

HARDIN COUNTY BOARD OF SUPERVISORS
MINUTES – DECEMBER 15, 2021
WEDNESDAY - 9:00 A.M.
COURTHOUSE LARGE CONFERENCE ROOM

At 9:00 a.m. Chair BJ Hoffman called the meeting to order. Also present were Supervisors Renee McClellan and Lance Granzow; and Thomas Craighton, Michael Pearce, Machel Eichmeier, Angela De La Riva, Mark Buschkamp, Darrell Meyer, Jolene Pieters, and Angela Silvey. Attending via Zoom: Curt Groen, Connie Mesch, Lori Kadner, Elaine Loring, Julie Duhn, Lisa Lawler, Cheryl Lawrence, Kristi Swalve, Donna Juber, and Allison Munro.

The Pledge of Allegiance was recited.

McClellan moved, Granzow seconded to approve the agenda as posted. Motion carried.

Granzow moved, McClellan seconded to approve the minutes of October 27, 2021; November 3, 2021; November 9, 2021; November 16, 2021; December 8, 2021; December 9, 2021; and December 13, 2021. Motion carried.

McClellan moved, Granzow seconded to approve the December 15, 2021 claims for payment. Motion carried.

IFADC Update:

Executive Director Mark Buschkamp reported on economic development projects and activities.

Utility Permits:

McClellan moved, Granzow seconded to approve Hardin County Utility Permit Application UT-21-017, submitted by Iowa Rural Utilities Association. Motion carried.

Secondary Roads: No update.

Granzow moved, McClellan seconded to authorize the Chair to sign an engagement letter from Dorsey & Whitney LLP. Motion carried. Angela De La Riva left the meeting.

Where upon Board Member McClellan moved that the following resolution be adopted:

RESOLUTION NO. 2021-54

Authorizing Hardin County to Enter into Settlement Agreements with McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc., Agree to the Terms of the Iowa Opioid Allocation Memorandum of Understanding and Authorize Entry Into that Memorandum of Understanding

WHEREAS, in 2018, the County Board of Supervisors authorized Hardin 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 McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, 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; and

WHEREAS, copies of the proposed terms of those proposed nationwide settlements have been set forth in the Distributors Master Settlement Agreement and the J&J Master Settlement Agreement (collectively “Settlement Agreements”);

WHEREAS, copies of the Settlement Agreements as well as 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, upon occurrence of certain events as defined in the Settlement Agreements (“Iowa Opioid Funds”);

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 proposed 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, a copy of the Allocation MOU and the Exhibits to that MOU has been provided with this Resolution;

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”), less 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 are set forth in Exhibit 1 to this 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 this 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.” Funds in an LG Abatement Fund shall not be commingled with any other money or funds of the Participating Local Government. 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. 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, each LG Abatement Fund shall be subject to audit in a manner consistent with Code of Iowa §§331.402(2)(i) and 11.6. Any such audit shall be a financial and performance audit to ensure that the LG Abatement Fund disbursements are consistent with the terms of this MOU. If any such audit reveals an expenditure inconsistent with the terms of this MOU, the Participating Local Government shall immediately redirect the funds associated with the inconsistent expenditure to an Opioid Related Expenditure.

WHEREAS, County has contracted with the Law Firms for representation in the Litigation and the Law Firms have been representing those entities since 2018 and in consideration for the Law Firms' representation, the County entered into a contract with the Law Firms for a 25% contingency fee applied to County's total recovery from any settlement.

WHEREAS, the Settlement Agreements provide for the payment of attorney's fees and legal expenses owed by States and Participating Local Governments to outside counsel retained for Opioid Litigation. To effectuate this, the Court in the MDL Litigation has established a fund to compensate attorneys representing plaintiffs in the Litigation (the "National Attorney Fee Fund").

