



August 20, 2010

Paul Davis, Interim Director of Public Services
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309

Regarding: Water Reservoir
Possible Joint Project

Dear Mr. Davis:

We thank the City for their willingness to consider partners as you move forward with your water reservoir project. We have reviewed our system and the potential benefits that can be provided to our system with a connection to your future water reservoir. Based upon our analysis we are requesting that you investigate the feasibility and cost to provide our City with 500GPM for 18 hours daily, or a volume of 540,000 gallons, with a minimum supply pressure of 53 psi or a minimum HGL of 1106.

In order for us to make our final decision we will need estimated costs for any up front capital costs as well as, projected water rates that will be charged to Auburn Hills. These figures will help us to determine if this partnering effort is cost effective for our community. Based upon our request of only 540,000 gallons, we assume that the creation of an authority would be inappropriate and that Auburn Hills would just become a customer of Rochester Hills for this additional connection/flow.

Please feel free to call with any questions or concerns. We look forward to receiving your estimated cost figures.

Sincerely,

Ronald J. Melchert, Director of Public Services

Department of Public Services
1500 Brown Road, Auburn Hills, MI 48326
www.auburnhills.org