

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

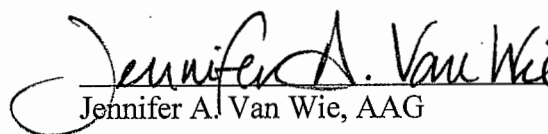
PEOPLE OF THE STATE OF ILLINOIS,)	
<i>ex rel.</i> LISA MADIGAN, Attorney)	
General of the State of Illinois,)	
)	
Complainant,)	
)	
v.)	PCB No. 13-35
)	PCB No. 13-36
THE BOARD OF TRUSTEES OF THE)	(Consolidated – Air Enforcement)
UNIVERSITY OF ILLINOIS, a body)	
Corporate and politic,)	
)	
Respondent.)	

NOTICE OF FILING

To: See attached service list
(VIA ELECTRONIC FILING)

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Pollution Control Board by electronic filing the following Motion for Relief from Hearing Requirement and Stipulation and Proposal for Settlement, copies of which are attached and hereby served upon you.

LISA MADIGAN
Attorney General
State of Illinois


Jennifer A. Van Wie, AAG

Dated: March 10, 2014

Jennifer A. Van Wie
Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602
(312) 814-0609

THIS FILING IS SUBMITTED ON RECYCLED PAPER

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MOTION FOR RELIEF FROM HEARING REQUIREMENT

NOW COMES Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and pursuant to Section 31(c)(2) of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/31(c)(2) (2012), moves that the Illinois Pollution Control Board (“Board”) grant the parties in the above-captioned matter relief from the hearing requirement imposed by Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2012). In support of this motion, Complainant states as follows:

1. The Complaint in PCB No. 13-35 alleges violation of Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b) (2012).
2. The Complaint in PCB No. 13-36 alleges violations of Sections 9(a) and (b), 9.12(j), and 39.5(6)(b) of the Act, 415 ILCS 5/9(a) and (b), 9.12(j), and 39.5(6)(b) (2012), Section 201.142 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.142, Section 203.201 of the Board Major Stationary Source Regulations, 35 Ill. Adm. Code 203.201, and Condition 1.4(a) of the Construction Permit.
3. The parties have reached agreement on all outstanding issues in both PCB No. 13-

35 and PCB No. 13-36.

4. This agreement is presented to the Board in a Stipulation and Proposal for Settlement filed this same date.

5. All parties agree that a hearing on the Stipulation and Proposal for Settlement is not necessary, and respectfully request relief from such a hearing as allowed by Section 31(c)(2) of the Act, 415 ILCS 5/31(c)(2) (2012).


WHEREFORE, Complainant, PEOPLE OF THE STATE OF ILLINOIS, hereby requests that the Board grant this motion for relief from the hearing requirement set forth in Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2012).

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General
State of Illinois

BY:


Jennifer A. Van Wie

Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602
(312) 814-0609

DATE: March 10, 2014

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<i>ex rel.</i> LISA MADIGAN, Attorney)	
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corporate and politic,)	
)	
Respondent.)	

STIPULATION AND PROPOSAL FOR SETTLEMENT

Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (“Illinois EPA”) and THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS, a body corporate and politic (“Respondent” or “University”), (collectively “Parties to the Stipulation”) have agreed to the making of this Stipulation and Proposal for Settlement (“Stipulation”) and submit it to the Illinois Pollution Control Board (“Board”) for approval. This stipulation of facts is made and agreed upon for purposes of settlement only and as a factual basis for the Board’s approval of this Stipulation and issuance of relief. None of the facts stipulated herein shall be introduced into evidence in any other proceeding regarding the violations of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/1, *et seq.* (2012), and the Board’s regulations, alleged in the Complaints except as otherwise provided herein. It is the intent of the Parties to the Stipulation that it be a final adjudication of this matter.

I. STATEMENT OF FACTS

A. Parties

1. On January 3, 2013, a one-count Complaint ("PCB No. 13-35") was filed on behalf of the People of the State of Illinois by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Section 31 of the Act, 415 ILCS 5/31 (2012), against the Respondent relating to its alleged failure to comply with the Clean Air Act Permit Program ("CAAPP") permit renewal requirements at its East Campus facility located at 1140 South Morgan Street, Chicago, Cook County, Illinois ("East Campus Facility").

