

KANSAS AGRICULTURAL REMEDIATION BOARD

ANNUAL REPORT
for
CALENDAR YEAR 2018

JANUARY 31, 2019

The Agricultural and Specialty Chemical Remediation Program

In 2000, the Kansas Legislature passed SB 501, entitled the “Agricultural and Specialty Chemical Remediation Act.” Codified in K.S.A. 2-3701, *et seq.*, the act created the Remediation Reimbursement Program, the Kansas Agricultural Remediation Fund, and the Kansas Agricultural Remediation Board:

1. Remediation Reimbursement Program. Established by the legislature and codified at K.S.A. 2-3708, *et seq.*, this program was created for the purpose of providing financial reimbursement to eligible persons for expenses incurred during the performance of agricultural chemical remediation activities approved or ordered by the Kansas Department of Health and Environment (KDHE). Reimbursements to eligible applicants are paid from the Kansas Agricultural Remediation Fund. The program is administered by a governor-appointed Kansas Agricultural Remediation Board (KARB).
 - An eligible person who has paid all applicable assessments can receive reimbursement for 90% of eligible remediation expenses greater than \$1,000 and less than \$100,000, and 80% of the eligible remediation expenses greater than \$100,000 and less than \$200,000.
 - Any person who is not required to pay an environmental assessment fee into the Kansas Agricultural Remediation Fund is eligible to receive 100% of eligible remediation expenses greater than \$1000 and less than or equal to \$10,000.
 - The remediation reimbursement program has a sunset date of July 1, 2020.
2. Kansas Agricultural Remediation Fund. Established by the legislature the Fund is codified at K.S.A. 2-3711.
 - The fund receives no state general funds assistance, and is 100% financed by annual fees assessed on commercial grain warehouses, agricultural chemical registrants, custom fertilizer blenders, commercial fertilizer registrants, and pesticide dealer fees, as set forth in K.S.A. 2-3713.
 - All expenditures from the fund must be made in accordance with vouchers approved by the Board, as set forth in K.S.A. 2-3711.
3. Kansas Agricultural Remediation Board (KARB) – The KARB consists of five volunteer, Governor-appointed members and two ex-officio members.
 - KARB seats are comprised of one agricultural retailer, one agricultural producer, one agricultural processor, one specialty chemical distributor, and one agricultural and specialty chemical registrant.
 - KARB members are appointed to serve 4-year terms or until replaced.
 - Ex officio members to KARB include one representative of the Kansas Department of Agriculture (KDA) and one representative of the KDHE.
 - The KARB meets quarterly and disburses all unencumbered funds available in the Fund to eligible applicants.

KARB maintains the following authorities and duties (K.S.A. 2-3710):

- Promulgate rules and regulations to administer the act concerning terms and conditions of reimbursement from the Kansas agricultural remediation fund;
- establish operating procedures for reimbursement applications, to include making priority parameters, determination of eligible and ineligible expenses, approving fund payments, governing conflicts of interest, and establishing appeal procedures;
- appoint a qualified administrator for the remediation program; and,
- contract for an annual independent audit of the agricultural remediation fund.

Current Members of the Kansas Agricultural Remediation Board

- Larry Shivers, Chairman
Specialty Chemical Distributor, previously with *Verdesian Life Sciences*
Term expires: March 15, 2020
- Jami Loecker
Agriculture and Specialty Chemical Registrant, *Syngenta*
Term expires: March 15, 2022
- Kamyar Manesh
Agricultural Processor, *APTIM*
Term expires: March 15, 2019
- Laura Pearl
Agricultural Retailer, *JB Pearl Sales & Service*
Term expires: March 15, 2022
- Gary Starr
Agricultural Producer, *Gary's Berries*
Term expires: March 15, 2019
- Randy Carlson
Kansas Department of Health and Environment
Ex Officio
- Gary Meyer, DVM
Kansas Department of Agriculture
Ex Officio

Annual Audit and Annual Report

The act requires the Board to annually provide for an independent audit of the Kansas agricultural remediation fund. The audit report for calendar year 2018 was presented for the Board's review on Friday, January 25, 2019. The Audit Report indicates that the financial statements present fairly, in all material respects, the cash transactions of the Board in accordance with the cash basis of accounting, and reflects: 1) identification of no deficiencies in internal controls that would be considered material weaknesses, and 2) identification of no instance of noncompliance or other matters required to be reported under Government Auditing Standards.

In addition to the independent audit, on or before February 1st of each year, the act requires the Board to submit to the Governor, the Senate Committee on Natural Resources, and the House Committee on Environment, an annual report of the activities and reimbursements for which money from the Kansas agricultural remediation fund has been expended during the previous fiscal year.

