



ENVIRONMENTAL JOINT INSURANCE FUND

WHAT'S NEW? WHAT'S REQUIRED?

Presented by your
Monmouth County & Ocean County
Municipal Joint Insurance Fund
Executive Safety Committees
October 4, 2022 10:00 AM



OBJECTIVES

- ▶ Summarize the Purpose and Benefits of the EJIF
- ▶ Briefly Outline EJIF Coverage and Services
- ▶ **FOCUS TOPIC: Municipal Stormwater Permits/Renewals**
 - ▶ Work with the NJDEP to discuss the goals and methods for stormwater pollution prevention and water quality improvement
 - ▶ Stays involved with a “seat at the table” during Municipal Separate Stormwater Sewer System (MS4) permit development
 - ▶ Created the current NJDEP Employee Training program
 - ▶ Assist with compliance through the EJIF inspection program

ENVIRONMENTAL RISK: What is the EJIF?

THE EJIF IS MORE THAN AN INSURANCE POLICY



ENVIRONMENTMENTAL RISK: New Jersey Municipal Environmental Risk Management Fund



1. Protects Your Community
2. Provides Specialized Coverage*
3. Delivers Valuable Services to Avoid and Mitigate Environmental Claims and to Comply with Regulations

*Pursuant to the terms and conditions and exclusions of EJIF policies

THE EJIF PROVIDES YOUR MUNICIPALITY WITH A
SPECIALIZED ENVIRONMENT RISK
MANAGEMENT STRATEGY

ENVIRONMENTAL RISK: Purpose and Benefits of the EJIF

Municipalities face a challenging range of environmental exposures through the services they provide and the facilities they own, for example:

1. Under and above ground storage tanks (USTs and ASTs)
2. Current or former dumps/landfills
3. Automotive fluid spills from municipal vehicles/equipment (Hydraulic Fluid)
4. Sanitary sewer overflows and breaks with releases to surface water
5. Unknown drums and containers at town facilities
6. Midnight dumpers of hazardous waste



**NONE OF THESE ARE TYPICALLY COVERED BY
YOUR PROPERTY AND CASUALTY INSURANCE
(Critical Fact: Absolute Pollution Exclusions)**

ENVIRONMENTAL RISK: EJIF

Coverage Basics

Coverage Includes:

- ☐ Third Party Liability
- ☐ First Party Liability
- ☐ Public Officials Liability
- ☐ De Minimis Abandoned Toxic Waste Sites
- ☐ Storage Tank Coverage



*Pursuant to the terms and conditions and exclusions of EJIF policies

EJIF: Value of Membership

EJIF Membership Helps Your Municipality Avoid and/or Mitigate:

- ❑ Direct Losses
 - ❑ Clean Up Costs
 - ❑ Legal Costs
- ❑ Indirect Losses
 - ❑ Interruption of Services
 - ❑ Reputational Risk
- ❑ Regulatory Fines and Penalties (*not covered by insurance)



EJIF: Value of Coverage

Average claim in the EJIF is in excess of \$100,000

Coverage closes gaps when environmental issues arise



EJIF: Summary of Risk Services

Focusing exclusively on environmental exposures, the EJIF offers innovative professional services to address a wide array of environmental liabilities

1. Environmental coverage and pollution prevention services
2. Access to environmental professionals to assist in emergency situations
3. 24/7 Emergency Response Hotline
4. Environmental alerts
5. Environmental compliance audits
6. Valuable regulatory guidance
7. Recurring seminars to encourage best practices
8. Expert environmental legal defense



EJIF RISK SERVICES: Environmental Engineering Services



- ❑ **24 Hour Emergency Response Hotline**
 - ❑ Step by step instructions in the event of an emergency or after an environmental event
- ❑ **Legislative**
 - ❑ Contracted with Legislative Agent, PPAG to lobby on behalf of municipalities and municipal authorities
 - ❑ Educates administration and legislators on facts of the Newark Bay case and advocate for an indemnification agreement
 - ❑ New legislation to indemnify municipalities in the future on similar litigation
- ❑ **AST with Underground Piping Systems**
 - ❑ Membership switching from the use of USTs to ASTs
 - ❑ Many AST systems do not have leak detection or monitoring systems
 - ❑ Inspections, testing, and record keeping are designed to help members improve their level of protection
 - ❑ EJIF reimburses up to \$400 per test for leak protection