2. On January 3, 2013, a three-count Complaint ("PCB No. 13-36" and together with PCB No. 13-35, the "Complaints") was filed on behalf of the People of the State of Illinois by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Section 31 of the Act, 415 ILCS 5/31 (2012), against the Respondent relating to its alleged failure to comply with the CAAPP permit renewal requirements, the New Source Review requirements, and constructing air emission sources without a permit at its West Campus facility located at 1717 West Taylor Street, Chicago, Cook County, Illinois ("West Campus Facility").

3. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2012).

4. At all times relevant to the Complaints, the Respondent was and is a body corporate and politic established under Section 1 of the University of Illinois Act, 110 ILCS 305/1 (2012), that is capable of suing and being sued.

5. The University operates power plants at its East Campus Facility and West

Campus Facility which are subject to the CAAPP requirements.

B. Allegations of Non-Compliance

Complainant contends that the Respondent violated the following provisions of the Act and Board regulations:

1. PCB No. 13-35

Count I: Failure to Comply with the Clean Air Act Permit Program (CAAPP) Permit Renewal Requirements, in violation of Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b) (2012).

2. PCB No. 13-36

Count I: Constructing Air Emission Sources Without a Permit, in violations of Sections 9(b) and 9.12(j) of the Act, 415 ILCS 5/9(b) and 9.12(j) (2012), Section 201.142 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.142, and Condition 1.4(a) of the Construction Permit;

Count II: Failure to Comply with New Source Review Requirements, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a) (2012), and Section 203.201 of the Board Major Stationary Source Regulations, 35 Ill. Adm. Code 203.201; and

Count III: Failure to comply with Clean Air Act Permit Program (CAAPP) Permit requirements, in violation of Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b) (2012).

C. Additional Violations Being Resolved

In addition to the violations alleged in the Complaints, Complainant also contends that the Respondent has violated the following provisions of the Act and Board regulations as follows:

1. East Campus Facility

a. Causing or Allowing the Operation of Engine #1 Without Complying with the Requirements of Stationary Reciprocating Internal Combustion Engines and Turbines (Subpart Q of the Board Air Pollution Regulations), in violation of Sections 9(b) and 39.5(6)(a) of the Act, 415 ILCS 5/9(b) and 39.5(6)(a) (2012), Condition 5.2.5(a) of the CAAPP Permit No.

96080123, and Section 217.392(b) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 217.392(b);

- b. Failing to Comply with the Testing and Monitoring Requirements, in violation of Sections 9(b) and 39.5(6)(a) of the Act, 415 ILCS 5/9(b) and 39.5(6)(a) (2012), Condition 5.2.5(a) of the CAAPP Permit No. 96080123, and Section 217.394(d) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 217.394(d); and
- c. Failing to Comply with the Recordkeeping and Reporting Requirements, in violation of Sections 9(b) and 39.5(6)(a) of the Act, 415 ILCS 5/9(b) and 39.5(6)(a) (2012), Condition 5.2.5(a) of the CAAPP Permit No. 96080123, and Section 217.396(a) and (c) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 217.396(a) and (c).
- d. Exceeding permitted usage and emissions limitations for three boilers in Buildings 654 and 654A in violation of Section 39.5(6)(a) of the Act and Condition 7.1.6(a) of CAAPP Permit No. 96080123.

