

MANDAN REMEDIATION TRUST (MRT)
September 13, 2011

Meeting: 217th Official Meeting
Date: September 13, 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 and Dave Glatt were present. Marilyn Mertz, Department of Health, was present; Scott Radig was absent.

Minutes. August 2, 2011 minutes were reviewed. Schwindt had revisions.

Motion. Schwindt moved to approve August 2, 2011 minutes, as amended; second by Glatt. All ayes. Motion carried.

BND Statement. There are two bank statements because on August 2 the July bank statement had not yet been received. The balance as of July 31, 2011 was \$8,093,380.28. The balance as of August 31, 2011 was \$8,058,001. This is to acknowledge receipt of those statements.

Audit. Neubauer has forwarded the spreadsheets over to Brady Martz for tax preparation for the year 2010 and also for the audit for 2010.

Investments. Neubauer indicated there is a couple of million dollars in the money market. The large CD comes due September 22. We did have discussion at the city level asking why don't you just have the Remediation Trust borrow the city money as a line of credit and pay the Trust rather than pay the Bank of North Dakota 2 percent on \$5 million for cash flow on flood related-costs. The Trust would make out better than to pay the BND to borrow on the city's lines of credit they have. I don't know if we could do that as part of the Trust statement or provisions unless we would want to amend such.

Schwindt suggested going back to review the Trust documents to see if it is something that could be added. Neubauer will ask Malcolm Brown to take a look at it. It won't cost anything. If we are going to get 1 percent from BND and they are loaning it out at 2 percent or whatever it loans out at I don't know if it is a zero sum game at the end of the day because the city or residents pay one way or the other. It's just if we can keep that internally instead of BND getting the 1.9 percent.

Glatt indicated there may be legal ramifications.

What is the city looking at for interim financing? Schwindt asked.

Neubauer – We just filled out paperwork yesterday. What we do is about an \$8 million line of credit, which we will draw on as we need. Right now we have a cash flow of about \$2.2 million. So far we have the cleanup coming in for the next month or two.

Schwindt – So you might be looking at \$5 or \$6 million that you would need.

Glatt – It's a liability for the Trust. It's no different than liability to a bank.

Neubauer – Guaranteed by the city of Mandan; bank guaranteed by the State of North Dakota. In an around about way I'm sure it goes through many different hassles and hoops.

Schwindt – And the length of time before the city would be paying that back would be relatively short, I would assume.

Neubauer – We would probably do it for a year max until the processes get worked through.

Glatt – We wouldn't want to tie that money up too much longer than that.

Schwindt – I'm trying to figure out the time frame and the amounts to see if it is even worth the hassle.

Neubauer – If you did a \$5 million loan, 2 percent of that is going to be \$100,000 interest if you compute that I think that is what the BND is loaning stuff out at. It's obviously more beneficial for the Trust at 2 percent than it is for us at .5 percent. I will ask Malcolm Brown the question if it has any possibility to look at it for us.

Fence Update. They have taken the screening down around the RTO unit downtown and will take it to Bismarck Canvas to have it re-sewed. They were taking the screening down last night and will try to get it back up in a couple of days as soon as they get it back from Bismarck Canvas. What it ended up being is the panels are too wide so they can't get it stretched tight enough so that is where they are taking it to have the edging re-sewed to make the panels shorter. Hopefully, they will get those back up again this week.

Pay Request. LBG invoice in the amount of \$12,393.01 dated August 17, 2011. Radig has reviewed.

Motion. Schwindt moved to approve the August 17, 2011 invoice to LBG for \$12,393.01. Second by Glatt. All ayes. Motion carried.

LEC. They (LBG) have been doing some work helping the county out on their system. On page 4, it says Jason (Vander Linden) was working on the SVE problem at the LEC, pulled drop tubes, 2103, 2104, communicated with field personnel, and vapors in LEC. One is \$86 and the other \$106. Apparently, they went over and put in

another tube so they could pull all the vapors off the top of the sump pump that's in the LEC to try and control the vapors there. Is that something we want to consider doing? Apparently, he helped change out the barrels. The new barrels they brought in had their tops arranged differently so they had to make some changes.

Neubauer – Send it on to LBG and say work on that system will be billed to the county not to the Trust. Glatt agreed.