EJIF RISK SERVICES: Additional Environmental Engineering Services



□ Environmental Alerts

- Hidden costs and potential exposures of acquiring properties through foreclosure and/or donations
- Environmental engineers assist in evaluating and inspecting potential acquisitions at no cost to the EJIF member

□ UST Grant Program

- Grant of up to \$10,000.00 given for municipally owned, unknown and unscheduled tank removal



EJIF RISK SERVICES: EJIF Hotline



- ❑ 24/7 Support for all Members
- ❑ Assistance from EJIF's Environmental Consultants
- ❑ List of Valuable Resources and Contractors
- ❑ Claim Reporting

A red-bordered card titled "EJIF Environmental Emergency Information". It contains two sections: "Step One LOCAL HAZMAT RESPONDERS" with fields for Telephone, Contact, and Address; and "Step Two EJIF ENVIRONMENTAL HOTLINE" with the phone number 1-800-289-6681. At the bottom, it includes a note about 24-hour service and the NJDEP toll-free hotline 1-877-WARNDEP (1-877-927-6337).

EJIF
Environmental Emergency Information

✓ *Step One*
LOCAL HAZMAT RESPONDERS

Telephone: _____
Contact: _____
Address: _____

✓ *Step Two*
EJIF ENVIRONMENTAL HOTLINE

1-800-289-6681

NOTE: 24 hours/7day per week, leave message and call will be returned shortly.

NJDEP 24 HOUR TOLL- FREE HOTLINE
FOR ENVIRONMENTAL INCIDENTS

1-877-WARNDEP
(1-877-927-6337)

EJIF RISK SERVICES: Emergency Response



Spill into Sewer



Mystery Drum



Paulsboro Train
Derailment

EJIF RISK SERVICES: Regulatory Guidance



- ❑ EJIF is a resource for additional information for compliance with environmental regulations
 - ❑ Resource: Full-Service Environmental Consulting Firm
- ❑ Serves as an intermediary with environmental agencies (USEPA, NJDEP)
- ❑ Developed the *Municipal Storm Water Training Program* video used by the NJDEP
- ❑ Currently working with the NJDEP on NEW stormwater training videos to meet the new 2022 MS4 municipal permit
- ❑ Provides educational seminars to assist in understanding of complex environmental programs and requirements
- ❑ Keeps your environmental compliance programs up to date with changing regulations

EJIF RISK SERVICES: Seminars



- ❑ Seminars provide ongoing education on environmental regulations impacting municipal operations
- ❑ Continuing Education Units (CEUs) offered

Previous Seminar Topics

• Staying in Compliance	• Recycling Centers
• EJIF Updates for Coverage, New Permitting Requirements & Resources	• Storm Water Pollution Prevention Plan Program Writing & Management
• Compliance at Public Works Facilities	• Regulatory Updates
• Environmental Auditing	• Storage Tanks
• Environmental Emergency Response Support	• Spill Prevention, Control & Countermeasures (SPCC) Regulations
• Brownfields Redevelopment	

EJIF RISK SERVICES: Environmental Alerts



□ Environmental Alerts

- Receive essential updates on environmental regulations
- Distributed bi-monthly, contingent on EPA and NJDEP regulations
- Also available on NJEJIF.org

JULY | 2016

Environmental Alert



PROPERTY ACQUISITIONS AND THE EJIF

In 2013, the EJIF issued an Environmental Alert to their members; entitled "The Hidden Cost of Free Property" due to an increase in the number of property acquisition inquiries being received. Many of these properties were abandoned by their owners as a result of impacts from Superstorm Sandy. Now in 2016, as our economy continues to slowly recover, the EJIF is again receiving many requests for the inspection of properties our members are considering acquiring through foreclosures, Open Space acquisitions and donations of land. In addition to property acquisitions, members are also releasing municipal properties for sale and redevelopment. In either case, the EJIF finds it important for members to understand the liabilities associated with the acquisition or sale of a property in order to reduce their exposure to future environmental risk.