2. West Campus Facility

- a. Failing to Comply with the Applicable Control and Maintenance Requirements for Gas Turbines #1, 2 and 3, in violation of Sections 9(b) and 39.5(6)(a) of the Act, 415 ILCS 5/9(b) and 39.5(6)(a) (2012), Condition 5.2.5(a) of the CAAPP Permit No. 96080077, and Section 217.388(a)(4) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 217.388(a)(4);
- b. Causing or Allowing the Operation of Gas Turbines #1, 2, and/or 3 without Complying with the Requirements of Stationary Reciprocating Internal Combustion Engines and Turbines (Subpart Q of the Board Air Pollution Regulations), in violation of Sections 9(b) and 39.5(6)(a) of the Act, 415 ILCS 5/9(b) and 39.5(6)(a) (2012), Condition 5.2.5(a) of the CAAPP Permit No. 96080077, and Section 217.392(b) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 217.392(b);
- c. Failing to Comply with the Testing and Monitoring Requirements, in violation of Sections 9(b) and 39.5(6)(a) of the Act, 415 ILCS 5/9(b) and 39.5(6)(a) (2012), Condition 5.2.5(a) of the CAAPP Permit No. 96080077, and Section 217.394(d) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 217.394(d); and
- d. Failing to Comply with the Recordkeeping and Reporting Requirements, in violation of Sections 9(b) and 39.5(6)(a) of the Act, 415 ILCS 5/9(b) and 39.5(6)(a) (2012), Condition 5.2.5(a) of the CAAPP Permit No. 96080077, and Section 217.396(a) and (c) of the Board Air Pollution

Regulations, 35 Ill. Adm. Code 217.396(a) and (c).

D. Non-Admission of Violations

The Respondent represents that it has entered into this Stipulation for the purpose of settling and compromising disputed claims without having to incur the expense of contested litigation. By entering into this Stipulation and complying with its terms, the Respondent does not affirmatively admit the allegations of violation within the Complaints and referenced within Section I.B herein and Section I.C, and this Stipulation shall not be interpreted as including such admission.

E. Compliance Activities to Date

1. East Campus Facility

a. On or around January 2, 2007, the University submitted an application for renewal of its CAAPP Permit.

b. On or around January 4, 2007, the Illinois EPA notified the University that the CAAPP renewal application was administratively complete.

c. On June 13, 2012, representatives of the University and Illinois EPA met to discuss submission of one or more permit applications to address the natural gas usage limits for the East Campus Facility boilers and related operational matters related to those boilers.

d. On or around September 4, 2012, the University submitted a construction permit application to the Illinois EPA to revise existing natural gas usage and emission limits along with a change in allowable fuel oil type from No. 6 oil to No. 2 oil for the three boilers in Buildings 654 and 654A. On or around April 5, 2013, after further consultation with Illinois EPA, the University submitted an application to Illinois EPA to revise the previously issued Construction Permit No. 97050128 to accomplish the revisions to the natural gas usage and

emission limits and to change the fuel oil type.

e. On or around September 26, 2013, the University submitted a Compliance Emissions Test Protocol to Illinois EPA related to testing emissions from Engine #1, and the University revised the test protocol and resubmitted it to Illinois EPA on October 29, 2013. On November 21, 2013, Illinois EPA acknowledged the revised test protocol was acceptable. On or around November 22, 2013, the University notified Illinois EPA of the need to delay the testing of Engine #1 due to operational difficulties.

2. West Campus Facility

a. On or around January 2, 2007, the University submitted an application for renewal of its CAAPP Permit.

b. On or around January 4, 2007, the Illinois EPA notified the University that the CAAPP renewal application was administratively complete.

c. On June 13, 2012, representatives of the University and Illinois EPA met to discuss submission of one or more permit applications to address the West Campus Facility boilers, including Boiler #4, and related operational matters related to those boilers.

d. On or around June 29, 2012, the University submitted a construction permit application to the Illinois EPA for the temporary operation of Boiler #4 at the West Campus Facility for the purposes of diagnostic testing.

e. On or around July 19, 2012, the Illinois EPA issued construction permit number 12070001 to the University for the temporary operation of Boiler #4 at the West Campus Facility.

f. On or around September 17, 2012, the University submitted a construction permit application to permanently restart Boiler # 4 and to change the backup fuel utilized in

Boilers #4, 5, 6 and 7. On May 24, 2013, the Illinois EPA issued revised construction permit no. 98100093 to the University modifying conditions that previously required Boiler #4 to cease operation and thus authorizing the operation of that boiler until a revised operating permit issues. On May 24, 2013, Illinois EPA also issued construction permit no. 12090023 to the University which allowed the use of distillate fuel oil as backup fuel in Boilers #4, 5, 6, and 7.

