

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE.

The meeting was called to order by Chairman Senator Robert Tyson at 8:35 a.m. on February 7, 2003 in Room 423-S of the Capitol.

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

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

Conferees appearing before the committee:

Mary Jane Stattelman, Program Administrator, Kansas Agriculture Remediation Board
Rick Bean, Remediation Section Chief, Kansas Department of Health and Environment

Others attending: Please see attached list.

The Chair opened the meeting by welcoming members of the Kansas Agriculture Remediation Board.

Testimony

Mary Jane Stattelman appeared before the Committee to give an overview of the Kansas Agriculture Remediation Board (KARB). She gave written and oral testimony explaining the purpose of the Board and the programs it administers. (Attachment 1) Ms. Stattelman explained that through **SB 501** the following programs have been enabled:

1. Remediation Linked Deposit Loan Program
2. Remediation Reimbursement Program
3. Kansas Agricultural Remediation Board

Commenting on the application process for the Reimbursement Program, Ms. Stattelman stated that to date, only one application has been denied. The average remediation reimbursement in 2002 was just under \$47,000.00. She provided Committee members with a booklet containing KARB's financial statement. A copy of this booklet has been filed in Senator Tyson's office.

In response to a question put forth by staff, Ms. Stattelman affirmed that an applicant may apply for a reimbursement any number of times, yet total aid to that applicant may not exceed \$200,000.

Both the Loan Program and the Reimbursement Program will sunset in the year 2010.

A brief question and answer period followed testimony.

Adjournment

The meeting was adjourned at 9:05 a.m.

**SENATE NATURAL RESOURCES COMMITTEE
GUEST LIST**

DATE: Feb 7, 2003

NAME	REPRESENTING
KEITH HAUGHTON	Ks. Sport Hunting Ass / BIRMGHAM RANCH
Ken Corbet	Ks Sport Hunting Assn.
Francis Kelsey	Shawnee County Farm Bureau
Steve Swaffar	Ks Farm Bureau
Todd Johnson	KLA
Chad Wice	KDWP
Mary Jane Stattelman	KGFA / KARA
Dale Lambly	KIDA



Kansas Agricultural Remediation Board

Board Members:

CHAIR
Agricultural Producer
LINDA PETERSON
Burdick

VICE CHAIR
Specialty Chemical
Distributor
LARRY SHIVERS
Van Diest Supply
Salina

Grain Processor
KAMYAR MANESH
Farmland Industries
Olathe

Agricultural Retailer
LAURA PEARL
J.B. Pearl Sales &
Service
St. Marys

Ag & Specialty
Chemical Registrant
ROGER LONG
Syngenta Crop Protection
Great Bend

Ex Officio Members:

RICK BEAN
Remediation Section Chief
KS Department of Health &
Environment, Topeka

GARY MEYER
Fertilizer & Pesticide
Program Director
KS Department of Agriculture,
Topeka

Program Administrator

MARY JANE STATTELMAN
Topeka

ANNUAL REPORT

KANSAS AGRICULTURAL REMEDIATION BOARD

SENATE NATURAL RESOURCES COMMITTEE

JANUARY 31, 2003

Senate Natural Resources Committee
Date: February 7, 2003
Attachment 1-1

The Genesis

The 2000 Legislature passed SB 501, which was entitled the Agricultural and Specialty Chemical Remediation Act. This bill created the following programs and board:

1. Remediation Linked Deposit Loan Program - This program is to be administered by the state treasurer for the purpose of providing lower interest loans to eligible persons to pay the costs of corrective action approved or ordered by the Kansas Department of Health and Environment.
 - The costs must also be approved by the Kansas Agricultural Remediation Board (KARB).
 - The total amount of linked deposit loans for any one site cannot exceed \$300,000.
 - The total amount of money in the linked deposit program shall not exceed \$5 million.
 - This provision will sunset in 10 years.

