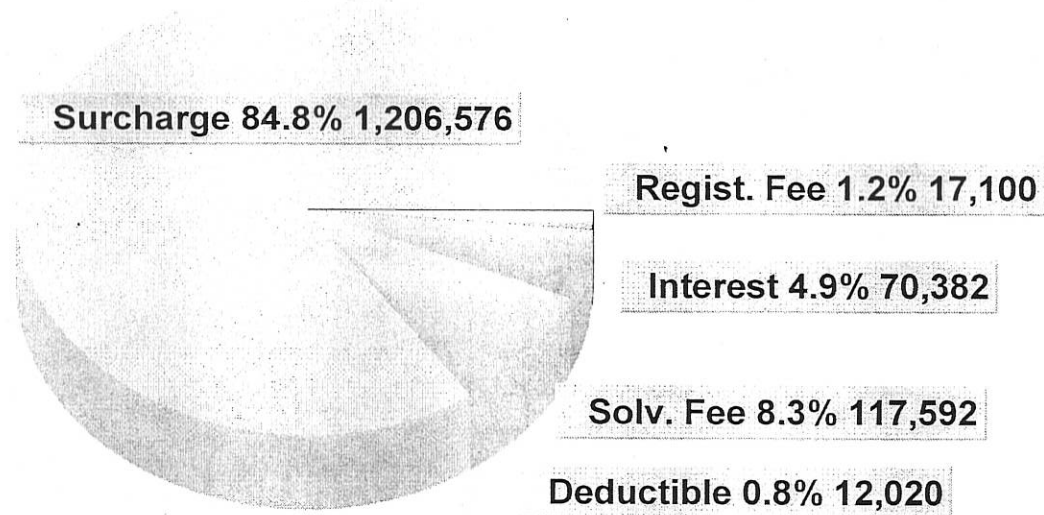
Staff also manage a program for registration of drycleaning facilities and provide reimbursement for corrective action performed by the owner of contaminated drycleaning sites which are approved.

*Senate Natural Resources Committee
Date: January 24, 2003
Attachment 1-1*

FY2002 DFRTF Receipts

As of June 30, 2002 (Fiscal Year 2002)

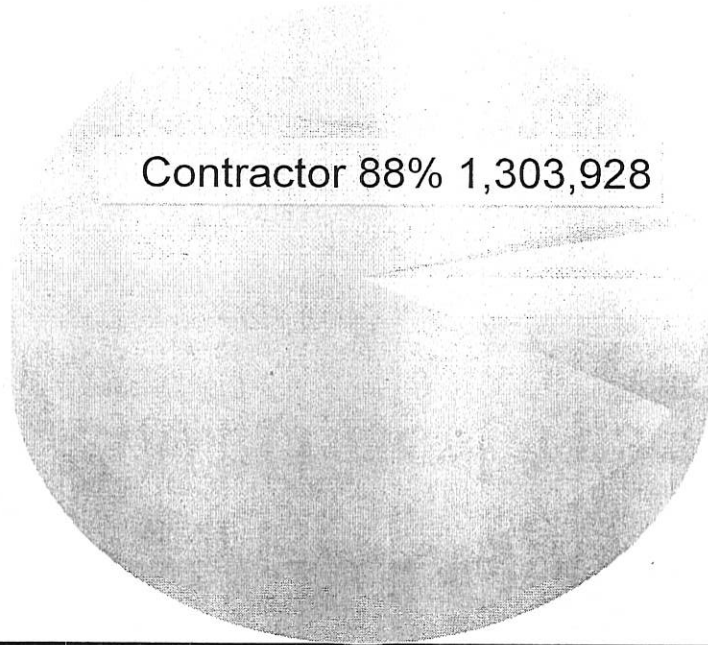
**Receipts
as of
6/30/02 -
\$1,423,670**



FY02 DFRTF Expenditures

As of June 30, 2002 (Fiscal Year 2002)

**Expenses
as of
6/30/02 -
\$1,490,063**



Contractor 88% 1,303,928

KDHE Proj. \$ 1% 16,365

Admin. 4% 56,749

Salary 8% 113,021

Att. 2

REPORT TO
HOUSE ENVIRONMENT COMMITTEE
AND
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

STATUS OF
DRYCLEANER ENVIRONMENTAL RESPONSE ACT
JANUARY 1 - NOVEMBER 30, 2002

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
DIVISION OF ENVIRONMENT
BUREAU OF ENVIRONMENTAL REMEDIATION

December 20, 2002

Senate Natural Resources Committee
Date: January 24, 2003
Attachment 2-1

The purpose of this report is to fulfill the statutory requirement for a report to the Committees on Energy and Natural Resources concerning the implementation of the Kansas Drycleaner Environmental Response Act (K.S.A. 1995 Supp. 65-34,141 et seq).