g. On or around September 26, 2013, the University submitted a Compliance Emissions Test Protocol to Illinois EPA related to testing emissions from Gas Turbines #1, 2 and 3, and the University revised the test protocol and resubmitted it to Illinois EPA on October 29, 2013. On November 21, 2013, Illinois EPA acknowledged the revised test protocol was acceptable. On or around November 22, 2013, the University notified Illinois EPA of the final proposed dates for the testing specified in the revised test protocol. On December 3 and 4, 2013, the testing of Gas Turbines # 1, 2 and 3 was conducted. The University submitted a report on the testing to Illinois EPA on or about December 31, 2013.

h. To satisfy 35 Ill. Adm. Code 217.388(a)(4), the University conducted semi-annual inspections of Gas Turbines # 1, 2 and 3 in April 2013, quarterly inspections in August 2013 and annual inspections in October 2013.

II. APPLICABILITY

This Stipulation shall apply to and be binding upon the Parties to the Stipulation. The Respondent shall not raise as a defense to any enforcement action taken pursuant to this Stipulation the failure of any of its trustees, officers, directors, agents, employees or successors or assigns to take such action as shall be required to comply with the provisions of this Stipulation. This Stipulation may be used against the Respondent in any subsequent enforcement action or permit proceeding as proof of a past adjudication of violation of the Act and the Board

Regulations for all violations alleged in the Complaint in this matter, for purposes of Sections 39 and 42 of the Act, 415 ILCS 5/39 and 42 (2012).

III. IMPACT ON THE PUBLIC RESULTING FROM ALLEGED NON-COMPLIANCE

Section 33(c) of the Act, 415 ILCS 5/33(c) (2012), provides as follows:

In making its orders and determinations, the Board shall take into consideration all the facts and circumstances bearing upon the reasonableness of the emissions, discharges, or deposits involved including, but not limited to:

1. the character and degree of injury to, or interference with the protection of the health, general welfare and physical property of the people;
2. the social and economic value of the pollution source;
3. the suitability or unsuitability of the pollution source to the area in which it is located, including the question of priority of location in the area involved;
4. the technical practicability and economic reasonableness of reducing or eliminating the emissions, discharges or deposits resulting from such pollution source; and
5. any subsequent compliance.

In response to these factors, the Parties to the Stipulation state the following:

A. East Campus Facility

1. The Illinois EPA's information gathering responsibilities were hindered by the Respondent's violations thereby threatening human health and the environment.
2. There is social and economic benefit to the East Campus Facility.
3. Operation of the East Campus Facility was and is suitable for the area in which it is located.
4. Timely obtaining permits and complying with permit conditions are both technically practicable and economically reasonable.

5. Respondent is working with the Illinois EPA to return to compliance with the Act, the Board regulations, and CAAPP Permit No. 96080123.

B. West Campus Facility

1. The Illinois EPA's information gathering responsibilities were hindered by the Respondent's violations thereby threatening human health and the environment.

2. There is social and economic benefit to the West Campus Facility.

3. Operation of the West Campus Facility was and is suitable for the area in which it is located.

4. Timely obtaining permits, complying with permit conditions, and complying with New Source Review ("NSR") requirements are both technically practicable and economically reasonable.

5. Respondent is working with the Illinois EPA to return to compliance with the Act, the Board regulations, and CAAPP Permit No. 96080077.

IV. CONSIDERATION OF SECTION 42(h) FACTORS

Section 42(h) of the Act, 415 ILCS 5/42(h) (2012), provides as follows:

In determining the appropriate civil penalty to be imposed under . . . this Section, the Board is authorized to consider any matters of record in mitigation or aggravation of penalty, including but not limited to the following factors:

1. the duration and gravity of the violation;
2. the presence or absence of due diligence on the part of the respondent in attempting to comply with requirements of this Act and regulations thereunder or to secure relief therefrom as provided by this Act;
3. any economic benefits accrued by the respondent because of delay in compliance with requirements, in which case the economic benefits shall be determined by the lowest cost alternative for achieving compliance;
4. the amount of monetary penalty which will serve to deter further violations by the respondent and to otherwise aid in enhancing voluntary

compliance with this Act by the respondent and other persons similarly subject to the Act;

