



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Authority to enter into a Tolling Agreement with Commonwealth Edison and Northern Illinois Gas Company in connection with the previous removal of manufactured gas plant related contaminants from Main Channel Parcel 14.03

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Attachments: 1. Map.Parcel 14.03.pdf

Date	Ver.	Action By	Action	Result
3/19/2015	1	Board of Commissioners	Approved	Pass
3/19/2015	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 19, 2015

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to enter into a Tolling Agreement with Commonwealth Edison and Northern Illinois Gas Company in connection with the previous removal of manufactured gas plant related contaminants from Main Channel Parcel 14.03

Dear Sir:

In 1894, the District acquired several tracts of land in Will County in connection with constructing the Chicago Sanitary & Ship Canal. One such tract is now known as Main Channel Parcel 14.03 comprising approximately 50.44 acres. Parcel 14.03 is located in a very remote, difficult to access and heavily vegetated area in Will County, Illinois.

Several years ago it was discovered that Parcel 14.03 contained piles of certain above ground materials associated with manufactured gas plant (MGP) residues. The visible contamination was located at the northwestern portion of the site, not the entire site. Research shows that in the 1930's an MGP plant was operated by predecessors to ComEd and Nicor ("Utilities") on an adjacent, non-District owned site. The adjacent site is currently owned by Toyal America, Inc. District records do not indicate that Parcel 14.03 was ever leased to ComEd, Nicor, or any of their predecessors.

In October 2010, the Board of Commissioners authorized the issuance of a 26½-month permit to the Utilities to conduct an environmental removal action on Parcel 14.03. The removal action involved removing MGP-related contaminants present at surface level and those that present an immediate risk for exposure to human health and the environment. The Utilities performed all work and fronted all costs, but have reserved its right to seek reimbursement from the District for a portion of the costs at a later date. The cost of the removal work was approximately 5.5 million dollars to remove approximately 5,000 cubic yards of material.

The statute of limitations on the rights of the Utilities to file an action against the District expires at the end of this month. The Tolling Agreement will allow the Utilities more time to make a decision on whether they will pursue an action against the District for cost recovery. The time period would be extended to March 30, 2018. If the District does not agree to the Tolling Agreement, the Utilities will be forced to file a lawsuit immediately to protect their rights. It is staff's opinion to agree to the Tolling Agreement so that the Utilities do not file a protective lawsuit at this time. This would give the Utilities additional time to consider if it is worth filing the recovery cost lawsuit.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize entering into a Tolling Agreement with Commonwealth Edison and Northern Illinois Gas Company in connection with the previous removal of manufactured gas plant related contaminants from Main Channel Parcel 14.03.

It is also requested that the Executive Director recommend to the Board of Commissioners that the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute said agreement and any other related documents after they are approved by the General Counsel as to form and legality.

Requested, Ronald M. Hill, General Counsel, RMH:STM:MLD:vp

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, Mariyana T. Spyropoulos, Chairman Committee on Real Estate Development

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for March 19, 2015

Attachment