WHEREAS, the Law Firms intend to make application to the National Attorney Fee Fund. However, because there is still uncertainty regarding what counsel for litigating local governments will recover as compensation for the large volume of work done and the large out of pocket expense of the Litigation, and whereas the Parties to the Allocation MOU desire to fairly compensate outside counsel for the work done on behalf of the Participating Local Governments in Iowa, the Allocation MOU provides that a fund be created from 15 % of the LG Share attributable to the Litigating Local Governments, less any amounts a Litigating Local Government ("Iowa Backstop Fund")

WHEREAS, the Iowa Backstop Fund is meant to compensate outside counsel for participating local governments only for amounts not recovered at the National Fee Fund attributable to their Iowa clients;

WHEREAS, to be eligible for the Iowa Backstop Fund, the Law Firms must first seek payment from the National Attorneys' Fees Fund and may not recover amounts attributable to Counsel's representation of the County received at the National Attorneys' Fees Fund from the Iowa Backstop Fund;

WHEREAS, the County, by this Resolution, agrees to the creation of the Iowa Backstop Fund in the amount of 15% of the LG Share attributable to the Litigating Local Governments in order to fund a state-level "backstop" for payment of the fees, costs, and disbursements of the Law Firms;

WHEREAS, in no event shall the total of the amounts received by the Law Firms at the National Attorney's Fees Fund related to the County and the amount received at the Iowa Backstop Fund exceed the amount the Law Firms would have been entitled to pursuant their fee contract with the County;

WHEREAS, the County, by this Resolution, shall establish an account for the receipt of the LG Abatement Share consistent with the terms of this Resolution ("the LG Abatement Fund");

WHEREAS, the County's LG Abatement Fund shall be separate from the County's general fund, shall not be commingled with any other County funds, and shall be dedicated to funding opioid abatement measures as provided in the Settlement Agreements and the Allocation MOU;

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

WHEREAS, the 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; (3) approves the Allocation MOU; (4) executes the Acknowledgement and Agreement to be Bound to Memorandum of Understanding necessary to execute the Allocation MOU;

WHEREAS, the intent of this Resolution is to authorize the County to enter into the Settlement Agreements by executing the Participation Agreements and to enter into the Allocation MOU by executing the Acknowledgement and Agreement to be Bound to Memorandum of Understanding necessary to execute the Allocation MOU;

NOW, THEREFORE, BE IT RESOLVED: the County Board of Supervisors hereby approves and authorizes the Hardin County Attorney Darrell G. Meyer to settle and release the County's claims against the Settling Defendants in exchange for the consideration set forth in the Settlement Agreements, Allocation MOU and all exhibits thereto, including taking the following measures:

1. The execution of the Participation Agreement to the Distributors Settlement Agreement and any and all documents ancillary thereto.
2. The execution of the Participation Agreement to the Janssen Settlement Agreement and any and all documents ancillary thereto.
3. The execution of the Allocation MOU by executing the Acknowledgement and Agreement to be Bound to Memorandum of Understanding.

BE IT FURTHER RESOLVED: the County hereby establishes an account separate and distinct from the County's general fund which shall be 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 motion was seconded by Board Member Granzow and after due consideration thereof, the roll was called and the following Board Members voted:

Ayes: McClellan, Granzow, and Hoffman
Nays: none
Absent: none
Abstain: none

Whereupon, the Chair of the Board of Supervisors declared said Resolution duly passed and adopted this 15th day of December 2021.

/s/ BJ Hoffman
BJ Hoffman, Chair
Board of Supervisors

Attest:

/s/ Jolene Pieters
Jolene Pieters
Hardin County Auditor

Subdivision Distributor Settlement Participation Form

Governmental Entity:	State: Iowa
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 ("*Distributor Settlement*"), and acting through the undersigned authorized official, hereby elects to participate in the Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Distributor Settlement, understands that all terms in this Participation Form have the meanings defined therein, and agrees that by signing this Participation Form, the Governmental Entity elects to participate in the Distributor Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity's election to participate is specifically conditioned on the Iowa Opioid Allocation Memorandum of Understanding ("MOU") becoming effective by that MOU being executed both by the State, Litigating Local Governments comprising 95% of the total Litigating Local Government population and Local Governments comprising 80% of the total population of eligible Primary Subdivisions as defined and described in in the Settlement Agreements with a population over 30,000. Should the Iowa Allocation Memorandum of Understanding fail to become effective, this Election and Release shall be deemed void and no claims shall be released
3. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that is has filed.
4. The Governmental Entity agrees to the terms of the Distributor Settlement pertaining to Subdivisions as defined therein.
5. By agreeing to the terms of the Distributor Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
6. The Governmental Entity agrees to use any monies it receives through the Distributor Settlement solely for the purposes provided therein.
7. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to the court's role as provided in, and for resolving disputes to the extent provided in, the Distributor Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Distributor Settlement.
8. The Governmental Entity has the right to enforce the Distributor Settlement as provided therein.
9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Distributor Settlement, including, but not limited to, all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Distributor Settlement shall be a complete bar to any Released Claim.
10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Distributor Settlement.

11. In connection with the releases provided for in the Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Distributor Settlement.

12. Nothing herein is intended to modify in any way the terms of the Distributor Settlement, to which Governmental Entity hereby agrees. To the extent this Participation Form is interpreted differently from the Distributor Settlement in any respect, the Distributor Settlement controls.

I have all necessary power and authorization to execute this Participation Form on behalf of the Governmental Entity.

Signature: _____
 Name: _____
 Title: _____
 Date: _____

Subdivision Janssen Settlement Participation Form

Governmental Entity:	State: Iowa
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 ("Janssen Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Janssen Settlement and become a Participating Subdivision as provided therein.

2. The Governmental Entity's election to participate is specifically conditioned on the Iowa Opioid Allocation Memorandum of Understanding ("MOU") becoming effective by that MOU being executed both by the State, Litigating Local Governments comprising 95% of the total Litigating Local Government population and Local Governments comprising 80% of the total population of eligible Primary Subdivisions as defined and described in in the Settlement Agreements with a population over 30,000. Should the Iowa Allocation Memorandum of Understanding fail to become effective, this Election and Release shall be deemed void and no claims shall be released.
3. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
4. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.
5. By agreeing to the terms of the Janssen Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
6. The Governmental Entity agrees to use any monies it receives through the Janssen Settlement solely for the purposes provided therein.
7. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Janssen Settlement.
8. The Governmental Entity has the right to enforce the Janssen Settlement as provided therein.
9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Janssen Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Janssen Settlement shall be a complete bar to any Released Claim.
10. In connection with the releases provided for in the Janssen Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Janssen Settlement.

11. Nothing herein is intended to modify in any way the terms of the Janssen Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Janssen Settlement in any respect, the Janssen Settlement controls.

I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

IOWA OPIOID ALLOCATION MEMORANDUM OF UNDERSTANDING

A. Definitions

As used in this Memorandum of Understanding ("MOU" or "Agreement"):

1. "Local Government" shall mean all Iowa Counties (regardless of population) and cities, villages, and towns located within the geographic boundaries of the State of Iowa with a population exceeding 10,000.¹
2. "Opioid Funds" shall mean monetary amounts obtained through a Settlement as defined in this MOU, including amounts obtained under Sections IV and V of the Distributor Master Settlement Agreement and Sections V and VI of the J&J Master Settlement Agreement. Separate amounts allocated to the State as restitution pursuant to Sections IX of the Distributor Master Settlement Agreement and Sections X of the J&J Master Settlement Agreement and amounts for reimbursement of attorneys' fees and costs as set forth in Sections X of the Distributor Master Settlement Agreement and Section XI of the J&J Master Settlement Agreement and from similar state specific or private attorneys' fees funds created by other Settlements are not "Opioid Funds." For avoidance of doubt, payments to the Iowa Backstop Fund will be paid out of Opioid Funds as more specifically set forth in Section D of this MOU.
3. "Opioid Related Expenditure" shall mean an expenditure consistent with the categories enumerated in Exhibit E to the Distributor Master Settlement Agreement and the J&J Master Settlement Agreement found at <https://nationalopioidsettlement.com/> and attached hereto as Exhibit 1.
4. "Parties" shall mean the State of Iowa and Participating Local Governments.
5. "Pharmaceutical Supply Chain Participant" shall mean any entity that engages in or has engaged in the manufacture, marketing, promotion, distribution or dispensing of an opioid analgesic, including but not limited to those persons or entities identified as Defendants in the matter captioned *In re: Opioid Litigation*, MDL 2804 pending in the United States District Court for the Northern District of Ohio.

