

April 4, 2023

Meeting of the Clayton County Board of Supervisors at 600 Gunder Road NE, Elkader, Iowa.

Present: Steve Doeppke, Ray Peterson, and Doug Reimer

Guests: Sarah Moser, Samantha Rumph, Darla Kelchen, Casey Stickfort, Annie Palas, Patti Ruff, and Jennifer Garms

Reimer moved, Doeppke seconded to approve the minutes of the March 28, 2023 meeting. Ayes: Doeppke, Peterson, Reimer. Motion carried.

Doeppke moved, Reimer seconded to approve the claims as presented totaling \$262,237.14. Ayes: Doeppke, Peterson, Reimer. Motion carried.

Reimer moved, Doeppke seconded to appropriate \$16,500 in hotel/motel tax funds to the Clayton County Development Group for the marketing campaign. Ayes: Doeppke, Peterson, Reimer. Motion carried.

Reimer moved, Doeppke seconded to make the following appointment of citizens to township offices. Ayes: Doeppke, Peterson, Reimer. Motion carried.

- Lodomillo Township Clerk (Term Ending 12/31/2026) – Mary Fisher
- Highland Township Trustee (Term Ending 12/31/2026) – Matthew Pope

Doeppke moved, Reimer seconded to approve signing the title sheet and final opinion of construction costs for Project L-97—73-22. Ayes: Doeppke, Peterson, Reimer. Motion carried.

The Board received an update regarding public health concerns relating to COVID-19 and the Visiting Nurses' Association, including services for the Family Planning Program.

The Board did not have any projects to be paid with American Rescue Plan Act funds.

The discussion on structural and general liability policies for Motor Mill property was postponed.

Chairperson Peterson opened a public hearing regarding an amendment to the Individual Sewage Disposal Ordinance. The amendment references changes to update language to comply with installer certification requirements adopted by the Clayton County Board of Health. The public hearing was closed.

Reimer moved, Doeppke seconded to approve the first reading of Amendment #3-2023 to the Individual Sewage Disposal Ordinance to update language to comply with installer certification requirements adopted by the Clayton County Board of Health. Ayes: Doeppke, Peterson, Reimer. Motion carried.

Reimer moved, Doeppke seconded to waive the second and third hearings of Amendment #3-2023 to the Individual Sewage Disposal Ordinance. Ayes: Doeppke, Peterson, Reimer. Motion carried.

The Board review the Cattleway Policy.

Reimer moved, Doeppke seconded to approve resolution #25-2023 "Authorizing Clayton County to Enter into the Settlement Agreements with Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Walgreen Co., Walmart, Inc., CVS Health Corporation, and CVS Pharmacy, Inc." Roll Call Vote: Doeppke-aye, Peterson-aye, Reimer-aye. Motion carried.

RESOLUTION #25-2023

AUTHORIZING CLAYTON COUNTY TO ENTER INTO THE SETTLEMENT AGREEMENTS WITH TEVA PHARMACEUTICAL INDUSTRIES LTD., ALLERGAN FINANCE, LLC, WALGREEN CO., WALMART, INC., CVS HEALTH CORPORATION AND CVS PHARMACY, INC.

WHEREAS, in 2018, the County Board of Supervisors authorized Clayton County (the "County") to enter into an engagement agreement with Crueger Dickinson LLC, Simmons Hanly Conroy LLC and von Briesen & Roper, s.c. (the "Law Firms") to pursue litigation against certain manufacturers, distributors, and retailers of opioid pharmaceuticals (the "Opioid Defendants") in an effort to hold the Opioid Defendants financially responsible for the impact on of the Opioid Epidemic on the County and resources necessary to combat the opioid epidemic;

WHEREAS, on behalf of the County, the Law Firms filed a lawsuit against the Opioid Defendants in 2018 and have been litigating against the Opioid Defendants since that time;

WHEREAS, negotiations to settle claims against several of the Opioid Defendants, specifically Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Walgreen Co., Walmart, Inc., CVS Health Corporation and CVS Pharmacy, Inc (the "Settling Defendants") have been ongoing for several years;

WHEREAS, negotiations with the Settling Defendants have resulted in proposed nationwide settlements of state and local government claims involved in the Litigation;

WHEREAS, the proposed terms of those proposed nationwide settlements are set forth in the Teva and Allergan Settlement Agreement and the Walmart, Walgreens, and CVS Settlement Agreement (collectively "Settlement Agreements");

WHEREAS, the Settlement Agreements as well as a summary of the main terms of the Settlement Agreements, the deadlines for submitting the Participation Agreements to the Settlement Agreements and the MDL Court's Order setting deadlines for any Plaintiff who declines to enter into the Settlement Agreements have been provided to the County prior to the execution of this Resolution;