5. the number, proximity in time, and gravity of previously adjudicated violations of this Act by the respondent;
6. whether the respondent voluntarily self-disclosed, in accordance with subsection i of this Section, the non-compliance to the Agency;
7. whether the respondent has agreed to undertake a "supplemental environmental project," which means an environmentally beneficial project that a respondent agrees to undertake in settlement of an enforcement action brought under this Act, but which the respondent is not otherwise legally required to perform; and
8. whether the respondent has successfully completed a Compliance Commitment Agreement under subsection (a) of Section 31 of this Act to remedy the violations that are the subject of the complaint.

In response to these factors, the Parties to the Stipulation state as follows:

A. East Campus Facility

1. The Respondent failed to timely submit a CAAPP permit renewal application for its East Campus Facility. The CAAPP permit expired on June 19, 2007 and the Respondent has since that date operated the East Campus Facility without the requisite CAAPP permit.

2. The Respondent has been diligent in attempting to return to compliance with the Act, the Board regulations, and CAAPP Permit No. 96080123. The Respondent has also been diligent in attempting to return to compliance with the additional alleged violations detailed in Section I.C.

3. Any economic benefit derived from the Respondent by its violations is being recouped as part of the civil penalty.

4. Complainant has determined, based upon the specific facts of this matter, that a penalty of Ten Thousand Dollars (\$10,000.00) will serve to deter further violations and aid in future voluntary compliance with the Act that were the subject matter of PCB No. 13-35 and the

additional alleged violations for the East Campus Facility detailed in Section I.C.

5. The Complainant is not aware of any previously adjudicated violations of the Act by the Respondent at its East Campus Facility.

6. Self-disclosure is not at issue in this matter.

7. The settlement of PCB No. 13-35 does not include a supplemental environmental project.

8. A Compliance Commitment Agreement was proposed by Respondent, but rejected by the Illinois EPA.

B. West Campus Facility

1. The Respondent began operating Boiler #4 in violation of a previously issued CAAPP permit condition requiring the permanent shutdown of the boiler, the Board's NSR requirements, and without the requisite construction permit. The Respondent failed to timely submit a CAAPP permit renewal application for its West Campus Facility. The CAAPP permit expired on June 19, 2007 and the Respondent has since that date operated the West Campus Facility without the requisite CAAPP permit.

2. The Respondent has been diligent in attempting to return to compliance with the Act, the Board regulations, and CAAPP Permit No. 96080077. The Respondent has also been diligent in attempting to return to compliance with the additional alleged violations detailed in Section I.C.

3. Any economic benefit derived from the Respondent by its violations is being recouped as part of the complete implementation of the Supplemental Environmental Project described in Section V.E of this Stipulation.

4. Complainant has determined, based upon the specific facts of this matter, that the

complete implementation of the Supplemental Environmental Project described in Section V.E of this Stipulation will serve to deter further violations and aid in future voluntary compliance with the Act and provisions of the Board regulations that were the subject matter of PCB No. 13-36 and the additional alleged violations for the West Campus Facility detailed in Section I.C.

5. The Complainant is not aware of any previously adjudicated violations of the Act by the Respondent at its West Campus Facility.

6. Self-disclosure is not at issue in this matter.

7. The settlement of PCB No. 13-36 and the additional alleged violations for the West Campus Facility detailed in Section I.C includes a supplemental environmental project, as detailed in Section V.E of this Stipulation.

8. A Compliance Commitment Agreement was proposed by Respondent, but rejected by the Illinois EPA.

V. TERMS OF SETTLEMENT

A. Penalty Payment

1. The Respondent shall pay a civil penalty in the sum of Ten Thousand Dollars (\$10,000.00) within sixty (60) days from the date the Board adopts and accepts this Stipulation.