6. "Participating Local Government" is any Local Government that agrees to be bound by a Settlement by Participation Agreement necessary to effectuate that Settlement or other similar document.
7. "Settlement" shall mean the negotiated resolution of legal or equitable claims regarding opioids against a Pharmaceutical Supply Chain Participant when that resolution has been

¹ The population figures contained in this MOU shall be derived from the published U.S. Census Bureau's population estimates for July 1, 2019, released May 2020 as set for in the Distributor Master Settlement Agreement and the J&J Master Settlement Agreement.

jointly entered into by the Parties. For avoidance of doubt, a Settlement shall not include (i) any negotiated resolution of legal or equitable claims between the State and a Supply Chain Participant that is unrelated to the claims at issue in the matter captioned *In re: Opioid Litigation*, MDL 2804 pending in the United States District Court for the Northern District of Ohio or (ii) any negotiated resolution of legal or equitable claims between the State and a Supply Chain Participant that requires the Parties to allocate settlement proceeds in a specific manner or using specified allocation percentages inconsistent with this MOU

8. "Master Settlement Agreement" shall mean the agreements documenting a Settlement. For the purposes of this MOU the Distributor Master Settlement Agreement and the J&J Master Settlement Agreement found at <https://nationalopioidsettlement.com/> are Master Settlement Agreements under the meaning of this MOU.
9. "State" shall mean the State of Iowa.

B. Allocation of the Opioid Settlement Proceeds

1. Opioid Funds shall be allocated as follows: (i) 50% to the Iowa Abatement Fund ("Iowa Abatement Share") and (ii) 50% to Participating Local Governments, less fees and costs allocated to the Iowa Backstop Fund as set forth in Section D ("LG Abatement Share").
2. The Participating Local Governments may elect to use a Settlement Administrator ("Settlement Administrator") to receive and distribute Opioid Funds allocated to the LG Abatement Share pursuant to this MOU.
3. Opioid Funds shall not be considered funds of the Iowa Abatement Fund or any Local Government unless and until such time as an allocation is made to the Iowa Abatement Fund or any Participating Local Government pursuant to this Section.
4. The LG Abatement Share shall be distributed in direct payments to the Counties that are Participating Local Governments according to the National Negotiation Class Formula, in the amounts set forth on Exhibit 2 ("Direct Distribution Amount").
5. A County may elect to forego its Direct Distribution Amount by notifying the Settlement Administrator in writing of its decision. If a County makes an election to forego its Direct Distribution Amount, that amount reverts to the LG Abatement Share unless the County specifically designates that its share should revert to the Iowa Abatement Share.
6. Except as provided herein, nothing shall prohibit a County from sub-allocating any portion of its Direct Distribution Amount to the Iowa Abatement Fund or to a City that is a Participating Local Government within its jurisdiction provided, however, that the Iowa Abatement Fund or City must expend any such sub-allocation only on an Opioid Related Expenditure.
7. If a County sub-allocates Opioid Funds to a City within its jurisdiction, such suballocation shall be made according to an agreement between the County and the City requiring the use of the suballocated funds for an Opioid Related Expenditure and further providing that a use of funds inconsistent with an Opioid Related Expenditure shall make the funds subject to recoupment and otherwise disqualify the City from a future sub-allocation.