As stated in K.S.A.65-34, 154: "On or before the first day of the regular legislative session each year, the secretary shall submit to the members of the standing committees on energy and natural resources of the house of representatives and the senate a report regarding": (stated below a-d)

a. "Receipts of the fund during the proceeding calendar year and the sources of the receipts".

Receipts are listed in Table 1 on Page 5.

b. "Disbursements from the fund during the preceding calendar year and the purposes of the disbursements".

Disbursements are listed in Table 2.

c. The extent of corrective action taken under this act during the preceding calendar year.

CORRECTIVE ACTION AT CONTAMINATED SITES

In 2002, corrective actions were performed at sites in Concordia, Derby, Downs, Emporia, Garden City, Goodland, Hays, Hutchinson, Hugoton, Manhattan, McPherson, Neodesha, Newton, Pratt, Salina, Topeka, Wamego, and Wichita. Corrective actions at these sites ranged from defining the vertical and horizontal extent of drycleaning contamination to designing and implementing large remediation systems at municipal water treatment plants.

Hutchinson has two public water supply wells impacted. There are four distinct drycleaning contamination plumes within the city. KDHE has installed five groundwater or soil remediation systems and are near completion of a remedial design for a large groundwater remedial system.

In Garden City KDHE has installed two groundwater remedial systems and one soil remediation system. One remedial system was installed to prevent the migration of contaminants toward a public water well. The other remedial system was installed to reduce the amount of contaminants in the source area. The latter remedial system was successful and has been shut down.

Salina has seven public water supply wells impacted by drycleaning facilities. Four contamination plumes have been defined. KDHE entered into a Consent Order with the City to design and install a groundwater remediation system at

the Salina water treatment plant. The groundwater remedial system is operational and has been successful in treating the water to below drinking water standards. The corrective action is in cooperation with the Underground Storage Tank Trust Fund because gasoline service stations have also contributed to the contamination. The Drycleaner Trust Fund has installed five soil remediation systems in the drycleaning source areas and two systems have been shut down since they have successfully cleaned up the site. The Drycleaner Trust Fund has also completed a large soil excavation project at one of the source areas.

Hays has 3 public water supply wells impacted from drycleaning facilities. The Drycleaner Trust Fund entered into a consent order with Hays to design and build a groundwater treatment system to remediate the groundwater for the Hays water treatment plant. The groundwater remedial system is operational and has been successful in treating the water to below drinking water standards. The corrective action in Hays is in cooperation with the Underground Storage Tank Trust Fund because gasoline service stations have also contributed to the contamination. A soil and groundwater remediation system has been installed at the drycleaning source area and has been operational for five years. An additional recovery well has been installed to control the migration of contaminated groundwater.

McPherson has 2 public water supply wells impacted. McPherson installed a groundwater remedial treatment system in the early 1990's. The Drycleaner Trust Fund has entered into a consent agreement with the City that settles all operation and maintenance costs for the groundwater remedial system. In addition, the Drycleaner Trust Fund has installed a soil remediation system in the source area at one drycleaning facility and began the assessment of the other drycleaning facility which is contributing to the groundwater contamination.

Downs has 2 public water supply wells impacted. A comprehensive assessment of the groundwater contamination at this site has been completed. The Drycleaner Trust Fund has completed a large soil removal in the source area. Groundwater is being monitored in the area to determine the effects of the soil removal on the groundwater.

Goodland has 2 public water wells that are threatened by drycleaning contaminants. The Drycleaner Trust Fund has begun the groundwater assessment of two separate groundwater plumes in the city.

Hugoton has a public water well which is threatened to be contaminated by drycleaning solvents. A site assessment has been completed and the site is in

long-term monitoring.

