

Treعه, Kansas Removed From the Risk – A Town Relocated

Joint Committee on Energy and
Environmental Policy Topeka, Kansas

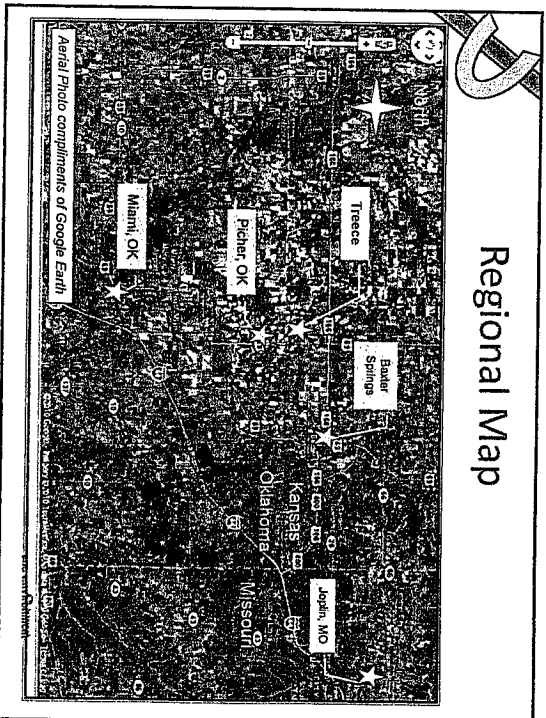
November 19, 2012

Bob Jurgens, Section Chief
Kansas Dept. of Health & Environment
Topeka, Kansas

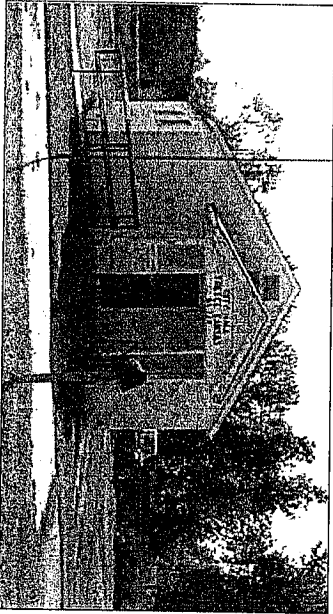


Our Mission: To protect and improve the health and environment of all Kansans.

Regional Map



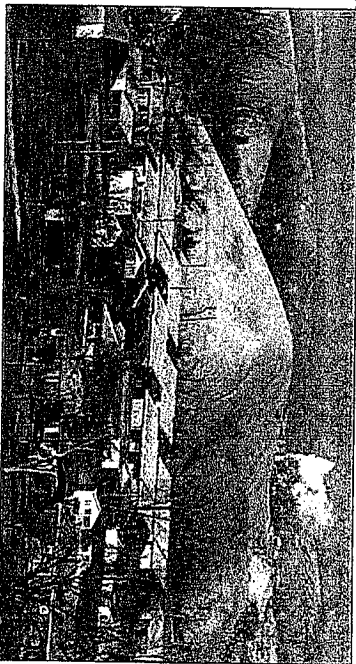
Treعه City Hall



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Picher, OK




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Chat Area Blue Mound site east of Treece



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Treece Relocation Assistance Program

- Voluntary program: \$3,888,888
 - Environmental Protection Agency (EPA): \$3.5 Million
 - Tar Creek OU-4, Oklahoma
 - Kansas Dept. of Health & Environment (KDHE): \$388,888
- Treece Relocation Assistance Trust
 - State Public Trust
 - Managed by 5 trustees appointed by the Governor of Kansas

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Department of Health and Environment

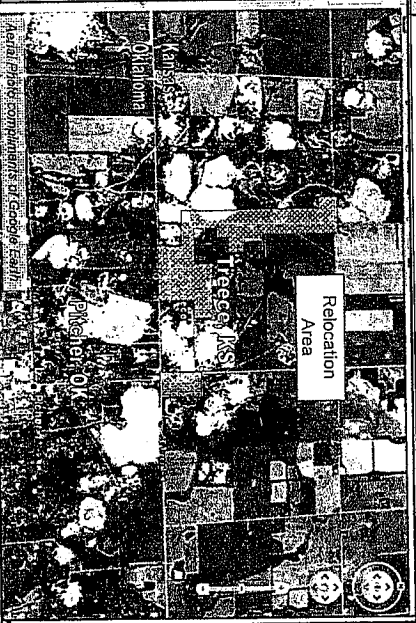
Important Dates

- May 2010 – Trustees confirmed by Kansas Senate and 10% State Match funding approved by Kansas Legislature
- July 2010 – TRA Trust begins accepting Phase I Applications
- August 2012 – Demolition complete
- Early-Mid 2013 – Project complete(?)

