



August 17, 2012

Scott Shearer
Managing Director
Public Financial Management, Inc.
Phone: (717) 232-2723
shearers@pfm.com

Jason Brockman
Senior Managing Consultant
Public Financial Management, Inc.
Phone: (717) 232-2723
brockmanj@pfm.com

Dear Sirs,

ALLENTOWN WATER AND SEWER SYSTEM CONCESSION

Access Capital Advisers, Severn Trent Environmental Services and Energy & Infrastructure Partners are pleased to submit our Statement of Qualifications to the City of Allentown (Allentown) for a long-term concession lease of the City's Water and Sewer systems.

The team, which brings together complementary experience and skills, is composed of:

- **Access Capital Advisers (Access)** – Access has 16 years of experience as global leader in infrastructure investment and recognizes the critical importance of infrastructure assets to local communities. Access will finance the Concession with capital sourced from a select group of government, corporate, and industry pension funds in Australia and globally and through debt sourced at preferential rates;
- **Severn Trent Environmental Services (STES)** – STES is one of the largest water and wastewater service firms in the U.S. that brings the economies of scale, stability, strength, and institutional knowledge of a global corporation focused on water treatment. The company has provided contract operations services in the U.S. continuously for more than 38 years, with contracts covering more than 400 water and wastewater facilities. STES will provide operating and maintenance services to the Concessionaire; and
- **Energy & Infrastructure Partners (EIP)** – EIP is an independent infrastructure advisory and investment firm with significant experience across successful North American P3 and water transactions. EIP will be engaged as special advisor to the Concessionaire through the RFP process.

We appreciate that the City has invested significantly in the water and wastewater system and that the assets are critical to the economic growth and vitality of the



community. Accordingly, we plan to partner with the City to invest in Allentown's infrastructure over the long term. With this in mind, we have focused on the following:

- **Partnership:** Our O&M contractor, STES, has significant experience providing services to customers in towns and cities similar to Allentown. We appreciate the importance of being local and will strive to become a part of the very fabric of the community, with local hiring practices, volunteerism, and sponsorship of local events. Importantly, Access Capital has significant financial assets available to invest in the continued growth and expansion of the system;
- **Quality of Service:** STES is an extremely experienced water and wastewater operator with an outstanding history of operator excellence and recognized customer service. The Proposer will be willing to guarantee compliance with all regulatory and environmental standards; and
- **Seamless Employee Transition:** The Concession team strongly believes in community engagement for the long term and recognizes that it has a responsibility to maintain and care for the local people. This responsibility starts with ensuring a seamless transition of the existing work-force. Continued employment for the existing workforce is just the beginning of this responsibility, with employees to be provided with a range of opportunities to further their careers and skills as members of a Severn Trent Services-operated concession.

In conclusion, we believe that we are well positioned not only to maximize the immediate value to the City but also to successfully operate and invest in this critical infrastructure over the long term. We would be grateful for the opportunity to work together with the City and Public Financial Management through the RFP process.

Should you have any questions, please direct them to:

Tom Maher – Joint Head of Americas
Access Capital Advisers
30 Rockefeller Plaza, 54th Floor, Suite 5440
New York, NY 10112
T: +1 212 373 1100
E: Tom.Maher@AccessCapitalAdvisers.com

Sincerely



Chris G. Morss
Vice President
Business Development
Severn Trent Services



Tom Maher
Joint Head of Americas
Access Capital Advisers

