



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 JULY 6, 2017

COMMITTEE ON JUDICIARY

Mr. David St. Pierre, Executive Director

Authority to Remit Self Insured-Retention up to \$1,000,000.00 in Connection with the May 17, 2015 CTA Yellow Line Embankment Collapse in Skokie, IL, Account 901-30000-667220

Dear Sir:

On May 17, 2015, an embankment in Skokie, IL under the CTA's Yellow Line collapsed. This embankment is on land owned by the MWRD and leased to the CTA for its Yellow Line elevated rail tracks. The embankment also borders the MWRD Terrence J. O'Brien Water Reclamation Plant. At the time of the collapse, Walsh Construction Company II, LLC (Walsh) was performing substantial excavation work near the embankment as part of MWRD Contract No. 11-054-3P, Disinfection Facilities at Terrence J. O'Brien Water Reclamation Plant. The Design Engineer for the project is Greeley & Hansen LLC.

There were no reported injuries arising from this incident. However, the CTA, through its insurer's counsel, recently submitted a demand for \$4,800,000.00 in damages arising out of the embankment failure. The CTA was unable to operate its Yellow/Skokie Swift Line for several months and incurred extra expenses and loss of revenue.

The District purchases Excess Casualty Insurance coverage for claims by third parties for losses associated with bodily injury and property damage. The self-insured retention per claim under this program is \$1,000,000.00 for loss amounts that fall within the scope of coverage, after which the insurance carrier assumes liability for both coverage and defense (with the ongoing support of the District's staff and attorneys).

In consideration of the above, it is requested that the Board of Commissioners authorize the Director of Human Resources to remit the self-insured retention in an amount up to \$1,000,000.00 to satisfy the District's Self-Insured Retention in connection with the May 17, 2015 CTA Yellow Line embankment collapse in Skokie, IL.

Funds are available in Account 901-30000-667220.

Requested, Beverly K Sanders, Director of Human Resources

Respectfully Submitted, Mariyana T. Spyropoulos, Chairman Committee on Judiciary

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for July 6, 2017