2018 Fund Reimbursements

During calendar year 2018, the Board met four times to review and consider applications for reimbursement. Upon due and full consideration, the Board ordered reimbursement on Ninety-Five (95) applications, consistent with the act and regulations, in the total amount of \$1,002,899.93.

Since 2002, \$19,894,607.22 has been distributed through the Remediation Reimbursement Program to help offset expenses incurred by persons performing environmental remediation of contaminated properties, advancing our State's vision of protecting soil and water quality in Kansas.

Priority

Since calendar year 2009, KARB reimbursement requests have exceeded the amount paid into the fund through fee contribution. Therefore, pursuant to K.S.A. 2-3710, the KARB developed a priority-ranking system for all applications received by the program. Each application received by the KARB is sent to KDHE. The agency reviews the application and assesses the application with a priority score. Applications involving potential risk to human health and safety are assessed at a higher priority level. Any application which is not reviewed by the Board, due to an insufficient fund balance in any quarter, is carried forward to the next Board meeting where it may be reviewed according to its priority ranking.

Communication

Information on the Remediation Reimbursement Program is distributed to interested parties in a variety of ways. KARB provides updated information through its website. KARB brochures are provided to the Kansas Department of Agriculture which are placed

in private pesticide applicator licensing packets. In addition, participants in KDHE’s voluntary cleanup and property redevelopment program (VCP) receive information on the remediation program upon enrollment in the VCP.

The KARB administrator provides informational updates to both the Kansas Grain and Feed Association and the Kansas Agribusiness Retailers Association. Once an applicant has applied to the remediation program, the KARB administrator corresponds with those applicants to explain the priority ranking system and provide a status of their application.

Remediation Reimbursement Fund Receipts

The chart below provides a breakdown of the amounts and types of environmental assessments submitted to the remediation fund during fiscal years 2014 through 2018.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Pesticide Product Registration	\$508,250.00	\$539,100.00	\$546,780.00	\$557,680.00	\$434,580.00
Commercial Grain Storage	\$494,589.00	\$470,493.00	\$450,092.00	\$436,491.00	\$475,992.00
Pesticide Dealer License	\$95,980.00	\$105,068.00	\$98,295.00	\$117,350.00	\$83,765.00
Fertilizer Product Registration	\$82,105.00	\$160,176.00	\$153,690.00	\$149,395.00	\$135,040.00
Custom Fertilizer Blender License	\$46,960.00	\$60,079.00	\$47,300.00	\$46,440.00	\$42,821.90
Sold Sites	\$7,000.00	\$4,000.00	\$5,000.00	\$7,000.00	\$5,000.00
Total	\$1,234,884.00	\$1,338,916.00	\$1,301,157.00	\$1,314,356.00	\$1,177,198.90

KARB REIMBURSEMENTS FOR CALENDAR YEAR 2018

The chart below provides a list of all reimbursements ordered by the Board in calendar year 2018.

KARB REIMBURSEMENTS IN CALENDAR YEAR 2018

County	Business Type	Contaminant	Reimbursement
Atchison	Retailer and Elevator	Nitrates and Pesticides	\$9,568.81
Barber	Retailer and Elevator	Nitrates	\$11,241.28
Barber	Retailer and Elevator	Nitrates	\$8,749.35
Clay	Retailer and Elevator	Nitrates	\$20,107.67
Comanche	Retailer and Elevator	Nitrates	\$9,443.90
Cowley	Retailer and Elevator	Nitrates and Pesticides	\$2,615.09
Decatur	Grain Elevator	Nitrates	\$52,595.89
Dickinson	Grain Elevator	Nitrates	\$14,466.06
Dickinson	Retailer and Elevator	Nitrates	\$407.86
Dickinson	Retailer and Elevator	Nitrates	\$3,368.39
Dickinson	Retailer and Elevator	Nitrates	\$7,596.99
Edwards	Grain Elevator	Nitrates	\$9,801.58
Edwards	Retailer and Elevator	Nitrates	\$7,246.61
Ellis	Retailer and Elevator	Nitrates	\$5,250.70
Ellsworth	Grain Elevator	Nitrates and Pesticides	\$31,893.72
Gove	Ag Retailer	Nitrates	\$13,167.25
Gove	Ag Retailer	Carbon Tet and Nitrates	\$431.00
Gove	Ag Retailer	Nitrates	\$4,505.72
Gove	Ag Retailer	Nitrates	\$9,623.96
Gove	Ag Retailer	Nitrates	\$4,315.73
Gove	Ag Retailer	Carbon Tet and Nitrates	\$4,733.49
Gove	Ag Retailer	Nitrates	\$2,084.54
Gove	Ag Retailer	Nitrates	\$5,042.35
Gove	Ag Retailer	Nitrates	\$2,287.31
Gove	Ag Retailer	Nitrates	\$1,918.63
Gove	Ag Retailer	Nitrates	\$5,343.15
Gove	Ag Retailer	Nitrates	\$2,399.85
Gove	Ag Retailer	Nitrates	\$1,311.66
Gove	Ag Retailer	Nitrates	\$1,749.85
Gove	Ag Retailer	Nitrates	\$1,078.24
Gove	Ag Retailer	Nitrates	\$3,933.13
Gove	Ag Retailer	Nitrates	\$484.62
Gove	Ag Retailer	Carbon Tet and Nitrates	\$429.09
Gove	Ag Retailer	Nitrates	\$5,393.73
Gove	Ag Retailer	Nitrates	\$404.97
Gove	Ag Retailer	Nitrates	\$11,580.91
Gove	Ag Retailer	Carbon Tet and Nitrates	\$2,335.28
Gove	Ag Retailer	Nitrates	\$3,661.56
Grant	Retailer and Elevator	Combination	\$88,965.64

