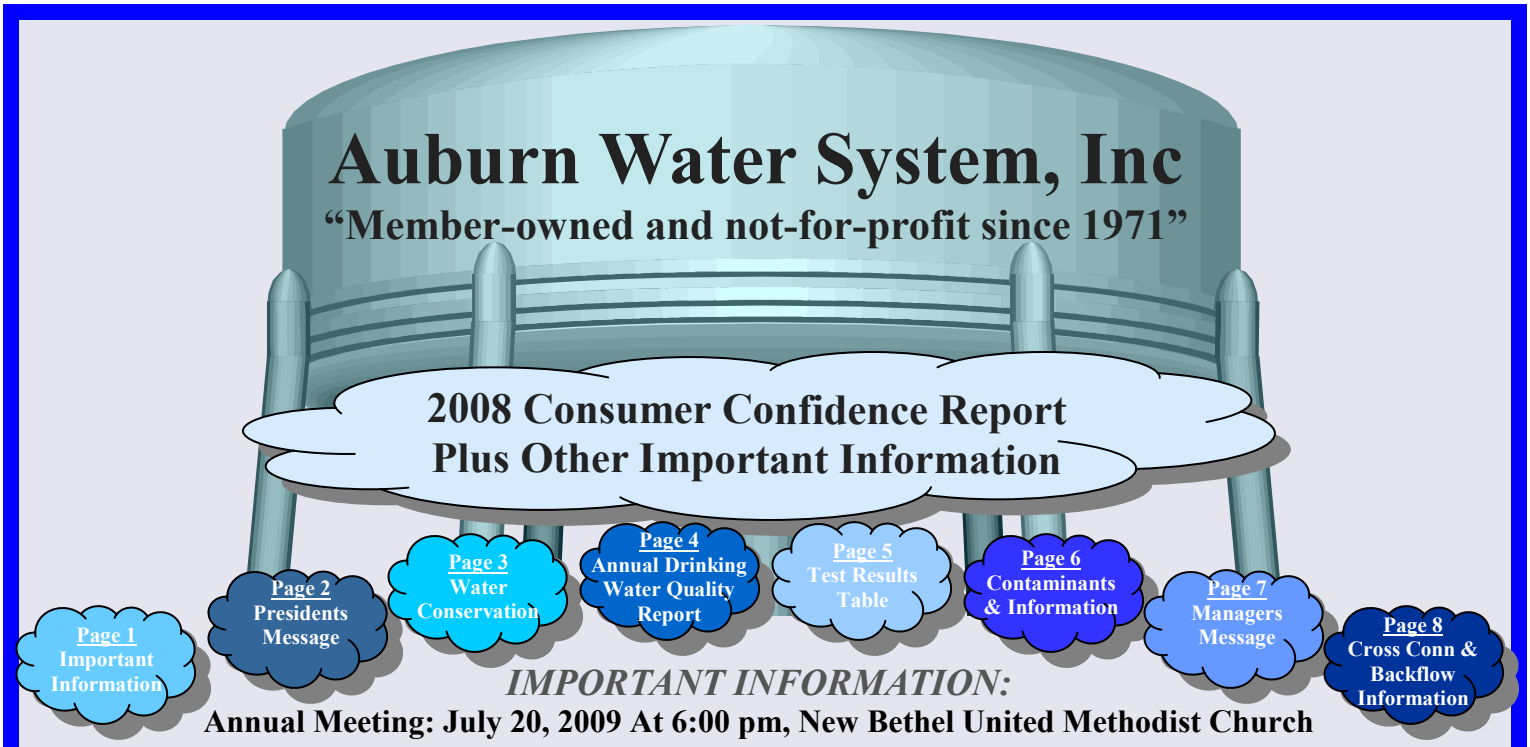
Auburn Water System, Inc

"Member-owned and not-for-profit since 1971"



2008 Consumer Confidence Report
Plus Other Important Information

IMPORTANT INFORMATION:

Annual Meeting: July 20, 2009 At 6:00 pm, New Bethel United Methodist Church

Office hours are from 8:00 am to 4:00 pm, Monday through Friday.

Holidays we are closed for: New Years Day, Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day and the day after, Christmas Eve and Christmas Day.

Our web site, www.auburnwatersystem.com, is available for information, forms, and online check or debit/credit card payments. Other forms of online payments may take up to two weeks or longer to get to us, so please give time for payment to reach us.