EJIF Limited Due Diligence Services

As indicated in our prior Alert, the EJIF provides limited environmental due diligence services to members interested in acquiring a property. The EJIF's limited due diligence service includes a preliminary site review, site audit of the target property noting areas of visual environmental concern, as well as a review of the NJDEP's environmental database and mapping services.

While these services do not comply with the full due diligence requirements under the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or the New Jersey Spill Compensation and Control Act (Spill Act), they do provide an initial analysis of the risk associated with the parcel. The intent is to assist your municipality with making a decision to further investigate the parcel or to terminate the inquiry prior to the direct retention of an environmental professional. In addition, this service assists the EJIF in obtaining quotes for environmental insurance coverages for the member if they choose to move forward with acquisition and request environmental insurance coverage for the property.

Complete Due Diligence

Subsequent to the EJIF Consultants' inspection of the property, a report of the findings and an assessment of the potential environmental risk are submitted to the member and the EJIF Underwriting Managers. Each report issued will always recommend that the member retain an appropriate environmental professional to perform full due diligence of the site to be afforded protection under CERCLA and the Spill Act. Without the completion of full due diligence, environmental liabilities can be assessed to both the former owner, as well as the new owner, of a property.

Critical Disclosure

Conversely, when a member decides to sell or transfer ownership of a municipal property, they have to be prepared that the prospective buyer will likely be performing their own due diligence. As part of this process, the prospective buyer will be requesting available information, which will include, but not be limited to, all permits and any information relative to above and below ground tanks, discharges of hazardous materials, and any environmental investigations performed on the site. It is imperative that the site owner provide all available information to the prospective buyer relative to the above without providing any interpretation of the same. NJDEP No Further Action (NFA) determinations or Response Action Outcomes (RAO) issued by a Licensed Site Remediation Professional may be specific to an area of concern, include the entire site, or could even be conditional where soil and groundwater contamination may still exist on the site. It is important that the member provides copies, documents that this information was provided to the prospective buyer, and allows them or their environmental professional to interpret this information. For example, falsely representing that a property has a NFA or RAO for the entire site, when it's associated with a single area of concern only, such as a discharge from an underground storage tank, can bring on potential liabilities not covered by insurance. Full disclosure without interpretation is necessary along with the representation of legal counsel.

A Final Note

If you are in a position of evaluating a property for acquisition or have questions regarding the potential sale of a municipal property, the EJIF urges you to always contact your Risk Manager and our consultants to assist you with the initial assessments.

Service Team

Members of the Camden, Monmouth, Ocean, PMM, Suburban, Central, TRICO and BURCLO JIFs, please contact Christopher Gulics of PS&S at cgulics@psands.com or 732.430.7012.

Members of the Bergen, Morris, South Bergen, Suburban Essex and NJUA JIFs please contact Richard Erickson of First Environment at erickson@firstenvironment.com or 973.334.0003.

PERMA | 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054 | 201.881.7632 | NJEJIF.ORG



EXAMPLE OF EJIF'S IMPACT ON MUNICIPALITY



Before



After



1. Avoid potential ground water and storm water contamination
2. Avoid potential costly clean up as well as fines and penalties
3. More than 25 years of positive results with EJIF resources utilized

WEBSITE: New Jersey Environmental Risk Management Fund



Take a tour of the NJ EJIF Website at <http://www.njejif.org/>

NJ EJIF

New Jersey Environmental Risk Management Fund

- Home
- Environmental Information
- Claims Procedures
- Executive Committee
- Standing Committees
- Fund Professionals
- Membership
- Meeting Schedule
- Coverage
- Public Bids
- Bulletins
- Financial Audits
- Annual Budgets

Environmental Joint Insurance Fund

The New Jersey Municipal Environmental Risk Management Fund (EJIF) was established by property and casualty joint insurance funds to provide their member public entities and utility authorities with environmental coverages.

