

Mayor Fred Froehlich called the Special Meeting to order at 6:00 p.m. on February 3, 2025 in the Council Chambers.

In addition to Mayor Froehlich; Council members Mary Wels, Matt Anthony, Phil Radel and Kevin Ostermann were in attendance. Others in attendance included: Vanessa Drill, Darin Drill, John Graupman, City Attorney Andrew Wolf, Stickney Attorney Aimee Dayhoff and Nick Valle from Winthrop & Weinstine, CEO Matt Quade, Consultant Glen Wood, Ruben Bermudez, Ashley Black, Gene Black and Heather Robb.

Members recited the words to the Pledge of Allegiance.

The purpose of the special meeting is to discuss and possibly taking action on the following:

1. Conduct a closed session with attorney under Minn. Stat. § 13D.05, subd. 3(b) to discuss litigation strategy in *Stickney Hill Ingredients, LLC, MasterMark, LLC vs City of Nicollet, Ct.* File No. 52-CV-24-576.
2. Conduct open session to consider **Resolution No. 02-03-25A**: establishing new usage charges and surcharges for March 12, 2024, SIU Industrial Wastewater Treatment Agreement with Stickney Hill Ingredients.
3. Conduct open session to consider **Resolution No. 02-03-25B**: terminating wastewater service and closing, disconnecting, or eliminating wastewater collection system connections for Stickney Hill Ingredients, LLC, 734 6th St, Nicollet, MN 56074, due to imminent risk of impairment of the functioning of the City's publicly-owned treatment works.

*At 6:02 pm, the special meeting was closed to conduct a closed session with attorney under Minn. Stat. § 13D.05, subd. 3(b) to discuss litigation strategy in Stickney Hill Ingredients, LLC, MasterMark, LLC vs City of Nicollet, Ct. File No. 52-CV-24-576, which was approved on a motion made by K. Ostermann, which was seconded by M. Wels and which carried with all voting in favor.*

*At 6:15 pm, the special meeting was reopened which was approved on a motion made by M. Anthony, which was seconded by P. Radel, and which carried with all voting in favor.*

Nick Valle with Winthrop & Weinstine commented regarding Resolution No. 02-03-25A new charges and surcharges to the March 12, 2024 SIU agreement stated: Owner acknowledges the City's right to annually review and adjust the Usage Charges and Surcharges under the SIU Agreement under Article IV, Subsection B. However, Owner notes that the City is required to first provide Owner with thirty (30) days' notice and an opportunity to provide written opposition and questions. The City is also required to work with Owner in good faith to adjust the same. Based on the Property's substantial compliance as outlined above and as documented in the attached monthly submissions to the City, Owner requests the City remove this matter from the City Council's agenda and instead actively participate in good faith negotiations to determine such suitable adjustment to the Usage Charges and Surcharges during such required notice period as outlined in the SIU Agreement. Asking for the matter to be tabled.

*Resolution No. 02-03-25A – Establishing new usage charges and surcharges for March 12, 2024, SIU Industrial Wastewater Treatment Agreement with Stickney Hill Ingredients was approved on a motion which was made by P. Radel, which was seconded by M. Anthony, and which carried with all voting in favor.*

Andrew Wolf explained the responsibility of the city and the SIU agreement that is in place with Stickney Hill Ingredients.

City engineer John Graupman shared a quick summary:

The City of Nicollet has a stabilization pond wastewater treatment facility. These lower technology facilities are ideal for smaller residential communities as they require very little operation and maintenance costs and provide low-cost treatment. The treatment process is very long (180 days) and is achieved by natural processes aided by wind and sunlight. However, the facilities offer very little ability to treat stronger strength waste loads as the same low technology reduces operating costs and also limits treatment flexibility. The Nicollet facility, expanded most recently in 1996, was originally designed to treat primarily residential flows, and does not have a significant capacity for industrial flows. The Significant Industrial User (SIU) agreements have been developed with consideration to the treatment facility's capabilities. Users within the city have invested capital and limited operations to meet the SIU requirements. The recent wastewater discharges from the Stickney Hill facility are severe exceedances of the SIU limits and the city's wastewater exceeds the entire capacity of the whole wastewater treatment facility. These severe loadings create the risk of interfering with the natural treatment process, creating odors and discharge limit violations. The heavy loadings create low oxygen or anaerobic conditions that interfere with the normal treatment processes. This creates odors and incomplete treatment of wastes. Since the process typically requires up to 180 days for treatment, the Stickney Hill exceedances can impact the system for six months or longer and are not quickly resolved. Previous exceedances have negatively affected the facility, resulting in frequent odors and poorer effluent quality. One of the most severe and recent violations is related to a January 2, 2025 sample date. This sample had 2,624 pounds of carbonaceous biochemical oxygen demand (CBOD) which is the parameter used to measure wastewater strength. Stickney Hill's SIU limit is 160 pounds per day, so this exceeded the SIU limits by a factor of 16 times. The entire city facility is rated for 390 pounds per day of CBOD, so the Stickney Hill discharge was also multiple times larger than the entire facility's capacity. H:\NICT\0M2126061\1\_Corres\C\_To Others\2025-01-29 126061 City Wastewater Info Summary LTR.docx 6.D City of Nicollet January 29, 2025 Page 2 The city also has an active Notice of Violation from the Minnesota Pollution Control Agency (MPCA) related to previous industrial loadings, primarily from the Stickney Hill facility. Failure to take action to prevent excess wastewater discharges to the city's wastewater ponds will increase the likelihood and possible size of fines from the MPCA. The wastewater facility cannot continuously treat the excess loadings recently discharged by Stickney Hill. The excess load creates septic conditions, odors, and effluent quality issues. These issues will take months to recover from given the stabilization pond technology; therefore, legal steps must be taken including increasing penalties for violations, and potentially, termination of service to prevent the chronic and recent severe excess loadings as defined by the SIU agreement. The City of Nicollet has a significant risk of wastewater violations, additional fines for not complying with Notice of Violation requirements, and third-party lawsuits seeking compensation for environmental damage caused by the lack of SIU compliance.

*Resolution No. 02-03-25B – Terminating wastewater service and closing, disconnecting, or eliminating wastewater collection system connections for Stickney Hill Ingredients, LLC, 734 6th St, Nicollet, MN 56074, due to imminent risk of impairment of the functioning of the City's publicly-owned treatment works was approved on a motion which was made by P. Radel, which was seconded by K. Ostermann, and which carried with all voting in favor.*

*With no further business, the meeting was adjourned at 6:34 p.m. which was approved on a motion which was made by M. Anthony, which was seconded by M. Wels and which carried with all voting in favor.*

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Vanessa Drill, City Clerk/Treasurer