

April 1, 2009

Dear FGUA Customers,

The Florida Governmental Utility Authority (FGUA) has owned the Aloha system for just over a month and staff is moving forward with implementing the Capital Improvement Plan to address the water quality issues while improving customer service.

This Capital Improvement Plan is necessary to correct numerous water quality issues that have been experienced by customers or the Aloha Utilities over the past 16 years. A significant investment in the treatment plant and distribution systems is required.

The FGUA does recognize and understand the impact of adding additional expense during these difficult economic times. However, rate increases are necessary to resolve the black water, excessive corrosion and hydrogen sulfide odors. To help you determine what the impact of the rate increase will be to you personally, we have included a table that shows the cost under the old rates, as well as the cost under the new rates. We thank you for placing your trust in the FGUA, and we will do all we can to earn your trust. All of us here at the FGUA will work hard to keep you informed of the work that we are doing to improve your water and wastewater systems.

The bill which is enclosed is higher than what you have previously paid for water and wastewater services while being served by Aloha Utilities. This is the first bill which reflects the approved rate increase which became effective upon the sale of the systems from Aloha Utilities to the FGUA. These new rates went into effect for all service rendered after February 28th. This bill reflects ½ of a billing cycle at the old rates, and ½ of a billing cycle at the new rates.

The previous owner received approval by the Florida Public Service Commission in March of last year to raise rates by 150% and was preparing to submit additional rate increases of at least 50% to fund needed capital improvements.

The FGUA rate increase is not the same for all customers. For Seven Springs area customers using 7,000 gallons of water a month, your combined monthly water and wastewater bill will increase to \$88.57 instead of a bill in excess of \$140 each month which you could have expected if Aloha Utilities, Inc. remained the owner. If you reside in the Aloha Gardens area, your bill will increase by approximately 5%, or to \$87.90 a month for customers with the same consumption.

For the most current information on the status of capital improvements and enhanced customer services, please visit our website at www.fgua.com and click on Pasco County Systems. Again, we thank you for the opportunity to serve as your valued utility service provider.

Sincerely,



Robert E. Sheets
System Manager

Copy: John Gallagher, County Administrator
Chairman and Members of the FGUA Board
Chairman and Members of the Pasco County Commission



LEA ANN THOMAS, CHAIR
Polk County

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