

Citizens for Responsible Growth
P.O. Box 1082
Fillmore, CA 93012

June 28, 2007

Steve Conaway
City of Fillmore
250 Central Ave.
Fillmore, CA 93015

Re: Water Recycling Plant

Dear Honorable Mayor,

I am writing on behalf of a citizen's coalition, consisting of Citizens for Responsible Growth, CUFF, Priority Health Care and many of the citizens of Fillmore.

In our ongoing efforts to provide assistance to the community by pursuing sewer plant options and legislative support we wanted to inform you of another new opportunity to save a potential \$20,000,000.

The Mayor of Santa Paula, Mr. Ray Luna, in his efforts to procure a more affordable plant, met with PERC (Pacific Environmental Resources Corp) in Arizona to tour several of their Arizona facilities. When we discovered the article in the Santa Paula paper we made contact with PERC and have been obtaining information about their process and costs. PERC has not attempted to solicit this project as they respect the existing contract the City has with American Water, however they are prepared to assist the City's efforts to reduce the costs for the water recycling facility.

We believe that PERC represents a viable and cost effective treatment solution for our plant. We asked them to perform an "apples – to – apples" capital cost comparison (enclosed) in order to determine if there were any potential savings.

Advantages

1. Lower cost
2. Can build MBR if required or can build a SBR
3. Reduced operating costs with 3 to 4 operators (depending on flow levels)
4. Timeline of completion 12/19/2009. Our TSO will likely be easily extended to accommodate that date.

We informed PERC that we have an existing contract. These options could be considered to address the contract.

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1. Outright cancellation per the American Water contract paying the \$650,000 escape clause. This would provide the most savings and the public has been reassured frequently that this “could be done at any time”.
2. Pursuant to the “open book” concept, PERC could subcontract to American Water under a DBO agreement directly with American Water whereby PERC would design and build the facility, and operate it through a warranty period and provide operations training to American Water, allowing the City and American Water to share the savings. In fact, PERC has stated they would be interested in working with American Water and the current contractor to design and build the facility.

Mr. Brian Cullen of PERC has offered (enclosed) to host a tour of their facility in Tracy, California. The citizen coalitions will pay travel costs for new council members Laurie Hernandez and Scott Lee and Tom Ristau and Bert Rapp from staff. This is how strongly we believe the Council can save the community millions of dollars. Staff and council members have declared their desire to save our taxpayer/ratepayer dollars and uphold their fiduciary duty. This will be an opportunity to do so.

We appreciate your consideration and anxiously await your reply.

Sincerely,

Citizens Coalition
P.O. Box 1082
Fillmore, CA 93016
Gayle Washburn
Bob Stroh
Clay Westling
Richard Schuck
Eduardo Gonzales

Cc:

Tom Ristau
Bert Rapp
Cecilia Cuevas
Laurie Hernandez
Scott Lee
Patti Walker