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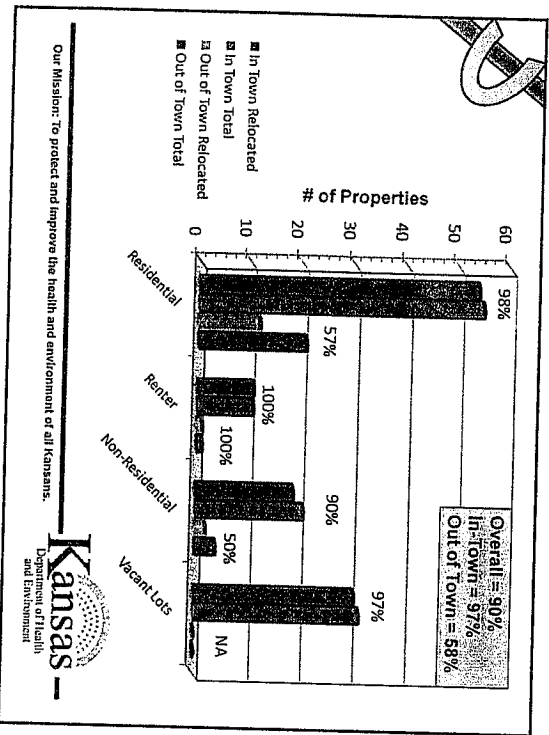
Treece, Kansas



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Treecre City Limits Aerial Photo



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Offers Accepted (as of 8/1/12)

- 66 of 69 residential applications: 54 inside city limits and 12 outside city limits
- 12 of 12 Renter Assistance Requests: 6 without rental agreements received \$1,000 moving assistance only
- 21 of 23 non-residential applications
 - 2 of 2 active businesses, 1 of 2 churches, 14 of 15 storage only — vacant structures, 4 of 4 city properties
- 31 of 31 Vacant lots

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Property Ownership Offers

- Prior to March 13, 2006
 - Average of comparable property appraisals in Cherokee County, Kansas
 - KSA 49-514
 - 3 appraisal per property
- After March 13, 2006
 - Purchase price of property +5% increase per year of ownership

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Appraisals – Comparable Property

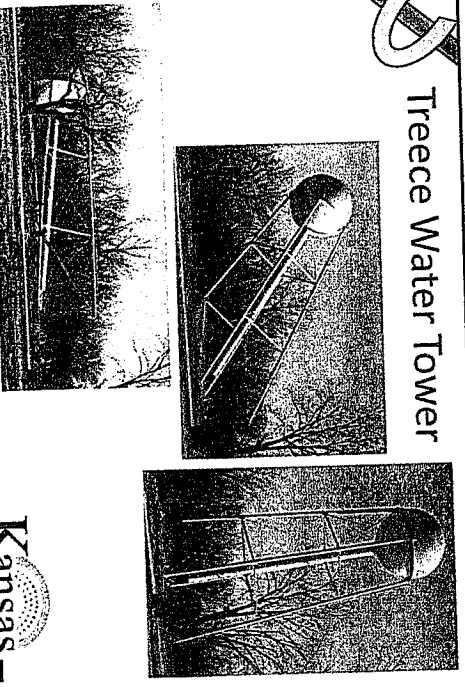
- Property condition upgraded to account for owners inability to secure loans for home improvements or upkeep the last several years.
 - Poor and Fair → Average condition
 - Average → Good condition
 - Good & Exceptional → Exceptional

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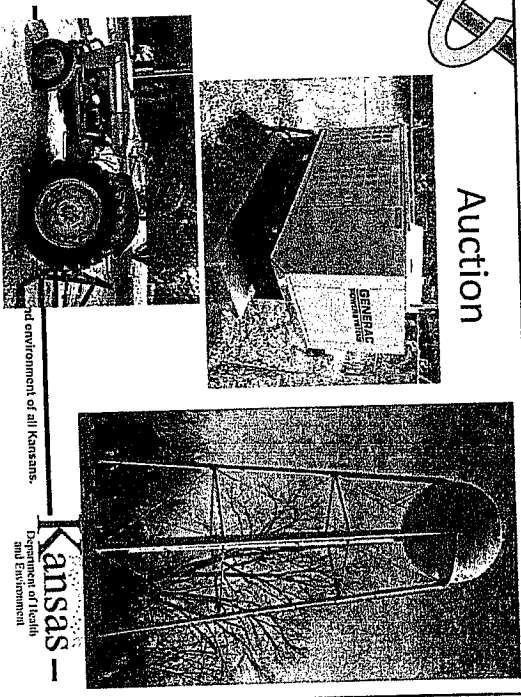
Treece Water Tower



