



RECEIVED-FPSC

08 JUL 28 PM 4:07

Aqua America, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

COMMISSION
CLERK

Christopher Franklin
Regional President

Tel/Fax: 610.645.1081
chfranklin@aquaamerica.com
www.aquaamerica.com

July 25, 2008

Mayor Mary Lou Andrews
400 Alexandria Boulevard
Oviedo FL, 32765

SENT VIA FACSIMILE (407) 971-5803

Dear Mayor Andrews:

First I want to thank you for your comments at the Public Service Commission customer service hearings in Oviedo last week. I was encouraged by your statements that the City of Oviedo (the "City") would like to assist in solving the water quality issues, which have existed in Chuluota at various levels for several decades, by bringing City water into Chuluota. As you know, Aqua and the City have been in discussions about a sale of assets for over the past year. Our hurdle has always been the difference between Aqua's approximately \$9 million in rate base and what the City can support within its limited rate structure. Aqua is committed to continuing to explore an ultimate sale of assets to the City, but my company is also very interested in expediting an arrangement to bring quality water from the City to Chuluota quickly.

To that end, I am proposing a meeting as soon as possible with all parties copied on this letter to discuss the following issues: 1) St. Johns Water Management District ("SJRWD") - Consumptive Use Permits; 2) Aqua/City Engineers - Hydraulics and Interconnection between the City and Aqua; 3) FDOT/Seminole County - Road Crossing Permits to Install Interconnection Pipeline; 4) Florida Department of Environmental Protection ("FDEP") - advice on water quality, permits and process; and 5) Florida Department of Health ("FDOH") - review of any test results.

- 1) Initial reviews of the City and Aqua systems would suggest that an interconnection could be achieved at the intersection of SR 419 and Snow Hill road. A 10 inch pipeline would be routed and terminate at Aqua's Chuluota plant #2. This would require installation of approximately 5,500 feet of water main.
- 2) It is important that FDOT and Seminole County transportation staff be included in the initial discussions so that they are aware of any proposed pipeline routes and the associated permitting required.
- 3) FDEP has been regulating and monitoring Aqua's TTHM remediation project and progress in Chuluota. We would hope that FDEP would support and expedite an interconnection with Oviedo, but implementation under the most optimistic scenario could take several months. Aqua will need to continue to work with FDEP in the interim.

DOCUMENT NUMBER-DATE

06538 JUL 28 08

FPSC-COMMISSION CLERK

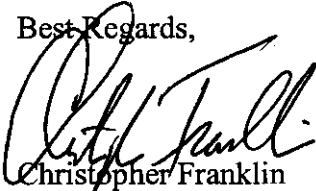
- 4) If FDOH has done any testing of water samples from Chuluota, a meeting among all the parties might be an appropriate time to share and review the results.
- 5) Our preliminary discussion with officials at the SJRWMD indicates that they would advocate a solution that involves a mix of Chuluota and City water. The ratio of that mix needs to be a topic of discussion at the meeting and subsequent consumptive use permitting for Aqua and the City. It would be helpful if the SJWMD would advise the parties on this issue including but not limited to process and recommended mix

We believe that the initial meeting would be best used to flesh out the concept, collaboratively discuss potential solutions, and establish a schedule for follow up meetings designed to reach a final solution. This framework will allow us to report back to our respective organizations for timely decisions on key elements of a plan, including terms of any purchase water contract.

Mayor, I am optimistic that together we can collaboratively resolve the long standing water quality problem in Chuluota. This issue is at the top of my agenda at Aqua. I would propose that we convene our meeting at your earliest convenience. I can be reached at any time and I look forward to talking with you soon to set up mutually convenient time and location for a meeting.

Finally, because the PSC staff has asked that we keep them apprised, I am providing a copy of this letter to the PSC clerk and parties in PSC Docket No. 080121.

Best Regards,



Christopher Franklin
Regional President

cc: Honorable Sandy Adams, State Representative
Deputy Mayor Dominic Persampiere
Cecilia Bradley, Office of the Attorney General
Mr. Kirby Green, SJWMD
Ms. Vivian Garfein, FDEP
Mr. Randy Williams, Seminole County/FDOT
Mr. William Sundstrom, Esq.
Mr. Michael J. Napier, M.S., FDOH
Mr. Jack Lihvarcik, President Aqua Florida
Ms. Ann Cole, PSC Clerk
Charles Beck, Esq., Office of Public Counsel
Ralph Jaegger, Esq., PSC
Katherine Flemming, Esq., PSC