



TOWN OF LITCHFIELD

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July 7, 2016



BY ELECTRONIC & U.S. MAIL

Edward J. Canning, Director
Environmental Health & Safety
St. Gobain Performance Plastics
One Sealants Park
Granville, NY 12832

Clark B. Freise, Assistant Commissioner
NH Department of Environmental Services
29 Hazen Drive
PO Box 95
Concord, NH 03302-0095

Re: PFOA Contamination in Litchfield, NH

Dear Mr. Canning and Mr. Freise:

This letter follows-up on my June 30, 2016 letter to Mr. Canning (copied to Mr. Freise) notifying St. Gobain Performance Plastics ("St. Gobain") of the Town of Litchfield's ("Litchfield" or "the Town") concerns relative to the impact on the Town and its citizens of perfluorooctanoic acid (PFOA) that was emitted from the St. Gobain Performance Plastics facility in Merrimack, New Hampshire.

The Town understands that the NH Department of Environmental Services ("NHDES") and St. Gobain are in the process of negotiating an initial agreement that will address the immediate potential risk to human health from PFOA in drinking water by, perhaps among other things, completing the design and construction of a public water supply system for the areas in Litchfield with PFOA-impacted groundwater that are not currently on public water. The Town further understands that Pennichuck Water Service Company ("Pennichuck") is currently preparing a system design for an expansion of their service territory to include that impacted area, and that the preliminary design is intended to be completed by July 15, 2016. In addition, the Town understands that NHDES will review and approve (as appropriate) that design and Pennichuck will obtain the necessary permits and approvals as soon as possible thereafter, go out to bid for the project, and then initiate and complete construction during the 2016 construction season. Last, the Town understands that, pursuant to the to-be-negotiated initial agreement between the State and St. Gobain noted above, St. Gobain will fund (among other things) the efforts associated with the design and installation of the system. Please let the Town know as soon as possible if any of these understandings are incorrect.

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As noted in my letter of June 30, the Town wishes to be a party to any agreement regarding these interim measures in order to ensure (1) timely and appropriate coordination between St. Gobain, NHDES and the Town, and (2) that the Town is made whole regarding the costs and damages it has incurred to date concerning the PFOA situation in Litchfield and those costs and damages that it will incur relative to the installation and utilization of the expanded public water supply system.

Hence, the Town provides below an initial list of terms and conditions that should be included in any agreement involving interim measures in Litchfield. Those terms and conditions are in three main categories: (1) water main extension, (2) past costs, and (3) future costs.

Water Main Extension

In general, St. Gobain shall be responsible for providing a permanent alternate water supply to Litchfield residences impacted by PFOA, including the design, installation, operation and modifications to that new water supply system. The installed system shall include fire protection (hydrants) for that portion of the system. Such responsibility also shall include:

1. Payment for the Town's third-party engineering design plan review;
2. Payment for all local permits (e.g., trench permits, plumbing permits);
3. Securing a construction performance bond in an amount to be determined by Litchfield's engineer;
4. Payment for the Town's third-party construction inspection (including soil compaction testing); and
5. Payment for a public safety detail during construction of the water supply system.

Past Costs

St. Gobain shall reimburse the Town for all costs it has incurred through the date of the execution of the interim settlement agreement associated with the PFOA contamination matter, including such costs as Town personnel costs, third-party contractor costs (e.g., engineering review), administrative costs, public safety costs, and legal fees/costs. The Town shall provide St. Gobain with documentation of such costs incurred.

Future Costs

St. Gobain shall be responsible for future costs associated with the new water supply system, the impact of increased utilization of groundwater in Litchfield necessitated by the increased demand for public water in the Town, and an evaluation of the impact on property valuation, which future costs shall include (but are not limited to) the following:

1. Town personnel costs, third-party contractor costs (e.g., engineering review), administrative costs, public safety costs, and legal fees/costs;

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2. Annual cost of maintaining the fire protection system (hydrants);
3. Homeowner and business monthly water service bills for a period of 20 years from the date of execution of the interim settlement agreement;
4. Town monthly water service bills and/or water treatment equipment related to any PFOA-impacted Town recreation facility (known impacted facilities at this time are Jeff Land and Brook Road; such facilities use water for drinking and turf irrigation);
5. Cost of a groundwater impact study to evaluate the decrease in the area water table due to the enhanced withdrawal by the Pennichuck-operated water withdrawal operation located in Litchfield to address the increased demand associated with the new water supply system users (including impacts to the Darrah Pond Recreation Area water table); and
6. Cost of an independent property value impact study to determine the Town-wide property valuation impact, if any, of PFOA contamination (the results of that study to be the basis for compensation of the Town related to any such impact pursuant to a subsequent agreement).

The above addresses the immediate situation related to providing suitable drinking water to the impacted areas of Litchfield and various more immediate impacts related to the PFOA contamination issue, which the Town seeks to have addressed in an initial settlement agreement. It does not address the need to investigate and remediate PFOA in groundwater and soils in Litchfield, which need (and any agreement to address that need) is being deferred while this interim remedial measure (alternate water supply) is being put in place.

Litchfield looks forward to meeting with St. Gobain and the State in the very near future to discuss the process for documenting in an initial settlement agreement the activities to be undertaken by St. Gobain, the activities to be undertaken by the Town, coordination procedures, and reimbursement/payment of costs.

Again, we understand that time is of the essence with regard to coming to an agreement that will allow design and installation of the waterline during this construction season. The Town is ready to meet with representatives of St. Gobain and the State immediately.

Very truly yours,



Troy Brown
Town Administrator

cc: Christopher R. Gibson, Esq. - Counsel for St. Gobain
K. Allen Brooks, Esq. - Senior Assistant Attorney General
Jeffery D. Talbert, Esq. / David B. Van Slyke, Esq. - Preti Flaherty