



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR THE BOARD MEETING OF MARCH 21, 2019

COMMITTEE ON JUDICIARY

Mr. Brian Perkovich, Executive Director

Report on August 30, 2018 Explosion at the Calumet Water Reclamation Plant

Dear Sir:

Following is an update on the August 30, 2018 explosion at the Metropolitan Water Reclamation District of Greater Chicago's (the "District") Calumet Water Reclamation Plant ("Calumet WRP").

Emergency Clean-Up and Investigation. IHC Construction Companies, LLC has completed debris removal and clean-up at the site. The immediate area is now clear and secure. Staff in several District departments are considering future plans for this section of the Calumet WRP Sludge Concentration Building. Wiss, Janney, Elstner & Associates and the Human Resources Department investigated the explosion and have prepared written reports. Those reports have been transmitted to the Board and are also available on the District's website.

Status of Injured Individuals. Ten (10) individuals were injured in the explosion; eight (8) District employees and two (2) non-District employees. Six (6) of the District employees have returned to work. Two (2) District employees remain on duty disability. The 2 non-District employees, William Kissane and William Ruiz, were employees of Amalgamated Services, Inc. ("Amalgamated"). These Amalgamated employees were on site as subcontractors for Independent Mechanical Industries, Inc. ("IMI") under District Contract No. 18-611-11 (the "Blue Hat Contract").

Pending Litigation. Five (5) of the injured individuals have filed lawsuits for injuries sustained in the explosion. William Kissane and William Ruiz, both Blue Hat Contractors and employees of Amalgamated, together filed suit against the District and IMI alleging construction negligence (Count I) and premises liability (Count II). District employees, Carl Malinowski, Timothy Moore and Steve Stanek, individually filed suits against IMI and Amalgamated. These plaintiffs allege that IMI was negligent (Count I), and Amalgamated was negligent (Count II), and this negligence caused their injuries. Amalgamated filed Third-Party Complaints against the District in each of these three (3) actions seeking contribution from the District to the extent Amalgamated is found liable to the plaintiffs. All four (4) of these lawsuits are consolidated for purposes of discovery and are pending before the Honorable Melissa Durkin in the Circuit Court of Cook County, Illinois. These cases are in the early discovery phase.

Workers Compensation Claims. Seven (7) of the eight (8) District employees filed an Application for Adjustment of Claim with the Illinois Workers Compensation Commission. These Workers Compensation claims are ongoing.

Illinois Occupational Health and Safety Administration ("ILOSHA") Investigation. ILOSHA completed its investigation into the accident. The District received one citation, but no monetary penalty. The citation was previously transmitted to the Board. The citation listed the following four (4) serious violations: (1) No safe

work practices to provide for the control of hazards; (2) No fire watcher; (3) Authorizing employee failed to inspect work area; and (4) Management failed to take responsibility for hazardous areas. The District has taken the measures necessary to abate these violations.

Insurance. The lawsuits were tendered to and rejected by IMI's and Amalgamated's insurance carriers. The lawsuits were also tendered to the District's excess carrier, AIG/Lexington Insurance Company ("AIG"). AIG has opened a file on the explosion, and the District's Law Department and Risk Manager have been in contact with an AIG claims adjuster.

Safety Update. The District's Hot Works Permit Policy has been revised, and 134 re-training sessions have been conducted for over 1,080 District employees. The District's Safety Division has been working with the Maintenance and Operations Department to form a task force to implement further safety controls in an effort to prevent any future incidents. The Human Resources Department has reinstated the Safety Manager Position. The Safety Manager will work with upper management to ensure that safety policies are effective and compliance objectives are met. The District will also solicit proposals from independent consultants to conduct a Safety Function Audit in an effort to determine what improvements can be made to enhance the overall effectiveness of safety and regulatory compliance.

Requested, Susan T. Morakalis, General Counsel, EMA:kk

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for March 21, 2019