



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Request for Order adopting Hearing Officer’s Findings of Fact and Conclusions of Law, to the Board of Commissioners for the Show Cause Complaint for the violation of the Metropolitan Water Reclamation District Sewer Permit Ordinance and Manual of Procedures in the matter of the Metropolitan Water Reclamation District of Greater Chicago v. Palatine Funding Corporation, an Illinois Corporation and Mohammad A. Amjad and Sadia Amjad, Violation Complaint No. 07-001-VC, Permit Nos. 77-1105 and 81-116

Sponsors:

Indexes:

Code sections:

Attachments: 1. Order of Dismissal Bourbon Square Attachment for 7.7.16 BTL.pdf

Date	Ver.	Action By	Action	Result
7/7/2016	1	Board of Commissioners	Approved	Pass
7/7/2016	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 7, 2016

COMMITTEE ON ENGINEERING

Mr. David St. Pierre, Executive Director

Request for Order adopting Hearing Officer’s Findings of Fact and Conclusions of Law, to the Board of Commissioners for the Show Cause Complaint for the violation of the Metropolitan Water Reclamation District Sewer Permit Ordinance and Manual of Procedures in the matter of the Metropolitan Water Reclamation District of Greater Chicago v. Palatine Funding Corporation, an Illinois Corporation and Mohammad A. Amjad and Sadia Amjad, Violation Complaint No. 07-001-VC, Permit Nos. 77-1105 and 81-116

Dear Sir:

In 1978, the District issued Sewerage System Permit 77-1105 to DiMucci Home Builders (DiMucci) as Sole Permittee for the construction of the sewerage and stormwater detention systems for the Bourbon Square Apartment Complex in Palatine Township. In 1984, the District issued Permit No. 81-116 to DiMucci for a commercial development adjacent to the residential complex. In approximately 2005, it was determined that DiMucci had sold or otherwise transferred its property interest in the development with several changes in ownership thereafter, ultimately resulting in ownership of the residential complex by a corporation known as Palatine Funding and Mohammad and Sadia Amjad owning the commercial development, which consists of a strip mall.

Once ownership was established, it was determined that the sewerage permits, No. 77-1105 and No. 81-116, should be reissued to Palatine Funding and the Amjads as proposed Co-Permittees. However, neither party provided the District with the required information to reissue the permits nor the required operation and maintenance bond to operate as sole-permittees.

A violation notice was issued in 2007 followed by a Show Cause Complaint in 2008. Despite holding hearings

and extensive negotiations to reach a settlement over a period of years, the effort to reissue the permits and the securing of an operation and maintenance bond remained unresolved.

In addition to continuing its efforts to bring the parties into compliance with the District's Sewer Permit Ordinance, the District also entered into discussions with the Village of Palatine to assume responsibility for the sewer lines serving the development following annexation of the property into the corporate limits of the Village in 1998. Those negotiations were also not fruitful.

While the District's Show Cause was pending, the residential complex was put up for sale. The purchaser of the residential complex, ARE-LEI Bourbon Square Associates, LLC, after extensive discussions with the District, agreed to take assignment of the permits as Sole Permittee and to provide an Operation and Maintenance Bond in the amount of \$145,000.00 that assures operation and maintenance of the onsite sanitary sewer system, surface water drainage facilities, surface water detention facilities and offsite sewers up to the District's intercepting sewers as part of the permitted project. Furthermore, the Sole-Permittee agreed to provide a sanitary sewer outlet and stormwater detention as required under Permit No. 81-116, which serves the permitted premises contiguous with but not owned by the Sole-Permittee, thereby obviating the need to involve the owner of the commercial property in the permitting process. The District worked cooperatively with all parties to finalize the required documentation to take assignment of the permits and obtain the required bond. Recently, all the required documentation has been provided and the operation and maintenance bond is in place. Thus, all issues in contention in the Show Cause matter have been resolved.

After reviewing all the evidence, the Hearing Officer found that ARE-LEI Bourbon Square Associates, LLC had fully resolved the alleged violations of the Sewer Permit Ordinance on behalf of the former owners of the property. As a result, given the unique circumstances of the case, and upon the Hearing Officer's recommendation, the District has not sought the assessment of civil penalties. The Hearing Officer's Final Order is attached.

The Engineering Department and the Law Department agree that this Order accurately sets forth the findings of fact and conclusions of law and that dismissal of the Show Cause action is warranted as the current Sole-Permittee is now in full compliance with the District's Sewer Permit Ordinance and has resolved all issues that were in contention.

Therefore, the Law Department now seeks approval and adoption of the Hearing Officer's findings of fact and conclusions of law dismissing the Show Cause action.

Requested, Ronald M. Hill, General Counsel, RMH:HSW:MTC:kk
Recommended, Dr. Catherine A. O'Connor, Director of Engineering, CAO
Respectfully Submitted, Frank Avila, Chairman Committee on Engineering
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for July 7, 2016

Attachment