[Compliance News & Updates:](#)

Environmental Alert - March 2022: Tier A Municipal Stormwater General Permit Renewal

Environmental Alert - March 2021: Environmental Impacts of NJ Legalized Cannabis

2020-01 - AST Underground Piping Testing Requirement

Environmental Alert – July 2020: NJDEP Changes Municipal Stormwater Management Regulations

FOCUS: NJDEP'S MUNICIPAL STORMWATER PERMITS/RENEWALS



Presented By:

Rich Erickson, Senior Associate
First Environmental



Areas of Expertise

- Environmental regulatory compliance
- Environmental multimedia compliance audits
- Waste management
- Feasibility studies for anaerobic digesters
- Environmental resource recovery
- Public/private partnership development
- Sustainability planning
- Training

**FIRST
ENVIRONMENT**

FOCUS: NJDEP'S MUNICIPAL STORMWATER PERMITS/RENEWALS



Overview:

- ❑ NJDEP issued a new draft municipal MS4 NJPDES Master General stormwater permit for Tier A municipalities on July 28th, 2022
 - ❑ A public hearing was held to discuss the draft permit on September 20, 2022.
 - ❑ The comment period closed at the end of that business day, and the NJDEP now must consider and respond to comments submitted prior to, and in person at that meeting.
 - ❑ The new permit is scheduled to go into effect on January 1, 2023.
 - ❑ Will require a new Stormwater Pollution Prevention Plan – EDPA + 3 months for existing Tier A, EDPA + 12 months for NEW Tier A municipalities.
- ❑ The Municipal Stormwater Regulation Program was developed in response to the U.S. Environmental Protection Agency's (USEPA) Phase II rules published in December 1999
- ❑ The Department issued the first stormwater rules on February 2, 2004, along with four NJPDES general permits authorizing stormwater discharges from Tier A and Tier B municipalities, Public Complexes (including colleges and universities) and Highway Agencies.
- ❑ A Municipal Separate Sewer System (MS4) is a conveyance or system of conveyances owned or operated by a municipality that carries stormwater that discharges to waters of the state, including both surface and groundwater. The MS4 includes:

▪ Pipes	▪ Ditches	▪ Catch Basins
▪ Curbs	▪ Manmade Channels	▪ Municipal Streets or Roads
▪ Gutters	▪ Storm Drains	▪ Basins (surface/subsurface)

*not combined sewers or part of a publicly owned treatment works (e.g., sewage treatment system)

FOCUS: NJDEP'S MUNICIPAL STORMWATER PERMITS/RENEWALS: TIERS A AND B



Municipal Stormwater Permits for Tiers A and B

- ❑ Almost all municipalities in NJ were previously considered either Tier A or Tier B
- ❑ Tier A municipalities were those generally located within the more densely populated regions of the state or along or near the coast
- ❑ Tier B municipalities were located within the more rural and non-coastal areas of the state or served by combined sewer overflows (CSOs).
- ❑ The previous General Permit authorized municipalities in Tiers A and B to discharge stormwater from Municipal Separate Storm Sewers (MS4s) - basically a permit to pollute, but this new permit eliminates the Tier B classification.
- ❑ The permit still addresses stormwater quality and quantity issues related to both new and existing development
- ❑ MS4 NJ Pollutant Discharge System (NJPDES) Permit Authorizes:
 - ❑ Stormwater discharge from MS4 owned or operated by Tier A Municipalities to waters of the state
 - ❑ Municipalities must develop and implement two stormwater programs – Stormwater Management and Stormwater Pollution Prevention Planning (SPPP).
 - ❑ Requires municipalities to maintain these programs and make them publicly available
 - ❑ Requires municipalities to adopt and enforce stormwater ordinances to address development and redevelopment consistent with the Stormwater Management rules

HOW WILL MS4 NJPDES PERMIT REDUCE POLLUTANT DISCHARGES TO SURFACE WATER?