B. Stipulated Penalties, Interest, and Default

1. If the Respondent fails to complete any activity specified in Section V.D, fails to comply with any response or reporting requirement by the date specified in this Stipulation, or fails to implement to completion the Supplemental Environmental Project detailed in Section V.E of this Stipulation, the Respondent shall provide notice to the Complainant of each failure to comply with this Stipulation and shall pay stipulated penalties in the amount of \$150.00 per day until such time that compliance is achieved. The Complainant may make a demand for

stipulated penalties upon the Respondent for its noncompliance with this Stipulation. However, failure by the Complainant to make this demand shall not relieve the Respondent of the obligation to pay stipulated penalties. All stipulated penalties shall be payable within thirty (30) calendar days of the date the Respondent knows or should have known of its noncompliance with any provision of this Stipulation.

2. If the Respondent fails to make any payment required by this Stipulation on or before the date upon which the payment is due, the Respondent shall be in default and the remaining unpaid balance of the penalty, plus any accrued interest, shall be due and owing immediately. In the event of default, the Complainant shall be entitled to reasonable costs of collection, including reasonable attorney's fees.

3. Pursuant to Section 42(g) of the Act, interest shall accrue on any penalty amount owed by the Respondent not paid within the time prescribed herein. Interest on unpaid penalties shall begin to accrue from the date such are due and continue to accrue to the date full payment is received. Where partial payment is made on any penalty amount that is due, such partial payment shall be first applied to any interest on unpaid penalties then owing.

4. The stipulated penalties shall be enforceable by the Complainant and shall be in addition to, and shall not preclude the use of, any other remedies or sanctions arising from the failure to comply with this Stipulation.

C. Payment Procedures

1. All payments required by this Stipulation shall be made by University check payable to the Illinois EPA for deposit into the Environmental Protection Trust Fund ("EPTF"). Payments shall be sent by first class mail and delivered to:

Illinois Environmental Protection Agency
Fiscal Services

1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

2. The case name and case number shall appear on the face of the University check.
3. A copy of the University check and any transmittal letter shall be sent to:

Jennifer A. Van Wie
Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602

D. Future Compliance

1. East Campus Facility
 - a. The Respondent shall comply with the terms and conditions of its expired CAAPP Permit No. 96080123, as revised August 2, 2004, and any issued construction permits at its East Campus Facility until a new CAAPP permit is issued by the Illinois EPA.
 - b. The Respondent shall comply with the terms and conditions of the Request for Administrative Permit Amendment for CAAPP Permit 96080123.
 - c. The Respondent shall timely obtain all future construction and CAAPP permits for its East Campus Facility.
 - d. Within forty-five (45) days after repair and return to operation of Engine #1, Respondent shall conduct testing of Engine #1 in accordance with the revised test protocol referenced in Section I.E.1.e., above.
 - e. The Respondent shall provide results of the testing to the Illinois EPA within thirty (30) days of the completion of the test.
 - f. The Respondent shall immediately begin annual monitoring of the NO_x concentrations for Engine #1 in accordance with 35 Ill. Adm. Code 217.394(d).

h. The Respondent shall submit records of the NO_x monitoring for 2014 to the Illinois EPA within thirty (30) days following completion of the monitoring.

2. West Campus Facility

a. The Respondent shall comply with the terms and conditions of its expired CAAPP Permit No. 96080077, as revised April 14, 2005, and any issued construction permits at its West Campus Facility until a new CAAPP permit is issued by the Illinois EPA.

b. The Respondent shall timely obtain all future construction and CAAPP permits for its West Campus Facility.

c. The Respondent shall continue conducting quarterly, semi-annual, and annual inspections and maintenance of Gas Turbines #1, 2, and 3 in accordance with 35 Ill. Adm. Code 217.388(a)(4).

e. Within thirty (30) days of entry of this Stipulation, the Respondent shall provide to the Illinois EPA sample records documenting the required inspection and maintenance.

f. The Respondent shall immediately begin annual monitoring of the NO_x concentrations for Gas Turbines #1, 2, and 3 in accordance with 35 Ill. Adm. Code 217.394(d).

g. The Respondent shall submit records of the NO_x monitoring for 2014 to the Illinois EPA within thirty (30) days following completion of the monitoring.