Wichita has seven drycleaning sites which are being addressed by the Drycleaner Trust Fund. The two former drycleaning facilities at the Quick and Easy Site have contaminated groundwater which is impacting surface water in a nearby creek. The trust fund has performed and completed an assessment of the site. A soil remediation system has been installed and has been operational for three years. A groundwater remediation pilot study has been completed at the site. The pilot consisted of injecting sodium permanganate into the groundwater to oxidize the contaminants. The trust fund is monitoring groundwater at the pilot study area to document reductions in contaminants.

The Drycleaner Trust Fund has entered into a consent agreement with the City for two drycleaning facilities in the Gilbert and Mosley Site. The Trust Fund will reimburse the city its proportional costs for the two drycleaning facilities in the regional groundwater treatment system. The Trust Fund is also responsible for installing a source area treatment system at the two facilities. These two remedial systems are currently in design and should be installed within the next year.

The Trust Fund has also begun assessment of three additional drycleaning facilities in the City of Wichita. These assessments should be completed in the next year.

Manhattan has a public well which has been impacted by a drycleaning facility. The assessment of this site and final report have been completed. This site is currently in a feasibility study to determine the appropriate remedial design for the source areas.

Neodesha has one drycleaning facility which has contaminated the soil and groundwater. The assessment for the site has been completed. A feasibility plan has been initiated and a remedial system should be installed in the upcoming calendar year.

Newton, and Pratt have had assessments completed at the drycleaning facilities. Both of the sites are in monitoring and may be closed in the near future.

Derby, Emporia, Topeka, and Wamego sites are currently in assessment. After completion of the assessments a final determination will be made as to the priority ranking of the sites and if additional corrective actions are necessary for each site.

Concordia had a drycleaning facility that had contaminated the soil and groundwater. A remedial system was installed and it has completed the remediation for the site. The site is in long-term monitoring.

d. The prioritization of sites for expenditures from the fund.

KDHE uses a ranking program to prioritize the sites in the program. The ranking program takes into account: contamination concentration, plume size, proximity to receptors (public drinking water wells, streams, etc.) and other factors. The program then scores the threat to human health and the environment. The list of sites is attached as Table 3.

DEVELOPMENT OF REGULATIONS

KDHE finalized the writing, review, and public hearing for the regulations and regulatory impact statement during calendar year 1996. The Public Hearing was held and the regulations were adopted by the Secretary. The regulations for the Drycleaning Environmental Response Act became effective on January 3, 1997. A small regulatory change was made in 1998 allowing additional flexibility for the evaporation of separator water.

Senate Bill 132 was introduced during the 1999 legislative session. The bill revised several aspects of the Drycleaning Environmental Response Act. The bill was approved by the legislature and governor and became effective on July 1, 1999. Regulation changes were required with this law change. The regulation changes have been completed and became effective on December 22, 2000.

Table 1. Receipts for Calendar Year 2002 (Through November 2002)

Environmental Surcharge	\$ 1,118,532.86
Solvent Fee	\$ 115,578.77
Registration Fee	\$ 12,200.00
Deductible Payments and Penalties	\$ 13,536.50
Interest	\$ 43,676.26
TOTAL	\$ 1,303,524.39

Table 2
EXPENDITURES AND ENCUMBRANCES
 December 1, 2001 through November 30, 2002
 Fund 7407
 Drycleaning Trust Fund

Object Of Expenditure	Obj Code	December 1, 2001 - June 30, 2002 SFY 2002 Disbursements	July 1, 2002 - November 30, 2002 SFY 2003 Disbursements	Outstanding Encumbrances	Total
TOTAL SALARIES	100	69,600.78	51,994.03		121,594.81
Communication	200	3,569.02	1,511.92		5,080.94
Freight & Express	210	0.00	124.39		124.39
Printing & Advertising	220	446.20			446.20
Rents	230	11,719.89	5,272.02	7,110.25	24,102.16
Repairing & Servicing	240	1,126.47	34.84		1,161.31
Travel	250	3,877.26	2,410.33		6,287.59
Fees- Other Services	260	905.01	2,418.33		3,323.34
Professional Fees	270	916,972.48	222,299.12	215,725.31	1,354,996.91
Utilities	280	16,713.85	9,192.06		25,905.91
Other Contractual Services	290	1,103.00			1,103.00
TOT CONTRACTUAL SVCS		956,433.18	243,263.01	222,835.56	1,422,531.75
Clothing	300	73.00			73.00
Maintenance & Supplies	340	0.00			0.00
Motor Vehicle Supplies	350	392.13	414.53		806.66
Professional Supplies	360	3,413.77	246.12		3,659.89
Office Supplies	370	2,823.02	1,067.96		3,890.98
Other Supplies, Materials	390	676.50	130.70		807.20
TOTAL COMMODITIES		7,378.42	1,859.31	0.00	9,237.73
TOTAL CAPITAL OUTLAY	400	11,496.86	1,384.87		12,881.73
GRAND TOTAL		1,044,909.24	298,501.22	222,835.56	1,566,246.02

