

KANSAS AGRICULTURAL REMEDIATION BOARD

2012 ANNUAL REPORT

JANUARY 31, 2013

SEN.NATURAL RESOURCES

Date 1-31-13
Attachment # 1-1

The Agricultural and Specialty Chemical Remediation Program

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

1. Remediation Linked Deposit Loan Program - This program is administered by the State Treasurer to provide low-interest loans to eligible persons for expenses related to remediation activities that are either approved or ordered by the Kansas Department of Health and Environment (KDHE).
 - Loans are only made for projects approved by the Kansas Agricultural Remediation Board.
 - The total amount of linked deposit loans for any one site cannot exceed \$300,000.
 - The total amount of money in the linked deposit loan program cannot exceed \$5 million.
 - In 2008, this program was extended to 2020.

2. Remediation Reimbursement Program - This program is administered by the Kansas Agricultural Remediation Board (KARB). The program provides reimbursement to eligible persons for expenses incurred during the performance of remediation actions that were either approved or ordered by KDHE.
 - The Board reimburses expenses for remediation activities out of the Remediation Reimbursement Fund.
 - The Remediation Reimbursement Fund is 100% financed by the following fees: custom fertilizer blender license fees, commercial fertilizer registration fees, ag chemical (pesticide) registration fees, pesticide dealer registration fees, annual (per bushel) assessments on licensed commercial grain warehouses, and annual assessments paid by responsible parties that have sold or leased a site for which they retain remediation responsibility.
 - An eligible person who has paid all applicable assessments, upon request, can receive reimbursement for 90% of all eligible remediation expenses greater than \$1,000 and less than \$100,000, plus 80% of the total eligible remediation expenses greater than \$100,000 and less than \$200,000.
 - Any person who is not required to pay an assessment, or who is a pesticide dealer that sells less than \$2500 of pesticides annually, is eligible to receive 100% of eligible remediation expenses greater than \$1000 and less than or equal to \$10,000.
 - In 2008, the remediation reimbursement program was extended to 2020.

3. Kansas Agricultural Remediation Board (KARB) – The Kansas Agricultural Remediation Board consists of five members appointed by the governor and confirmed by the Senate. The Board consists of one agricultural retailer representative, one agricultural producer representative, one agricultural processor representative, one specialty chemical distributor representative, and one representative of agricultural and specialty chemical registrants. In addition, one representative of the Kansas Department of Agriculture and one representative of the

KDHE serve as board members ex officio. Members serve 4-year terms or until replaced by a new member.

Current Members of the Kansas Agricultural Remediation Board

- Larry Shivers, Chairman
Specialty Chemical Distributor
Term expires: Reappointed in 2012
- Brian Norton, Vice Chairman
Agriculture and Specialty Chemical Registrant
Term expires: March 15, 2014
- Kamyar Manesh
Agricultural Processor
Term expires: March 15, 2015
- Laura Pearl
Agricultural Retailer
Term expires: March 15, 2014
- Gary Starr
Agricultural Producer
Term expires: March 15, 2015
- Rick Bean
Ex Officio
Kansas Department of Health and Environment
- Gary Meyer
Ex Officio
Kansas Department of Agriculture

KARB Authorities and Responsibilities

- Contract for qualified professional services to administer the remediation program;
- Establish operating procedures for persons applying for reimbursement, determining eligible and ineligible expenses, making priority determinations, and approving fund payments;
- Promulgate rules and regulations to administer the act;
- Contract for an annual independent audit of the fund;

- On or before February 1st of each year, provide an annual report of the fund activities and reimbursements including a copy of the independent audit to the Governor, the Senate Committee on Energy and Natural Resources, and the House Environment Committee.

Remediation Reimbursements

Since calendar year 2009, KARB reimbursement requests have exceeded the amount paid into the fund through fee contribution. Therefore, the Board has developed a priority-ranking system for all applications received wherein each application is assessed by the KDHE and given a priority score.

Applications involving potential risk to human health and safety are given a higher priority level than those that might not. Consequently, many applicants who have performed remediation activities and submitted applications for reimbursement may be waiting while their application comes up in order of priority score. Any application which is not reviewed when received, due to lack of funds, is carried forward to the next Board meeting.

During the 2012 calendar year, the Board met four times to review and consider applications for reimbursement. Upon due consideration and full review, the Board ordered reimbursement payments to fifty-five (55) applications that were consistent with the act and regulations. The total amount reimbursed for the year was \$1,157,574.40, and the average reimbursement was \$21,046.81.

Over the past eleven years, the Board has approved and distributed a total of \$13,032,537.09 through the Remediation Reimbursement Fund to help offset expenses incurred through the remediation of environmental contamination.

