

Minutes of South Richland Conservancy Board of Directors

December 12, 2012

Fulton County Library, Rochester Branch

Notice of the meeting was posted in the library and 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 September 12, 2012 Board meeting were approved.

Greg Myroth from AMEC provided an update on the water line project. The pump station has been delivered and has been started up and inspected by IDEM. The pumps will not run continuously but only sporadically as needed. Property owner individual connections should start in December, likely at a pace of several per day, at which time they will be receiving City water. The plumbing work will be done by the contractor, H&G Underground Utilities. The plan is to work through the holidays if property owners are amenable. All properties should be connected by mid to late January. A form will be provided to the property owner at the time of connection specifying that there are no cross-connections between the water line and property wells. Plumbing inspections to confirm that none are made in the future will be conducted on an as needed basis.

Each property will have a meter, although property owners will not be charged for water use. This is in order to check for leaks to make sure the system is working appropriately. It will be a drive-by sensor read system so there will be no need to access individual homes to take readings. Readings will likely be taken monthly.

Individual water pressure will not be tested. However, the system has been modeled to provide adequate pressure and adjustments to the system can be made if there are any issues. The goal is to provide between 50-60 PSI. Chlorine levels will be monitored as water comes into the system from the City. Chlorine in the water will not have any negative effect on septic systems. Water softeners can continue to be used. Once the well is disconnected from the home it is recommended that the well be used at least several times each summer for outdoor use to assure that it continues to function properly and does not fall into disrepair from non-use.

Paul Stork from AMEC provided an update regarding groundwater remediation efforts. The work plan to pilot test the reductive de-chlorination remedy was approved by the Department of Environmental Management and pilot wells were installed in the fall. Site conditions in the form of bacteria present appear amenable to reductive de-chlorination and the geology appears sufficiently permeable to accept the material that is to be injected in the wells. Sodium lactate is being injected into the pilot wells and zero-valent iron is being hydraulically pushed into the pilot treatment area. The pilot test will help determine injection rates and radius of influence of injection wells for full scale implementation. The

first groundwater sample event to monitor the pilot test will take place in December with the final sampling event planned for May. Full scale implementation is planned for the fall of 2013.

A discussion took place regarding the Board seat of Doug Garvison, whose term will expire in February 2013. Doug was the only Board nominee for election received by the statutory deadline of December 1 for the term commencing in February 2013. Since there were no other nominees, then per statute Doug will automatically be reappointed at the District's 2013 annual meeting in February for a new four year term.

A discussion was had regarding the Letter of Credit that will assure financial resources for the operation and maintenance of the water system in the event Textron is either unable or unwilling to perform. The Letter of Credit will be issued by J.P. Morgan Chase Bank with the Conservancy District as the payee. It will initially be in the amount of \$2,000,000, and will be adjusted upward every three years for inflation so that the amount is the equivalent of \$2,000,000 in 2013 dollars.

It was approved by the Board that in the event of Textron's default, upon motion by the Board, the Chairperson, Vice-Chairperson, or such other person designated by the Board in its motion would be authorized to advise JP Morgan Chase that the conditions for drawing upon the Letter of Credit have been met and, therefore, the District is drawing upon the Letter of Credit.

There was some discussion as to where the original Letter of Credit once issued should be held. It was discussed that the Board felt it should be where they can access it directly it should not be held by Textron. The Board members will look into potential options for safekeeping of the original Letter of Credit.

There was a discussion regarding the statutory requirement of the District filing a financial report of income and expenses with the Fulton County Court by March 13, 2013. The accounting firm Crowe Horwath will be retained to assist in preparation of the financial report. As an optional matter the report to the court can include a statement of the progress in accomplishing each purpose for which the district is established, recommendations for amendment to the district plan, or any matter that the Board believes should be brought to the attention of the court for instructions or approval.

It was approved that the mailing address of the Conservancy District shall be changed to 2784 N Old Hwy 31, Rochester, which is the location of the water system's pump station and the operator's office, once arrangements can be made with the post office.

The Board decided to join the Association of Indiana Conservancy Districts, which is the trade association for conservancy districts in Indiana, on a one year trial basis and will revisit the benefits of membership after that period.

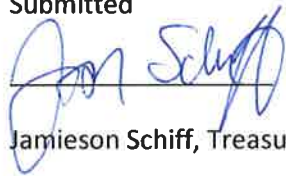
Richard Martin, the operator of the water system, spoke. He indicated that he has lined up two back up operators in the event he is ever unavailable. He plans on being on site Monday through Friday mornings.

It was discussed that the blue pipes along Old US 31 are in connection with testing of the water system and will be removed upon start up.

The next Conservancy District Board meeting is the District's annual meeting scheduled for Wednesday, February 13, at 5:30 p.m. It will be held at the Rochester branch of the Fulton County library if meeting space is available. Public notice will be provided in conformance with statutory requirements.

The meeting was thereupon adjourned.

Submitted

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

Jamieson Schiff, Treasurer/Financial Clerk

