

**BEFORE THE BOARD OF COMMISSIONERS OF THE
METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO**

METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO, Complainant,)	
v.)	
A-F ACQUISITION, LLC d/b/a PULLMAN INNOVATIONS, Respondent.)	Case No. 25B-005
)	Show Cause Proceedings Under Sewage & Waste Control Ordinance
)	Hearing Officer Kelly A. Krauchun
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Consolidated With:)	
)	
In Re: A-F Acquisition, LLC d/b/a Pullman, Innovations' Appeal of Denial of Discharge Authorization Request, DA No. 27723-5.2)	Case No. 25B-006
)	Hearing Officer Kelly A. Krauchun

AGREED ORDER OF SETTLEMENT

These matters come before the assigned Hearing Officer Kelly A. Krauchun on an Agreed Order of Settlement, with the Metropolitan Water Reclamation District of Greater Chicago, (“District”) represented by its General Counsel Susan T. Morakalis, and A-F Acquisition, LLC d/b/a Pullman Innovations (“Pullman”), represented by David Mueller (collectively, the “Parties”), due notice having been given and Hearing Officer Krauchun being fully advised in the premises.

I. STIPULATION OF FACTS

This stipulation of facts and jurisdiction is made and agreed upon for purposes of providing factual and jurisdictional bases for entry of this Agreed Order of Settlement (“Agreed Order”).

A. Parties and Background

1. The District is a body corporate and politic organized and existing under the laws of the State of Illinois for the purpose of collecting and treating sewage and industrial wastes, protecting the waterways, and reducing instances of flooding for its service area covering most of Cook County, Illinois. *See* 70 ILCS 2605/1, et seq.

2. At all relevant times, Pullman was:

- a) A limited liability company organized and existing under the laws of the State of Delaware, engaged in the business of vegetable oil processing and distribution at its facility located at 2701 East 100th Street in Chicago, Illinois (“Facility”), which is located within the District’s service area.
- b) A Significant Industrial User (“SIU”), as defined by the District’s Sewage & Waste Control Ordinance (“Ordinance”).
- c) Authorized to, and did, discharge process wastewater from the Facility to a sewerage system tributary to the District’s Calumet Water Reclamation Plant (“CWRP”) pursuant to a Discharge Authorization (“DA”) issued by the District for the Facility known as Industrial User Discharge Authorization No. 27723-5, as amended and/or extended, with the latest amendment, No. 27723-5.2, having expired on November 30, 2025.
- d) Subject to Appendix B, Section 1 of the Ordinance (Pollutant Concentration Limits) for discharges of process wastewater from the Facility to a sewerage system tributary to the District’s water reclamation facilities, including the concentration limits pertaining to Fats, Oils, and Greases (“FOG”) of 250.0 mg/L at any time.
- e) Subject to Appendix D, Section 1 of the Ordinance that requires Pullman to discharge in accordance with the terms, conditions and special conditions of the DA, and Section 8 which authorizes the District’s Executive Director to order any person or entity that fails to comply with a Cease and Desist Order (“C&D”) issued by the District to show cause why the DA should not be revoked.
- f) Subject to Appendix C, Article I, Section 2 of the Ordinance (Compliance Schedule), which makes it unlawful for any SIU to continue discharging process wastewater to a sewerage system under the District’s jurisdiction if the Executive Director has found the person to be in violation of the Ordinance pursuant to any C&D issued by the District, or that fails to comply with any compliance schedule submitted by the SIU to the District in response to any C&D issued by the District.

3. The DA authorizes sampling at the Facility from sampling point 2A, a sewer drain located approximately 90 feet south of the Facility entrance.

4. Special Condition 3 of the DA (Effluent Limits) provides:

The wastewater discharges at the indicated sampling points shall not exceed the following local limits at any time. The wastewater discharges at the indicated sampling points shall not exceed the following federal effluent limits in any sample

representative of a 24-hour daily discharge. Failure to maintain compliance with these limitations is considered a violation of this DA and [the Ordinance].

