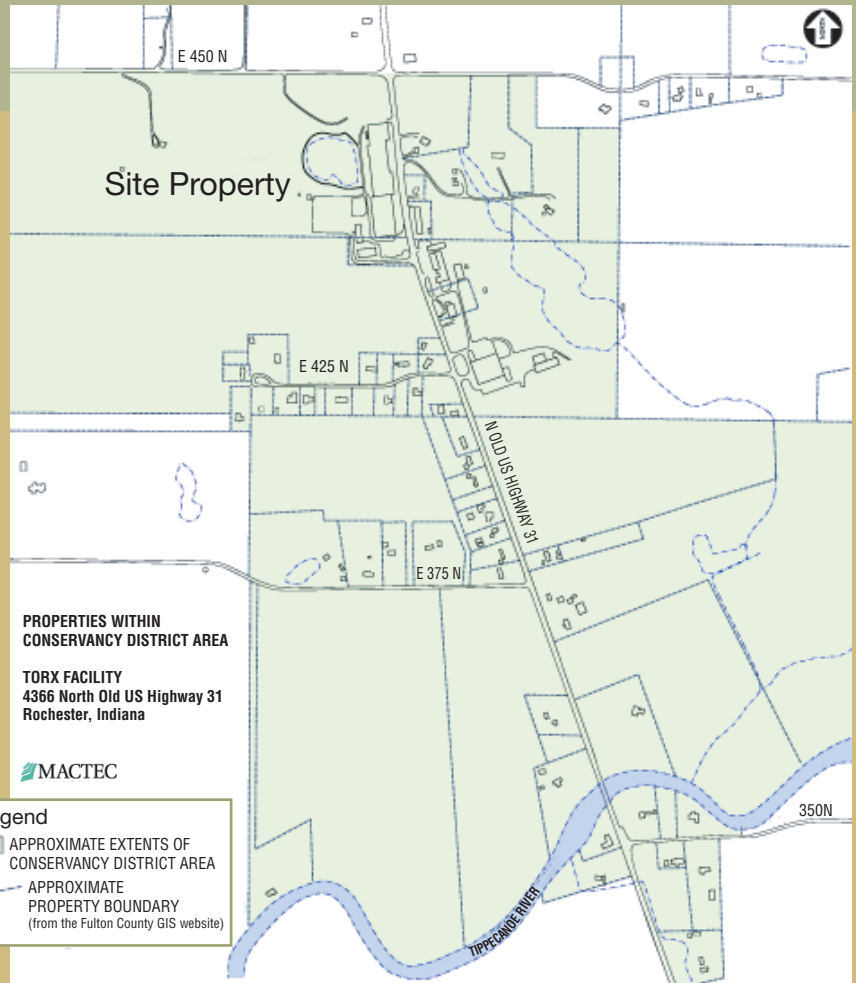


TEXTRON is COMMITTED

Textron is committed to providing residents a safe and reliable water supply in the area of the former Torx plant, and we have been working hard to accomplish that goal. In our August Newsletter, we informed community members that we had proposed to pay for and construct a water line extension to the south/southeast of the Torx plant that would then be managed/operated by the City of Rochester. The City subsequently requested that we look at two other options: a) Purchasing water from the City through a master meter located at the City water line at the Dean Foods facility and b) Installing a separate well field and water treatment plant outside of the City limits.

After evaluating these options, Textron believes the preferred option is to provide and pay for City water for the affected community through what is referred to as the Master Meter concept. The Master Meter approach would require that Textron construct a water main that connects to the City system where it currently ends at Dean Foods. The City would then “meter” the water leaving its system at that point (referred to as a “master meter”) and bill for all water used, from that location forward. Under this approach Textron would then pay for water use in the affected area.



At the Rochester Water Board meeting in September we informed the Board that we were intending to proceed with the master meter approach. At the October meeting the Water Board indicated its support for our proposal.

