

NEENAH-MENASHA SEWERAGE COMMISSION

Closed Session
Tuesday March 24, 2009

Commissioner R. Zielinski made a motion to convene into closed session under Section 19.85(1)(g) and 19.85(1)(e) of the Wisconsin Statutes to confer with legal counsel concerning strategy to be adopted by the NMSC with respect to their joint defense with the Cities of Neenah and Menasha in connection with potential liability arising from the Lower Fox River/Green Bay Natural Resource Damage Assessment, Lower Fox River and Green Bay remediation issues, and related potential litigation and to discuss strategies for negotiations with representatives of the United States of America and the State of Wisconsin on compromise settlement of potential CERCLA liability, indemnification, contribution protection and municipal entities infrastructure concerns with respect to the Lower Fox River/Green Bay AND under Section 19.85(1)(e) of the Wisconsin Statutes to confer with legal counsel for the purpose of deliberating or negotiating the purchase of property regarding sludge land spreading; motion seconded by Commissioner D. Youngquist. Motion carried unanimously. The Commission convened into closed session at 8:55 am.

The Closed Session was called to order by Commission President W. Zielinski at 8:55 a.m.

Present: Commissioners R. Zielinski, T. Hamblin, G. Falck, K. Bauer, W. Helein, D. Youngquist, W. Zielinski; Manager Much, Attorney Gunz, Accountant Voigt.

Also Present: Paul Much (MCO); Chad Olsen (McMAHON).

Sludge Disposal – Manager Much reported that they met with City of Oshkosh officials to discuss storage building options with the City of Oshkosh wastewater treatment plant. The impression is they were very supportive of the ideas. Property owners within 1,000 feet of a storage building would need to sign off for acceptance of the project. There is one property owner located within the 1,000 foot range that we could have an issue with. There is the possibility of land becoming available to purchase west of Oshkosh; Gizmo Farms indicated they could help us to procure these properties. Other storage options would be to look at areas to the east of Menasha or to the west of Neenah, or to purchase one of the buildings from Gizmo Farms. The local DNR representative questioned if the current sludge building was zoned for sludge use or for farm use; this would need to be determined prior to any commitments. It was questioned if we should expand our search for sludge disposal options with McMAHON. Attorney Gunz should search to see if we could buy the building based on the current building zoning.

Chad Olsen left the meeting.

Fox River/PCB Issue – Attorney Gunz reported the U.S. government is involved in the litigation. The government can offer the NMSC contribution settlement protection. Current figures put a cost at around \$36 million total for the NMSC and City of Appleton. 49% of the PCB's have reportedly come through the NMSC and Appleton wwtp's. Both the Appleton and NMSC wwtp's can be carved out for special treatment. The settlement figure of \$36 million is composed of a cash settlement amount and a dollar equivalent for in-kind contributions to provide monitoring and/or testing in the Fox River. The current cleanup process will be a 30-year process and will cost an estimated \$1.5 billion. Appleton is more negative toward the cash contribution amount projected for their community. Litigation is moving forward; depositions are occurring; Attorney Gunz has met with the Cities of Neenah and Menasha councils, they are aware of current

litigations and the U.S. Government offer of immunity protection. If we are to settle with contribution protection, we will not have any further exposure. The U.S. Government agency is the Justice Department who is representing the EPA. Commissioner D. Youngquist suggested that settling is worth pursuing.

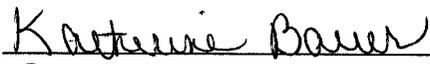
Commissioner G. Falck excused from the meeting to attend to other business (9:40 am).

The Fish & Wildlife natural resource damage assessment (NRDA) has been totaled at \$250 million. Contribution protection also applies to NRDA.

Commissioner T. Hamblin made a motion to adjourn the closed session and reconvene into Regular open session; motion seconded by Commissioner R. Zielinski. Motion carried unanimously. The Commission returned to Regular open session at 9:47 am.



President



Secretary