5. Special Condition 3 further provides that the local limits for FOG are the same as the limits set forth in Appendix B, Section 1 of the Ordinance, and the local limits for Total Phosphorus (“TP”) are 1,864.74 mg/L at any time, a daily maximum loading of 1,373,697 grams/day, and a monthly average loading of 1,024,113 grams/day.

6. On or about September 16, 2025, Pullman submitted a Discharge Authorization Request (“DAR”) seeking to renew the DA beyond its expiration date of November 30, 2025.

7. On November 26, 2025, the District denied the DAR due to the Facility’s repeated failure to comply with the Ordinance and the DA, including twelve enforcement actions initiated by the District from April to October 2025 pertaining to Facility discharges. The District further explained that had Pullman been in compliance, any DA issued that would have permitted discharges beyond November 30, 2025 would have had to comply with a lower daily maximum loading limit with respect to TP of no higher than 83,461 grams/day.

8. On November 28, 2025, Pullman appealed the District’s denial of the DAR. Pursuant to Appendix D, Section 6 of the Ordinance, Pullman has the right to continue discharging process wastewater from the Facility to the District while these administrative proceedings are pending, provided such discharges are in conformance with the Ordinance and the DA.

B. Jurisdiction over Proceedings

9. Jurisdiction over these proceedings exists pursuant to Article VI of the Ordinance (Administrative Proceedings).

10. Each written enforcement action referenced below was served on Pullman on or about the date of issuance.

11. On December 10, 2025, the District filed with the District's Clerk its Show Cause Complaint against Pullman for violations of the pollutant concentration limits contained in the Ordinance and the terms and conditions of the DA pertaining to wastewater discharges from the Facility into a sewerage system tributary to the District's water reclamation facilities based on sampling events occurring between February 2025 and August 2025.

12. The Show Cause Complaint notified and ordered Pullman to show cause before a Hearing Officer appointed by the District's Board of Commissioners ("Board") why it has failed or refused to comply with these written enforcement actions issued by the District and why the DA should not be renewed.

C. Pullman's Violations of the Ordinance and the DA

13. The Show Cause Complaint alleges Pullman exceeded the Ordinance's effluent limits and contrary to the DA for FOG and TP, based upon sampling conducted of the Facility's process wastewater between February 2025 and August 2025, resulting in the issuance of the following enforcement actions:

- a. On April 14, 2025, the District issued C&D 99369 (FOG) to Pullman based upon the analytical results of laboratory testing of samples collected by the District on February 26, 2025, showing that Pullman exceeded the local limit for FOG by greater than 5 times the limit.
- b. On May 8, 2025, the District issued Pullman an amendment to C&D 99369 (FOG), numbered Enforcement Action ("EA") 99405, based on the analytical results of laboratory testing of a sample collected by the District on March 1, 2025, showing that Pullman exceeded the local limit for FOG.
- c. On May 9, 2025, the District issued Notice of Noncompliance ("NON") 99412 (TP) to Pullman based on the analytical results of laboratory testing of samples collected by the District in March 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 15 days and daily maximum limit for TP on 2 of those days.
- d. On May 30, 2025, the District issued Pullman an amendment to NON 99412 (TP), numbered EA 99454, based on the analytical results of laboratory testing

collected by the District in March 2025 showing that on 10 of the dates that Pullman exceeded the DA's anytime maximum limit for TP, it also exceeded the DA's daily maximum limit for TP and the DA's monthly average limit for TP.

