

Well, the first point I want to make is, the money from FDEP (Mayfield) hasn't even been released yet (from 2014).

Secondly, regarding the grinder pump project: The labor portion was covered under the \$1M grant that we received in 2013 and the equipment portion wasn't covered by either. So none of the \$17M we swapped with the County is involved with that project.

That leaves the Sludge Handling System: We spent approximately \$4.021M in 2015 of which, about \$1.287M is reimbursable from Islamorada (not submittable to FDEP / Mayfield) leaving about \$2.734M that could have been submitted through FDEP under Mayfield as Margaret is suggesting. However, this wasn't easily predictable at the time the deal was made with the County. Also, it was generally thought better to be a clean swap rather than a partial swap. A partial swap may have diluted the benefit to the County to the point that they would not have wanted to do it. This consideration was made and acknowledged by Board members as well as staff.

While time value of money is certainly a consideration, so is the net reimbursement. With the County's payments to us over time, there are no restrictions as there were with FDEP. Also, there are intangible considerations such as good faith that could have jeopardized the deal overall.

As Peter and I showed the Board during the meetings about the 2016 Budget, paying \$3.3M cash now ALONG WITH payments from the County on the \$17M (not even considering future additions to that), puts the District in a position to lower rates as soon as FY 2018.