Communication

KARB has made it a practice to notify voluntary cleanup participants and state cooperative participants to inform people and businesses about the remediation reimbursement program. The remediation program has included news articles in various agricultural retailer and grain and producer newsletters. In addition, KARB brochures are linked to the KARB website and are provided to the KDA to place in private pesticide dealer licensing packets to provide awareness of the program.

Participants in the voluntary cleanup program (VCP) also receive KARB information. Additionally, the Board corresponds with applicants to explain the priority ranking system and inform applicants that sites which impact or threaten human health and safety receives the highest priority. The Board notifies participants in the voluntary cleanup program of the possibility that their application might not receive immediate reimbursement.

Remediation Reimbursement Fund Receipts Through Fee Contributions

Contributor	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Custom Fertilizer Blender License	43,900.00	44,000.00	43,900.00	78,200.00	48,680.00
Pesticide Product Registrants	463,860.00	479,760.00	474,480.00	754,050.00	520,311.00
Fertilizer Product Registrants	94,840.00	93,760.00	93,860.00	69,610.00	116,060.00
Commercial Grain Storage	428,329.41	434,266.77	436,973.95	657,567.11	505,189.00
Pesticide Dealer License	94,500.00	89,290.00	98,435.00	21,985.00	95,837.00
Total	\$1,125,429.41	\$1,141,076.77	\$1,147,648.95	\$1,581,412.11	\$1,286,077.00

KARB REIMBURSEMENT CHART

The following chart sets forth, for calendar year 2012, a breakdown of each applicant that received reimbursement from the Remediation Reimbursement Fund. The chart identifies each applicant by business type, the county where each remediation site is located, the type of contaminate, and the amount reimbursed at each site.

County	Business Type	Contamination	Reimbursement
Atchison	Retailer & Elevator	Nitrates	\$ 2,738.99
Cloud	Ag Retailer	Nitrates	\$ 10,651.13
Dickinson	Retailer & Elevator	Nitrates	\$ 2,589.10
Dickinson	Retailer & Elevator	Nitrates	\$ 861.86
Dickinson	Retailer & Elevator	Combination	\$ 4,469.12
Doniphan	Retailer & Elevator	Combination	\$ 32,772.26

County	Business Type	Contamination	Reimbursement
Douglas	Retailer & Elevator	Combination	\$ 5,074.14
Edwards	Ag Retailer	Nitrates	\$ 8,549.01
Edwards	Retailer & Elevator	Nitrates	\$ 14,523.80
Ellis	Ag Retailer	Nitrates	\$ 14,630.03
Finney	Ag Retailer	Nitrates	\$ 17,673.91
Finney	Ag Retailer	Nitrates	\$ 68,556.07
Ford	Ag Retailer	Nitrates	\$ 161,616.14
Gove	Ag Retailer	Nitrates	\$ 1,141.01
Gove	Ag Retailer	Nitrates	\$ 1,645.72
Gray	Ag Retailer	Nitrates	\$ 17,404.14
Gray	Ag Retailer	Nitrates	\$ 4,932.06
Hamilton	Ag Retailer	Nitrates	\$ 22,279.95
Hodgeman	Retailer & Elevator	Nitrates	\$ 44,856.43
Kingman	Retailer & Elevator	Nitrates	\$ 5,028.60
Kingman	Retailer & Elevator	Nitrates	\$ 15,690.77
Kiowa	Retailer & Elevator	Nitrates	\$ 8,147.21
Kiowa	Retailer & Elevator	Nitrates	\$ 12,923.48
Kiowa	Retailer & Elevator	Nitrates	\$ 9,956.82
Kiowa	Retailer & Elevator	Nitrates	\$ 46,599.69
Logan	Retailer & Elevator	Nitrates	\$ 5,008.30

County	Business Type	Contamination	Reimbursement
Marion	Retailer & Elevator	Nitrates	\$ 4,599.54
Marion	Retailer & Elevator	Nitrates	\$ 19,190.68
Marion	Retailer & Elevator	Combination	\$ 19,650.08
McPherson	Retailer & Elevator	Combination	\$ 3,914.87
McPherson	Retailer & Elevator	Combination	\$ 1,591.51
McPherson	Grain Elevator	Combination	\$ 5,746.95
Nemaha	Retailer & Elevator	Nitrates	\$ 14,747.47
Ness	Ag Retailer	Nitrates	\$ 33,246.23
Ottawa	Retailer & Elevator	Nitrates	\$ 28,507.05
Ottawa	Retailer & Elevator	Nitrates	\$ 21,307.31
Pratt	Retailer & Elevator	Nitrates	\$ 26,708.53
Pratt	Retailer & Elevator	Nitrates	\$ 11,713.54
Pratt	Retailer & Elevator	Nitrates	\$ 4,212.07
Rooks	Grain Elevator	Grain Fumigants	\$ 89,301.69
Scott	Retailer & Elevator	Nitrates	\$ 35,336.99
Scott	Retailer & Elevator	Nitrates	\$ 9,982.89
Sherman	Ag Retailer	Nitrates	\$ 17,118.92
Sherman	Ag Retailer	Nitrates	\$ 10,494.30
Sherman	Ag Retailer	Nitrates	\$ 26,063.99
Sherman	Ag Retailer	Nitrates	\$ 69,991.12