8. Except as provided herein, 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 are set forth in Exhibit 1 to this MOU. The Parties agree that at least 75% of the Iowa Abatement Share and the LG Abatement Share shall be utilized for only the "Core Strategies" listed in Schedule A of Exhibit 1 to this MOU.
9. The Parties may use up to 2.5% of the Iowa Abatement Share and the LG Abatement Share for administrative costs for Opioid Related Expenditures.

C. Compliance Reporting and Accountability

1. 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." Funds in an LG Abatement Fund shall not be commingled with any other money or funds of the Participating Local Government. A Participating Local Government may invest LG Abatement Fund funds consistent with the investment of other funds of a Participating Local Government.
2. Funds in a LG Abatement Fund may be expended by a Participating Local Government only for Opioid Related Expenditures. 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.
3. Each LG Abatement Fund shall be subject to audit in a manner consistent with Code of Iowa §§331.402(2)(i) and 11.6. Any such audit shall be a financial and performance audit to ensure that the LG Abatement Fund disbursements are consistent with the terms of this MOU. If any such audit reveals an expenditure inconsistent with the terms of this MOU, the Participating Local Government shall immediately redirect the funds associated with the inconsistent expenditure to an Opioid Related Expenditure.
4. Reporting
 - a. Each Participating Local Government that receives a Direct Distribution Amount must prepare and file a public annual report describing the expenditure of its Direct Distribution Amount. The report shall include, though is not limited to, a narrative description of the funded programs; the dollar amount provided; and progress and/or outcomes of funded programs. Participating Local Governments may work together to prepare and file joint reports if they so choose.
 - b. A Participating Local Government taking a suballocation of some amount of its Direct Distribution Amount pursuant to Section B(7) is responsible for including the expenditure of those funds and outcomes from those expenditures in the annual report required by Section C(4)(a), above.
 - c. The State may utilize the reports in order to report to the public on the use and effectiveness of the Opioid Funds in addressing the opioid crisis in Iowa.
5. Two or more Participating Local Governments may combine their respective Direct Distribution Amounts.
6. Nothing shall prohibit Participating Local Governments from acting alone or together pursuant to Paragraph 5 or from entering into an agreement(s) relating to the securitization of Opioid Funds (and any allocation thereof) that are scheduled under a Settlement to be paid at a future date.
7. Pursuant to Section B of this MOU the Iowa Abatement Fund and all Participating Local Governments shall use 100% of the Iowa Abatement Share and the LG Abatement Share for Opioid Related Expenditures.