- ❑ Stormwater runoff (water from precipitation that does not soak into the ground or evaporate) can carry with it pollutants, such as fertilizers, sediments, and oils from lawns and roadways, and deposit them in nearby waterways, such as lakes, rivers, bays and the ocean.
- ❑ These pollutants negatively impact local surface water ecology and impair the ability of citizens to enjoy the local waterways for recreation and fishing.
- ❑ The intent of the MS4 NJPDES permit is to limit and/or reduce the discharge of these pollutants to waterways, accomplished by:
 - ❑ Control and reduce the number of pollutants available on the surface of soils, commercial areas, roads and other areas to reduce the amount of pollutant runoff.
 - ❑ Implementing public education programs to teach residents how NOT to pollute
 - ❑ Addressing specific stormwater related pollutants
 - ❑ Reducing flooding and increasing ground water recharge when implementing the post construction stormwater management measures



WHAT CHANGED IN THE MS4 NJPDES PERMITS?



- ❑ The department clarified permit conditions in the permit renewal to make conditions easier to understand and implement. While most of the permit conditions are retained from the 2018 master general permit, there are some new permit conditions that include:

New in 2022

- Required mapping of ALL MS4 infrastructure
- Changes in leaf composting and wood waste recycling at municipal maintenance yards
- Changes in the street sweeping schedule
- Inspection requirements for public AND private stormwater facilities to ensure proper maintenance
- Enhanced Best Management Practices (BMPs) for DPW yards.
- Requirement to remove excess small piles of deicing materials/salt from roadways after a snow/ice event
- A dedicated stormwater webpage on the municipal website
- Changes in the employee training schedules for some municipal employees
- Point system changed for calculating the annual point total requirement
- The five attachments from the 2018 MS4 permit have been changed, with a few (such as BMPs for municipal maintenance yards) now incorporated into the body of the permit
- Tier B municipal classification has been eliminated
- MS4 Infrastructure Map
- Watershed Improvement Plan
- Private salt storage ordinance and tree removal/replacement ordinance

NJDEP'S MUNICIPAL STORMWATER PERMITS/RENEWALS: EMPLOYEE TRAINING



- ❑ Training for municipal employees involved with stormwater related activities remains an annual requirement
- ❑ The EJIF developed a stormwater training program. Completion of this training accepted by NJDEP to meet this requirement
- ❑ Additional Training is available through the NJDEP:
 - ❑ Stormwater Management Design Review Training – for municipal engineers and designers to understand and enforce compliance with stormwater management rules and best management practices (BMPs); required once every five years
 - ❑ Municipal Board and Governing Body Member Related Training – for municipal board and council members that review and approve development and redevelopment projects; must complete training posted under NJDEP's website within 6 months of commencing duties and once per term of service, thereafter
- ❑ In addition to EJIF and NJDEP training noted above, multiple Stormwater webinars are available to the general public through the MEL Safety Institute



- 📺 Stormwater: An Introduction
- 📺 Stormwater: Local Public Education
- 📺 Stormwater: Maintenance
- 📺 Stormwater: Post Construction Management
- 📺 Stormwater: Improper Disposal
- 📺 Stormwater: Solid and Floatable Controls

YOU CAN'T ESCAPE IT, WE HELP YOU MANAGE IT!



Resources:

NJDEP Draft Tier A MS4 Permit:

https://www.nj.gov/dep/dwq/pdf/Tier_A_Draft_Permit.pdf

NJDEP Municipal Stormwater Regulation Page:

https://www.nj.gov/dep/dwq/msrp_home.htm

Contact Information:

EJIF:

Rich Erickson, Rerickson@FirstEnvironment.com



Questions? **Raise Your Hand or Chat**