County	Business Type	Contamination	Reimbursement
Smith	Retailer & Elevator	Nitrates	\$ 1,655.39
Smith	Ag Retailer	Nitrates	\$ 42,267.26
Sumner	Ag Retailer	Nitrates	\$ 3,947.18
Sumner	Ag Retailer	Nitrates	\$ 12,408.39
Sumner	Ag Retailer	Nitrates	\$ 9,134.72
Sumner	Ag Retailer	Nitrates	\$ 1,788.60
Wichita	Ag Retailer	Grain Fumigants	\$ 878.67
Wichita	Retailer & Elevator	Combination	\$ 75,857.87
Wichita	Retailer & Elevator	Combination	\$ 15,890.85
Total Claims		Total Sum	Average Claim
55		\$ 1,157,574.40	\$ 21,046.81

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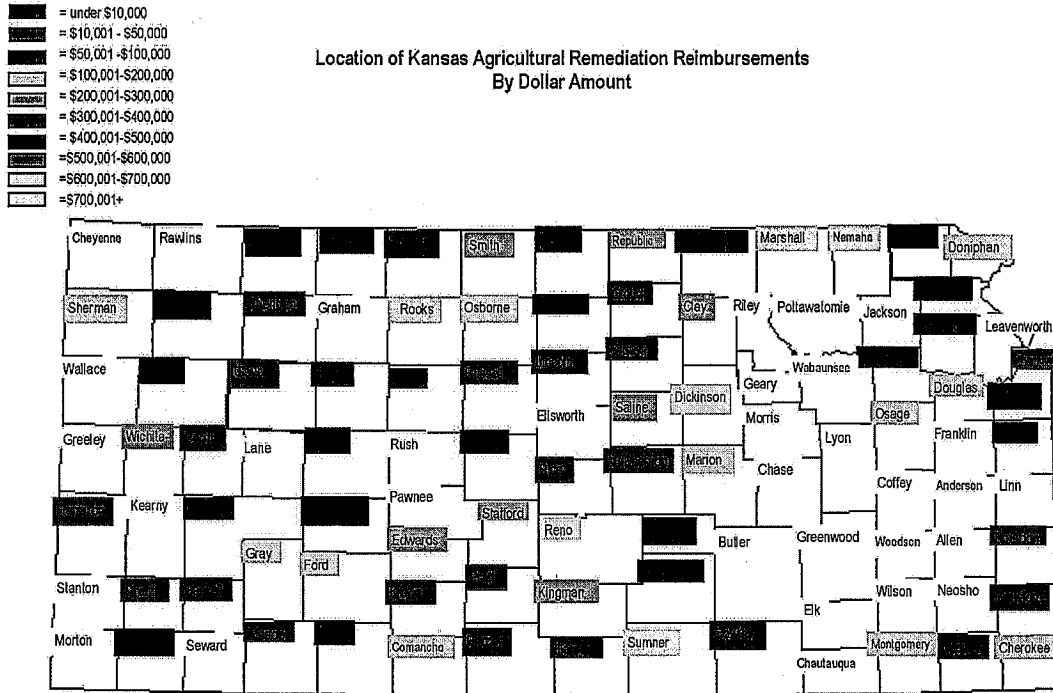
Contaminants and Applicants

The following charts identify the total number of claims in calendar year 2012 by type of contaminant and type of applicant. Additionally, the charts provide the total dollar amount remitted to each contaminant type and to each applicant type.

Type of Contaminant	Number of Claims Per Contaminant	Total Reimbursement per Contaminant	Average Reimbursement per Contaminant
Nitrates	44	\$ 902,426.39	\$ 20,509.69
Grain Fumigants	2	\$ 90,180.36	\$ 45,090.18
Combination	9	\$ 164,967.65	\$ 18,329.74
Type of Applicant	Number of Claims Per Applicant	Total Reimbursement per Applicant	Average Reimbursement per type of Applicant
Ag Retailer	22	\$ 556,418.55	\$ 25,291.75
Grain Elevator	2	\$ 95,048.64	\$ 47,524.32
Retailer & Elevator	31	\$ 506,107.21	\$ 16,326.04

KARB Statewide Reimbursements by County

The following map reflects the location, by county, of the total dollar amount of payments made from the Kansas Remediation Reimbursement Fund throughout the life of the program.



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