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COMMISSION
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Public Service Commission

April 20, 2009

Mr. Sherman Strout
22632 Forestview Dr.
Estero, Florida 33928

Re: Docket No. 090056-SU – Application for approval of transfer of wastewater system of Fountain Lakes Sewer Corporation, holder of Certificate 442-S, to Aqua Utilities Florida, Inc., holder of Certificate 268-S, and for amendment of Certificate 268-S, in Lee County, by Aqua Utilities Florida, Inc.

Dear Mr. Strout:

Per your request in our telephone conversation on April 17, 2009, a copy of your objection letter is attached for your review. If you have any questions, please feel free to call me at (850) 413-6076.

Sincerely,

A handwritten signature in black ink, appearing to read "Anna Williams".

Anna Williams
Legal Staff

ARW/amv

cc: Office of Commission Clerk

DOCUMENT NUMBER-DATE
03668 APR 20 08
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February 25, 2009

Director
Office of Commission Clerk
2540 Shumand Oak Blvd.
Tallahassee, FL 32399-0850

Michael B. Twomey, Esq.
P.O. Box 5256
Tallahassee, FL 32314-5256

RE: Aqua Utilities Florida, Inc. transfer of water/wastewater facility
from Fountain Lakes Sewer Corp.

Dear Director & Mr. Twomey.

Please allow this to serve as a formal objection to the proposed purchase of the Fountain Lakes Sewer Corp. sewer wastewater facility by Aqua Utilities Florida, Inc. on behalf of the undersigned residents of Fountain Lakes. Our reasons for objection to the transfer are enumerated below for your thoughtful consideration.

1. The utility plant is nearing the end of its useful life cycle and should be retired. The package plant was permitted when there was no other option for central sewer in the area and that situation has changed. Bonita Springs Utilities has pipes in the area and the board of BSU, and their general manager, have verified that they are willing to accept the flow from Fountain Lakes and Marsh Landing. Investing more resources into rehabilitating a old package plant that sits on the edge of a wetland that feeds into a water body of special concern, Estero Bay, is not in the best interest of the customers of this utility or Lee County or the health of Halfway Creek or Estero River or Estero Bay.
2. The proposed purchase price in the Asset Sale Agreement of \$1.6 million dollars is nearly three times the 2007 PSC approved value for the utility.
3. The collection system for this utility requires investment to rehabilitate the lift stations and the collection systems. Rehabilitation of the three oldest lift stations in Fountain Lakes and repairs of the vitrified clay piping systems, added to the contracted purchase price of \$1.6 million and the rehab of the plant. will result in an asset base that will generate the highest wastewater rates in Lee and Collier County if Aqua is allowed to earn on their investment. This is not in the best interest of anybody but Aqua Utilities.
4. The plant is a continuous source of odors for the community. Either it does not have capacity to completely digest the sewage before stabilization or the plant is being run improperly or the plant needs some other costly upgrades to correct the odor problem.

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These odors are so bad at times that the residents in proximity of the plant are effectively restricted to their homes and cannot even open their windows without fear of polluting their homes.

5. The ingress/egress of the sludge hauling trucks runs through our community and this traffic is not compatible with the residential nature of the community.

6. Aqua Utilities started out charging higher rates than permitted by their tariff and did not change until members of the community complained to the PSC. Complaints to Aqua customer service were greeted with indifference at best.

7. Aqua Utilities customer service is terrible. Late fees seem to be a part of their business strategy. Bills mailed five days in advance have resulted in late fees and customer service advised customers that they should allow two weeks or mail their monthly bill via registered mail. No relief from late fees was provided to residents who have complained.

8. Aqua utilities is also proposing to purchase the community irrigation system. Since they have taken over the system, the service has been worse than anybody can remember and the response to complaints practically non-existent. This community wide irrigation system, which pulls water from the lakes maintained by the community, should not be a for profit enterprise for a billion dollar utility.

