

Wave 2 Environmental, Inc.

June 5, 2023

The Honorable Paul R. Feeney, Senate Chair
The Honorable James M. Murphy, House Chair
Joint Committee on Financial Services
State House
24 Beacon Street
Boston, MA 02133

Subject: H.1129 and S.648, An Act relative to the remediation of home heating oil releases

Dear Chair Feeney, Chair Murphy, and Members of the Joint Committee:

I am a self-employed Licensed Site Professional that has been working in the Commonwealth as an environmental engineer and consultant for over 30 years. During this time I have consulted for affected homeowners and have experienced firsthand the stark realities of these difficult situations. I have been involved with numerous uninsured home heating oil spills since passage of the 2010 legislation. Each spill is unique in both complexity and financial impact, but all of them result in overwhelmed and frustrated homeowners who feel ill-served by the current system. The cost of the cleanup may bankrupt some families, and most lenders will not loan against a property with an active oil release. As you can imagine, being the LSP for an uninsured homeowner can be emotionally challenging and oftentimes results in pro-bono services or reduced fees in an attempt to offset a portion of the substantial cleanup costs. Unfortunately this attempt of compassion often goes unnoticed because the real costs of environmental cleanup are so overwhelming and oftentimes insurmountable. Considering the risk of non-payment and the liability of third party damage caused by delay, many environmental firms in the Commonwealth refuse **all** uninsured homeowner spill work outright, leaving the homeowner and regulating entities in some difficult and impossible situations.

The following are the stories of seven Massachusetts homeowners who have experienced an oil release at their primary residences and have agreed to allow me to share their stories with you:

- The family of Rita Mendes of New Bedford discovered an oil release during the sale of their mother's vacant home. The family was selling the home to pay their mother's nursing home costs and was told by their insurance carrier that they had no coverage for the clean-up of the release. The Mendes family paid \$45,000 to complete the cleanup, approximately 25 percent of the property value, and delaying the sale of the property.

11 Broadcommon Road, Unit 321
Bristol, RI 02809
(508) 863-3102

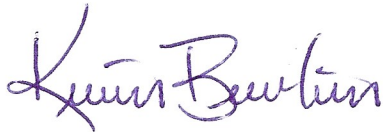
- Richard Dow and Margaret Flanigan of South Dartmouth had a release of an estimated 80 gallons of fuel oil. The retired couple recently purchased the home and had unknowingly paid for the liquid fuel carrier on their homeowner policy (despite not being aware of it or requesting it). Based on the lack of apparent third party impact resulting from the release, the policy caps the clean-up coverage at \$50,000 and the homeowners paid approximately \$20k above that out of pocket.
- John and Susan Adams discovered an oil release on property in South Dartmouth they had recently purchased and were in the process of redeveloping. The Adams did not have coverage but were spared significant clean-up costs because the original home had been razed as part of the redevelopment project, making the contamination easily accessible with heavy equipment. Regardless of that factor, they still paid approximately \$20,000 to clean-up the release.
- Claire Gaumont had a release of an estimated 200 gallons of oil in the basement of her home in Rochester. Ms. Gaumont is a 92-year-old widow living in the home alone and does not have insurance coverage for the clean-up. Due to the overall extent of contamination and logistical challenges with safely removing the contamination from beneath the field stone foundation of the home, moving the house off of the foundation to allow full access to the contamination proved to be the most cost effective and timely approach to cleaning up the spill. The release also had the potential to impact a private water supply well located on the property and Ms. Gaumont was forced to leave her home during the cleanup. This project cost more than \$150,000 of Ms. Gaumont's money to complete.
- Lisa McClintock had a release of approximately 210 gallons of oil in the basement of her home in Swansea. Ms. McClintock is a teacher and a recently widowed, single mother of four children of high school/college age who does not have insurance coverage for the clean-up. Her family (parents and in-laws) was able to pay for roughly \$15,000 of emergency response and assessment costs (which included an additional \$5,000 of pro-bono/discounted services) but the clean-up was going to cost significantly more. With assistance from State Representative Howitt, Ms. McClintock is currently enrolled in a pilot program with the MassDEP, that will allow her to repay the Commonwealth for clean-up activities completed by MassDEP's spill response contractors over time.

As you can see, the problem of uninsured homeowners is very real and indiscriminate, affecting individuals of all ages, income levels and situations. The referenced properties range in value from \$150,000 to over \$1M and involved multiple insurance providers. Almost all of affected homeowners were unaware of the "liquid fuel" rider option (including those who had it), and every one of them **thought they had coverage**. All would have gladly paid \$100 a year to have that protection. Although the focus in these testimonies is often on the failures of the system, it is my opinion that it is just as important to point out the benefits of when the system works. The differences for affected homeowners are palpable. The environmental regulations in Massachusetts are difficult to navigate and can overwhelm homeowners. Insurance companies that provide coverage for home heating oil spills are well versed in the process and typically contract with third party consultants who provide guidance to the homeowners and technical review of the efficacy of work being performed to control costs. With insurance oversight, homeowners do not feel left alone, uninformed, or taken advantage of. The ability of an insured homeowner to pay for a clean-up often

leads to expedient remedial actions which limits migration of the spilled oil and potential damage to neighboring properties or natural resources of the Commonwealth.

It is the opinion of the undersigned staff of Wave 2 Environmental, Inc. as members of the LSPA, that **H.1129 and S.648** are the best available solutions for this problem. The LSPA-authored legislation enhances the current law by enhancing coverage to homeowners and raises coverage limits to keep pace with rising remediation costs. We strongly urge the Committee to report out in favor of **H.1129 and S.648**.

Sincerely,
For Wave 2 Environmental, Inc.

A handwritten signature in purple ink that reads "Kevin Beaulieu". The signature is written in a cursive style with a large initial 'K'.

Kevin Beaulieu, LSP
President