- e. On June 3, 2025, the District issued C&D 99455 (TP) to Pullman based upon the analytical results of laboratory testing of samples collected by the District in April 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 10 days and daily maximum limit for TP on 6 of those days. One of the daily maximum limit exceedances (April 18) was later rescinded by the District, though the anytime maximum limit exceedance for that day remained in effect.
- f. On June 4, 2025, the District issued Pullman a second amendment to C&D 99369 (FOG), numbered EA 99456, based on the analytical results of laboratory testing of a sample collected by the District on April 7, 2025, and a separate sample collected by Pullman on May 1, 2025, showing that Pullman exceeded the local limit for FOG on each date.
- g. On July 11, 2025, the District issued Pullman an amendment to C&D 99455 (TP), numbered EA 99516, based on the analytical results of laboratory testing of samples collected by the District in May 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 15 days and the daily maximum limit for TP on 7 of those days, and also the DA's monthly average limit for TP.
- h. On July 31, 2025, the District issued Pullman a second amendment to C&D 99455 (TP), numbered EA 99565, based on the analytical results of laboratory testing of samples collected by the District in June 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 10 days and daily maximum limit for TP on 8 of those days, and also the DA's monthly average limit for TP.
- i. On August 29, 2025, the District issued Pullman a third amendment to C&D 99455 (TP), numbered EA 99619, based on the analytical results of laboratory testing of samples collected by the District in July 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 14 days and daily maximum limit for TP on 10 of those days, and also the DA's monthly average limit for TP.
- j. On October 2, 2025, the District issued Pullman a fourth amendment to C&D 99455 (TP), numbered EA 99744, based on the analytical results of laboratory testing of samples collected by the District in August 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 18 days and daily maximum limit for TP on 12 of those days, and also the DA's monthly average limit for TP.

14. Additional sampling and testing of the Facility's process wastewater has resulted in the issuance of the following C&Ds and amended C&Ds that are included in this settlement:

- a. On July 28, 2025, the District issued C&D 99588 (FOG) to Pullman based upon the analytical results of laboratory testing of samples collected by the Pullman on July 3, 2025, showing that Pullman exceeded the local limit for FOG.
- b. On October 23, 2025, the District issued C&D 99803 (TP) to Pullman based upon the analytical results of laboratory testing of samples collected by the District in September 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 17 days and daily maximum limit for TP on 12 of those days.
- c. On January 14, 2026, the District issued Pullman an amendment to C&D 99803 (TP), numbered EA 99911, based on the analytical results of laboratory testing of samples collected by the District from October 2025 to December 31, 2025 showing that Pullman exceeded the DA's anytime maximum limit for TP on 19 days in October 2025, 10 days in November 2025 and 1 day in December 2025, and that Pullman exceeded the daily maximum limit for TP on 16 of those days in October and 8 of those days in November, and that it violated the DA's monthly average limit for TP in both October and November 2025.

15. Each of the effluent violations for FOG and TP referenced in Paragraphs 13(a) through (j) and 14 (a) through (c) above was based upon a sample of process wastewater taken from the Facility's sampling point by the District and/or Pullman, and subsequently tested in a laboratory accredited by EPA to conduct such testing for these wastewater pollutants.

16. Pullman does not dispute, nor contest, the analytical results memorialized in each enforcement action referenced above indicating that the Facility's discharged process wastewater did in each instance exceed the pollutant concentration limits of the Ordinance and the DA pertaining to FOG and TP. Pullman forever waives any and all rights to legally dispute, contest or otherwise challenge these effluent exceedances in these, or any other, legal proceedings.

D. Pullman's Upgrades to its Pretreatment Facilities

17. According to Pullman, beginning in 2023, it began to take action to upgrade its pretreatment capacity. Pullman reports that it has attempted to utilize various alternative pretreatment methods to reduce its discharges of FOG and TP. These alternative methods include dissolved air flotation, membrane and reverse osmosis systems. These alternatives were not successful in reducing its discharge of FOG and TP due to Pullman's unique process and wastewater stream. Ultimately, Pullman determined that to meet the limits it was required to install evaporation effects ("Effects").

18. In installing two initial Effects in 2023 to early 2024, Pullman discovered that its existing boilers were insufficient to produce the heating necessary for the volume of wastewater to be treated. Accordingly, Pullman purchased and installed an additional boiler that doubled the capacity of wastewater it could treat.

19. Pullman reports that this larger boiler required maintenance, cleaning and ultimately rebuilding prior to becoming fully operational in 2025. To allow the larger boiler to become fully operational, Pullman states that it was required to upgrade the Facility's natural gas service line that provides the fuel for its boilers. Pullman reports that this upgrade was also completed in 2025. Pullman encountered additional technical challenges as it brought the Effects on-line and was required to upgrade and replace Effect heat exchangers and other valves and equipment through 2025. Ultimately, Pullman determined that while the Effect technology was effective, Pullman needed to increase Effect capacity by installing two additional Effects in January 2026, for a total of four Effects.

