

MANDAN REMEDIATION TRUST (MRT)
October 4, 2011

Meeting: 218th Official Meeting
Date: October 4, 2011
Location: Mandan City Hall, 205 2nd Ave. NW
Time: 10:00 A.M.

The MRT meeting was called to order by Jim Neubauer. Fritz Schwindt was present, but Dave Glatt was absent. Scott Radig and Marilyn Mertz, Department of Health, were present.

Minutes. September 13, 2011 minutes were reviewed.

Motion. Schwindt moved to approve September 13, 2011 minutes; second by Neubauer. All ayes. Motion carried.

Pay Request. LBG invoice dated September 19, 2011 in the amount of \$14,646.56. Radig has reviewed. He recommends approval.

Motion. Schwindt moved to pay LBG \$14,646.56 for the invoice dated September 19, 2011. Second by Neubauer. All ayes. Motion carried.

Pay Request. Wastewater charges of \$1.45 for August 2011 through September 2011 will be held until billings reach \$100.

City of Mandan. Neubauer received the third quarter payment request for \$12,330.76, which is for water and utility charges on the buildings. Also includes insurance coverage for \$1.3 million for a cost of \$506 for 107 ½ First Street NW.

Insurance. Neubauer noted at the last meeting we asked if Glatt had talked with Maggie Olson about insurance. Radig indicated he was going to, but has not heard anything back from him.

RTO. Radig inquired if Neubauer had heard anything from LBG about adjusting the temperature on the RTO last week.

Schwindt thought that was the plan. Richard Stoor had 21 hours but that was probably back in August. Radig agreed this bill would have been in August. Schwindt has not heard either way if they did or not.

Fence Update. They have the screen back up on the fence. It is still saggy and it is short in one section. When Schwindt was talking to Dakota Fence apparently they gave the wrong dimension to Bismarck Canvas so that one section on the 12 foot high fence is about a foot short. Schwindt talked to Bryan yesterday and what he said is we can order one 12 foot by 1 foot piece and put it in there. Schwindt noted: When I

looked at the fence this morning that might solve that issue. To me the whole screen is loose even though they have shortened it up. It was too wide so they couldn't stretch it out, but now it is just loose. I don't know if it is an installation issue or the way it got sewed.

Neubauer – But you will have a continued conversation with them.

Schwindt agreed.

LEC. Schwindt did check on the LEC this morning. They had some kind of leak there, but he couldn't tell for sure what happened. One of the barrels was isolated and a little note indicating there was a leak in the right hand barrel. It is shut off right now. It looks like they are running 6,000 gallons a day. There is a little leak in one of the joints on the piping that runs up to the barrels. They have a bucket setting underneath collecting it. There wasn't anybody there this morning so I couldn't talk to anybody. It's like a drip. Whether that other bigger leak was an issue with the barrel, but I don't know.

Neubauer – Is that relative to—I know they are doing some tarring on the roof by a contractor over on that side of the building.

Schwindt didn't think it would affect that. There are two connections on top of the barrels and they had to change them because they are slightly different than the way the piping was laid out so it looked like it had been welded in there. But there is still a lot of water going through the system. There really wasn't any odor. In the notes down there they have whether there is an odor present or not. For the last month it was saying no. But there were several days here recently, maybe it is related to that leak that they noted, there was an odor present whoever makes that note, but there really wasn't an odor present in the room.

Other. Radig – Two geological engineering professors from UND were going to come down to our office and talk about different projects around the state that they might have their students review such as remediation systems or landfill design and they wanted to see the remediation system here. I got approval from Tim Kenyon to show them around. Rusty Krikava was not available so they rescheduled. They are going to come in November.

Schwindt – It is a pretty extensive system for them to look at. There is lots of data.

Radig – It is the biggest project in the state by far. It is very interesting to look at and show as a real world example to the students.

