



Town of Brookhaven Long Island



Edward P. Romaine, Supervisor

August 14, 2020

New York State Department of Environmental Conservation
Division of Materials Management, Region One
Stony Brook University
50 Circle Road
Stony Brook, New York 11790

Re: Landfill Cells No. 1-6
Post-Closure Financial Assurance
Local Government Financial Test

Dear Mr. Rahman:

In accordance with the requirements of 40 CRF § 258.74(f), this letter establishes that the Town of Brookhaven (the "Town") satisfies the local government financial test for the year ended December 31, 2019 for the purpose of demonstrating financial assurance for the following amounts relating to the Landfill Cells No. 1-6:

<u>Current Cost Estimate</u>	<u>December 31, 2019</u>
Estimated closure costs:	
Cell 6 - Active Phase	\$ 17,740,710
Estimated post-closure care costs:	
Cells 1-5 (Closed)	3,722,950
Cells 6 - Active Phase	<u>11,009,880</u>
	<u>\$ 32,473,540</u>

Note: These estimates are based on the figures contained in the summaries of post closure monitoring and maintenance costs for Cells No. 1-6. (L. K. McLean Associates, P.C.). Closure and post closure cost estimates have been revised for inflation and to reflect current estimates of required work. The landfill closure and postclosure care costs liability has been calculated using certain assumptions and methodologies which were deemed acceptable by the New York State Department of Environmental Conservation in previous years for the purpose of satisfying the Town's financial assurance reporting requirements. Management and representatives of New York State Department of Environmental Conservation are in the process of evaluating certain assumptions and methodologies to be used in the future calculation of the liability, any changes if necessary, will be reflected on a prospective basis.

By this letter, the Town hereby certifies the following:

1. The Town meets the conditions of 40 CFR § 258.74(f)(1)(i), in that Moody's upgraded the Town's general obligation bonds rating from AA1 to AAA on September 4, 2019. Additionally, on June 15, 2020 Standard & Poor's confirmed a rating of AAA with an outlook stable for the Town's general obligation bonds. The credit rating report from Moodys' and email correspondence from S&P Global documenting the bond ratings are attached as *Exhibit A* hereto.
2. The Town meets the conditions of 40 CFR § 258.74(f)(1)(ii), in that its financial statements are prepared in conformity with accounting principles generally accepted in the United States of America for governments and such financial statements are audited by an independent certified public accountant. The independent auditors' report (Albrecht, Viggiano, Zureck & Company, P.C.) begins on page 1 of Town of Brookhaven, New York's Financial Statements for the year ended December 31, 2019, attached hereto as *Exhibit B*.
3. The Town meets the conditions of 40 CFR § 258.74(f)(1)(iii), in that:
 - A. It is not currently in default on any outstanding general obligation bonds;
 - B. It has no outstanding general obligation bonds rated lower than BAA as issued by Moody's or BBB as issued by Standard and Poor's;
 - C. It has not operated at a deficit equal to 5% or more of total annual revenue in each of the past two fiscal years; and
 - D. It has not received an adverse opinion, disclaimer or other qualified opinion from the independent auditors, auditing its financial statements.
4. The Town meets the conditions of 40 CFR § 258.74(f)(2), in that its Basic Financial Statements disclose the post-closure obligations at the Landfill Cells No. 1-6 and report those costs as liabilities on the Statement of Net Assets as short and long-term liabilities. See *Exhibit B*, Town of Brookhaven, New York's Financial Statements for the year ended December 31, 2019 on page 21 (Statement of Net Position), page 48 (Note C6, Long-Term Debt), pages 64-65 (Note D3, Landfill Closure and Post-Closure Care Costs).
5. The Town meets the conditions of 40 CFR § 258.74(f)(4), because the total financial assurance amount constitutes less than 43% of the Town's total annual revenues, and the Town does not assure other environmental obligations through a financial test. Total Town annual revenue is \$333,061,152 as defined, for the year ended December 31, 2019. See *Exhibit C*. The 2019 financial assurance amount for Cells No. 1-6 is \$32,473,540, which represents 9.75% of total Town revenues. Therefore, the 43% threshold requirement is satisfied for the year ended December 31, 2019.
6. Litigation Contingencies; the Town's Basic Financial Statements make reference to various claims made against the Town. See *Exhibit B*, Town of Brookhaven, New York's Financial Statements for the year ended December 31, 2019 on pages 63-65 (Note D1, Risk

Department of Finance

Tamara Branson, Commissioner of Finance

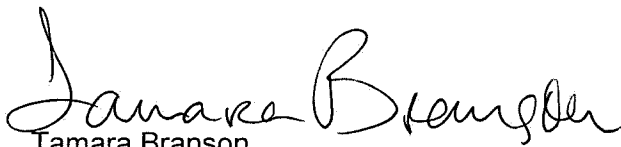
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Management, D2, Litigation and D5, Pollution Remediation Obligations). The Town is of the opinion that resolution of all outstanding claims will have no materially adverse affect on the Town's ability to meet the financial assurance requirements of 40 CFR § 258.74(f). Pursuant to 40 CFR § 258.74(f)(3)(C), attached are reports from the Town's independent certified public accountants based on the performance of an agreed-upon procedures engagement relative to the requirements of Section 258.74(f)(1) that attest to the accuracy of the financial test demonstrations included in this letter for 2019. See *Exhibit D*.

If you have any questions or require any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Tamara Branson". The signature is written in a cursive, flowing style.

Tamara Branson
Commissioner of Finance

Attachments