20. To gain further knowledge about its wastewater discharge and optimize its pretreatment processes, Pullman installed on-site monitoring and testing equipment in December

2025 that allows the Facility to ensure that its wastewater meets applicable limits before it is discharged.

21. From December 2, 2025, to the present, Pullman has been bringing the two additional Effects referenced above on-line and has been utilizing these additional pretreatment facilities designed to enhance pretreatment capacity and prevent violations of the Ordinance and the DA.

22. During this time period, the Facility's discharges have not exceeded the Ordinance and DA's limits for FOG and TP. In addition, the daily loading of TP from the Facility's discharge during this period has also been well below the 83,461 grams/day maximum loading limit that the District's denial letter stated would have imposed for any DA issued for discharges from the Facility after November 30, 2025. Pullman has maintained compliance and increased its margin of compliance by orders of magnitude that will allow it to meet the new DA's daily maximum loading limit of 83,461 grams/day.

23. Pullman reports that its efforts to improve its pretreatment process cost the company more than \$3 million and that its efforts remain on-going as the Facility looks to increase production capacity. Pullman has not deferred compliance cost expenditures nor experienced any associated economic advantage. Pullman maintains that it has acted in good faith to achieve compliance through a series of unanticipated technical challenges which have now been addressed.

II. HEARING OFFICER'S FINDINGS AND ORDERS

Hearing Officer Krauchun has jurisdiction over the subject matter herein and over the Parties, and having considered the stipulated facts set forth above and being otherwise fully advised in the premises, finds the following relief appropriate.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. Pullman admits that on five (5) days from February 2025 to July 2025, it violated Appendix B, Section 1 of the Ordinance by discharging process wastewater from the Facility to a sewer tributary to the CWRP that exceeded applicable effluent limits for FOG, including, but not limited to, the violations described in the Show Cause Complaint.

2. Pullman further admits that on one hundred twenty seven (127) additional days from March 5, 2025 to December 2, 2025, it violated Appendix D, Section 1 of the Ordinance (Discharge Authorizations) by failing to conform to all terms, conditions and special conditions of the DA, including Special Condition 3 (Effluent Limits), which sets effluent limits on Facility discharges for TP, by discharging process wastewater from the Facility to a sewer tributary to CWRP that exceeded applicable effluent limits for TP, including, but not limited to, the violations described in the Show Cause Complaint.

3. Pullman further admits that it violated Appendix C, Section 2 of the Ordinance (Compliance Schedule) by continuing to discharge process wastewater to the sewerage system after the Executive Director found Pullman to be in violation of the Ordinance pursuant to Cease and Desist Orders issued by the District, and by failing to comply with the compliance schedules contained in submitted Compliance Schedules (RD-112s) and Final Compliance Reports (RD-114s). These daily violations are included in the one hundred thirty-two (132) days referenced above.

4. Pullman agrees and is hereby ordered to pay the District civil penalties in the amount of \$225,000.00 in satisfaction of the violations from February 2025 through December 1, 2025, including all the violations alleged in the Show Cause Complaint. This amount constitutes \$2,000.00 per day for 93 days of violations on which the discharge either exceeded a daily

maximum loading limit of 1,373,697 grams/day or was in Significant Noncompliance with the Ordinance in that the discharge exceeded the product of the maximum daily limit multiplied by 5.0, and \$1,000.00 per day for the remaining 39 days of violations of the Ordinance and the DA. Pullman further agrees to reimburse the District for court reporter costs and hearing officer fees incurred in these proceedings, not to exceed a total amount of \$3,000.00. Lastly, Pullman shall pay all outstanding User Charges, Late Filing Fees and Non-Compliance Enforcement Charges owed to the District pursuant to the District's Ordinances, which, as of the date of entry of the Agreed Order, totaled \$1,269,598.06.

