



Transitioning from Remediation Funding Source to Financial Assurance

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Remediation Funding Source Unit





Can RFS be used as Financial Assurance for my Remedial Action Permit?

Yes, if all three of the following criteria apply:

- The LSRP will be issuing an entire site RAO
- The amount of the RFS is **equal to** the amount required to be posted for FA at the time the Remedial Action Permit application is submitted
- The RFS is NOT in the form of a self-guarantee





Can RFS be used as Financial Assurance (FA) for my Remedial Action Permit?

No, if:

- If an AOC-RAO is issued, a separate instrument must be established for the FA, and
- The existing RFS must be maintained in an amount to cover the cost of remediating the remaining AOC(s)
- The amount of the RFS may be decreased to the amount needed for remediating the remaining AOC(s)





Transitioning from RFS to FA

If RFS amount does not equal FA amount, **then** submit the Remediation Cost Review and RFS/FA form as follows:

Section C (check the following boxes):

- “Change in Remediation Funding Source or Financial Assurance Amount Pursuant to N.J.A.C. 7:26C-5.11” **AND**
- “Using a Remediation Funding Source as Financial Assurance”

Section D3

- Check either “Reduce RFS” or “Increase RFS”
- Fill in the amount the RFS needs to be changed to, to equal FA on the “by (amount)” line

Section E

- Fill in the cost for Financial Assurance





Transitioning from RFS to FA

When RP receives revised instrument which reflects the amount needed for FA, submit:

- RAP application
- **Revised** Remediation Cost Review and RFS/FA form:
 - Section C, only check “Using a Remediation Funding Source as Financial Assurance”
- Revised instrument





Transitioning from RFS to FA

Our case:

- Will be getting entire site RAO
- RFS is a Letter of Credit
- Have \$500,000 RFS
- Need \$200,000 for FA

Remaining slides show completed Remediation Cost Review and RFS/FA form for this case



Remediation Cost Review Form

- Owner or operator of a licensed child care center
- Public, private or charter school

NOTE: If the exemption is only for a portion of the site, you must complete section C through G for the portion of the site that does not meet the exemption criteria. See instructions.

SECTION C. PURPOSE OF COST REVIEW/ESTIMATE (please check all that apply)

- Initial Remediation Funding Source pursuant to N.J.A.C. 7:26C-5 (attach original RFS instrument)
- Initial Financial Assurance for a Remedial Action Permit pursuant to N.J.A.C. 7:26C-7 (attach original FA instrument)
- Annual Remediation Cost Review pursuant to N.J.A.C. 7:26C-5.10 10

- Biennial Cost Review pursuant to N.J.A.C. 7:26C-7.10 (Remedial Action Permits)
- Change in Remediation Funding Source or Financial Assurance Amount pursuant to N.J.A.C. 7:26C-5.11
- Change in Remediation Funding Source or Financial Assurance Mechanism pursuant to N.J.A. 7:26C-5.11(d)
- Remediation Funding Source Disbursement pursuant to N.J.A.C. 7:26C-5.12
- Request Release of the Remediation Funding Source or Financial Assurance pursuant to N.J.A.C. 7:26C-5.11(e)
- Using a Remediation Funding Source as Financial Assurance

SECTION D. TYPE AND AMOUNT OF REMEDIATION FUNDING SOURCE OR FINANCIAL ASSURANCE POSTED

Initial or Existing Mechanism for RFS or FA
(Check all that apply)

- Letter of Credit
- Remediation Trust Fund

Replacement Mechanism for RFS or FA
(Check all that apply & indicate provider lender for each)

- Letter of Credit:
- Remediation Trust Fund:

- Request Release of the Remediation Funding Source or Financial Assurance pursuant to N.J.A.C. 7:26C-5.11(e)
- Using a Remediation Funding Source as Financial Assurance

SECTION D. TYPE AND AMOUNT OF REMEDIATION FUNDING SOURCE OR FINANCIAL ASSURANCE POSTED

Initial or Existing Mechanism for RFS or FA
(Check all that apply)

- Letter of Credit
- Remediation Trust Fund
- Self Guarantee
- Line of Credit
- Environmental Insurance Policy
- Fully Funded Trust
- Performance Bond
- Surety Bond

Replacement Mechanism for RFS or FA
(Check all that apply & indicate provider lender for each)

- Letter of Credit:
- Remediation Trust Fund:
- Self Guarantee
- Line of Credit:
- Environmental Insurance Policy:
- Direct Oversight Remediation Trust Fund:

1. Expiration Date of RFS or FA Posted:
2. Amount of remediation funding source or financial assurance posted as of the date of this filing (prior to increase/reduction/disbursement):
3. Do you want to reduce or increase the amount of the RFS? Yes No
If "Yes," specify below:
 Reduce RFS Increase RFS by (amount):

SECTION E. METHOD OF REMEDIATION COST ESTIMATION (Check all that apply)

- RACER® (attach documentation for estimate)
- Cost-Pro® (attach documentation for estimate)
- Surrogate Cost from NJDEP Guidance
- Cost Estimate Guidance which can be found on the Department's Website at <http://www.nj.gov/dep/srp/guidance>
- Calculated independently by LSRP/Consultant using (attach documentation used to generate calculation):

of this filing (prior to increase/reduction/disbursement): \$500,000.00

3. Do you want to reduce or increase the amount of the RFS? Yes No

If "Yes," specify below:

Reduce RFS Increase RFS by (amount): \$300,000.00

SECTION E. METHOD OF REMEDIATION COST ESTIMATION (Check all that apply)

- RACER® (attach documentation for estimate)
- Cost-Pro® (attach documentation for estimate)
- Surrogate Cost from NJDEP Guidance
- Cost Estimate Guidance which can be found on the Department's Website at <http://www.nj.gov/dep/srp/guidance>
- Calculated independently by LSRP/Consultant using (attach documentation used to generate calculation):
 - Actual competitive bid(s)
 - Internal company data
 - Other commercially available software. Specify: _____
 - Other. Specify: _____

Estimated cost:

To complete remediation: _____  For Financial Assurance: \$200,000.00

Full legal name of person who prepared the cost estimate: _____

SECTION F. COST REVIEW FOR RFS AND FA

1. RFS – due annually

a. Date of most recent prior cost estimate:

FORM TO SUBMIT WITH RAP

SECTION C. PURPOSE OF COST REVIEW/ESTIMATE (please check all that apply)

- Initial Remediation Funding Source pursuant to N.J.A.C. 7:26C-5 (*attach original RFS instrument*)
- Initial Financial Assurance for a Remedial Action Permit pursuant to N.J.A.C. 7:26C-7 (*attach original FA instrument*)
- Annual Remediation Cost Review pursuant to N.J.A.C. 7:26C-5.10 10

Remediation Cost Review and RFS/FA Form
Version 1.5 05/06/13

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- Biennial Cost Review pursuant to N.J.A.C. 7:26C-7.10 (Remedial Action Permits)
- Change in Remediation Funding Source or Financial Assurance Amount pursuant to N.J.A.C. 7:26C-5.11
- Change in Remediation Funding Source or Financial Assurance Mechanism pursuant to N.J.A. 7:26C-5.11(d)
- Remediation Funding Source Disbursement pursuant to N.J.A.C. 7:26C-5.12
- Request Release of the Remediation Funding Source or Financial Assurance pursuant to N.J.A.C. 7:26C-5.11(e)
- Using a Remediation Funding Source as Financial Assurance

SECTION D. TYPE AND AMOUNT OF REMEDIATION FUNDING SOURCE OR FINANCIAL ASSURANCE POSTED

Initial or Existing Mechanism for RFS or FA
(Check all that apply)

- Letter of Credit
- Remediation Trust Fund

Replacement Mechanism for RFS or FA
(Check all that apply & indicate provider lender for each)

- Letter of Credit:
- Remediation Trust Fund:

Using a Remediation Funding Source as Financial Assurance

SECTION D. TYPE AND AMOUNT OF REMEDIATION FUNDING SOURCE OR FINANCIAL ASSURANCE POSTED

Initial or Existing Mechanism for RFS or FA
(Check all that apply)

Replacement Mechanism for RFS or FA
(Check all that apply & indicate provider lender for each)

- Letter of Credit
- Remediation Trust Fund
- Self Guarantee
- Line of Credit
- Environmental Insurance Policy
- Fully Funded Trust
- Performance Bond
- Surety Bond

- Letter of Credit:
- Remediation Trust Fund:
- Self Guarantee
- Line of Credit:
- Environmental Insurance Policy:
- Direct Oversight Remediation Trust Fund:

1. Expiration Date of RFS or FA Posted:
2. Amount of remediation funding source or financial assurance posted as of the date of this filing (prior to increase/reduction/disbursement):
3. Do you want to reduce or increase the amount of the RFS? Yes No
If "Yes," specify below:
 Reduce RFS Increase RFS by (amount):

SECTION E. METHOD OF REMEDIATION COST ESTIMATION (Check all that apply)

- RACER[®] (attach documentation for estimate)
- Cost-Pro[®] (attach documentation for estimate)
- Surrogate Cost from NJDEP Guidance
- Cost Estimate Guidance which can be found on the Department's Website at <http://www.nj.gov/dep/srp/guidance>
- Calculated independently by LSRP/Consultant using (attach documentation used to generate calculation):
 - Actual competitive bid(s)

it the following form. You can save data typed into this form.



Performance Bond

Surety Bond

1. Expiration Date of RFS or FA Posted:

2. Amount of remediation funding source or financial assurance posted as of the date of this filing (prior to increase/reduction/disbursement): \$200,000.00

3. Do you want to reduce or increase the amount of the RFS? Yes No
If "Yes," specify below:

Reduce RFS Increase RFS by (amount):

SECTION E. METHOD OF REMEDIATION COST ESTIMATION (Check all that apply)

RACER® (attach documentation for estimate)

Cost-Pro® (attach documentation for estimate)

Surrogate Cost from NJDEP Guidance

Cost Estimate Guidance which can be found on the Department's Website at <http://www.nj.gov/dep/srp/guidance>

Calculated independently by LSRP/Consultant using (attach documentation used to generate calculation):

Actual competitive bid(s)

Internal company data

Other commercially available software. Specify:

Other. Specify:

Estimated cost:

▶ To complete remediation: or For Financial Assurance: \$200,000.00

Full legal name of person who prepared the cost estimate:

SECTION F. COST REVIEW FOR RFS AND FA

1. RFS – due annually

a. Date of most recent prior cost estimate:

b. Total monies spent to date to remediate the site:



Questions?

Thank you!

