

exhibit 11



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Subject : water meeting

Date : Tue, Jan 18, 2011 01:28 PM

Dear Neighbors,

(finished at 3:00 am) Tues. Jan 18, 2011

Thank you for attending the water meeting--those of you who could. I apologize for not being able to contact all of you. I spent what time I could trying. You are all very important in this matter...I'm sorry if you didn't get the message or couldn't come because the notice was short. It was fairly spur of the moment. Fortunately, lots of you were able to come, so thanks for your time.

I promised some folks who couldn't come that I would take notes and let them know what was discussed. I did take notes but now that I'm trying to make sense of them I realize I'm not going to do a very good job of this. I'll do my best, however. Those of you who attended are certainly invited to make revisions. (I do not intend to fret over things like sentence structure, just so you know.

Before I dive into the meeting stuff, I would like bring up one personal concern that I think many of you also share: When I learned about the leak in our water system I asked around to see if others of you knew and found most of you did not. WHY IS THAT??? It just makes me crazy that after all our calls for transparency we are still left in the dark about important water issues. Maybe there isn't really anything we could do to help, but we still need to know what's going on. I suppose much of the problem is that we have no valid organization right now...no water board and therefore no notification system...but that's really no excuse. I have phone #s or emails for most of you and would be happy to send out information. I certainly hope we do a better job of communicating important issues in the future.

Okay here goes:

Since I called the meeting I decided that gave me the right to assert myself a bit so I decided we'd start with a prayer. (I figured we'd need the help). Lynn Darley offered a lovely expression of gratitude for our beautiful surroundings and good neighborhood relations, as well as a petition for help. Thank you, Lynn.

Our first item of business was to discuss the leak and since he was the guy in the know I turned the time over to David, asking him to tell us what is being done to find and fix it. He gave a little history first...saying that he knew last winter/spring that there was a significant leak, but was unable to find where it was. Then, when Tremonton took over our water this December--and their meter readings showed we were using 4 to 5 times what is normal--they also got involved. Folks from the Rural Water Association were called on to help in the hunt...a service they provide free because we are part of the Association. ..but their efforts have, as yet, not been very successful. David said they were pretty much able to determine where the leak is NOT; the upper half of the pipeline (meaning the upper stretch of road from Louise Behnerts' house to J.R. Adam's house and above to the reservoir) appears to be fine...except for a few insignificant leaks in valves that aren't worth fixing.

That means the problem is probably located in the bottom half of the system, perhaps even down below, across the highway. Unfortunately the searchers were unable to shut off and test a broken valve on Randy Hatch's property, so that stopped the search--until the valve can be dug up and replaced. We asked when that would be but David didn't have a time. He has been out of town, so nothing is scheduled at present. (John Thompson's backhoe services will be used to do the digging, by the way, so that much is settled. We asked if there is anything any of us can do to help, but other than listening for leaks around our homes there isn't really much.

The question was asked if Trenton will be charging us extra because of the leak and the answer is yes. They didn't, however, charge us anything for the month of December. Someone wanted a reminder of how much they said they'd be charging us \$1.00 per 1000 gallons and how much we are allotted per share, before they will charge an average fee, but I don't think we got a fir-sure answer there. David will continue to charge us \$48 fir mo. I'm sure there was fire here but I forget just what.....Mostly everyone is anxious that the lead leaks be found and fixed as quickly as possible.

The next discussion centered on the changes coming to the Cedar Ridge Dist. Company. David began with an explanation of the present company that went something like this: He said that when he started the company 30-ish years ago it was set up legally, according to the laws and regulations in effect at the time, and was much easier to run. But, then because there were so many problems being experienced by members of the 500 or so similar small water companies in the state, about 11 years ago the State Division of Public Utilities got involved. They set in place new regulations, requiring the companies to conform to new rules. David said he didn't understand it...that he sent in something and never heard back...so let it drop.

(Actually, each company must send in documentation so that it can be registered as either: 1) a Public Utility, or 2) as a "mutually-owned" company. David's company did not fit either of those criteria... he wasn't following the regulations of a public utility and ours did not qualify as a mutually-owned company because we had no voting rights. His incomplete application was, therefore, rejected and when he ignored further requests it became a serious matter. But he continued to operate the company out of compliance for years.)

I then informed the group that (because of research done by some concerned Cedar Ridge homeowners, after our last meeting in the fall) some of us became very concerned about this problem. After much thought we felt we needed to enlist the help of the State in getting the company properly licensed. Therefore, we filed a formal complaint and the State responded with a notice for David to appear for a formal hearing in SLC on Feb. 2. We felt we had to pressed the issue in order to finally get action and get the problems fixed. (Perhaps that makes us bad neighbors in the eyes of some, but we felt it was the right thing to do.)

