

MINUTES OF THE HOUSE ENVIRONMENT COMMITTEE

The meeting was called to order by Chairman Joann Freeborn at 3:30 P.M. on February 8, 2003 in Room 231-N of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Legislative Research Department
Lisa Montgomery, Revisor of Statutes Office
Pam Shaffer, Committee Secretary

Conferees appearing before the committee:

Mary Jane Stankiewicz, Administrator Kansas Agricultural Remediation Board

Others attending:

See attached list.

Chairperson Freeborn called the meeting to order.

Chairperson Freeborn gave each committee member a handout which she hopes will be helpful for anyone who carries a bill.

Representative Hayzlett made the motion to approve the committee minutes from January 11, 18 & 20. Representative Svaty seconded the motion. Motion carried.

Chairperson Freeborn asked that all guests sign the log. On Thursday, possible action on **HB 2014 - Powers of members ex officio of the Kansas Water Authority**, and **HB 2017 - Clean drinking water fee; use for protection of source water and assistance to public water supply systems**. A week from this Thursday the possible hearing will be on the Irrigation Transition Assistance Program (ITAP), it cannot be put on the agenda as of yet, since it does not have a bill number, but hope to have that completed Thursday or Friday of this week. The agenda will be revised as soon as possible.

Chairperson Freeborn welcomed Mary Jane Stankiewicz, Administrator, Kansas Agricultural Remediation Board. She presented the Annual Report for 2004 to the committee. The 2000 Legislature passed **SB 501** which was titled 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 (KDHE). (2) Remediation Reimbursement Program. This program is administered by the Kansas Agricultural Remediation Board and provides reimbursement to eligible persons for the costs of corrective actions approved by KDHE or taken in accordance with an order from KDHE. (3) Kansas Agricultural Remediation Board. Five members are appointed by the Governor and confirmed by the Senate and two ex officio members representing KDHE and Kansas Department of Agriculture (KDA). These Board members will serve four year terms. The Board has the following authority and responsibilities. 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 Resource Committee, and the House Environment Committee on or before February 1, of each year; and The Board and the Fund shall be subject to an annual audit by the legislative post audit committee (See attachment 1)

Committee questions and discussion followed.

Chairperson Freeborn adjourned the meeting at 4:09. The next meeting is scheduled for February 10.

HOUSE ENVIRONMENT COMMITTEE GUEST LIST

DATE: 02/08

NAME	REPRESENTING
Mary Jane Stankiewicz	KGFA / KARCB
C. V. Cotsoyadis	KDA
Wendy Holburn	KAPA
Steve Swaffar	KS Farm Bureau



K A N S A S

AGRICULTURAL REMEDIATION BOARD

KATHLEEN SEBELIUS, GOVERNOR

KANSAS AGRICULTURAL REMEDIATION BOARD

ANNUAL REPORT FOR 2004

HOUSE ENVIRONMENT COMMITTEE

MARY JANE STANKIEWICZ

JANUARY 31, 2005

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)

Larry Shivers, Chair since September 2003; Vice Chair from 2000-2003
Representing specialty chemical distributors
Term expires: 2008

Tim Peterson, Vice Chair
Representing Agricultural Producers
Term expires: 2007

Kamyar Manesch
Representing grain processors
Term expires: 2007

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

KARB Receipts

Who Pays	FY 2002	FY 2003	FY 2004
Pesticide Product	387,750.00	382,970.00	382,830.00
Grain Storage	406,493.48	399,260.00	400,321.38
Pesticide Business Dealer License	99,560.00	87,705.00	101,750.00
Fertilizer Products	66,960.00	75,100.00	57,112.00
Custom Fertilizer Blenders	42,400.00	44,300.00	43,600.00
Total	1,046,425.42	989,335.00	1,005,894.92

Reimbursements

During 2004, the Board met four times with the purpose to consider reimbursement of applications. A total of 69 applications were deemed eligible and reimbursement was approved for those applications totaling \$1,606,065.92. The average reimbursement amount was \$23,276.32 per application. Over the past three years the Board has approved applicants for expenses associated with addressing environmental contamination that totaled \$3,583,659.49.

KARB Reimbursements

FY 02	FY 03	FY 04	Total
813,445.35	960,455.63	1,809,757.51	3,583,658.49

The substantial increase in the reimbursements that occurred in FY 04 is probably due to the following reasons: 1) increased awareness of the program due to letters sent by the Kansas Agricultural Remediation Board to all applicable participants in the voluntary and state cleanup programs; 2) KDHE staff informing applicable participants in the voluntary and state cleanup programs of the remediation reimbursement program and 3) the statutory deadline that required all costs that were incurred between July 1, 1997 until January of 2002 to be submitted to the Board by January 2004 or the costs would not be eligible for consideration. After January 4, 2004 all costs must be submitted within two years of incurring the costs to be eligible for reimbursement. This caused a number of applications on existing and older sites to be submitted during FY 04.

The following chart lists the type of applicant, the county where the site is located, and the amount that was awarded by the Board during calendar year 2004.