Successful implementation of this approach requires several elements:

- ▶ The City must enter into a formal agreement with Textron to supply the water under a Master Meter agreement.
- ▶ With the oversight of federal and state environmental agencies, Textron would then construct a water line and connect individual homeowners in the affected area to that water line at no charge.

Steps to Establish a Conservancy District in the Torx-Area Community

Establishing a conservancy district is an open and public process that provides multiple opportunities for community input and review by certain government bodies. The first step would be the filing of a petition in the Fulton County Circuit Court signed by at least 30 percent of the property owners in the proposed district. The petition would explain the purpose of the district, which in this case would be to provide a public, potable water supply. The petition would also describe the district's funding source, which in this case would be Textron.

A map would be filed with the petition showing the properties to be included in the district. The map would also be required to show the subdivision of the district into three separate "sub-districts."

Once the original petition is filed, the court would set a hearing date. Public notice of that hearing would be provided through both mail and in the newspaper at least 30 days before the hearing. The public may attend the hearing and comment on the petition. Unless a petition is filed in opposition to creating the district, the court would then refer the matter to the Indiana Natural Resources Commission (INRC). (A petition opposing the district would require the signatures of at least 51 percent of the property owners or those who own at least 66 2/3 percent of the assessed valuation of the property within the district.)

The INRC would review the need for the district and its economic and engineering

feasibility and would also hold a public hearing. The INRC would issue a report to the court within 120 days of receiving the referral.

After receiving the INRC's report, the court would hold another hearing and then order the establishment of the district if, taking into account the INRC report, the evidence supports that the public would be served by the establishment of the district. The court would also determine an original Board of Directors (including one for each sub-district) and the directors' respective terms in office. Thereafter, directors would be elected by the property owners. Once the Court establishes the district, the board would meet to review Textron's detailed plans for the water line's construction, operation and maintenance, and their costs and funding. Upon approval by the district board of Textron's plan, it would be submitted to the INRC, which would either approve the plan or request changes.

Following the INRC approval of the district plan, the plan would be filed with the court, which would hold one last hearing after public notice. The court would then approve the plan if it finds that the plan is appropriate and feasible and that the public would be served.

Textron would then proceed to construct the water line and upon its completion would turn it over to the district to manage, using Textron funding.

For More Information, Contact

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C O N T I N U E D

Another key part of this plan is to create an entity to distribute the water supplied by the City. Under Indiana state law, this is allowed through creation of what is referred to as a Conservancy District. This is a governmental entity that would be established in accordance with Indiana law. There are approximately 100 such districts in Indiana, created to provide services such as water and sometimes sewerage.

There are a number of steps to establishing such a district, and Textron will take responsibility and pay the costs to get it established. The first step is having at least 30 percent of the property owners that are to be included in the District sign a petition that would be submitted to the Fulton County Circuit Court. Properties designated to be part of the proposed Conservancy District are shown on the accompanying area map (see map on front side). Textron commits to funding the Conservancy District in an amount that would pay for operation and maintenance of the water line and payment to the City for water used by homeowners connected to that line for years to come. The target date for completion of the water line is 2011.

Textron will be scheduling a community information meeting this fall to answer residents' questions about the project and plans to move forward. At that meeting, we would like to provide to homeowners for their consideration a petition for establishing the Conservancy District. When 30 percent of the homeowners who are eligible to be a part of the Conservancy District have signed the petition, it will be filed with the court, and we will have taken the necessary first step in creating the district. Please note - signing the petition does not bind property owners to agree to be connected to the new water main; it only helps to establish the Conservancy District.

At the meeting, we'll also provide homeowners with a timeline, both for the creation of the district and for construction of the pipeline extension and connections, and we'll have updated information on the latest results of our environmental investigations.

We look forward to working with the City, the federal and state environmental agencies, and individual community members to move forward on this project.

FOR MORE INFORMATION, CONTACT

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