KARB REIMBURSEMENTS IN CALENDAR YEAR 2018

County	Business Type	Contaminant	Reimbursement
Grant	Retailer and Elevator	Combination	\$10,587.18
Gray	Retailer and Elevator	Nitrates	\$16,000.14
Gray	Retailer and Elevator	Nitrates	\$15,199.12
Gray	Retailer and Elevator	Nitrates	\$26,815.06
Gray	Retailer and Elevator	Nitrates	\$13,379.16
Gray	Retailer and Elevator	Nitrates	\$57,285.82
Gray	Retailer and Elevator	Nitrates	\$3,093.80
Gray	Retailer and Elevator	Nitrates	\$8,579.44
Gray	Retailer and Elevator	Nitrates	\$13,636.50
Harvey	Retailer and Elevator	Nitrates	\$3,835.09
Hodgeman	Retailer and Elevator	Nitrates	\$9,718.75
Jefferson	Retailer and Elevator	Nitrates and Pesticides	\$7,284.90
Johnson	Grain Elevator	Nitrates	\$12,064.57
Labette	Ag Retailer	Nitrates	\$3,574.35
Logan	Grain Elevator	Nitrates	\$5,209.66
Marion	Grain Elevator	Nitrates	\$2,040.04
Marion	Retailer and Elevator	Nitrates	\$6,185.75
Marion	Retailer and Elevator	Nitrates	\$7,031.75
Marion	Retailer and Elevator	Nitrates	\$14,577.53
McPherson	Grain Elevator	Carbon tet and nitrates	\$9,945.14
Meade	Retailer and Elevator	Pesticides and Nitrates	\$17,795.36
Meade	Retailer and Elevator	Pesticides and Nitrates	\$33,604.28
Meade	Retailer and Elevator	Nitrates	\$18,259.27
Meade	Retailer and Elevator	Pesticides and Nitrates	\$13,368.23
Meade	Retailer and Elevator	Pesticides and Nitrates	\$46,205.15
Meade	Retailer and Elevator	Pesticides and Nitrates	\$12,593.31
Mitchell	Ag Retailer	Nitrates	\$8,826.62
Ness	Grain Elevator	Grain Fumigants	\$4,395.68
Ness	Retailer and Elevator	Nitrates	\$12,164.24
Osage	Retailer and Elevator	Nitrates	\$4,137.18
Osborne	Retailer and Elevator	Nitrates	\$6,295.61
Osborne	Retailer and Elevator	Nitrates	\$8,631.05
Osborne	Retailer and Elevator	Nitrates	\$11,078.81
Pratt	Grain Elevator	Nitrates	\$13,626.22
Reno	Grain Elevator	Nitrates	\$1,142.79
Reno	Grain Elevator	Grain Fumigants	\$10,044.78
Rice	Grain Elevator	Nitrates	\$7,405.06
Russell	Retailer and Elevator	Nitrates	\$7,513.74
Scott	Retailer and Elevator	Nitrates	\$5,486.17
Sheridan	Ag Retailer	Nitrates	\$48,893.77

