



Request for City Council Committee Action From the Department of Public Works

Date: July 15, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means/Budget Committee

Subject: Approval of a Stipulation of Settlement between the Minnesota Pollution Control Agency and the City of Minneapolis concerning the Warden Oil Company site.

Recommendation:

Authorize the proper City officials to execute a Stipulation of Settlement and any necessary related documents between the Minnesota Pollution Control Agency, the City of Minneapolis, and other settling parties with regards to the Warden Oil Company Site, Hennepin County.

Previous Directives: None

Prepared by: Corey Conover, Assistant City Attorney, 673-2182
Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Corey Conover, Assistant City Attorney, Attorney's Office

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The Warden Oil Company superfund site is located at 187 Humboldt Avenue North and occupies an abbreviated City block on Humboldt Avenue approximately 200 feet north of Bassett Creek. Warden Oil operated the site from 1927 until 1992 re-refining waste lubricating oils and transmission fluid, storing & blending oil and packaging re-refined oil for sale. The site was forfeited to the State for non-payment of back taxes in 1994. Serious contamination was present on the site along with large amounts of various hazardous materials. Various actions

have been taken to investigate the site and to begin the process of cleaning up the site. In 1997, approximate twenty-five potentially responsible parties identified by the MPCA formed a voluntary group known as the Warden Oil Site Group. The remedial investigation at the site confirmed the presence of various contaminants. The MPCA has now approved and selected a remedy for the pollution at the site.

It was alleged that the City was a contributor of a very small percentage of the waste oils brought to the site for re-refining. Since the County used monies from the County's forfeited tax sale fund, which were diverted away from the City of Minneapolis, the City was effectively a contributor to clean up of the site. The settling parties have agreed that neither the City nor the County has to contribute additional funds to settle their liability at the site. The City Attorneys Office recommends that the City enter into this stipulation of settlement presented by the Minnesota Pollution Control Agency. This will provide contribution protection and a covenant not to sue in regard to the settling parties. This covenant not to sue includes protection from the MPCA and the members of the responsible party group. The City Attorney's Office believes that this is a good outcome for the City. The settlement provides us protection, but does not require any additional payment beyond that already made.

Attachment 1 - Stipulation of Settlement

C: CM Johnson-Lee