9. There have been multiple sewer spills resulting in sewage running down our streets and into our lakes since Aqua has taken over the system but there has been no discernable effort to fix the problem and clean-ups have been marginal at best. Lime has been sparsely applied in areas at times but little or no effort made to wash down and properly sanitize the spill areas has been made by Aqua Utilities and/or their hired operator. Aqua has not communicated with the neighborhood as to how they should protect themselves when this happens. No signs posted, no info sent in the bills, no educational info posted on the community bulletin boards, nothing.

10. Aqua Utilities seems to consistently file for higher rates for all of their Florida Utilities on an annual basis. When denied, it appears that they just re-file at the next available cycle. This community does not want to have to fight higher rates every year until they get their way.

11. The Fountain Lakes HOA has tried multiple times to purchase the system at a reasonable price in order to retire it and have been rebuffed each time by the former owner who developed the community due to his high asking price. Only Aqua Utilities is willing to pay such a high price for such an old system with so many problems.

12. The Bonita Springs Utilities plant is a state of the art plant with excess capacity that produces re-use quality effluent. This would result in the resource not going to waste and probably a higher quality sludge that would also aid the environment.

13. Fountain Lakes, together with Marsh Landing, is willing to explore the creation of an MSTBU to purchase and retire the plant if it was available at a reasonable price. It is in the best interest of the customers of this utility, the environment of Lee County, and the residents of Fountain Lakes to eliminate this source of irritation and pollution.

14. Lee County commissioners have stated numerous times that it is their objective to eliminate package plants in Lee County when it is practical to do so. It is practical to do so in this case and Commissioner Ray Judah has expressed his support for the elimination of the plant.

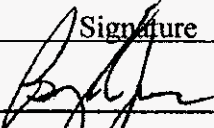



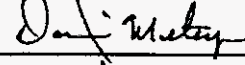
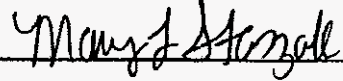
15. Aqua Utilities has provided no evidence of having done the proper due diligence to justify such a high price for such an old utility in such disrepair. At a minimum, one would expect that a Phase 1 environmental report, and probably a Phase 2, as well as some video taping of the vitrified clay portions of the sewer system would be completed.

16. The application has some inconsistent information and some blank, unsigned documents. The contracted purchase price is \$1.6 million (paragraph 1.6, Asset Sale Agreement) but the funds provided to purchase according to Exhibit "G" are \$522,000. Lee County tax collector website reflects a sale price of \$756,800.

17. Aqua completed the legal transfer of the asset prior to receiving approval from the PSC as though approval was a mere formality. The customers were notified that it was a done deal and only the due diligence of some members of the community have uncovered the reality that the PSC must approve this transfer. The manner in which it has been handled does not give members of this community that Aqua Utilities has their best interests at heart.

For all of the above reasons, we would respectfully request that the PSC deny the transfer of this utility to Aqua Utilities.

Sincerely,

<u>Name</u>	<u>Signature</u>	<u>Address</u>
Bonny Jones		30675 FORESTVIEW DR ESTERO FL 33928
Bonnie Baker		22680 FORESTVIEW DR ESTERO FL 33928
A. MARIANETTI		22681 FORESTVIEW DR, ESTERO 33928
MARTIN OBERSTEDT		22669 FORESTVIEW DR ESTERO 33928
DAVID METEYARD		22668 FORESTVIEW DR ESTERO 33928
Mary Staszak		22656 Forest View Dr, Estero, FL 33928

SUSAN SKRUCK ~~James~~ 22643 Forest View Dr ESTERO 33928

James Brown ~~James~~ 22644 Forest View Dr ESTERO 33928

JOHN JEFFREY 22631 FOREST VIEW

SHERMAN STREET 22632 FORESTVIEW DR

~~Chas. Bull~~ 22614 FOREST VIEW DR

William Couitz 22581 Island Lakes Dr

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