

# Environmental Risk Overview



## Solid Waste Management

The handling and management of solid waste can expose operators to environmental liability from several sources, including collected materials and equipment used, during collection/transportation and at storage, transfer or processing facilities. During collection, spills or leaks of collected wastes or releases of fuel or fluids from collection vehicles can lead to environmental cleanup or third-party liability. Collected wastes could also contain hazardous materials that require special handling and disposal procedures, or materials that are incompatible and pose hazards for fire, combustion or toxic emissions. Environmental exposures at facilities can result from spills or leaks of fluids from the storage and maintenance of vehicles or equipment, releases from collected wastes, wastewater generated from cleaning and disposal of facility-generated wastes that may be hazardous.

## Environmental Exposures May Include

- A spill or leak of collected wastes during loading/unloading or transporting could result in environmental cleanup or tort liability. Solid waste can include items such as refuse, heavy metals, nutrients, oils and greases, spent materials, chemical by-products, and sludge from industrial and municipal waste water and water treatment plants.
- Household, commercial and industrial collection could include hazardous wastes that were inappropriately discarded or materials that contain hazardous components. Materials are considered hazardous based on their ignitability, reactivity, corrosivity, toxicity and persistence. Examples of wastes that could be in the intake materials and be hazardous include automotive care products (ex. motor oil and antifreeze), batteries, oil paints, pesticides, fertilizers, pest control, pool chemicals, florescent light tubes and ballasts, used electronics, smoke detectors, medical and/or infectious waste, pharmaceuticals, industrial cleaning chemicals and solvents, lab waste, sludge and materials treated with PFAs and/or PFOs. Even empty containers that contained these materials can pose hazards due to residual material. Improper handling of these materials or disposal at a landfill not permitted to accept them can result in environmental liability.
- During collection, materials that are incompatible can be mixed in a collection vehicle through the compaction process and result in fire, spontaneous combustion or toxic emissions. This could occur while collecting loads on public roadways and expose third-parties to bodily injury and property damage.
- Waste collection trucks contain fuel, oil, hydraulic fluid and other automotive fluids. Spills during maintenance or fueling operations, or leaks from mounting, lines, hoses, fittings, valves and connections while garaged or in transport, can contaminate soils and groundwater or discharge into surface waters through drains or storm water runoff. Onsite storage of fuel, oil, lubricants/grease and automotive fluids in storage tanks (above or underground) and drums can also leak during containment or be spilled during loading, resulting in environmental liability.
- Onsite vehicle washing, or washing down of vehicle maintenance areas or material recovery facilities generates wastewater that can contain residual debris from collected material (biohazards, heavy metals, chemicals), oil and grease, hazardous materials and cleaning agents that have chemicals, solvents and detergents. Improper containment, collection and disposal can allow wastewater to enter storm drains or nearby surface waters, or leach into soils and groundwater. Washwater that discharges into surface waters can harm aquatic systems and natural resources.
- Material Recovery Facilities (MRF) and Transfer Facilities can receive unwanted and hazardous wastes from incoming loads. Improper handling, storing and disposal of hazardous materials can result in spills or leaks that leach into soil or groundwater, or discharge into drains or collect in storm water runoff.
- MRFs and Transfer Facility processing equipment can include tractors, trucks, forklifts, conveyor systems, compactors, balers and other processing equipment. Spills or leaks of fuel, oil, hydraulic fluid or other automotive fluids for the equipment or a containment breach from onsite storage of these materials in tanks and drums can contaminate soils or enter floor drains. The fluids can also leak out from delivery trucks on premise during unloading operations, which can collect in storm water runoff.
- Illicit abandonment is the illegal dumping of pollutants at a property. If the originator of the waste cannot be found, the property owner would incur the cost of determining what the material is. If the material is hazardous, they would then incur the costs of removal, cleanup and third-party bodily injury if a release occurred, and disposal, where they can retain cradle-to-grave liability.
- Solid waste collection and processing facilities generate their own wastes that can be hazardous and require that special disposal procedures are followed. This can include batteries used on collection trucks and spent fuels, solvents and oils. Improperly segregated and disposed of wastes can result in regulatory fines or lead to cleanup and environmental tort liability.

