

## Site Remediation Reform Act (SRRA) Listserv Archives

### October 2, 2012 - [SRRA] Important Messages Regarding the Remediation Funding Source and Financial Assurance

**From:** owner-srra@listserv.state.nj.us on behalf of DEP SRRA - SRRA@dep.nj.gov

**To:** srra@listserv.state.nj.us

**Date & Time:** 10/2/2012 10:24 AM

**Subject** [SRRA] Important Messages Regarding the Remediation Funding Source and Financial Assurance

[SRRA] Important Messages Regarding the Remediation Funding Source and Financial Assurance

Background: A Remediation Funding Source (RFS) is a financial mechanism that the person responsible for conducting remediation is required to establish and maintain in certain circumstances, and which guarantees the completion of remediation. Financial Assurance (FA) is a financial mechanism that the person responsible for conducting remediation is required to establish and maintain as a condition of a remedial action permit when a remedial action includes an engineering control, and which guarantees long term protectiveness of the remedy. Depending upon the type of instrument established to meet their RFS obligation, a party may be required to pay an annual surcharge of 1% of the RFS amount. There is no surcharge imposed on FA. The rule provisions covering these financial mechanisms can be found at N.J.A.C. 7:26C-5 and 7.10.

1. Requirement to include either the PI number or the ISRA case number on all mail sent to the Department regarding RFS and FA. The Site Remediation Program (SRP) receives hundreds of pieces of mail per week concerning RFS and FA matters, including financial instruments such as Letters of Credit, and checks submitted for the payment of the 1% RFS surcharge. Often there is no reference to the specific SRP case included in the mailing. SRP cannot process these submittals without any identification of the case to which the document or check applies. Please ensure that all correspondence, financial instruments or checks that are submitted to SRP contains the Department Program Interest (PI) number and/or the ISRA case number which starts with the letter "E" (e.g., E20120001.) The inclusion of this identifier is especially crucial on checks. Beginning on November 1, SRP will return to sender any mailings concerning RFS or FA matters without the PI or ISRA case number and ask that these items be resubmitted with the proper identification included. This may result in the person responsible for conducting the remediation being out of compliance with timeframes for submittals. Therefore, it is important for persons responsible for conducting the remediation to work closely with their licensed site remediation professional (LSRP), lending institution, attorney, or anyone else submitting information on their behalf, to make sure that they are aware of the PI or ISRA case number and include it with all correspondence and checks submitted on their behalf.

2. Requirement to update RFS financial instruments to authorize LSRPs to petition for the disbursement of funds for remediation The Site Remediation Reform Act (SRRA) provides that a Licensed Site Remediation Professional as well as the Department may authorize disbursement of funds from a remediation trust fund or a line of credit established and maintained by a person responsible for conducting the remediation to pay for the actual cost of remediation. Prior to SRRA, parties seeking to draw down on their RFS to pay for remediation as it progressed were required to seek the Department's authorization to disburse funds. In December, 2009, the Department amended its model Remediation Trust Fund Agreement and Line of Credit documents to allow the LSRP to request these disbursements directly from the financial institution. If you are using a Remediation Trust Fund or Line of Credit based on the model document in place prior to December, 2009, which requires the Department to authorize disbursements, please work with your financial institution to modify your RFS mechanism so that it is consistent with the new model, allowing your LSRP to authorize disbursements. The model documents may be found at [https://www.nj.gov/dep/srp/guidance/rfsguide/#model\\_documents](https://www.nj.gov/dep/srp/guidance/rfsguide/#model_documents). Submit an original, properly executed Remediation Trust Fund or Line of Credit document to

the Department along with a Remediation Cost Review and RFS/FA Form, which can be found at [https://www.nj.gov/dep/srp/srra/forms/rem\\_funding\\_source\\_form.pdf](https://www.nj.gov/dep/srp/srra/forms/rem_funding_source_form.pdf). An updated cost estimate, certified by the LSRP, must also be included (unless a cost estimate certified by the LSRP was submitted within the past year). Please submit these documents to:

Karen Jentis, Supervisor  
Remediation Funding Source Unit  
Site Remediation Program  
Mail Code 401-05G  
Trenton, NJ 08625

If the updated cost estimate exceeds the amount currently posted, the RFS amount must be increased to match the updated cost estimate. Make sure that the PI and/or ISRA case number is clearly noted on the document(s).

FYI: The Department will be hosting a "Hot Topic" information session concerning Remediation Funding Source and Financial Assurance in October. The Department will be sending a listserv message with details on the session later in September.

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SRP Site Remediation Reform Act (SRRA) Web site:  
<https://www.nj.gov/dep/srp/srra/>