Remote Manifolds. Schwindt walked around the other day looking at most of the remote manifolds but didn't look at all of them. By the bank building near Starion there was one where the cement siding was just cracked. He looked on the inside and

there was nothing bad on the inside but that whole sheet has a crack running from top to bottom. He discussed repair options. I don't know how you want me to fix that or if I need to fix it. There is nothing broken loose on it. I might be able to just caulk it. I don't know if I can get it to match the color. We should probably do something with it before winter. I think the insulation is fine inside. Structurally, I'm sure it is fine. The other thing we could do is buy a sheet of that stuff then we would have a double thickness on one spot unless you did three sheets all the way across. That is about \$30 to \$40 a sheet. I'm not sure what to do, so I didn't do anything yet.

Neubauer – Either that or get some paintable caulk and put it on and paint the whole section. See if it matches. Krikava may have paint.

Schwindt -- Most of that paint isn't very good anymore. I think I bought some when I fixed that other one, but I'm not sure if it is the same color as that one. I can look at what I've got.

Investments. Neubauer – Another thing is we have gotten all the money of that incredibly high interest paying CDs rolled into the main account or treasuries that we purchased a year ago. Thoughts on whether we would want to do anything else with that? Or thoughts on whether to shop around for different CDs? Or borrow it to the city of Mandan on a short-term basis? What are your feelings about it?

Schwindt--Is the city still interested in a line of credit?

Neubauer – I think we would be. I know we have an approved line of credit at the Bank of North Dakota up to \$8 million. That doesn't cost us anything to draw on that line. It doesn't in my mind make a lot of sense to have \$8 million in the Bank of North Dakota and they are paying us .02005 percent but they will loan money back to us for 3 percent. It may take all three of us to sit down together and decide.

Schwindt – I would certainly be interested in pursuing that and looking into that a little bit further. The comments back from Malcolm Brown seemed to indicate that we could do that. Malcolm's comment was, maybe the SEP Trust, but that doesn't have enough money to meet your needs.

Neubauer – I think it is \$1.5 million, but it is easier just to do one rather than two separate ones. We will need more than \$1.5 million for float funds. We will need about \$3 million.

Schwindt -- And you would be looking at paying that back as soon as FEMA reimburses so we are not looking at long-term financing.

Neubauer – A year or less. We borrow it at whatever rate—if it is 2 percent. If you pay it off early. Does it make sense?

Radig – It makes sense, but does the state have any policies on how money in trust funds is dispersed or used like that?

Neubauer – When I talked to Brady Martz on the audit, I asked them that question and they were going to check with their folks, but I haven't heard back. Did you bring copies of the tax returns?

Schwindt – No, I thought of that. I did get them signed and supposedly they sent them off. A response to your question Scott, one of the things that Malcolm said was that the trustees have flexibility on how we invest the trust funds as well. I would see that as one way of investing the funds to get some kind of return. It would probably be a good idea to check that kind of issue out with Risk Management or somebody.

Radig – I don't know who would set those policies whether it is Risk Management or....

Neubauer – Maggie Olson is your attorney, right? You could ask her to review to make sure that she and Malcolm Brown are on the same page. If they are OK with it then it's just a matter of if we three want to move forward with that, if you feel like getting 2 percent on \$5 million for a year or for a year and a half a \$1,000. Look at a half of a percent on \$5 million makes it less. It would just make more sense in my mind.

Radig – It would be a win-win situation except for the Bank of North Dakota.

Neubauer – I don't think they are hurting. The State of North Dakota is not hurting.

Schwindt – I guess there would be a little bit of concern if it is going to get the city into jeopardy with the Bank of North Dakota because you are going over here than over there.

Neubauer – I think when I asked for the interest rates the response was they are not good. I really don't want to get 1 percent from Wells Fargo on a \$250,000 CD that is FDIC insured. I go to Starion and do the same thing and to Security First Bank and start trying to get a better rate by shopping the money around, but I think our concern, too, is that we want to make sure that it is FDIC insurable. To make sure we are protected. The city is protected. I don't want to say we are backed by the federal government because in this case it is not a wise thing to say. If you want to ask Dave Glatt or if you want to check with Olson, it would be nice to have Brown and her opinion say that is an allowable use of the funds or allowable investment and they in turn say OK.

Next Meeting. Next meeting will be November 1, 2011 at 10 a.m.

Motion to Adjourn. Schwindt moved to adjourn at 10:30 a.m.; second by Neubauer. All ayes. Motion carried.