



Water and Wastewater Utility Operations, Maintenance, Engineering, Management

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COMMISSIONER
CLERK
May 30, 2000

Director, Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850

Re: Holiday Utility Company Inc.
Docket# 070084-WV

Dear Director/Mr. Rieger

Thank you for your telephone inquiry requesting additional information as to the status of discussions between Pasco County and Holiday Utility.

As a matter of history, the Pasco County Commission contracted with the Florida Government Utilities Authority (FGUA) to study the feasibility of acquiring and consolidating private water and wastewater utilities in Pasco County. Such a feasibility study includes determining an appropriate acquisition price and assessing any unmet capital improvement needs. FGUA was created by the Florida legislature to acquire ownership of utilities with the stipulation that FGUA shall, if requested by a local government authority, transfer ownership to said local authority for an amount equal to FGUA's investment at the time of transfer.

Relative to Holiday Utility Company Inc., negotiations as to the purchase price per ERC have been completed. The due diligence relative to the needed capital improvement has also been completed by Malcom-Pirnie, engineering consultants to the FGUA. No offer to purchase has been made at this time; therefore, the stockholders of Holiday have not yet authorized the sale.

Because the FGUA is charged with consolidating the private utilities within the County, the purchase of Holiday Utility, if it occurs, will be packaged with other smaller utilities and the larger Aloha Utility for a closing currently scheduled for October 2008. The negotiations and due diligence for most utilities included in the October closing are either completed or nearly complete.

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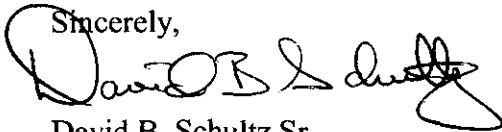
U.S. Water Services Corporation

The FGUA will likely finance the acquisition via the sale of tax exempt bonds and will be the owner of the utility(s) prior to acquisition by the County. Regulatory compliance, capital improvements, and appropriate rate structures are to be achieved prior to purchase by the County. Utilities such as Holiday, which are under FDEP consent orders, are required to comply with such consent orders and seek the necessary rate structure to fund capital improvement necessitated by such orders.

As you can see, there has been a great deal of activity to facilitate public ownership and the eventual outcome for Holiday Utility is dependant upon and will be consistent with the outcome of a larger consolidation/acquisition effort.

I trust the above information is sufficient for your use in granting the agenda waiver request per the letter from Mr. Gary Deremer, dated May 29, 2008. Please contact this office should you have questions or require additional information.

Sincerely,



David B. Schultz Sr.
Senior Vice President
On Behalf of Holiday Utilities Company Inc.