3. East and West Campus Facilities

a. In addition to any other authorities, the Illinois EPA, its employees and representatives, and the Attorney General, her employees and representatives, shall have the right of entry into and upon the Respondent's East Campus Facility and West Campus Facility which are the subject of this Stipulation, at all reasonable times for the purposes of conducting

inspections and evaluating compliance status. In conducting such inspections, the Illinois EPA, its employees and representatives, and the Attorney General, her employees and representatives, may take photographs, samples, and collect information as they deem necessary.

b. This Stipulation in no way affects the responsibilities of the Respondent to comply with any other federal, state or local laws or regulations, including but not limited to the Act and the Board regulations.

c. The Respondent shall cease and desist from future violations of the Act and the Board regulations that were the subject matter of the Complaints.

E. Supplemental Environmental Project

1. In order to promote the goals of the Act to restore, protect and enhance the quality of the environment, the Respondent shall perform the following supplemental environmental project ("SEP"). The settlement value of the SEP is One Hundred and One Thousand Dollars (\$101,000.00) and resolves the civil penalty sought by the Complainant in PCB No. 13-36 and the additional alleged violations for the West Campus Facility detailed in Section I.C. The Parties to the Stipulation agree that this SEP shall consist of the following:

Replacement of at least one (1) of two (2) chillers that currently use ozone depleting refrigerant R-11 with one that uses a non-ozone depleting refrigerant at the University's Administrative Office Building, located at 1737 West Polk Street, Chicago, Illinois. Currently, each chiller has a system capacity of 500 pounds of refrigerant. The new chiller will contain approximately 260 pounds of Freon 411A, an ozone-depleting refrigerant substitute. This project will eliminate the use of approximately 500 pounds of the refrigerant R-11, resulting in reduction in the use of an ozone depleting substance. The Respondent shall maintain the new chiller in good working order, and shall operate the new chiller during the useful life of the Facility; provided, however, that in the event that refurbishments occur at the Facility causing the chiller to be removed, it shall be replaced with a chiller or other technology that provides the same or similar emission benefits. In installing and operating the chiller, the Respondent shall obtain any requisite construction, operation, or other applicable permits as required by law.

2. The Respondent shall complete the SEP no later than 270 days after entry of this Stipulation and, within thirty (30) days thereafter, shall submit a project completion report, including a summary of all expenditures, to the contact persons identified in Section V.G for review and confirmation that the SEP was performed pursuant to this Stipulation. Any request for extension of the SEP completion date shall be made in accordance with Section V.H of this Stipulation. The project completion report shall include the following certification by a responsible corporate official of the Respondent:

I certify under penalty of law that this document was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted based on my inquiry of those persons directly responsible for gathering the information, and that the information submitted in or accompanying this notification of final compliance is to the best of my knowledge true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and or imprisonment for knowing violations.

In the event that the SEP cannot be completed, the Respondent shall pay Thirty Thousand Dollars (\$30,000.00) as an additional penalty pursuant to the procedures of Section V.C no later than the date by which the project completion report is due.

3. By signature on this Stipulation, the Respondent certifies that, as of the date of entry of this Stipulation, it is not required to perform or develop any of the foregoing SEP by any federal, state or local law or regulation, nor is it required to perform or develop the SEP by agreement or injunctive relief in any other case. The Respondent further certifies that it has not received, and is not presently negotiating to receive credit for, the SEP in any other enforcement action.

4. Any public statement, oral or written, in print, film or other media, made by the Respondent making reference to any SEP shall include the following language:

“This project was undertaken in connection with the settlement of an enforcement action taken by the Illinois Attorney General and the Illinois EPA for alleged violations of the Illinois Environmental Protection Act and regulations promulgated thereunder.”

