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Ribbon Cutting Ceremony Celebrates Award-Winning Santa Paula Water Recycling Facility



Santa Paula Water Recycling Facility, Ventura County, California

Santa Paula, California, June 8, 2011 – Local and regional government officials, members of the local community, and project team members participated in the ribbon cutting ceremony of the award-winning Santa Paula Water Recycling Facility last Thursday, June 2nd.

In 2007, the City of Santa Paula’s non-compliant, almost 70-year-old wastewater treatment facility faced severe compliance fines and needed to be replaced quickly. However, the City lacked certainty of funding, cost and schedule to achieve its compliance mandate. Realizing traditional delivery methods would not provide adequate certainty, they chose to utilize a public-private partnership.

In May 2008, the City contracted with one entity, Santa Paula Water (an alliance of PERC Water Corporation and Alinda Capital Partners), to design, build, operate (for 30 years) and finance the new facility. The facility was completed in May 2010 – seven months ahead of schedule. The City of Santa Paula’s Mayor Fred Robinson said, “It was done very, very, very quickly.”

Brian Cullen, President of PERC Water, said the City Council wanted “certainty for the long term for the citizens of Santa Paula. They were very insightful to have that certainty of compliance, certainty of capacity and certainty of cost for 30 years.”

Philip Dyk, a Partner at Alinda Capital, said, “If the City had taken a more traditional finance route, they would have (had difficulty) trying to raise money,” when funds were needed to complete construction within the regulatory timeframe. The facility was 100% privately funded and the City did not pay anything toward the facility until after it was in full operation. They now pay a monthly service fee, which includes 30 years of capital replacements, debt service and operations and maintenance.

David Dornbirer, a Vice President at CoBank, one of the project's lenders, said, "This is a first of its kind financing.... People all over the country and internationally in the water sector know where Santa Paula, California is because of the innovative nature of this facility and this project."

The facility has been the recipient of many national and international awards, including most recently the Design-Build Institute of America Western Pacific Region's top tier Best Project – Water Award.

The facility is designed to complement the surrounding area, including a small footprint where all treatment occurs in underground tanks covered by attractive operations buildings. Mayor Robinson added the facility produces "no odors," specifically thanking the team as the original facility was notorious for its smell. He added that the facility is "a wonderful addition to (their) community."

Jeff Beecher, Executive Vice President of Layton Construction, the lead project construction firm, said they "used as much local labor and subcontractors as possible" resulting in "about 85% of the labor from the local area."

The facility is considered one of the most energy-efficient and cost-effective of its kind in the world according to Dr. Shane Trussell, a leading expert in membrane bioreactors and the project's process design advisor. The City saved on average more than \$10,000 a month in the first seven months of operation as a result of the facility's energy saving technology. The recycled water produced by the facility exceeds the state requirements by 60% on average, much of that a result of the Koch Membranes utilized in the treatment process.

Jamie Matthews, Senior Vice President of PACE (the project's engineer of record), said, "Engineers often get caught up thinking their job is done when the plans are out," but with a design, build, operate and finance project, their job "isn't done for 30 plus years."

To learn more about this project and watch the case study video, visit www.percwater.com.

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PERC Water Corporation is a water recycling company that designs, builds, operates and manages water recycling facilities throughout the United States. They have designed more than 55 facilities – 20 of which they have designed, built and operated. The company guarantees water of the highest quality and assumes the risks associated with water recycling. PERC Water is headquartered in Costa Mesa, California. For more information, visit www.percwater.com.

Alinda Capital Partners is an independent firm that is the largest manager in the United States of pension assets for investment in infrastructure and the third largest in the world, with over \$7 billion of assets under management. Alinda's investors are predominantly U.S. and European pension funds for public sector and private sector workers, and include some of the largest institutional investors in the world. Funds managed by Alinda have ownership interests in airports – including Heathrow Airport in the United Kingdom – roads, bridges and a tunnel, a rail service, natural gas distribution utilities, natural gas pipelines and storage, water supply and wastewater treatment, telecommunications networks, water tanks and other infrastructure assets providing essential services to communities. Alinda has invested in infrastructure companies that operate in 30 states in the United States as well as in Canada, the United Kingdom, Germany, the Netherlands, Luxembourg and Italy. These businesses employ approximately 15,000 people and serve over 125 million customers annually in over 400 cities. For more information, visit www.alinda.com.

CoBank is a \$69 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture and the nation's rural economy. In addition to serving its direct retail borrowers, the bank also provides wholesale loans and other financial services to affiliated Farm Credit associations and other partners across the country. Headquartered outside Denver, Colorado, CoBank serves customers from

regional banking centers across the U.S. and also maintains an international representative office in Singapore. For more information about CoBank, visit the bank's web site at www.cobank.com.

Layton Construction Company is a nationally-ranked commercial construction company specializing in construction management, design-build construction and general contracting. Layton's construction projects are found throughout the United States, and cover a wide spectrum of industry sectors, including health care, hospitality, education, office buildings, manufacturing, sewerage and solid waste, sports and entertainment and public safety. The company is a leader in sustainable building practices, with more than half of its 2010 company revenues coming from certified sustainable building projects. Headquartered in Utah, Layton also has regional offices in California, Arizona, Florida, Hawaii, Idaho and Tennessee. Layton is currently ranked as the 64th largest commercial contractor in the country on the Engineering News-Record Top 400 Contractors list.

PACE is a specialized civil engineering firm offering advanced water resource services. A wide range of engineering services are offered related to water, wastewater, stormwater management and water resource permitting and regulatory compliance to ensure projects are both economically viable and environmentally sustainable.

Koch Membrane Systems, Inc. is a global leader in membrane filtration technology and engineering support for close to half a century. KMS offers a wide range of products and engineering services which span industrial applications in food and life sciences, industrial processes and water & wastewater. As a designer and manufacturer of state-of-the-art membrane elements as well as complete membrane systems, KMS is specified for some of the most demanding applications. KMS offers comprehensive process engineering design, piloting and field service expertise. With an installed base approaching 20,000 systems throughout the world, KMS is setting the standard as a comprehensive solutions provider for membrane technology. See www.kochmembrane.com for more information.