(On with the meeting...) David was then asked to give us his opinions--pro and con--for each of the company-types. I don't believe he gave any pros for the Public Utility type. He was asked if they don't have insurance protection or other good things like that. His answer was that any time the government gets involved things become unnecessarily complicated and more expensive. Plus we'd lose local control. He talked about some of the tests now required by the State--for nuclear waste, for example. He informed us that a few years ago he (we) spent \$15,000-ish to have a new roof put on the reservoir so that we didn't have to spend \$20,000+ on required chlorinating machinery in order to pass of new chloroform standards. (I said it would have been good for us to have been told about that when it happened and that perhaps DISCLOSURE was one advantage government involvement would have given us.) There was a bunch of talk about fire regulations and debate about whether we'd be covered by our home-owners policies if we have a fire again (as happened last year). There was concern expressed about our system not having adequate fire-suppression levels...debate...debate...debate...(no resolution that I can recall...)

Next David was asked what he intends to present at the State hearing. He said he plans to get Cedar Ridge registered as a mutually-owned water company. There was some discussion as to what input WE should have in that decision...he doesn't seem to want us very involved just now. When asked whether the "new" company would have new bylaws he said the old ones will be used but amended to give us voting rights. There was some discussion about the present company's "A B and C" shares and how that would change. (David said his ownership of exclusive C's would be dropped). He told us each homeowner would now get one VOTING share. He was asked about HIS 53 (is that right?) extra shares (those that he plans to use in future development) and whether or not he would have more voting power than us. He said those extra shares do not give him extra voting rights--that they do not become active until they are used by the purchasing homeowner.

A question something on this line was asked here: What happens, if in the future, there is not enough water for your new development's needs AND ours? ("Do we get first priority?") David's answer was that "no, present users would receive no preferential treatment" and I believe he also said we could be required to help develop a new source if that became necessary. DID he say that?!! Some thought "yes" some didn't catch that. Would that mean, then, we could be required to pay for the building of a new well, etc.??? (That question really needs to be answered...perhaps in writing, so we understand clearly).

Going on...David reminded us that state regulations already mandate that if necessary we could be restricted to indoor-only water use. That prompted the question of how much water each shareholder is permitted--through state/county regulations vs. how much our present-company bylaws allow us (since those numbers don't seem to agree) but nobody could remember the figures.

(I'm going to just toss in a bunch of miscellaneous stuff now because I can't remember their order.....)

It was mentioned that water managers can be paid, but that David didn't draw any salary all this time. We thanked him for his years of service. He was asked if he plans to get legal permission to charge us back-assessments. He said "yes." There was some discussion about local mutually-owned companies--how U-con, a local mutually-owned company sold shares in order to get capital to start up with and that those "taps" are now worth a lot, etc. We talked some about the duties the officials in "our" new company would have and we wondered aloud whether or not folks would have the necessary desire/skills/time. (Many good people in the room said they would be willing to serve if voted in.) It was suggested that perhaps some work might be done on a volunteer basis or that compensation could come in the form of free water. It was suggested that service terms be short so that the possibility burn-out was minimized...since we're all getting old. We talked some about the need for a certified water manager and the training that entails and discussed the possibility of hiring someone from outside the system. David said there are managers available. He said Paul Fulgham, Tremonton's water director, does consulting work for \$75 per hour. (I'm sure we covered lots of stuff taht I can't remember now...it's hard to catch it all at my age).....

Going back to the subject of revamping the Cedar Ridge company: Some people expressed opposition to being forced into buying (or accepting the gift of) a "dead horse." (meaning becoming mutual owners in a company with an aging, deteriorating infrastructure that is strapped with debts). David said Cedar Ridge company is not dead, that we have the best water ever, but that yes, right now the "horse" is sick. He did a pretty good job of convincing us that the mutually-owned option is our best one. He said he was meeting with "his" lawyer to work out the details for such a company tomorrow. He said the fellow is a long-time water lawyer, with big municipality clients and a lot of know-how. When asked if we could be in on that meeting David answered "no." Hmm... More than one of you asked me later why not? Why this man is "David's" lawyer--if he is setting up "our" MUTUALLY-OWNED company? It does seem that he would be "our" lawyer...and that we should have a fairly big say in how that company is set up, doesn't it? (Somehow this doesn't seem like an equal-partnership-type-deal). When

asked if we would all be given copies of the bylaws I believe David said something along the lines of "yes, if you want that, once they're amended." (No one asked who was responsible for the man's fees, but someone sure OUGHT to).

Moving on now to the subject of meters: David said we will be required to get them and fairly soon...within several months. When asked who would be paying for them he said each of us would be responsible to pay for our own. He was reminded that that won't be easy for some families to do. There was much said that I can't totally remember "...approx. \$1000 each...need to be professionally installed...may be across the road from your property...under-road pipes can be an advantage...small yards will benefit from meters.....etc".....(probably lots more--feel free to add to that)

By now the meeting had gone on long enough. It went better than some and I think there was a general consensus that although there have been real problems in the past it's time to now look to the future. I think we all looking forward to a "new and improved" Cedar Ridge Water Company... run with better efficiency, better transparency, better communication, more according to rules and in compliance with changing regulations. Our meeting certainly didn't settle everything, but at least it ended on a pretty civil note...so we're making progress! Let's keep that up. Thanks again. I'll look for your responses,

Barbara Anderson
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