2. Remediation Reimbursement Program - This program is administered by the Kansas Agricultural Remediation Board (KARB). This program provides reimbursement to eligible persons for the costs of corrective actions approved by KDHE or taken in accordance with an order from KDHE.
 - If an eligible person is assessed a fee then that person can receive 90% of the total costs greater than \$1,000 and less than \$100,000 **plus** 80% of the total eligible corrective action costs greater than \$100,000 and less than \$200,000.
 - If a person does not pay an assessment or a pesticide dealer that sells less than \$2500 of pesticides annually, then the person is eligible to receive 100% of their costs greater than \$1,000 and less than or equal to \$10,000.
 - This provision sunsets in 10 years.

3. Kansas Agricultural Remediation Board (KARB) – 5 members are appointed by the Governor and confirmed by the Senate and two ex officio members representing KDHE and KDA. These Board members will serve 4 year terms. The Board has the following authority and responsibility:
 - Promulgate rules and regulations;
 - Contract or hire an administrator;
 - Provide an annual audit of the fund;
 - Provide an annual report to the Governor, the Senate Energy and Natural Resources Committee and the House Environment Committee on or before February 1, of each year;
 - The Board and the Fund shall be subject to an annual audit by the legislative post audit committee.

Kansas Agricultural Remediation Board (KARB)

The following individuals were confirmed by the Senate:

Linda Peterson, Chair

Representing agricultural producers

Term expires: 2003

Larry Shivers, Vice Chair

Representing specialty chemical distributors

Term expires: 2004

Kamyar Manesch

Representing grain processors

Term expires: 2003

Laura Pearl

Representing agricultural retailers

Term expires: 2006

Roger Long

Representing agriculture and specialty chemical registrants

Term expires: 2006

Rick Bean, ex-officio member

Representing the Kansas Department of Health and Environment

Gary Meyer, ex-officio member

Representing the Kansas Department of Agriculture

FY 2002 Receipts

Who Pays	Due date	Amount to KARB	Total Amount to KARB
Pesticide Product	Jan. 1 st	\$60	387,750.00
Grain Storage	August 31 st or upon license renewal	\$.0005 per bushel	406,493.48
Pesticide Business Dealer License	July 1 st	\$80	99,560.00
Fertilizer Products	July 1 st	\$20	66,960.00
Custom Fertilizer Blenders	Jan. 1 st	\$100	42,400.00
Total			1,046,425.42

FY 2003 Projected Revenues

Who Pays	Due date	Amount to KARB	Total Amount to KARB
Pesticide Product	Jan. 1 st	\$60	372,000.00
Grain Storage	August 31 st or upon license renewal	\$.0005 per bushel	392,500.00
Pesticide Business Dealer License*	July 1 st	\$80	88,000.00
Fertilizer Products	July 1 st	\$20	68,000.00
Custom Fertilizer Blenders	Jan. 1 st	\$100	41,000.00
Total			997,004.00

KARB Meetings

The Board met 5 times during calendar year 2002. These meetings occurred on January 14, 2002, January 24, 2002, March 19, 2002, July 9, 2002, and October 8, 2002. During these meetings, the Board accomplished the following tasks:

- Sent out application forms and brochures to every person or entity that is currently participating in either KDHE's voluntary cleanup program or the state cooperative program;
- Renewed the administrative contract with Kansas Grain and Feed Association;
- Renewed the contract with Berberich, Trahan and Company P.A. to perform the audit of the remediation fund;
- Reviewed and made determinations on applications.

Remediation Reimbursement

During calendar year 2002, the KARB members approved 20 applications in the amount of \$939,108.97, with the average reimbursement amount being \$46,955.45. The following is a breakdown of the type of facility that has been reimbursed and the type of contamination that has been addressed and where the sites are located within the state.

