

A of D mtg 7-19-17

Commissioners worksheet on Settlement County vs Town of Barnstable

1. Capital Expenditure

The Town began seeking over 5,000,000 related to the PIFOS contamination at the Mary Dunn Wells.

After extensive background research and examination of actual cost encumbered by the Town, and segregating the cost specific to Mary Dunn wells and PIFOS, the County calculated a exposure of 2,200,000.00 in related Capital costs.

Through negotiation and extensive discussion on exposure of Legal Liability on this matter, the County agreed to an amount of 2,950,000.00

However, that reimbursement was calculated over a 20 year period with the Town committing to a SRF bond issue with an interest rate of 2%.

A factor in this decision was the calculation in the difference in a lump sum payment to the Town in which the County would have to Bond and pay separately.

Example; a bond issue at 2,600,000.00 at 4% over twenty years would yield a term payment equal to 3,828,500 compared to the agreed payment schedule which yields a total payment of 3,673,839.00 and subject to possible State relief in interest and/or principal payments. Furthermore; the yearly allocation is currently 184,000 where as if County Bonded on its own the payments would be (in above example) 230,000.00

Section 2; the Operation and Management costs to County

The County agrees to reimburse the Town their share of the Operation and Management costs to operate the filtration systems located at Mary Dunn Wells for the purpose of filtering PIFOS.

This cost has been calculated with a yearly cap of \$125,000.00 With a 3% increase factor by-annually.

After lengthy negotiation, the agreement reflects a method of payment which simply put will be billed on monthly or by-monthly basis and a review process of related bills will be performed to assure the costs are in fact directly related to the filtration systems at Mary Dunn Locations and to removal of PFOIS.

This was derived by a lengthy examination of submitted invoices and their relative to ongoing operation.

It should be noted that the County and Town believe that this cost has a specific end date. That is if the Town relocates the wells and no longer needs the Filtration system, or if after a number of years, the levels are removed to a acceptable standard this O & M will not be necessary. A Two review period for need is built into the agreement.

Section 3 ; The replacement of Filters

Not part of O & M but under a separate section we addressed the replacement of filters. It should be noted that this is a moving target, filters are only replaced once they show signs of "Bleed Through of PFOIS"

The agreement states that the County shall allocate each fiscal year the amount of \$70,000.00 into a special reserve account for the

use by the Town as filter need to be replaced. The cost for one filter is \$35,0000.00

In the event the Town does NOT need to replace a filter with the first fiscal year, the \$70,0000 allocation will roll over into the next fiscal year along with a second allocation of \$70,000.

At no time will the County "roll over" more than \$210,000.00.

It should be noted that this expence also has an anticipated end date. As more and more PFOIS are removed the filters should last longer, and eventually not be needed.

Section 4; past O7M costs

It was agreed by both parties that during the negotiation the public safety and health would never be put into jeopardy.

As such the Town and County from the beginning of the awareness of PIFOS situation Both endure costs to rectify the situation.

After a lengthy review of invoices and data the parties agreed on a one time payment for past O & M of 170,000.00

Section 5; Press release and working together in future

Parties agree to a future in which if any disagreements arise they will engage a mediation process and not engage in a Law suit.