D. Payment of Counsel and Opioid Litigation Expenses

1. Sixty-six of the Participating Local Governments (“Litigating Local Governments”) have contracted with outside counsel (“Counsel”) for representation in litigation against certain Pharmaceutical Supply Chain Participants and Counsel has been representing some of those entities since 2018. The Litigating Local Governments are set forth on Exhibit 2. In consideration for Counsel’s representation, each of the Litigating Local Governments entered into a contract with its Counsel for a 25% contingency fee applied to each Litigating Local Government’s recovery.
2. The Distributor Master Settlement Agreement and the J&J Master Settlement Agreement provide for the payment of attorneys’ fees and legal expenses owed by States and Participating Local Governments to outside counsel retained for litigation against the Defendants in those agreements. To effectuate this, the Court in the MDL Litigation has established a fund to compensate attorneys for services rendered and expenses incurred that have benefitted plaintiffs generally in the litigation (the “National Attorney Fee Fund”).
3. Counsel for the Litigating Local Governments intends to make application to the National Attorney Fee Fund. Because there is still uncertainty regarding what Counsel will recover as compensation for the large volume of work done and the large out of pocket expense of the Litigation, and whereas the Litigating Local Governments desire to fairly compensate Counsel for the work done on behalf of Litigating Local Governments, the Parties agree that the Participating Local Governments will create an Iowa attorneys’ fees and costs fund (the “Iowa Backstop Fund”) to compensate Counsel only in the event Counsel does not recover from the National Attorney Fee Fund an amount equal to 15 % of the LG Abatement Share attributable to the Litigating Local Governments, less any amounts a Litigating Local Government suballocates to one or more Cities within its jurisdiction (“Net Direct Distribution Amount”). For the avoidance of doubt, collectively, Counsel are limited to being paid, at most, and assuming adequate funds are available under the National Attorney Fee Fund and the Iowa Backstop Fund, attorneys’ fees totaling fifteen percent (15%) of the total Net Direct Distribution Amount for all Litigating Local Governments.
4. Counsel must first seek recovery at the National Attorney Fee Fund before applying to the Iowa Backstop Fund and may not recover from the Iowa Backstop Fund any amounts recovered at the National Attorney Fee Fund.
5. Counsel can seek payment from the Iowa Backstop Fund only for the difference between what they have collected from the National Attorney Fee Fund and the amount to which they are entitled under Paragraph D(3), above.
6. If Counsel receives fees/costs for common benefit work from the National Attorney Fee Fund, when determining “amounts recovered” for purposes of this Section D, those fees/costs received from the National Attorney Fee Fund for common benefit work will be allocated proportionately across all of their local governmental clients based on the Negotiation Class Model to allocate the appropriate portion to Iowa Litigating Local Governments.
7. The Iowa Backstop Fund shall be funded as follows: from the Opioid Funds Allocated to Participating Local Governments pursuant to this MOU, the Settlement Administrator shall deposit in the Iowa Backstop Fund an amount equal to 15% of the total Net Direct Distribution Amount for all Litigating Local Governments and distribute the remainder of the funds allocated to Participating Local Governments as set forth in Section B above. No funds from the Iowa Abatement Share shall be used to pay attorneys’ fees and no funds from the Iowa Abatement Share shall be paid to the Iowa Backstop Fund.
8. Any funds remaining in the Iowa Backstop Fund in excess of the amounts needed to cover the deficiency in attorneys’ fees as provided in this Section shall revert back to the LG Abatement Share and shall be allocated to the Participating Local Governments as provided in Section B.

9. The Settlement Administrator shall be responsible for receiving requests for and allocating payments to Counsel from the Iowa Backstop Fund. Counsel seeking payment from the Iowa Backstop Fund shall provide all documents and information required and/or sought by the Settlement Administrator.
10. The Settlement Administrator is authorized to provide information regarding requests for and payment from the Iowa Backstop Fund to the Attorney General, upon request.
11. The Iowa Backstop Fund will not be funded by proceeds from any resolution in the matter of *In re Purdue Pharma L.P., et. al.*, Docket No. 19-23649 in the Bankruptcy Court for the Southern District of New York.

E. Minimum Participation

1. This Agreement shall become effective at the time when Litigating Local Governments comprising 95% of the total Litigating Local Government population and Local Governments comprising 80% of the total population of eligible Primary Subdivisions as defined and described in in the Settlement Agreements with a population over 30,000 people sign this MOU ("MOU Effective Date").
2. For avoidance of doubt, a list of the Litigating Local Governments and eligible Primary Subdivisions with a population over 30,000 people whose participation is required to achieve the MOU Effective Dates as set forth above is attached hereto as Exhibit 3.

F. Other Terms

1. The Parties agree to make such amendments as necessary to implement the intent of this agreement. After this Agreement becomes effective, amendments may only be made to this Agreement if approved in writing by the Attorney General and at least 51% of the Participating Local Governments.
2. This Agreement shall be governed by and construed under the laws of the State of Iowa using Iowa law. Any action related to the provisions of this Agreement, except as otherwise provided in the Master Settlement Agreements or Future Resolutions, must be adjudicated by the Iowa state courts of Polk County in the State of Iowa.
3. This Agreement does not supersede or alter the terms of the Master Settlement Agreements except to the extent those terms allow for a State-Subdivision Agreement to do so.
4. If any part of this Agreement is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.
5. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement. A signature transmitted by facsimile or electronic image shall be deemed an original signature for purposes of executing this Agreement.
6. Each person signing this Agreement represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Agreement on behalf of the named governmental entity, and that all necessary.

