



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-0542, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 6, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to grant a 25-year, non-exclusive easement to Natural Gas Pipeline Company of America, LLC, to use District land comprising approximately a 54-foot x 40-foot area, to continue to maintain, operate and remove a 42-inch natural gas pipeline across District land and underneath, across and beneath a 40-foot wide roadway (known as 41st Street) owned by the District, located westerly of Cicero Avenue and northerly of the Sanitary and Ship Canal in the Village of Stickney, Illinois. Consideration shall be an initial annual fee of \$2,000.00

Dear Sir:

At its meetings of July 16, 1970 and August 2, 1990, the Board of Commissioners ("Board") authorized the grant of a 20-year non-exclusive easement to Natural Gas Pipeline Company of America, LLC ("NGPL"), to use District land comprising approximately a 54-foot x 40-foot area, to maintain operate and remove a 42-inch natural gas pipeline across District land and underneath, across and beneath a 40-foot wide roadway owned by the District, located westerly of Cicero Avenue and northerly of the Sanitary and Ship Canal in the Village of Stickney, Illinois. The easement is scheduled to expire on July 15, 2010 and the current annual easement fee is \$567.00.

NGPL has requested a new 25-year easement to continue to operate and maintain the natural gas pipeline at the subject location. The District's technical departments have reviewed the request and have no objections thereto.

NGPL has requested that the District waive its standard requirement that a grantee procure and maintain environmental insurance coverage and name the District as an additional insured. NGPL contends that the natural gas pipeline poses no environmental risk to District property and any other liability concerns of the District is covered by the indemnification requirement and the District's standard requirement that the grantee keep in effect general liability insurance coverage. The issue of whether natural gas poses an environmental risk was considered by the Engineer of Site Remediation who reported it did not present an environmental risk and had no objection to the requested waiver. The Board has previously considered NPGL's request for a waiver under other easement grants and has approved same.

An easement fee calculated in accordance with the District's policy will yield a fee of less than \$2,000.00. Accordingly, staff recommends that consideration be the District's minimum annual fee of \$2,000.00 with subsequent annual fees adjusted in proportion to annual changes in the Consumer Price Index.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and approve the grant of a 25-year, non-exclusive easement to Natural Gas Pipeline Company of America, LLC, to use District land comprising approximately a 54-foot x 40-foot area, to continue to maintain, operate and remove a 42-inch natural gas pipeline across District land and underneath, across and beneath a 40-foot wide roadway (known as 41st Street) owned by the District, located westerly of Cicero Avenue and northerly of the

Sanitary and Ship Canal in the Village of Stickney, Illinois. Consideration shall be an initial annual fee of \$2,000.00.

It is further 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 easement agreement after it is approved by the General Counsel as to form and legality.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:STM:NPE:rg

Recommended, Richard Lanyon, Executive Director

Respectfully Submitted, Terrence J. O'Brien, 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 May 6, 2010

Attachment