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State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 20, 2007
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Richard P. Redemann, Professional Engineer III, Division of Economic Regulation
RE: Docket No. 060256-WS; Application for increase in wastewater rates in Seminole County by Alafaya Utilities, Inc.

Please add to the docket file the attached letter dated July 17, 2007 from Bryan K. Gongre, Regional Manager of Alafaya Utilities, Inc. to Richard Redemann. The letter is a status report in response to Order No. PSC-07-0130-SC-SU, issued February 15, 2007 in the above docket.

Attachment

cc: Division of Economic Regulation (Fletcher, Rendell)
Office of General Counsel (Jaeger)

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ALAFAYA UTILITIES, INC.

AND AFFILIATED COMPANIES
200 WEATHERSFIELD AVENUE
ALTAMONTE SPRINGS, FLORIDA 32714

CORPORATE OFFICES:
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Northbrook, Illinois 60062
Telephone: 847-498-6440

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florida@uiwater.com

July 17, 2007

Mr. Richard Redemann
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Alafaya Utilities, Inc.
Proposed Agency Action Order No. PSC 07-0130-SC-SU
Effective Date: April 12, 2007
Quarterly Progress Report

Dear Mr. Redemann:

As regards the above referenced action, please find the following status report of those projects currently underway to assist in the delivery of reuse supply to the Utility's customer base.

Augmentation Wells

A draft purchase agreement was forwarded to the owner of the six (6) existing residential irrigation wells located within the Live Oak Reserve subdivision on May 7, 2007. The owner is reviewing the draft agreement with his legal counsel at this time. On June 5, 2007, the surveyor was told to commence his field work, then provide a legal description and sketch for each well. These will be attached to the agreement as exhibits.

The City of Oviedo

Utility staff most recently met with the City manager and his staff on June 15, 2007 to further discuss the possibility of obtaining a portion of the reuse water allocation that is assigned to the City from the Iron Bridge WWTF. The City is amenable to selling reuse to the Utility, but the City's bulk purchase cost from Iron Bridge exceeds the Utility's newly revised reuse rate making this option economically unattractive. Alternatively, the City and the Utility have discussed the possibility of the Utility providing bulk sewer service to meet the City's future needs. This option appears to be more practical, and should this discussion prove fruitful, would lead to an increase in reuse supply. The two parties have agreed to further study the issue with another meeting to occur in the near future.

Reuse Meter Installation

As of July 17, 2007, the Utility has obtained firm bids from contractors and meter suppliers to retrofit our existing residential reuse connections with reuse meters. The work is expected to be completed by the end of December 2007.

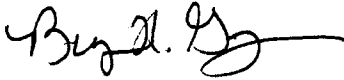
1.500 MG Ground Storage Tank Addition

All permits have been secured from regulatory and municipal agencies. The site preparation is complete including underground piping and appurtenances. The footer and slab were inspected and poured earlier this month. Vertical construction of the tank is under way as of this date. The tank will be a bolted steel structure with a dome cover. Two high service pumps have been set in place and are being piped in. The contractor anticipates a substantial completion date of August 31, 2007.

We hope the Commission finds this information satisfactory in meeting the conditions set forth in the above referenced matter. If there should be additional requests for information, please contact our office.

Sincerely,

ALAFAYA UTILITIES, INC.



Bryan K. Gongre
Regional Manager

Ec: Patrick Flynn, Regional Director