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REPLY TO CENTRAL FLORIDA OFFICE

June 27, 2008

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Mr. Richard Redemann, P.E.
Bureau of Certificates, Economics & Tariffs
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 080213-WS; Silver Lake Utilities, Inc.'s Application for Amendment to Water Certificate No. 636-W to Extend its Service Area in Highlands County, Florida
Our File No.: 43005.01

Dear Mr. Redemann:

Silver Lake Utilities is in receipt of your letter of June 2, 2008 in regard to a letter provided to Ms. Patti Daniel from the Florida Department of Community Affairs (DCA) dated May 27, 2008. The following is offered in response to the comments from DCA.

The pending Application is to permit the current uses within the proposed service area, which consist of houses, offices, barns and shops interspersed throughout the proposed service area. Water service is currently being provided without compensation by the owner of the structures located within the proposed service area, which owner is a related party to Silver Lake Utilities, Inc. The water facilities will be transferred to the Utility upon the Commission's approval of this Application.

Contrary to the DCA comments, the Utility has been certificated by this Commission to provide water service in Highlands County, and is in fact providing such service.

The Utility has always communicated with Highlands County regarding its intent to provide service in that County as evidenced by the actions referenced below.

On April 7, 2008, Mr. Joe Collins, Senior Vice President of Silver Lakes Utilities (SLU) and Christopher Shoemaker, Utilities Manager, met with Mr. Carl Cool, County Administrator and Mr. Edgar Stokes, Chairman of the Highlands County Board of County

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Commissioners, to discuss the proposed Application for Amendment of Water Certificate No. 636-W. At this meeting Mr. Collins stated that the purpose of the Amendment was to add the 2,072 acre Lake Placid property to SLU's existing water service area in Highlands County, which includes multiple water systems in the Fort Basinger area of the County.

Mr. Collins and Mr. Charlie Lykes, Jr., President of SLU, also met with Mr. Cool and a member of the Board of County Commissioners in October of 2006 to discuss the original Application for Water Certificate in Highlands County. This meeting was held prior to the actual filing in November of 2006. The meetings held in October of 2006 and April of 2007 were requested by SLU in an effort to receive input from and coordinate with the senior representatives of Highlands County prior to any action or activity by SLU. SLU will continue to coordinate any future initiatives with the staff and elected officials of Highlands County.

SLU staff has been in contract with representatives of the Southwest Florida Water Management District (SWFWMD) at their Brooksville headquarters. SLU acknowledges the need to coordinate with the District to modify the current consumptive use permits from agriculture to public supply. Please note that the existing Water Use Permit No. 20005676 includes Well No. 27, which is permitted for public supply. Well No. 27 provides drinking water to the housing, offices, barns and shops at the Lake Placid facility and is permitted by the Florida Department of Environmental Protection Permit No. WC28-206051, issued February 28, 1992. SLU will continue to coordinate any future initiatives with the staff of the SWFWMD.

I trust the information presented above will address the comments provided by the DCA.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/tlc

cc: Jennifer Brubaker, Esquire, Office of General Counsel
Christopher Shoemaker, Utilities Manager
Commission Clerk

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