WHEREAS, the Settlement Agreements provide, among other things, for the payment of a certain sum to settling government entities in Iowa including to the State of Iowa and Participating Subdivisions, as that term is defined in the Settlement Agreements ("Iowa Opioid Funds"), upon occurrence of certain events as defined in the Settlement Agreements;

WHEREAS, the Law Firms have engaged in extensive discussions with the State Attorney General's Office ("AGO") as to how the Iowa Opioid Funds will be allocated, which has resulted in the Iowa Opioid Allocation Memorandum of Understanding ("Allocation MOU"), which is an agreement between all of the entities who are signatories to the Allocation MOU;

WHEREAS, the Allocation MOU divides Iowa Opioid Funds as follows: (i) 50% to the State ("the Iowa Abatement Share") and (ii) 50% to Participating Local Governments ("LG Share"), net of fees and costs allocated to the Iowa Backstop Fund as set forth in Section D of the Allocation MOU and in this Resolution ("LG Abatement Share");

WHEREAS, the LG Abatement Share shall be distributed in direct payments to the Counties that are Participating Local Governments according to the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804) in the amounts set forth on Exhibit 2 to the Allocation MOU ("Direct Distribution Percentage"). The Direct Distribution Percentage will be multiplied by the total LG Abatement Share to arrive at the total allocation to the Participating Local Government (the "Direct Distribution Amount");

WHEREAS, 100% of the Iowa Abatement Share and the LG Abatement Share, regardless of allocation, shall be utilized only for Opioid Related Expenditures incurred after the Effective Date of this MOU. The list of approved Opioid Related Expenditures is set forth in Exhibit 1 of the MOU (Iowa State – Local Allocation MOU).

WHEREAS at least 75% of the Iowa Abatement Share and 75% of the LG Abatement Share shall be utilized for only the "Core Strategies" listed in Schedule A of Exhibit 1 to Allocation MOU;

WHEREAS, every Participating Local Government that receives a Direct Distribution Amount shall create a separate fund on its financial books and records that is designated for the receipt and expenditure of the entity's Direct Distribution Amount, called the "LG Abatement Fund;"

WHEREAS, Funds in an LG Abatement Fund shall not be commingled with any other money or funds of the Participating Local Government, but a Participating Local Government may invest LG Abatement Fund funds consistent with the investment of other funds of a Participating Local Government;

WHEREAS, Funds in a LG Abatement Fund may be expended by a Participating Local Government only for Opioid Related Expenditures, shall be dedicated to funding opioid abatement measures as provided in the Settlement Agreements and the Allocation MOU and, for avoidance of doubt, funds in a LG Abatement Fund may not be expended for costs, disbursements or payments made or incurred prior to the Settlement;

WHEREAS, if any audit required by the Allocation MOU reveals an expenditure inconsistent with the terms of the Allocation MOU, the Participating Local Government shall immediately redirect the funds associated with the inconsistent expenditure to an Opioid Related Expenditure;

WHEREAS, the County must comply annually with the reporting requirements in the Allocation MOU;

WHEREAS, if the County elects to become a Participating Subdivision in the Settlement Agreements it will receive the benefits associated with the Settlement Agreement and the Allocation MOU, provided the County (a) approves the Settlement Agreements; (b) executes the Participation Agreements stating the County's intention to be bound by the Settlement Agreements;

WHEREAS, the intent of this Resolution is to authorize the County to enter into the Settlement Agreements by executing the Participation Agreements.

NOW, THEREFORE, BE IT RESOLVED that the County Board of Supervisors hereby approves and authorizes Crueger Dickinson LLC to settle and release the County's claims against the Settling Defendants in exchange for the consideration set forth in the Settlement Agreements by taking the following measures:

1. The execution and delivery of the Participation Agreement to the Settlement Agreements and any and all documents ancillary thereto.
2. The execution and delivery of any and all further and other documents necessary to effectuate the foregoing and the terms of this Resolution.

BE IT FURTHER RESOLVED the County shall deposit the LG Share in its account titled "LG Abatement Fund" to receive the LG Abatement Share from the Settlement Agreements.

BE IT FURTHER RESOLVED that all actions heretofore taken by the Board of Supervisors and other appropriate public officers and agents of the County with respect to the matters contemplated under this Resolution are hereby ratified, confirmed and approved.

The Board worked on the FY2023 County Budget Amendment.

The Board worked on the FY2024 County Budget.

/s/ Ray Peterson, Board of Supervisors Chair

Attest: Jennifer Garms, Clayton County Auditor