

**SPELL JIF 10<sup>th</sup> Annual  
Environmental Management Seminar  
July 13, 2022**

**Your Worst Mold Nightmare**





**MONROE TOWNSHIP**  
**PUBLIC SCHOOLS**



75 E. Academy Street  
Williamstown, NJ 08094



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# **A Real Life Risk Management Learning Lesson**

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## 2017-2018 Profile

- 6,081 students
- \$99,267,713
- Seven (7) physical locations
  - 4 elementary schools
  - 1 middle school
  - 1 high school
  - 1 administration, transportation and facilities building



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## **2017-2018 Profile**

- Stable Board of Education
- Stable and long serving Administration Team
- Peaceful community
- Consistent surplus
- Low to middle income community demographic

# Start of School 2017

**Tuesday, August 22, 2017**

Temperature Range: 74°F - 92°F

Dew point Range: 70°-74°

Humidity: 82°-90°

Mostly Cloudy all day

[Philadelphia, PA Weather History | Weather Underground \(wunderground.com\)](#)

**Teacher slips on wet floor at Holly Glenn Elementary School and files a workers' compensation claim.**

# Start of School 2017

**Wednesday, September 13, 2017**

Temperature Range: 64°F - 75°F

Dew point Range: 58°-72°

Humidity: 62°-94°

Cloudy with periods of light drizzle

[Philadelphia, PA Weather History | Weather Underground \(wunderground.com\)](#)

**Principal slips on wet floor at Holly Glenn Elementary School and files a workers' compensation claim.**

# Start of School 2017

**Thursday, September 14, 2017**

Temperature Range: 69°F - 83°F

Dew point Range: 61°-70°

Humidity: 49°-90°

Foggy overnight then cloudy all day

[Philadelphia, PA Weather History | Weather Underground \(wunderground.com\)](#)

**Basic skills instructor slips on wet floor at Holly Glenn Elementary School and files a workers' compensation claim.**

# Start of School 2017

**Monday, September 18, 2017**

Hardenbergh Insurance Agency alarmed at the series of slips and falls and investigates finding serious condensation issue at entrance area of Holly Glenn Elementary School.

After conferencing with JIF Administration a claim is filed prospectively with Environmental Carrier due to excessive moisture conditions and concern over possible mold creation.



# Excerpt of September 21, 2017 Board Meeting Minutes

## ALLRISK

A motion by Mr. Coleman, seconded by Mr. Mahoney, to grant approval to accept the proposal dated, September 20, 2017, from AllRisk Environmental Consultants, Educational Services Commission of NJ Cooperative Pricing System #65MCESCCPS, Bid #MRESC 12/13-26, for labor, materials, equipment, and supervision to provide Air Quality Assessment Services at Holly Glen Elementary School. The approximate amount of this proposal is \$15,874.80. The motion was carried by a unanimous roll call vote.

# Start of School 2017

**Wednesday, September 27, 2017**

Temperature Range: 69°F - 83°F

Dew point Range: 61°-70°

Humidity: 49°-90°

Foggy overnight then cloudy all day

[Philadelphia, PA Weather History | Weather Underground \(wunderground.com\)](#)

**Art teacher slips on wet floor at Holly Glenn Elementary School but chooses not to file a workers' compensation claim.**

# Excerpt of October 5, 2017 Board Meeting Minutes

## Public Participation

A motion by Mr. Coleman, seconded by Mr. Rumpf, to grant approval to open the public portion of the meeting, was carried unanimously.

Several parents and community members voiced the following concerns regarding a mold issue at Holly Glen Elementary School:

- District attendance policy due to mold

- Relocation issues such as busing

- Allergies and other health issues

- Other schools that may also be affected

- Length of time for cleanup and repairing problem

- Air quality testing

A motion by Mr. Coleman, seconded by Mr. Rumpf, to grant approval to close the public portion of the meeting, was carried unanimously.

# The Nightmare Has Started

10/12/2017

recent school mold problems in NJ schools - Google Search



recent school mold problems in NJ schools



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## Top stories



All Monroe Twp. schools closed for rest of week amid mold concerns

6abc.com · 2 days ago



All Monroe Township Schools Closed for Air Quality Testing After Mold is Found in...

NBC 10 Philadelphia · 2 day...



Months of grappling with mold problem before South Jersey district abruptly shut...

Philly.com · 1 day ago

→ More for recent school mold problems in NJ schools

### Parents voice concerns over Monroe Twp. closing all its schools

[www.philly.com/.../news/new\\_jersey/mold-found-at-second-south-jersey-school-pare...](http://www.philly.com/.../news/new_jersey/mold-found-at-second-south-jersey-school-pare...) ▼

3 days ago - The school board called an emergency meeting Monday night to update parents who ... care and answers · Q&A: How worried should parents be about mold in N.J. schools? ... Monroe Township, New Jersey ... "It is a fixable problem," said Timothy Popp of TTI Environmental, which inspected Holly Glen.

### Months of grappling with mold problem before South Jersey district ...

[www.philly.com/.../news/new\\_jersey/months-of-grappling-with-mold-problem-before...](http://www.philly.com/.../news/new_jersey/months-of-grappling-with-mold-problem-before...) ▼

2 days ago - A New Jersey Education Association official said the mold problem has ... The district operates four elementary schools, a middle school, and a ...