KARB REIMBURSEMENTS IN CALENDAR YEAR 2018

County	Business Type	Contaminant	Reimbursement
Sherman	Retailer and Elevator	Nitrates	\$2,385.95
Stafford	Retailer and Elevator	Nitrates	\$12,785.55
Stevens	Retailer and Elevator	Nitrates and Pesticides	\$4,139.53
Sumner	Grain Elevator	Nitrates	\$21,355.48
Thomas	Retailer and Elevator	Nitrates	\$16,377.17
Trego	Ag Retailer	Nitrates	\$1,969.95
Trego	Ag Retailer	Nitrates	\$8,953.12
Trego	Ag Retailer	Nitrates	\$2,570.66
Trego	Ag Retailer	Nitrates	\$3,686.75
Trego	Ag Retailer	Nitrates	\$320.17
Trego	Ag Retailer	Nitrates	\$3,090.99
Trego	Ag Retailer	Nitrates	\$2,790.31
Trego	Ag Retailer	Nitrates and Pesticides	\$5,269.03
Trego	Ag Retailer	Nitrates	\$4,879.15
Trego	Ag Retailer	Nitrates	\$2,755.48
Wichita	Ag Retailer	Carbon tet	\$524.01

2018 Reimbursements by Type of Contaminant

The following chart identifies the number of applicants reimbursed in calendar year 2018 by type of contaminant and the total amount remitted.

Type of Contaminant	Reimbursements Per Type of Contaminant	Reimbursement Amount Per Type of Contaminant
Nitrates	74	\$686,171.23
Pesticides	3	\$14,964.47
Pesticides and Nitrates	18	\$301,764.23

2018 Reimbursements by Type of Applicant

The following chart identifies the number of applicants reimbursed in calendar year 2018 by type of applicant and the total dollar amount remitted.

Type of Applicant	Reimbursements Per Type of Applicant	Reimbursement Amount Per Type of Applicant
Ag Retailer	37	\$186,320.38
Grain Elevator	14	\$195,986.67
Grain Elevator with Ag Retail	44	\$620,592.88

Outstanding Applications

The following chart identifies the number and type of applications for reimbursement that have been timely received by the Board and are currently pending Board review.

Type of Applicant	Number of Applications*	Amount Requested*
Ag Retailer	4	\$117,691.84
Grain Elevator with Ag Retail	7	\$114,921.56
Grain Elevator	2	\$143,274.73
Total	13	\$375,888.13

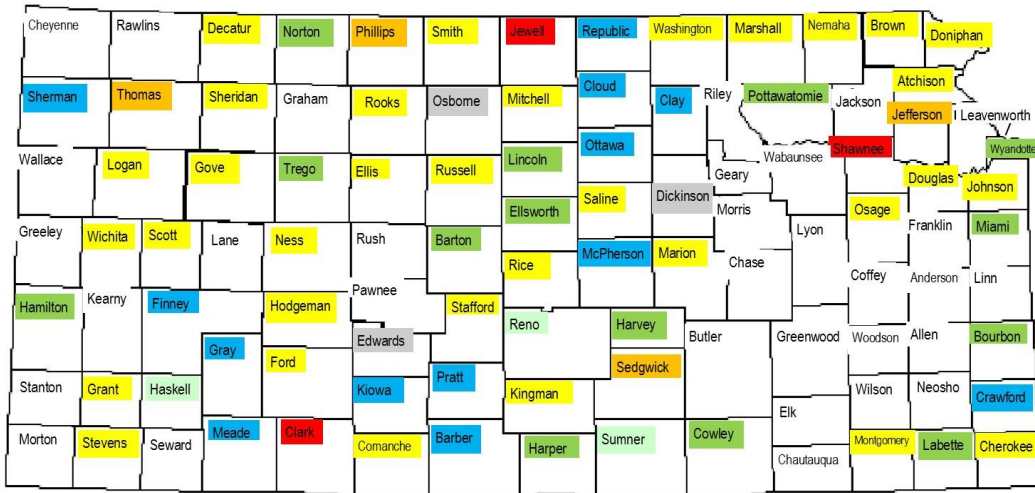
*As was submitted to the Board by January 15, 2019.

KARB Reimbursements by County

The map below reflects the total dollar amount of payments made from the Kansas Agricultural Remediation Fund to applicants, by county, throughout the life of the Remediation Reimbursement Program.

- = under \$10,000
- = \$10,001 - \$100,000
- = \$100,001 - \$300,000
- = \$300,001 - \$500,000
- = \$500,001 - \$700,000
- = \$700,001 - \$900,000
- = \$900,001+

**Location of Kansas Agricultural Remediation Reimbursements
By Dollar Amount**



12/2018