IN WITNESS WHEREOF, the parties hereby execute this MOU as of the date set forth below.

ON BEHALF OF THE STATE OF IOWA:

Attorney General Thomas J. Miller

Date: _____

ON BEHALF OF THE LOCAL GOVERNMENTS:

_____ Date: _____
Adair County
Printed: _____

_____ Date: _____
Adams County
Printed: _____

_____ Date: _____
Allamakee County
Printed: _____

_____ Date: _____
Altoona City
Printed: _____

_____ Date: _____
Ames City
Printed: _____

_____ Date: _____
Ankeny City
Printed: _____

_____ Date: _____
Franklin County
Printed: _____

_____ Date: _____
Fremont County
Printed: _____

_____ Date: _____
Grimes City
Printed: _____

_____ Date: _____
Grundy County
Printed: _____

_____ Date: _____
Guthrie County
Printed: _____

_____ Date: _____
Hamilton County
Printed: _____

_____ Date: _____
Hancock County
Printed: _____

_____ Date: _____
Hardin County
Printed: _____

_____ Date: _____
Harrison County
Printed: _____

* * * *

McClellan moved, Granzow seconded to approve the Agreement for Compromise of Hardin County Tax Sale Certificate CH 18010 with Mary Jaspers. Motion carried.

Granzow moved, McClellan seconded to approve the resignation of Angela Silvey, Deputy of Elections, effective 12/20/2021. Motion carried.

McClellan moved, Granzow seconded to approve the pay increase of Michael Pearce, IT Network Engineer, to \$50,000/year, effective 12/13/2021. Motion carried.

McClellan moved, Granzow seconded to approve the hiring of Clint Brooner, part-time Correctional Officer, at a rate of \$18.90/hour, effective 12/15/2021. Motion carried.

Granzow moved, McClellan seconded to approve the resignation of Sandra Hartgers, Correctional Officer – Sergeant, effective 12/15/2021. Motion carried.

Other Business:

Hoffman advised the public that the Navigator Heartland Greenway Pipeline informational meeting scheduled for that evening may be postponed due to weather.

McClellan moved, Granzow seconded to adjourn. Motion carried.

At 11:00 a.m. the Board met with the County Wellness Committee. Present: Supervisors Hoffman, McClellan, and Granzow; and Michael Pearce, Deanna Vaux, Linn Adams, and Rachel Loyd.

Linn Adams, Community Services Director, reviewed the 2021 ISAC Wellness Program and provided feedback on the program. The Wellness Committee wants to administer its own employee wellness program without outside involvement to achieve better cost-effectiveness.

Discussion was held on management structure of the wellness program moving forward. Hoffman suggested Greenbelt Home Care administer the program due to HIPAA concerns. Hoffman will propose the idea to the Greenbelt Home Care Board at its next meeting.

Granzow suggested that incentive payments for employees who participate be used to offset employees' share of insurance premiums, which met with agreement from McClellan and Hoffman.

Hoffman will talk to Greenbelt Home Care about what it would charge for administrative costs.

The meeting adjourned at 11:28 a.m.

At 1:33 p.m. the meeting was reconvened. Present: Supervisors Hoffman, McClellan, and Granzow; Jody Mesch, and Angela Silvey.

Discussion was held on the Property Management budget for FY 2022/2023.

At 2:03 p.m. Mesch exited the meeting, and Connie Mesch joined.

Discussion was held on the Assessor's budget for FY 2022/2023.

At 2:35 p.m. Mesch exited the meeting, and Jessica Sheridan joined.

Discussion was held on the Environmental Health budget for FY 2022/2023.

At 2:51 p.m., Granzow moved, McClellan seconded to adjourn. Motion carried.

BJ Hoffman, Chair
Board of Supervisors

Jolene Pieters
Hardin County Auditor