### District abruptly closes all 6 schools for a week after mold ... - NJ.com

[www.nj.com/...ssf/.../all\\_monroe\\_schools\\_closed\\_for\\_week\\_as\\_mold\\_concern.html](http://www.nj.com/...ssf/.../all_monroe_schools_closed_for_week_as_mold_concern.html) ▼

3 days ago - A Gloucester County school district will close all of its schools for the ... School officials have not confirmed a mold problem at the middle school. ... taking issue with claims that the Holly Glen mold concerns are relatively new.

# It Got Worse

- We experienced multiple workers' compensation claims associated with breathing issues associated with mold.
- We were sued by parents alleging their children were sick by mold in the classrooms.
- The First Environmental Consultant hired found visible mold in other school locations and recommended at a Board Meeting and in a written report that the locations be closed.
- School closings required instruction, transportation, food service and facility schedules to be radically altered to accommodate new locations within existing schools.
- Because of the allegations of prior knowledge by staff at a public Board meeting the carrier would not accept the claim at Holly Glenn requiring every single email communication that involved the Director of Buildings and Grounds for the prior 24 months be provided for investigation.
- Community OPRA requests resulted in 7 years of emails for every administrator and board member for 7 years. This resulted in over 1,000,000 emails associated with 200 OPRA requests.
- The first Environmental Consultant did not have a Certified Industrial Hygienist (CIH) designation so the carrier would not accept the Scope of Work.
- There was no money flowing nor guaranteed to manage the mold issues in two structures.

# It Continued to Get Worse

- The remediation had to continue so a new Environmental Consultant was hired with a CIH to draft the Scope of Work for the remediation contractor to follow.
- The carrier accepted the Scope of Work for all locations except Holly Glenn due to a belief based upon their perception of the email lineage that they concluded showed prior notice of “visible mold”.
- The Remediation Contractor had to be paid regardless of the carrier position requiring all invoicing to be location specific and highly detailed before any recovery was approved.
- All locations except Holly Glenn Elementary School reopened within a year. Holly Glenn required a very significant remediation that required us to spend reserve, surplus and ESIP moneys over a period of two years prior to reopening.

# The Money Problems Were Huge

- Approximately \$2 million spent remediating the impacted locations over a period of three years.
- Approximately \$1.2 million of otherwise allocated surplus were used to fund this.
- Insurance recovery - \$500,000.00 settlement of the Holly Glenn coverage dispute and \$114,078 for mold issues at an additional elementary school.

**\$1,385,922.00 out of pocket.**

# It Was More Than Money

**Within a year, the following roles were performed by different people or different methods:**

- Superintendent
- Director of Facilities
- Solicitor
- Architect of Record
- Board positions

The general community and employee community lost faith in leadership for a very long time.

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Time was distorted and consumed for three years solid.



# The Reinstatement Journey

## Process:

- 88 emails between RMC and District Personnel, Contracted Maintenance Vendor, Risk Program Administrators, and AJ Gallagher
- More than a dozen conference calls and Zoom calls
- More than 50 documents provided for review including IAQ Test Results, PFPs, Proposals, and Invoices
- 25 documents submitted to AJ Gallagher outlining scope of work, amounts paid, and test results for Holly Glen Elementary
- Written Narrative to make sense of documentation
- Follow-ups to answer questions, rewrite of Narrative
- Once completed for Holly Glen, the same process was required for Whitehall

# The Reinstatement Journey

## Challenges:

- **Delays in the Process**
  - Changes in personnel from the time of the mold occurrence to the removal of the exclusion
  - Nearly all work done remotely during the pandemic
- **Learning curve**
  - How to read vendor payment applications, construction proposals (what was relevant to this process, what wasn't)?
  - Learning new industry vocabulary – ESIP? ESCO?

# The Reinstatement Journey

## Timeline:

- First call to begin the process on 8/15/2019
- Final correspondence with AJ Gallagher on 11/10/2021

## Conclusion:

- Endorsements excluding coverage removed effective 7/1/2021!
- Expectation at the outset was that this would be a labor-intensive process, but the time expended far exceeded everyone's expectation.
- Fortunately, we had a successful outcome in the end.

# Harsh Lessons Learned

- IAQ Protocol is Not Enough – Don't worry about the smell or lack of smell, worry about the moisture.
- Be moisture intolerant and whenever you find unwanted moisture, get rid of it permanently.
- If you see mold, report it to Qual-Lynx and Beazley - let them help you.
- Take every complaint seriously and be diligent in your desire and efforts to eradicate the source.
- Have a great Risk Management Consultant who is willing to spend years and countless hours detailing the remediation, construction and operating work and changes to get coverage fully restored.

# Best Advices

- Be knowledgeable about building and HVAC management.
- Understand seasonal and human use impacts on your locations that can increase the possibility of mold infestation.
- Have the right protocols and equipment to identify, arrest and eradicate moisture and mold.
- Always involve your insurance immediately.

Thank you.

Questions?