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Auction



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Demolition

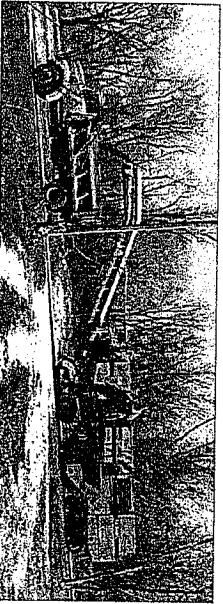
- B-3 Construction, Inc., Columbus, KS
 - Competitive bid award
 - All buildings and pavement (incl. streets).
 - Pavement left on site along Hwy 69
 - Asbestos assessments: 49 properties
 - Asbestos abatement required on 13 properties prior to demo.

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Recycle Materials

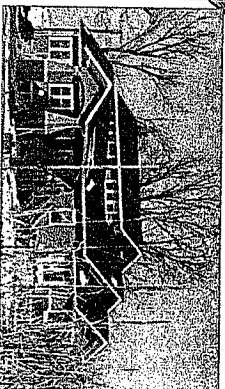
- Cherokee County Roads Department
 - Milled Asphalt Streets
 - AB rock under the streets
 - Rip rap in lagoons



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Vandalism Problems

Four (4) homes burned down prior to demolition.

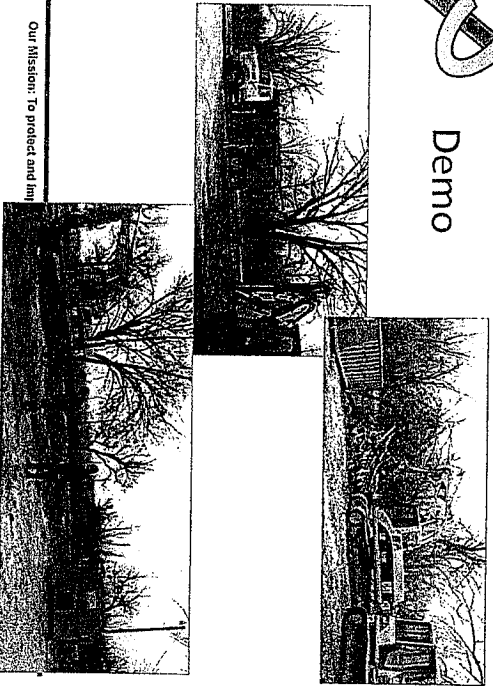


All the ashes hauled off as ACM because home was slated for asbestos abatement.



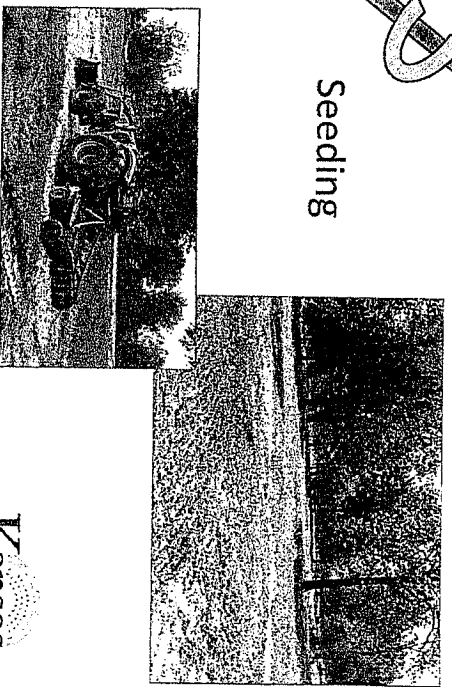
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Demo



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Seeding



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Estimated Budget (8/1/12)

Offers Accepted	\$	2,753,329.07
Potential Offers	\$	12,000.00
Demo Incl rfd's	\$	310,000.00
Demo Contingency	\$	50,000.00
Trust Admin to date	\$	516,100.00
Future Trust Admin (12 months)	\$	125,000.00
Survey/legal Transfer	\$	60,000.00
Auction Income	\$	(103,460.00)
Total To Date=	\$	3,722,969.07

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Project Wrap-Up

- Prepare reports detailing each property purchase.
- Survey the town to place as one legal description vs. 100 plus deeds.
- Finalize the EUCs
- Auction off the land to the highest bidder.