5. Payment of all the above amounts shall be made thirty (30) days following the date that the District's Board of Commissioners ("Board") approves the Agreed Order ("Date of Board Approval") and must be received prior to any application for a renewed DA that Pullman intends to file.

6. In addition to the remedies provided below, in the event the District has to file any legal action with a court of competent jurisdiction seeking to collect any and all of the above amounts due to Pullman's nonpayment or partial nonpayment of them, Pullman waives all rights to legally dispute, contest or otherwise challenge such action filed by the District.

7. Pullman agrees and is hereby ordered to implement and maintain all measures necessary to achieve compliance with the Ordinance and the DA, including, but not limited to:

- a. Proper and consistent operation of all pretreatment equipment to prevent discharges exceeding the effluent limits contained in the Ordinance and the DA;
- b. Reduction and stabilization of TP levels to meet a daily maximum of 184 pounds/day (83,461 grams/day) of TP;
- c. Reduction of FOG levels to meet the anytime maximum limit of 250.0 mg/L;

- d. Subject to access by and cooperation of the District, proper maintenance and, when necessary, repair of the weir assembly at sampling point 2A to ensure accurate and reliable flow data at all times;
- e. Preventative maintenance of the Facility's pretreatment system to reasonably ensure continuous and adequate pretreatment at all times.

8. Pullman shall have the right to continue discharging process wastewater from the Facility to the District pursuant to the DA, until such time as a new or renewed DA is issued by the District for the Facility or a new DAR for the Facility is denied by the District in writing and the District states that a new or renewed DA will not be issued. Pullman shall have the right to appeal any such denial by the District pursuant to Appendix D, Section 6 of the Ordinance.

9. Within 30 days of the Date of Board Approval, Pullman agrees to submit to the District a complete, updated, and accurate Discharge Authorization Request (DAR) certified by a Registered Professional Engineer licensed by the state of Illinois detailing all operational and equipment improvements to allow the Facility to meet a daily maximum loading of 184 pounds/day (83,461 grams/day) of TP.

10. The new DAR must include all items, information, and exhibits required by the Ordinance and the District's DAR (RD-118) form, including, but not limited to, updated information on the current and expected wastewater flow rates, the hours of operation, the hours of discharge, the average hourly flow per day discharging, whether discharge is batch, continuous or both, whether any liquid wastes or sludge is delivered to another entity for disposal, updated certified facility diagrams, process flow diagrams, pretreatment system flow diagrams, annual planned maintenance schedules for any pretreatment equipment, and notification procedure for any emergency or unexpected failure of its pretreatment equipment.

11. In settlement of its appeal in these consolidated cases, the District agrees to a timely and objective review of Pullman's new DAR. If the new DAR complies with the Ordinance and

the Agreed Order and is otherwise determined by the District to be sufficient, and Pullman's discharges during the intervening time has complied with all applicable effluent limits and Pullman has paid all amounts owed to the District pursuant to Section II, Paragraph 4 above, the District shall issue Pullman a new or renewed DA, subject to any special conditions determined by the District, including a daily maximum loading of 184 pounds/day (83,461 grams/day) of TP.

12. Pullman agrees that any new or renewed DA issued by the District pursuant to the Agreed Order shall not exceed one (1) year.

13. If, during the term of the Agreed Order, Pullman (a) has more than four (4) daily exceedances per year (commencing with the new or renewed DA's issuance) of the effluent limits contained in the Ordinance or in any DA issued to Pullman, or (b) has any violations that constitute "Significant Noncompliance" as defined by Article II of the Ordinance, then, upon motion filed by the District seeking to reinstate these proceedings, with proper notice to Pullman, there is a presumption that the District has established a prima facie case that the DA should be revoked. In the reinstated proceedings, Pullman may attempt to rebut the presumption. Any "non-effluent exceedance" violation of the new or renewed DA may also be grounds for reinstatement of these proceedings, including to revoke the new or renewed DA, but no such presumption shall apply.