2002 KARB Reimbursement Chart

Type of Business	Contamination	Reimbursement
Ag retailer	High nitrate in water supply	\$ 36,697.78
Ag retailer	Pesticides and nitrates	\$ 39,593.62
Ag retailer	Pesticides and nitrates in water supply	\$170,000.00
Grain elevator	Carbon tet	\$ 74,159.21
Grain elevator	Nitrate in the public wells	\$ 86,578.65
Grain elevator	Nitrate in domestic wells	\$ 21,395.86
Grain elevator	Nitrate in soil and groundwater	\$ 20,189.44
Grain elevator	Carbon tet impacting public and private water supply	\$ 12,865.19
Ag retailer	Nitrate in the soil and groundwater	\$ 13,131.91

	Grain elevator	Carbon tet in groundwater	\$170,000.00
	Grain elevator	Carbon tet	\$ 58,153.90
	Ag retailer	Atrazine	\$ 7,018.64
	Ag retailer and Elevator	Nitrate & Carbon Tet	\$59,488.89
	Ag retailer and elevator	Nitrate	\$ 1,883.69
	Ag retailer and elevator	Nitrates and pesticides	\$ 50,899.83
	Ag retailer	Pesticides and nitrates	\$ 9,088.43
	Ag retailer and elevator	Pesticides, nitrates and ammonia	\$ 67,456.38
	Ag retailer and elevator	Nitrate	\$ 17,776.67
	Ag retailer and elevator	Nitrate in public water supply	\$ 2,388.93
	Ag retailer and elevator	Carbon tet	\$ 20,341.95
			\$939,108.97

Type of site:

- 7 grain elevator/ag retailer sites
- 7 grain elevator sites
- 6 ag retailer

Type of contamination:

- 5 Carbon tet
- 14 Pesticide, nitrate, nitrite, atrazine
- 1 Combination

Breakdown based on the type of facility site:

- 7 Grain elevator/Ag retailer \$480,713.40
- 7 Grain elevator \$182,865.19
- 6 Ag retailer \$275,530.38

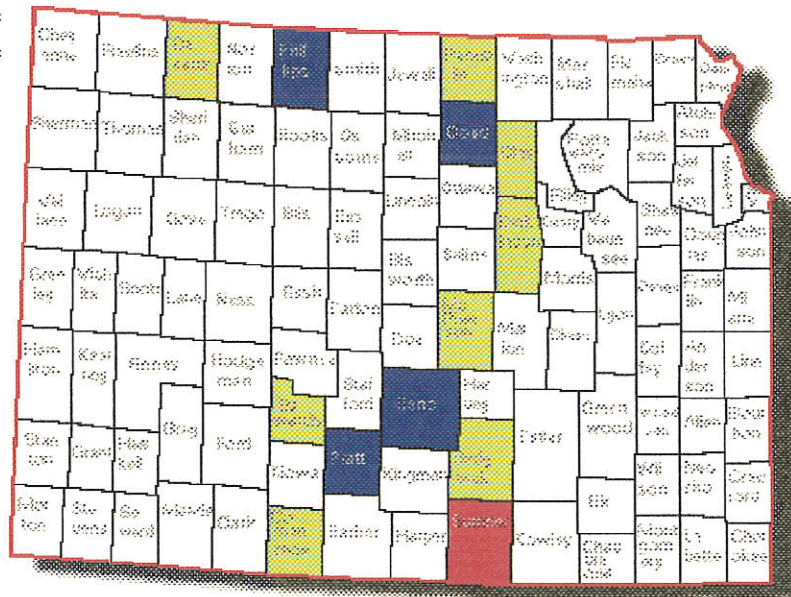
Breakdown based on type of contamination:

- 5 Carbon tet \$335,520.25
- 14 Pesticide, nitrate, herbicide \$544,099.83
- 1 Combination \$ 59,488.89

Average reimbursement amount: \$ 46,955.45

Kansas Agricultural Remediation Reimbursement Sites

- - 1 site
- - 2 sites
- - 4 sites



1-14-03

NOTES:
 Yellow - Clay, Decatur, Republic, Dickinson, Comanche, McPherson, Sedgwick, Edwards
 Blue - Phillips, Cloud, Reno, Pratt
 Red - Sumner