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Treeco Relocation Assistance Project: Monthly Expenditures / Income Report

KDHE Contract #: BER TRA Trust 2010-01
 KDHE-EPA Cooperative Agreement Number: V 00F-10501-0
 Project End Date: 7/1/2014
 Monthly Period Ending: 8/30/12

Note: Contract between TRA Trust and KDHE was finalized on August 12, 2010
 Est. Project Budget - Trust Admin/Setup = \$307,230
 KDHE is serving as the Trust Operations Mgr.

See June 2011 and June 2012 Report for details of the preceding fiscal years.

TRA TRUST Expenditures	TRA TRUST	5/1/10 - 6/30/11	7/1/11-6/30/12	7/31/12	8/31/12	9/30/12	Exp To Date	Remaining
Trustee Per Diem		13,392.57	9,502.22	4,211.5	4,211.5	4,211.5	24,298.24	(73,766.76)
Demolition and Restoration			270,496.23	1,894.00	24,920.40	24,920.40	287,310.63	(20,806.37)
Account admin.: Accountant, Bank, etc.		2,250.00	2,724.50	225.00	228.00	225.00	5,652.50	(2,652.50)
Auction Expenses		3,500.00	4,349.00				7,849.00	(4,337.33)
Property Taxes			116,687.00	79,507.75	675.00	2,597.19	199,866.94	(454,249.1)
Contract - Services		2,379,241.25	298,439.20	298,439.20	212.00	2,677,892.45	2,677,892.45	(3,173,811.80)
Property Purchase		6,037.50	17,863.00		6,885.00	6,322.50	37,108.00	(4,337.33)
Contract - Attorney		780.70					780.70	(6,321.50)
Office Expense		1,032.87			420.75	13.00	1,997.87	(4,337.33)
Postage		58.29					58.29	(4,337.33)
Rent PO Box		143.00			35.00		178.00	(4,337.33)
Taxes - Payroll		1,501.98		1,077.90	49.05	49.05	2,628.73	(4,337.33)
Kansas State Bond				37,035.00			37,035.00	(4,337.33)
Utility Capping		72.00	4,043.00				4,115.00	(4,337.33)
TRA Trust Total Expenses =		2,524,723.86	730,112.62	3,264.20	33,136.35	9,727.89	3,300,964.92	(4,337.33)
TRA TRUST Income - Non EPA or KDHE sources								
Auction Gross Income		55,856.00	47,594.00				103,450.00	(4,337.33)
KDHE/EPA Grant Pmt to TRA Trust		2,573,698.16	599,483.52				3,173,181.68	(4,337.33)
Amount (Fed + State Pmt)								
Date		17 pmts	19 pmts					

KDHE Project Expenses - Federal Funding

KDHE	State Budget	5/1/10 - 6/30/11	7/1/11-6/30/12	7/31/12	8/31/12	9/30/12	Exp To Date	Remaining
Personnel **	5,463.10	58,695.44	2,186.89	4,293.63	3,129.27	73,766.43	(73,766.43)	(6,321.50)
Fringe Benefits **	1,540.87	16,565.12	616.84	1,211.02	882.62	20,806.47	(20,806.47)	(454,249.1)
Travel	428.34	1,721.12	139.98	220.08	54.88	2,652.38	(2,652.38)	(4,337.33)
Equipment								(4,337.33)
Supplies			3,519.76	227.73	227.73	362.12	4,337.33	(4,337.33)
Contractual								(4,337.33)
Other		239.14	1,856.23	43.34	43.34	4,140.45	6,321.50	(4,337.33)
Other - Fed (Pass Through)		2,333,698.16	722,052.89	3,214.88	5,995.78	8,566.34	3,045,750.85	(454,249.1)
Total Direct	3,500,000.00	2,331,367.61	804,899.35	3,214.88	5,995.78	8,566.34	3,153,546.96	(454,249.1)
Indirects (21.4%, FY12)***			16,957.75	597.97	1,115.22	1,593.90	20,264.84	(4,337.33)
KDHE Fed Total Expenses*** =	3,500,000.00	2,331,367.61	821,857.10	3,812.85	7,111.00	10,159.24	3,173,811.80	(4,337.33)