14. For each day specified in any new enforcement action (i.e., NON, EA, C&D) issued by the District during the term of the Agreed Order, Pullman shall pay the maximum civil penalty amount provided in the Ordinance, or, if the Ordinance is amended during the Agreed Order's term, in the amended Ordinance. Such amounts shall be in addition to any Noncompliance Enforcement Charge assessed by the District pursuant to the Ordinance for the new enforcement action. Civil penalties under this paragraph shall automatically be assessed against Pullman without the District having to reinstate these proceedings.

15. Pullman shall have the right to contest any future sampling data forming the basis of future effluent violations contained in a new enforcement action by filing a motion in these proceedings within thirty (30) days of receipt of notice. There is a rebuttable presumption that the District data is valid and accurately reflects the effluent violations detected. Pullman waives all other rights to challenge such data.

16. In the event the District's Executive Director orders Pullman pursuant to Article VI, Section 6 of the Ordinance to cease its discharge of industrial waste upon his finding that the Agreed Order has been violated, and orders that an expedited hearing be conducted requesting that the Facility's sewer be plugged, the same rebuttable presumption referenced in paragraph 13 above shall apply to these proceedings. Pullman may defend the violations without having to file a motion seeking to contest the sampling data as referenced in paragraph 15 above due to the expedited nature of the proceedings.

17. Hearing Officer Krauchun, or her successor, shall retain jurisdiction over this case for a period of three years following the Date of Board Approval to enforce the terms of the Agreed Order.

18. Nothing in the Agreed Order shall limit the District's right to file an action in the Circuit Court of Cook County seeking injunctive relief, mandamus and/or civil penalties against Pullman for violations of the Agreed Order pursuant to 70 ILCS 2605/7a(f), and/or seeking that Pullman cease its discharge, when, in the opinion of the District's Executive Director, Pullman's discharge presents an imminent danger to the public health, welfare, or safety, presents or may present an endangerment to the environment, or threatens to interfere with the operation of the sewerage system or a water reclamation plant under the District's jurisdiction, pursuant to 70 ILCS 2605/7a(g).

19. Service of notices shall be upon the designated representatives by First Class U.S.

Mail and email as follows:

As to the District:

Susan T. Morakalis, General Counsel
Metropolitan Water Reclamation District of Greater Chicago
100 East Erie Street, 3rd Floor
Chicago, IL 60611
morakaliss@mwrdr.org

As to Pullman:

Pete Rnich, Plant Manager
A-F Acquisition, LLC d/b/a Pullman Innovations
2701 East 100th Street
Chicago, IL 60617
prnich@pullmaninnovations.com

Service shall be deemed completed on the earlier of these dates: 1) the date of the email's transmission; or 2) if served by U.S. first-class mail or U.S. certified mail, the date of delivery or four days after the document is placed in the U.S. mail for delivery if the delivery date is not tracked, recorded, or otherwise made known by the United States Postal Service.

20. The Agreed Order may be executed by the Parties and Hearing Officer Krauchun in one or more counterparts, all of which taken together shall constitute the same instrument. The Agreed Order may also be executed and accepted by electronic signature and any such signature shall be of the same force and effect as an original signature. The undersigned representatives for each of the Parties certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of the Agreed Order and to legally bind them to it.

WHEREFORE, the Parties enter into this Agreed Order of Settlement and submit it to the Hearing Officer and Board for approval.


AGREED TO BY:

METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO


By: 
Susan T. Morakalis, General Counsel

DATE: 6.10.26

A-F ACQUISITION, LLC D/B/A PULLMAN INNOVATIONS

By: 
Brian Boomsma, President

DATE: 6/7/26

Approved By: 
David G. Mueller, Esq.
Attorney on behalf of Respondent

DATE: _____

ENTERED:

Kelly A. Krauchun
Kelly A. Krauchun, Hearing Officer

DATE: May 11, 2026

Metropolitan Water Reclamation District of Greater Chicago
Susan T. Morakalis, General Counsel
Christopher M. Murray/Anastasios T. Foukas
100 East Erie Street, 3rd Floor
Chicago, Illinois 60611