

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT.

The meeting was called to order by Chairperson Representative Joann Freeborn at 3:30 p.m. on January 23, 2003 in Room 231-N of the Capitol.

All members were present except: Representative John Faber - excused
Representative Tom Sloan - excused

Committee staff present: Raney Gilliland, Legislative Research
Emalene Correll, Legislative Research
Mary Torrence, Revisor of Statutes
Mary Ann Graham, Secretary

Conferees appearing before the committee: Mary Jane Stattelmann, Administrator, Kansas Agricultural Remediation Board, 816 SW Tyler, Topeka, KS 66612
Maurice Korphage, Director, Conservation Division, Kansas Corporation Commission, 130 S. Market Rm. 2078, Wichita, KS 67202
Bob Jenkins, Environmentalist Geologist, Conservation Division, Kansas Corporation Commission, 130 S. Market Rm. 2078, Wichita, KS 67202

Others attending: See attached sheet

Chairperson Joann Freeborn called the meeting to order at 3:30 p.m. She reviewed the committee agenda for Tuesday, January 28. Review of Annual Report to the Governor and the Legislature regarding Implementation of KSA 82a-2001 (Activities related to **Substitute for SB204**) by the Kansas Department of Health and Environment Staff; A review of Kansas Public Water Supply Loan Fund; and Review of Kansas Water Pollution Control Revolving Fund. Also bill introductions. Thursday, January 30, Professor James Wadley, Washburn University School of Law, will review Kansas Water Law. Also bill introductions.

The Chairperson asked if anyone had a bill request at this time. No one came forward.

The Chairperson welcomed Mary Jane Stattelmann, Administrator, Kansas Agricultural Remediation Board, to the committee. She gave an overview of the history of the Remediation Board and annual report. The 2000 Legislature passed **SB501**, 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. (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. (3) Kansas Agricultural Remediation Board (KARB). Five members are appointed by the Governor and confirmed by

CONTINUATION SHEET

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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; 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 thanked Ms. Stattelmann for her presentation. She welcomed Maurice Korphage, Director, Conservation Division, Kansas Corporation Commission to the committee. He gave an overview on Abandoned Well and Site Remediation Fund Status Report. The fund was created during the 1996 legislative session with the passage of **House Substitute for SB755**. The purpose of the fund is to provide additional funding to the KCC, Conservation Division, with which to address the problem of both abandoned oil and gas wells and exploration and production related contamination sites. In addition to the creation of the fund the legislation directed the Conservation Division to establish financial responsibility requirements for oil and gas operators within the state of Kansas. These requirements were in place by January, 1998. **SB321** passed during the 2001 legislative session, extends the original fund sunset date 7 years to June 30, 2009. Mr. Korphage, with overhead slides, reviewed the status of oil and gas fields in Kansas; average crude oil price vs. operator intents to drill; Kansas oil production FY1991-FY2002; Kansas gas production FY1991-FY2002; total abandoned wells plugged since inception of abandoned wells fund established by 1996 legislature.

Mr. Korphage introduced Bob Jenkins Environmentalist Geologist II, Conservation Division, Kansas Corporation Commission, to the committee. He reviewed, along with overhead slides, the Abandoned Well/Site Remediation Fund Status of the Abandoned Well Inventory. The KCC total abandoned well inventory (priority I and priority II) currently contains 13,711 wells, documented and verified. This represents an increase in the total inventory of 454 wells over that reported in January of 2002. Of this total, 23,840 wells are listed in the priority I inventory. Of these priority I wells, 7,496 still require plugging operations, which is 509 less than one year ago. (See attachment 2) Committee questions and discussion followed.

The Chairperson thanked Mr. Korphage and Mr. Jenkins for their presentation.

The meeting adjourned at 4:45 p.m. The next meeting is scheduled for Tuesday, January 28, 2003.