

Minutes of South Richland Conservancy Board of Directors

March 14, 2012

Fulton County Library, Rochester Branch

Notice of the meeting was posted in the library, and was provided by mail by Textron to all property owners in the District and was posted on Textron's Torx remediation web-site. In attendance were: Joe Hunting, Chairman; Doug Garvison, Vice-Chairman; Jamie Schiff, Treasurer/Financial Clerk.

The minutes from the December 14, 2011 Board meeting were approved.

An update on the water line extension project was provided. The City of Rochester has signed the water supply agreement to provide the Conservancy District water under a master meter. The Department of Natural Resources and the Fulton County Circuit Court approved the District Plan and Specifications, which is the last step in the Conservancy District process.

The next step is the obtaining of a construction permit from the Department of Environmental Management. Eric Carlson, an AMEC engineer, discussed the construction permit process. The first step in that process is the submittal of a Water Management Plan, which contains information regarding the system's operation and maintenance. This was submitted by Textron in January. DEM has 120 days to review the Water Management Plan but DEM has been working to try to complete the approval process more quickly. It was explained that DEM is aware of the unique situation here where the water line, to be completely financed by Textron, is to serve as a water source in lieu of contaminated groundwater.

Recently, comments were received from DEM, which involved 3 subjects. First, there were some technical questions regarding operation, for which AMEC is preparing a response. Second, was a request that the District have its own financial information even though Textron is paying for the costs. The Indiana based accounting firm Crowe Horwath has been retained to provide this information. Third, the DEM wanted a signed copy of the Conservancy District Operation Agreement between Textron and the District providing for the operation of the water line. Textron anticipates responding to all of IDEM's comments on the Water Management Plan this month.

Textron still anticipates completing construction this year. However, the timing of DEM approval on the construction permit will be critical. Textron will provide the Board an update on timing.

The Board approved the authorization of the Board Chairman to sign the Conservancy District Operation Agreement on the behalf of the District, with Jamie Schiff abstaining from the vote.

Now that the Conservancy District process has been completed with the Court approval of the District Plans and Specifications, Textron will be mailing to property owners an agreement between them and Textron that provides for Textron's obligations to them such as connecting their property free of charge to the water line and paying for City water, which will be applicable to future owners of property within

the District, too. The agreement also provides for the recording of an Environmental Restrictive Covenant (ERC) to limit property owners from using a well on the property for indoor water use.

A question was asked by a property owner as to why the ERC is necessary for those properties where the groundwater plume has not gone under. The response was that it was necessary for Textron to know how many properties are committed to the water line before commencing its construction because they need to make sure there will be enough connections to make it feasible. There was a question of whether there is a minimum number that would need to connect in order to make the project feasible. Textron has not calculated a specific number because, based on, Focus Group's, discussions with area residents in September, it seemed virtually everyone wanted to connect so that Textron did not see that there would be an issue. (Focus Group is the communications firm that Textron has hired to assist in communications with area property owners.)

There was a discussion regarding contacting the owners of homes currently not occupied regarding their desire to connect to the water line.

There was a discussion regarding insurance for the District and the Board. A comprehensive general liability policy had been obtained for the District. Textron will be presenting more details on that to the Board. An application for a Directors and Officers liability policy for non-profit institutions was presented. However, Alan Hux from the Taft law firm opined that the correct type policy should be a government entity policy since the District was a government entity. Textron will look into what the correct Directors and Officers policy is and report back to the Board. A resolution was passed by the Board authorizing the Chairman to execute the application for the appropriate Directors and Officers policy when presented.

There was a discussion regarding the posting of District documents on the Textron's Torx Remediation web-site. It was decided by the Board that District documents would be posted there.

There was a discussion regarding the operation of the water line system and whether the operator had been identified. AMEC advised that they have been in discussions with potential operators and the selection of the operator would be made later in the process, after the construction permit had been issued. It was explained that there would be provided an emergency number for property owners to call and that it would be staffed to address an emergency.

AMEC estimated that the construction bidding process would take about a month and a recommendation would be made to Textron based on the bids as to the construction contractor. Local contractors would be considered. There was a discussion regarding bonding requirements for contractors.

Textron provided an update on the remediation project. DEM has approved of the proposed bioremediation remedy. The next step is for Textron to prepare a work plan for DEM approval to perform the pilot test of the technology. The pilot test is necessary to confirm the effectiveness of the technology and to make any necessary adjustments prior to full scale implementation.

There was a question regarding the timing of completing remediation. Textron explained that active remediation would likely be about a half dozen years and there would be a period of groundwater monitoring after that. At this point it would be difficult to say when levels in groundwater would be sufficiently low for remediation to be considered complete.

There was a discussion regarding the notice requirements for Board meetings. There is a requirement to post the notice at the location where the meeting is take place. Special meetings require 72 hours notice and regularly scheduled meetings 48 hours. In addition, Textron has been mailing a notice to the property owners in the District and posting meeting notices on the Torx Remediation web-site.

There was a discussion regarding the impact of the water line on property values and that it would be expected to help.

The next Conservancy District Board meeting is scheduled for Wednesday, June 13, at 5:30 p.m. It will be held at the Rochester branch of the Fulton County library if meeting space is available. The meeting was thereupon adjourned.

Submitted

A handwritten signature in black ink, appearing to read "Jamieson Schiff", written over a horizontal line.

Jamieson Schiff, Treasurer/Financial Clerk

