



STAFF REPORT INFORMATION ONLY

Report on Settlement of City's Claim for Clean Up Costs of Coconut Oil Spill Into Sewer

Date:	April 10, 2007
To:	Government Management Committee
From:	City Solicitor
Wards:	07 – York West
Reference Number:	

SUMMARY

The City has settled its claim against Gay Lea Foods Co-Operative Ltd. in relation to costs incurred by the City when coconut oil escaped from a vat at the Gay Lea facility, entered the sewer system, and plugged up the City's sanitary sewer main.

Gay Lea has paid the City \$230,220.76. The amount the City was claiming against Gay Lea was \$220,220.76. Gay Lea has paid that amount plus \$10,000.00 for interest and legal costs.

FINANCIAL IMPACT

The Recommendations will have no financial impact beyond what has already been approved in the current year's budget.

DECISION HISTORY

The City Solicitor submitted a report dated January 31, 2007 to the Government Management Committee.

www.toronto.ca/legdocs/mmis/2007/gg/bgrd/backgroundfile-1508.pdf

At the Government Management Committee meeting on Thursday February 15, 2007, the Committee recommended that authority be granted to the City Solicitor to commence litigation against Gay Lea, including the authority to settle the claim, and to execute any

documents in furtherance hereto (in consultation with the General Manager, Toronto Water). The Committee also requested that the City Solicitor report to it when the action was finally resolved.

ISSUE BACKGROUND

Gay Lea operates a facility manufacturing food products at 180 Ormont Drive, near the intersection of Weston Road and Steeles Avenue, in the City of Toronto. On March 24, 2005, approximately 1,500 litres of coconut oil spilled from a vat inside the facility and entered the City's sanitary sewer main. The coconut oil solidified and blocked the sewer main. As a result, the City was required to undertake extensive efforts to repair the sewer main.

Three invoices totalling \$220,220.76 were sent to Gay Lea for the cost of work done by the City. None of these invoices were paid as of February 15, 2007.

COMMENTS

The City has now settled the claim with Gay Lea. Gay Lea has paid the City \$230,220.76. This is equal to \$220,220.76 for the cost of work done, plus \$10,000.00 for interest and legal expenses.

No further steps will be taken.

CONTACT

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SIGNATURE

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