KDHE Project Expenses - State Match Funding

KDHE	State Budget	5/1/10 - 6/30/11	7/1/11-6/30/12	7/31/12	8/31/12	9/30/12	Exp To Date	Remaining
Personnel **	69,425.00	92,577.15					92,577.15	(24,152.1)
Fringe Benefits **	19,262.00	26,110.62					26,110.62	(6,848.6)
Travel	20,825.00	8,370.93					8,370.93	(12,454.0)
Equipment								(12,454.0)
Supplies	4,002.00	2,676.49					2,676.49	(1,325.5)
Contractual	19,997.00							(1,325.5)
Other	28,493.00	2,484.35					2,484.35	(18,997.0)
Other - State Match Pmt to Trust	200,000.00	250,000.00					250,000.00	(26,006.5)
Total Direct	361,004.00	392,219.54					392,219.54	(30,000.0)
Indirects (21.4%)		27,894.00					27,894.00	(21,215.5)
KDHE State Total Expenses*** =	389,898.00	392,219.54					392,219.54	(27,894.0)

PROJECT TOTAL EXPENSES =	3,889,898.00	2,664,612.95	829,417.03	7,077.05	40,247.35	19,891.13	3,561,245.41	327,642.5
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EPA Cooperative Agreement Work Plan Est. Budget	Task	Estimate
Property replacement		\$3,046,658
Moving expenses		\$74,000
Family rent compensation		\$72,000
Business rent compensation		\$24,000
Demolition costs		\$265,000
Other Contracting costs		\$100,000
Sub Total		\$3,581,658
Est. Trust setup/admin.		\$307,230
Total		\$3,888,888

Note: KDHE is serving as the Trust administrator for the Program, therefore budgeted Trust Admin costs are being used for KDHE labor and will be adjusted toward the end of the project.
 ** Due to a reporting error on the February 2011 report, the March KDHE personnel and fringes were include in the February reporting period. 3/31/11
 *** Project Total Expenses don't include state match pmts to the Trust since the expenses are accounted for by the TRA Trust. The February total has been changed to reflect this revision. 5/21/11
 **** Indirects are collected on state expenses billed to federal funding excluding pass through of the TRA Trust. Sept Indirects reflect all from June - September 2011.

Treece Relocation Assistance Project Update – November 1, 2012

Currently 66 residential properties, 31 vacant city lots, 14 storage structures, 1 business, 1 church, 4 city property and 12 renters have accepted the buyout. Four properties await closings due to complex deed issues. Offers for Phase III properties along Hwy 69 were completed in July 2012.

Legislation passed in March formally dissolved the town of Treece. The City of Treece had ceased city management on July 31, 2011 due to the inability to field enough officers for city council meetings. Per state law, Lyon Township manages the remaining city account. Water service for the remaining households inside and outside of the city limits was transferred to Cherokee County Rural Water District #3. B-3 Construction, Inc., Columbus, KS finished all demolition activities in August 2012. Recycling efforts including milling asphalt streets being provided to the Cherokee County Roads Dept to help with road repair projects. Cherokee County provided trucks for hauling the milled material. In addition they hauled off clean rock from beneath the streets and rip rap lining the sewage lagoons. The lagoons were drained in August. Portions of the demolition area still need to be re-seeded due to the poor growing conditions this summer.

As of September 30, 2012, approximately \$3.56 million has been spent/obligated from the \$3,888,888 original budget plus auction proceeds. The remaining budget is expected to be used for final purchases, land reclamation, environmental use controls, final property transfer and trust administration. EPA has identified significant contamination on portions of the property and is hoping to conduct a removal of contaminated soil prior to the end of 2012. The goal is to finish property reclamation in early Spring 2013. The level of detail on final property restoration will be somewhat dependent on the available funds for demo/restoration and weather conditions suitable for revegetation.

Four auctions were held to dispose of structures and to minimize the demolition cost. Auction income was used for general Trust operating expenses. At this time only one known residence and one non-residential storage building will remain in the City limits. Eight additional residents and one church located outside of the city limits have not accepted the buyout offers and will remain.

Status	Residential	Non-Resid	Storage	Vacant	Renters	Total
Purchased	66	7	14	31	12	130
Pending	--	--	--	1	--	1
Declined offer	3	1	1	--	--	5
Declined to apply	7	--	2	--	--	9

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18-B