Schwindt – I think the communications we have had with LBG is that they try to help out with some technical assistance and that has been acceptable. It just occurred to me is that something we are OK with or do we want to start billing? I'm just asking the question.

Glatt – If it is normal maintenance with their system that's their bill. We have always said that. The stuff we have paid to date is fine. Any maintenance of their system is basically their cost.

Neubauer – We will take care of the stuff that we have like the barrels and changing those out and things like that.

Schwindt – It would just be more hassle for the few hours they worked over there.

Glatt – At this point we will just notify LBG.

Neubauer - LBG can clearly identify his work on the groundwater dewatering system as county expenses.

Glatt – The county gains by it because we have paid for somebody to come up here and while they are here they can spend an hour or two with the county.

Pay Request. Wastewater charges for \$1,321.03 statement for June 2011 through July 2011.

Motion. Glatt moved approval of payment for \$1,321.03; second by Schwindt.

Motion Withdrawn. Amount due is \$1.45. Request for payment of \$1,321.58 was sent to BND the middle of August 2011. Payment will not be made at this time. They didn't operate the system.

Schwindt – Won't be much this time, because they didn't operate the system.

LBG Updates. Neubauer received cumulative numbers through September 1, 2011 on the RTO unit.

LBG Letter. Neubauer asked Schwindt if he was satisfied with Richard Stoor's response on their September 6, 2011 draft letter regarding RTO unit reduction. Schwindt thought the letter was fine. He just had a question on whether the 1,200 was the optimum temperature or not. There were a couple of different numbers that they proposed. The letter looked OK.

Motion. Schwindt moved to approve LBG's September 6, 2011 letter to the Department of Health regarding reducing the temperature on the RTO unit, which will save us on natural gas cost. Second by Glatt. All ayes. Motion carried.

LEC. Schwindt stopped at the LEC before the meeting. The groundwater that is being collected discharged through the system is running between 3,000 to 4,000 gallons a day. Those discharge numbers have been running pretty steady for the last month or so. He hasn't seen much of a decline when I talked to the maintenance guy. The odors are significantly better in the basement than they have been.

Glatt – How's that water? Is there product in there? It would be going through a separator.

Schwindt – It is going through those treatment barrels. They would have had to change those barrels out sometime in the past month.

Glatt – When you said the odors were significant in the basement--unbearable? They didn't smell a whole lot in the past.

Schwindt – I was talking primarily in that maintenance room. They have the door closed previous times I have been over there. There certainly was a diesel smell in that room in the northeast corner. Today when I went down there I couldn't detect any kind of diesel odors at all. In the basement, in general in the past, I didn't really smell them out in the basement itself, but when you went into that room at times it was somewhat strong in there.

Glatt – Do they have people in the basement now? Full-time or part-time?

Schwindt -- People are not typically sitting in offices down there the few times I have been down there. Whether they are in there during or throughout the day, I couldn't say. I don't know if they don't need it right now.

Neubauer – There are a couple of offices on the county side. I don't think there are any city offices down there.

Schwindt - I know the maintenance guys routinely clean. It seems like he is there in the mornings, especially Tuesday morning. The last three or four times I have been down there before the meeting, he is always in there doing stuff. I would assume it is getting some regular use. There was kind of a funky smell in the basement the last time I was over there. The maintenance guy said there is a sewage lift down there and

they had to clean all the sludge out of that that was built up over the years. So that might have been what we smelled the last time because it wasn't a diesel smell for sure. That was not present today either.

Glatt – Hopefully, the water table should drop.

Schwindt - Did you notice when the Heart River started dropping out here in the last couple weeks or so? I would think when that starts happening things will start slowing down with the groundwater too.

Conference. Neubauer - Tim Kenyon will be coming up in October [11th] for the Wastewater Conference so he and I are on a tag team for a presentation in the afternoon on remediation recovery. We did that a couple of years ago. They asked if we would do it again.

Tax Audit. The Trust tax return is due on September 15, 2011 so we may be getting a call from Brady Martz to get that signed.

Next Meeting. October 4, 2011 at 10 a.m.

Insurance. Neubauer asked. Has there been any more discussion with your legal staff about insurance products? We need to revive that conversation. Glatt will talk to Maggie Olson.

Motion to Adjourn. Glatt moved to adjourn at 10:35 a.m.; second by Schwindt. All ayes. Motion carried.