2004 KARB REIMBURSEMENT CHART

Business	Contamination	Reimbursement
March 25, 2004		
Elevator/Ag Retailer	Pesticide and Atrazine	\$3,441.55
Ag Retailer	Nitrates and ammonia	\$23,135.70
Elevator/Ag Retailer	Carbon tet and nitrates	\$19,112.76
Ag Retail	Pesticide and nitrates	\$8,710.22
Commercial applicator	Pesticide	\$12,427.87
Commercial applicator	Pesticide	\$32,100.38
Other	Carbon tet	\$10,000.00
Elevator	Carbon tet	\$126,802.24
Elevator	Carbon tet	\$80,723.95
Elevator	Carbon tet	\$119,276.05
June 25, 2004		
Elevator/Ag Retailers	Carbon Tet	\$6,739.28
Elevator/Ag Retailers	Nitrate	\$16,613.33
Ag Retailer	Nitrate	\$42,603.10
Elevator/Ag Retailer	Carbon Tet	\$6,295.78
Elevator/Ag Retailer	Carbon Tet	\$100,000.00
Elevator/Ag Retailer	Carbon Tet	\$100,000.00
Elevator/Ag Retailer	Nitrate	\$2,538.00
Elevator/Ag Retailer	Nitrate	\$33,070.21
Elevator/Ag Retailer	Nitrate	\$2,571.75
Elevator/Ag Retailer	Nitrate	\$2,209.55

Elevator/Ag Retailer	Nitrate	\$12,139.98
Elevator/Ag Retailer	Nitrate	\$2,463.61
Elevator/Ag Retailer	Nitrate/Carbon Tet	\$13,936.53
Elevator/Ag Retailer	Nitrate/Carbon Tet	\$16,029.39
Elevator/Ag Retailer	Nitrate	\$1,976.02
Elevator/Ag Retailer	Nitrate	\$1,765.31
Elevator/Ag Retailer	Nitrate	\$1,725.62
Elevator/Ag Retailer	Nitrate	\$1,696.60
Grain Elevator	Carbon Tet	\$15,172.52
Grain Elevator	Carbon Tet	\$15,172.52
Grain Elevator	Carbon Tet	\$20,694.10
Grain Elevator	Carbon Tet	\$6,890.17
Grain Elevator	Carbon Tet	\$100,757.23
Grain Elevator September 29, 2004	Carbon Tet	\$17,786.24
Grain Elevator	Carbon Tet	\$17,786.24
Grain Elevator	Carbon Tet	\$24,258.99
Grain Elevator	Carbon Tet	\$8,077.11
Grain Elevator	Carbon Tet	\$99,242.77
Elevator/Ag Retailer	Pesticide and nitrates	\$70,161.75
Grain Elevator	Carbon Tet	\$5,845.50
Elevator/Ag Retailer	Nitrates	\$10,018.97
Elevator/Ag Retailer	Pesticide, nitrates, and ammonia	\$4,640.32

Ag Retailer	Nitrates	\$75,924.37
Elevator/Ag Retailer	Nitrate	\$6,412.70
Elevator/Ag Retailer	Nitrate	\$15,476.46
Grain Elevator	Nitrate	\$12,326.02
Elevator/Ag Retailer	Nitrate/Carbon Tet	\$7,803.00
Elevator/Ag Retailer	Nitrate	\$4,708.13
Commercial Applicator	Pesticide and nitrates	\$1,501.68
Elevator/Ag Retailers	Nitrate	\$1,911.47
Retailer & Elevator	Pesticides and Nitrates	\$11,170.91
December 17, 2004		
Grain Elevator	Carbon tet	\$22,520.55
Ag Retailer	Nitrate	\$1,933.96
Ag Retailer & Elevator	Nitrate and Carbon tet	\$17,764.20
Ag Retailer & Elevator	Carbon tet	\$30,677.87
Grain Elevator	Carbon tet	\$22,520.55
Ag Retailer & Elevator	Carbon tet	\$19,918.22
Ag Retailer & Elevator	Nitrate	\$2,348.45
Ag Retailer	Nitrates & Ammonia	\$8,816.58
Grain Elevator	Carbon tet	\$28,244.67
Grain Elevator	Carbon tet	\$10,227.06
Ag Retailer & Elevator	Nitrate and Carbon tet	\$20,155.86
Ag Retailer & Elevator	Nitrate	\$10,907.83
Ag Retailer & Elevator	Nitrate	\$9,285.25

Ag Retailer & Elevator	Nitrate	\$6,494.99
Ag Retailer & Elevator	Nitrate	\$7,968.65
Ag Retailer & Elevator	Nitrate	\$4,403.96
Ag Retailer	Nitrate	\$24,722.26
Elevator	Carbon tet	\$3,311.06
Total (69)		\$1,606,065.92
Average		\$23,276.32
	Contaminant Breakdown	
Nitrate & Pesticides (37)		\$492,323.51
Average		\$13,306.04
Carbon Tet (26)		\$1,018,940.67
Average		\$39,190.03
Combination (6)		\$94,801.74
Average		\$15,800.29
	Type of Applicant	
Grain Elevator (20)		\$757,635.54
Average		\$ 37,881.78
Ag Retailer (7)		\$185,846.19
Average		\$ 26,549.46
Ag Retailer/Elevator (38)		\$606,554.26
Average		\$15,961.95
Other (4)		\$ 56,029.93
Average		\$14,007.48

- = 1 Reimbursement
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Location of Kansas Agricultural Remediation Reimbursements

