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MEMORANDUM

April 26, 2005

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COMMISSION  
CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (BRUBAKER) JSB

RE: DOCKET NO. 040951-WS Joint application for approval of sale of Florida Water Services Corporation's land, facilities, and certificates in Brevard, Highlands, Lake, Orange, Pasco, Polk, Putnam, a portion of Seminole, Volusia, and Washington counties to Aqua Utilities Florida, Inc.

Please file the attached document in the above-referenced docket.

DATE DOCUMENT SENT TO CCA 4/26/05

JSB/pz  
Attachment  
I:2004\040951memofile.jsb.doc

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
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- SEC 1
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

04050 APR 26 05

FPSC-COMMISSION CLERK



**VIA FEDEX**

**Aqua America, Inc.**  
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**Kathy L. Pape**  
Vice President,  
Treasurer and Rate Counsel

April 21, 2005

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Re: Docket No. 040951-WS – Joint Application for Approval of Sale of Florida Water Service Corporation’s Land, Facilities and Certificates in Brevard, Highlands, Lake, Orange, Pasco, Polk, Putnam, a Portion of Seminole, Volusia and Washington Counties to Aqua Utilities, Inc.

Dear Ms. Brubaker:

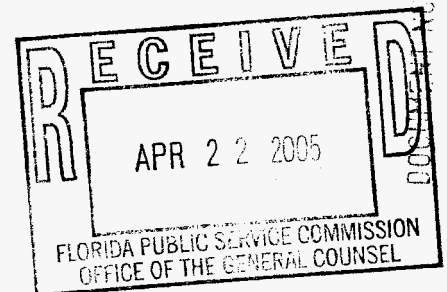
On March 7, 2005, representatives from Aqua Utilities Florida (“Aqua”), Florida Water Services Corporation (“Florida Water”) and the City of Longwood (the “City”) met in an attempt to resolve the City’s concerns raised in the above-referenced application currently pending before the Florida Public Service Commission. The issues raised by the City in the pending application are limited to various stormwater management issues in a development presently being served by the Florida Central Commerce Park system.

During the course of the meeting, the City of Longwood claimed that the current practice of disposing treated wastewater within the development is a contributor to the stormwater management issues affecting the development. Aqua and Florida Water disagree with the City’s contentions and point out that the system is in compliance with all Florida Department of Environmental Protection (“FDEP”) regulations and that there are no unresolved permitting issues. Aqua and Florida Water contend that any problem in the area can be attributed to the low lying nature of the property and the possible over development of the surrounding area. During the meeting, Aqua and Florida Water responded to the City’s concerns as follows:

1) Florida Water produced a map that was submitted with a report to FDEP in the spring of 2004. This map demonstrates that there are approximately 35.2 acres of green space available for effluent disposal and the accompanying report also demonstrates that the system only needs approximately 16 acres in order to fulfill the terms of its permit and FDEP requirements.

2) Devo Seereeram, Ph.D., P.E., an independent engineer, after a review and an in depth evaluation of the stormwater management system and the impact, if any, of the effluent disposal practices on the stormwater management system, stated that the amount of spray effluent has a negligible impact on the overall stormwater management of the area and that it cannot be contributing to the peak flow runoff in any meaningful amount. Aqua received notice from FDEP on April 5, 2005 that FDEP is in agreement with all of the recommendations and conclusions contained in Devo Seereeram’s report.

3) FDEP granted the permit to operate this system based on a design that included irrigation in the right-of-ways. Florida Central Commerce Park has operated in this fashion for over 20 years pursuant to a valid permit.



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FDEP-COMMISSIONAL FILE

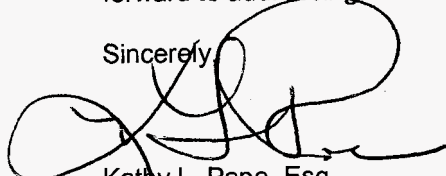
Despite our disagreement with the basis for the City's contentions, both Aqua and Florida Water have agreed to assist the City in attempting to resolve the stormwater management issues. As a result of the meeting we agreed to the following action items:

- 1) Aqua and the City will work together on the stormwater management for the area. At a minimum, Aqua's engineer will work with the City's engineer on the stormwater drainage issues in the area surrounding Aqua's property.
- 2) Aqua will review the possibility of developing alternatives to the present effluent disposal practice. To assist Aqua in its evaluation of alternatives to the present effluent disposal practice, the City will provide Aqua with its reclaimed water meter readings for the area of Bennett Park. Aqua will use this information to investigate the costs associated with obtaining alternate disposal areas for the wastewater effluent, including an evaluation of disposal of effluent on the property of a nearby church.
- 3) The City and Aqua will go "door-to-door" to attempt to persuade the individual property owners to hook-up to Aqua's wastewater effluent irrigation system.

Aqua and Florida Water have agreed to undertake these efforts despite our assertion that these matters are without any basis and are not relevant to the Commission proceeding.

Should you have any questions, please do not hesitate to contact either one of us. We look forward to addressing these issues before the Commission staff, and to having this matter resolved

Sincerely,



Kathy L. Pape, Esq.  
Vice President  
Aqua Utilities Florida Inc.

cc: Melissa Taylor, Esquire  
Forrest Ludsen  
Craig Anderson  
R. Steven Lewis, Esquire  
Ken Hoffman, Esquire  
Richard D. Hugus  
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Brian Heath  
Devo Seereeram