## Environmental Pollution Liability Can Provide Coverage For

- Integrated GL/site pollution and options to include excess, auto and work comp may be available
- Monoline site pollution liability
- Third-party claims for bodily injury and property damage
- First-party and third-party cleanup
- Defense of third-party claims
- Emergency response costs
- Natural resource damage
- First and third-party transportation pollution liability
- Loading and unloading
- Products pollution liability
- Crisis/reputation management
- Civil fines and penalties
- Off-site services pollution liability
- Business interruption expenses
- Non-owned disposal sites

# Claims Scenarios & Examples

- At a transfer station, vandals littered an area with debris and overturned drums of chemicals and maintenance fluids stored at the site. The vandalism went undetected for more than a week. The contents of the drums seeped into on-site and off-site soils and contaminated nearby groundwater and residential wells. Costs for property damage claims from nearby residents and for soil and groundwater cleanup exceeded \$500,000.
- Hazardous materials teams from several fire departments responded to a chemical spill inside a recycling and transfer station. Transfer station employees were using a piece of heavy equipment to push a load of garbage into a hopper and saw a vapor cloud form. The cloud of fumes was likely caused by a corrosive chemical that had been dumped in with garbage. Tests determined that the chemical was potassium hydroxide, aka caustic potash, a corrosive agent with a variety of industrial uses. Firefighters located two five-gallon plastic buckets with just a few ounces of potassium hydroxide in the area where the fumes were seen. According to the fire district spokesperson, the potassium hydroxide wouldn't have caused the vapor cloud on its own, it would have had to "react to something". The chemical was likely mixed in with waste delivered by a commercial garbage truck. The county hired a contractor to properly remove and dispose of the materials.
- A garbage truck crashed, spilling trash all over the side of the road and into a creek. The creek was left filled with trash even after cleanup crews arrived at the scene that evening. Members of the community claimed that the cleanup crew that arrived removed most of the trash from the actual accident site, but they failed to remove the trash that was swept down the creek. "A majority of the trash went down underneath the culvert and appeared on the other side of the road, which, it was out of sight, out of mind," a city commissioner said, adding that much of the trash made its way to the nearby river. In response, the waste haulers were then planning to send a cleanup crew from an environmental services company to clean up the trash that was left behind, which would take days to clean up.
- A waste truck leaving an industrial park area with an unsecured load created a hazmat situation and left multiple roads closed. The truck was carrying waste motor oil and leaked the substance on around five miles of roadway. An environmental cleanup crew was required to perform the cleanup, and the driver of the truck faced two citations for having an unsecured load, one under state code and one under federal code.
- A municipal garbage company maintained a contract with a public entity for waste pickup and composting services. While in the midst of loading waste from a dumpster on a commercial property, a container with an unknown liquid was encountered, resulting in a spill from the insured's vehicle onto the pavement and into a storm drain. Even though the waste collection employee acted quickly to deploy a spill kit, the quantity of the material was too great and resulted in a release that impacted both the soil around the vehicle and the adjacent storm drain.
- A chemical spill that mixed at least two chemicals together at a waste transfer station sent three employees to the hospital for evaluation and required cleanup by a professional hazardous materials company. An employee reported that he was moving a pile of debris when it began smoking. Assuming it was a fire, he poured water on it, but the debris started "popping and smoking" more. Firefighters performed reconnaissance on the site and reported one 55-gallon drum and one 5-gallon pail in the pile of debris emitting a white smoke. A fire department team, dressed in full protective hazardous materials suits, investigated the situation. Firefighters discovered that the 55-gallon drum had a label on it identifying the chemical inside as sodium hydroxide. After evidence was analyzed at the hazmat command post, the fire department determined that the 5-gallon pail contained calcium hypochlorite. The department also learned that the calcium hypochlorite had leaked into the large debris piles, causing the chemical reaction. A professional hazardous materials decontamination company was used to remove the debris piles from the building.
- The hydraulic fluid line of a trash truck ripped open, spilling gallons of fluid into sewer drains leading to a nearby river. Police were notified that the trash truck had some type of malfunction, which caused the fluid line to sever and pour onto streets heading westbound toward the river. An estimated 5 to 10 gallons of fluid were displaced. A total of nine sewer drains leading to the river were affected and there was "obvious contamination" in the river, according to the police. An environmental service company responded quickly and was able to prevent the sewers from allowing any more fluid to flow to the river. Crews then attempted to contain the fluid in the river using a containment boom and began the cleanup process. The state's Department of Environmental Protection and the Environmental Protection Agency were both notified. The waste collection company worked closely with state and local authorities to determine the ultimate cause of the oil sheen in the river and address the cleanup appropriately.

## Final Consideration

As a solid waste operator you can be faced with the cost to defend yourself against allegations or legal action from pollution related events, regardless if you are at fault or not. Having the proper insurance coverage in place will help fund the expenses incurred to investigate or defend against a claim or suit and provide you with environmental claims handling expertise.

*This environmental risk overview has been developed by Environmental Risk Professionals on behalf of J. Loos & Associates. It is intended to provide the reader with a broad range of potential risks they may encounter and may not reflect all risks associated with their business. To verify available insurance coverage, please consult your insurance representative.*

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