Cash Control	
Beginning Cash Balance, 7/1/95	0.00
Add Receipts, 7/1/95 - 11/30/02	9,656,567.04
Less Disbursements, 7/1/95 - 11/30/02	7,170,151.57
Less Encumbrances outstanding, 11/30/02	222,835.56
Available Cash Balance 11/30/02	2,263,579.91

TABLE 3
LIST OF DRYCLEANING SITES
As of December 1, 2002

1	Abilene	Pick Cleaners	315 NE 14th St.
2	Atchinson	Nestler's Cleaners	716 Commercial St.
3	Concordia	Riteway	112 E. 6th St.
4	Concordia	Riteway	217 W. 3rd St.
5	Concordia	Riteway	301 W. 6th. St.
6	Derby	EZ Laundry	105 S. Baltimore St.
7	Derby	Van's Laundry	421 East Madison
8	Downs	Headley Cleaners	818 Morgan St.
9	Emporia	Clothes Cleansers	804 W. 6th Ave.
10	Emporia	Spic N Span	17 W. 4th
11	Garden City	Penny/Stroh	106-110 Main St.
12	Garden City	Stroh Cleaners	2501 N. Fleming St.
13	Garden City	Garden City Laundry	410 N. 8th St.
14	Goodland	KAM Car Wash	821 Main
15	Goodland	Model Steam Laundry	1525 Main
16	Hays	Suburban Drycleaners	1207 Cedar St.
17	Hays	Royal T	108 Centennial Blvd.
18	Hays	Norge's	1015 Centennial Blvd.
19	Hugoton	Lamont Cleaners	505 S. Main
20	Hutchinson	Saylor Drycleaners	600 N. Adams St.
21	Hutchinson	Ineeda	1224 S. Main St.
22	Hutchinson	1-HR Martinizing	2526 N. Main St.
23	Hutchinson	American Uniform	2500 N. Main St.
24	Hutchinson	Ineeda	525 S. 30th St.
25	Kansas City	1-HR Martinizing	3047 State Avenue
26	Lenexa	Plaza Ford Ideal	14900 W 87th St.
27	Lenexa	Pride Cleaners, Inc.	7824 Quivira Road
28	Lenexa	Lenexa Coin Laundry	13114 Santa Fe Trail
29	Manhattan	Cinderella	1227 Bluemont
30	Manhattan	Fremont Coin-O-Matic	1101 Poyntz
31	Manhattan	Stickel Cleaners	714 N. 12th
32	McPherson	Tidy Laundry	414 W. Kansas
33	McPherson	Giant Wash Laundry	507 N. Main
34	Mission	Pride Cleaners	5438 Johnson Drive
35	Neodesha	Bently's Garment Care	8th & Tank
	Newton	Norm's Laundry	1726 N. Main St.