F. Release from Liability

In consideration of the Respondent's payment of the \$10,000.00 penalty, its commitment to implement to completion the Supplemental Environmental Project described in Section V.E of this Stipulation, its commitment to cease and desist as contained in Section V.D.3.c above, completion of all activities required hereunder, and upon the Board's approval of this Stipulation, the Complainant releases, waives and discharges the Respondent from any further liability or penalties for the violations of the Act and Board regulations that were the subject matter of the Complaints or the Additional Violations Being Resolved in Section I.C., above. The release set forth above does not extend to any matters other than those expressly specified in Complainant's Complaints filed on January 3, 2013 or in the Additional Violations Being Resolved in Section I.C., above. The Complainant reserves, and this Stipulation is without prejudice to, all rights of the State of Illinois against the Respondent with respect to all other matters, including but not limited to, the following:

- a. criminal liability;
- b. liability for future violation of state, federal, local, and common laws and/or regulations;
- c. liability for natural resources damage arising out of the alleged violations; and
- d. liability or claims based on the Respondent's failure to satisfy the requirements of this Stipulation.

Nothing in this Stipulation is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois may have against any person, as defined by Section 3.315 of

the Act, 415 ILCS 5/3.315, or entity other than the Respondent.

G. Correspondence, Reports and Other Documents

Any and all correspondence, reports and any other documents required under this Stipulation, except for penalty payments, shall be submitted as follows:

As to the Complainant

Jennifer A. Van Wie
Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602

Maureen Wozniak
Assistant Counsel
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

Manager
Compliance Section
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

As to the Respondent

Michael G. Melendez
Associate University Counsel
University of Illinois
1737 West Polk Street (MC 225)
Chicago, Illinois 60612

Thomas W. Dimond
Ice Miller LLP
200 W. Madison Street, Ste. 3500
Chicago, Illinois 60606-3417

H. Enforcement and Modification of Stipulation

1. Upon the entry of the Board's Order approving and accepting this Stipulation, that Order is a binding and enforceable order of the Board and may be enforced as such through any and all available means.

2. The Parties to the Stipulation may, by mutual written consent, agree to extend any compliance dates or modify the terms of this Stipulation. A request for any modification shall be made in writing and submitted to the contact persons identified in Section V.G. Any such request shall be made by separate document, and shall not be submitted within any other report or submittal required by this Stipulation. Any such agreed modification shall be in writing, signed by authorized representatives of the Parties to the Stipulation.

I. Execution of Stipulation

The undersigned representatives for the Parties to the Stipulation certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Stipulation and to legally bind them to it.

WHEREFORE, the Parties to the Stipulation request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

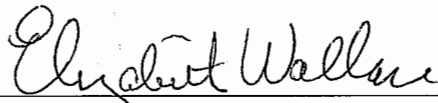
PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General
State of Illinois

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

LISA BONNETT, Director
Illinois Environmental Protection Agency

BY: 
ELIZABETH WALLACE, Chief
Assistant Attorney General
Environmental Bureau

BY: 
JOHN J. KIM
Chief Legal Counsel

DATE: 2/27/14

DATE: 2/24/14

RESPONDENT

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

By: _____

Its: _____

DATE: _____

WHEREFORE, the Parties to the Stipulation request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

PEOPLE OF THE STATE OF ILLINOIS ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

LISA MADIGAN
Attorney General
State of Illinois

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

LISA BONNETT, Director
Illinois Environmental Protection Agency

BY: _____
ELIZABETH WALLACE, Chief
Assistant Attorney General
Environmental Bureau

BY: _____
JOHN J. KIM
Chief Legal Counsel

DATE: _____

DATE: _____

RESPONDENT

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

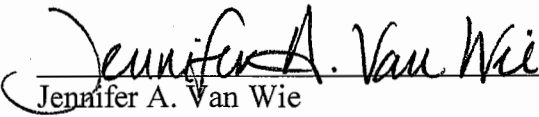
By: Walter K. Kner

Its: Comptroller

DATE: 3-6-2014

CERTIFICATE OF SERVICE

I, JENNIFER A. VAN WIE, an Assistant Attorney General, certify that on the 10th day of March 2014, I caused to be served those persons listed in the Service List by the methods detailed in the Service List, the foregoing Motion for Relief from Hearing Requirement and Stipulation and Proposal for Settlement.



Jennifer A. Van Wie
Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602
(312) 814-0609