37	Olathe	Parsonitt Jo. Co. Airport	Jo. Co. Industrial Airport
38	Olathe	Imperial Cleaners	102 S. Clairborne
39	Olathe	Pride Cleaners, Inc.	117 S. Mur Len Road
40	Overland Park	Superior	9529 Antioch Road
41	Overland Park	Pride Cleaners, Inc.	10330 Metcalf
42	Pratt	Deluxe Cleaners	914 E. First
43	Salina	Stewart's Laundry	211 S. Santa Fe
44	Salina	1-HR Martinizing	1501 S. 9th St.
45	Salina	Fast 1-HR Cleaners	1208 S. Santa Fe
46	Salina	Express Cleaners	540 S. Santa Fe
47	Salina	Wardrobe Cleaners	245 N. Santa Fe
48	Salina	Southgate Coin Laundry	2013 S. Ohio
49	Smith Center	Easy Wash Laundry	117 E. Kansas Ave.
50	Topeka	Scotch Fabric Care	134 Quincy Street
51	Wamego	PAL, Inc.	405 Lincoln
52	Wichita	Acme	1615 E. Edgemoor
53	Wichita	Apparel Master	353 N. Indiana
54	Wichita	Artistic	1612 E. Harry
55	Wichita	Best Cleaners	1212 S. Rock Road
56	Wichita	Best Cleaners	8526 West 13th St. N.
57	Wichita	Best Cleaners	6522 E. Central
58	Wichita	Best Cleaners	1614 S. Broadway
59	Wichita	Best Cleaners-Brittany	2120 N. Woodlawn
60	Wichita	Cowboy Cleaners	6165 E. 13th
61	Wichita	Dutchmaid Coin-O-Matic	2818 S. Hydraulic
62	Wichita	Four Seasons	646 N. West St.
63	Wichita	Jet Cleaners	2811 S. Hydraulic
64	Wichita	Lee's Cleaners	1110 W. 31st St. South
65	Wichita	Mike's Cleaners	2910 E. Douglas
66	Wichita	Morgan's Cleaners	5407 E. Kellogg
67	Wichita	Nickell Fabric Care	1890 S. Hillside
68	Wichita	Quick & Easy	1552 S. Hydraulic
69	Wichita	Speltz Cleaners	1920 West McArthur
70	Wichita	Tommie's Cleaners	813 S. Woodlawn
71	Wichita	Welch Plaza Cleaners	3200 E. Harry St.
72	Winfield	Monarch Cleaners	114 E. 8th



AA.?

KANSAS

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

Kansas Solid Waste Program Review - FY 2002

prepared for the

Senate Natural Resources Committee

by Bill Bider, Director, Bureau of Waste Management

January 24, 2003

Purpose of Annual Report

- Summarize annual revenue and expenditures from Solid Waste Management Fund
- Make recommendations regarding adequacy of the fund balance and fees to meet needs

Revenue to Solid Waste Management Fund

FY 2002 Revenue - \$5.4 million; up 5% from 2001 (94% \$1 tipping fee, 4% interest, 2% permit fees)

No "true increase; a major July 3, 2003 deposit counted as FY 02 revenue; revenue down in 2003

Uses for Solid Waste Management Fund (2002 Expenditures)

		<u>Percent</u>
-- Staff Salaries (43 FTEs)	\$ 1,923,630	37.7
-- Grants (recycling, composting, HHW)	\$ 1,465,027	28.7
-- Operations (rents, cars, travel, office, etc.)	\$ 516,423	10.1
-- Contracts	\$ 779,352	15.3
* Public Education/Schools	\$ 341,539	
* Pesticides/Lab Chem Sweeps	\$ 132,207	
* SW Composition Study/Planning	\$ 83,010	
* Technical Training SW Operators	\$ 102,460	
* Other (includes illegal dump cleanup)	\$ 112,987	
-- Old Dump Remediation	<u>\$ 416,944</u>	<u>8.2</u>
Total Expenditures	\$ 5,101,376	100
Indirect Transfers (25% of non-contracts)	<u>\$ 1,033,201</u>	
Total FY 2002 Expenditures	\$ 6,134,577	

FY 2003 Balance, Revenue, and Expenditures

Beginning Balance (minus encumbrances of \$ 836,000)	\$ 5,708,000	*****
Estimated Revenue	plus \$ 5,142,000	Expenditures
Budgeted Expenditures (worst case)	minus \$ 5,856,976	Exceed
Indirect Transfers	minus \$ 1,018,652	Revenue by
2002 Legislative transfer to replace SGF	minus \$ 750,000	\$ 2,983,628
Proposed Governor's transfer	minus <u>\$ 500,000</u>	*****
Net Balance on June 30, 2003	\$ 2,724,372	

Options: (1) reduce program spending; (2) reduce fund transfers; (3) increase tipping fee

(Or some combination of all three options)

*Senate Natural Resources Committee
Date: January 24, 2003
Attachment 3*

Probable Areas of Reduced Expenditures : Grants (aid-to-locals), dump clean-up, public education

Other state tipping fees: Missouri - \$1.92/ton, Nebraska - \$1.25/ton, Oklahoma - \$1.50/ton