Reminder: Payments made on our web site may take up to 48 hours to post to your account. Reconnections due to non -payment need to be paid in person, or you may call the office to make payment. No reconnections will be performed until payment is verified. Please call if you don't receive your water bill by the 10th of the month to make sure your billing address is correct. Bills are due upon receipt. A 10% penalty will be applied after the 15th of each month. Any account with a past due balance is subject to disconnection without additional notice. If you are on the disconnect list, a reconnect fee will be applied to your account whether or not service interruption occurs. Reconnection will not occur until next business day after full balance and reconnect fees have been paid.

***The Florida Department of Environmental Protection requires all public water systems to have in place a Cross-Connection Control/Backflow Prevention Program.* One of the purposes of this program is to promote the elimination or control of existing cross connections, *actual or potential*, between the property owner's on-site potable water system (s) and non-potable water system (s), plumbing fixtures industrial piping systems, and irrigation. *The complete Backflow/Cross Connection Control Policy of Auburn Water System, Inc. is available upon request as a separate document.* Inspections are required by the Department of Environmental Protection and Auburn Water System, Inc Cross Connection Control Program on all Backflow Prevention Devises annually. Auburn Water System, Inc will be the one to provide the testing, performed by a certified technician. There is a fee for this service, which will be billed to your account when the successful testing has been completed. You will be notified if your device does not meet standards required by the code. Information and answers to some common questions are on the back of this booklet.**

When there is a loss in water pressure, either due to a broken water pipe or a scheduled outage for repairs, a Precautionary Boil Water Notice (PBWN) will be issued. In most instances members will be informed individually using a printed notice hung on the front door. The notice may be provided for broadcast from the local radio and / or television station if a large number of customers are affected.

After the water system is repaired, and the pressure is restored in the pipes to your home or business, *the Precautionary Boil water notice will remain in effect for one to several days while bacteria tests are conducted to assure the safety of the water.* The notice will be lifted (Rescinded) only after tests prove the water is safe to drink. When a small number of members are affected, the rescind notice will be delivered similar to the delivery of the boil water notice. Otherwise, the media will be provided information updates and you should listen for this important information on the radio and / or from the television.

Message From the President

Donald Cadenhead

This has been an exciting yet trying year at Auburn Water System. We have been faced with rising costs and decreasing revenues, much like all of you have experienced. We have implemented several cost cutting measures, among which are: a saving of over $28,000 a year by bidding our medical insurance program for employees; using no fee credit cards for purchases, which returns cash to our system (approximately $2,000 this year); bidding our cell phones which saved approximately $4,000 per year; we changed auditing firms, saving $15,000 a year and we continue to shop all local banks for the best rate on savings and CD's.

Since our last annual report, Auburn Water System was voted the best tasting water in Florida by the Florida Rural Water Association last summer. There are over 1600 member systems in the Florida Rural Water Association, so to say we are proud of our staff and the water we supply to our customers is an understatement. Auburn Water competed for best tasting water in the nation in Washington in April, results not available at print time. Florida Rural Water also selected our General Manager, Doug Sims, as the Manager of the Year.

Auburn Water System has been approved for a low interest loan (approximately 2.7%) from the State Revolving Fund (administered by the Florida Department of Environmental Protection). This money will allow for the re-drilling of two wells to increase our capacity to provide water, and for the possibility of constructing a new office building. Our current building started out as a converted home garage and we desperately need larger accommodations.

The Board of Directors approved a 5-year plan of seven water line upgrades, which were picked based on overall benefit to the system as a whole while serving the most people possible with the limited funds we have available. Funding for these projects come from our capital improvement funds, which are paid whenever a new water tap is sold. Unfortunately, with the building slowdown, we have had few new taps, thus funds available for upgrade have grown very little.

Some customers have asked if it were possible for them to have a fire hydrant installed (assuming the water line is adequate in size to support the hydrant). Auburn Water will install a hydrant for cost if one or more customers are interested in one. Many of our lines were installed over 30 years ago and are not adequate to support a hydrant. Approximately two years ago it was estimated it would take over eight million dollars to completely upgrade our water system.

We are very fortunate that our water comes from the Floridan Aquifer and it is of such high quality. We ask that you continue your efforts to conserve water so we will be sure of an ample supply for the future. Please see our website at www.auburnwatersystem.com for ideas on how to conserve water.

Annual Drinking Water Quality Report

2008

For Auburn Water System, Inc

Water Conservation

There are a number of ways to save water, and they all start with you.

- **These are just a few ideas to help you start. There are many more:**
- **When washing dishes by hand, don't let the water run while rinsing. Fill one sink with wash water and the other with rinse water.**
- **Adjust sprinklers so only your lawn is watered and not the house, sidewalk, or street.**
- **Run your clothes washer and dishwasher only when they are full. You can save up to 1,000 gallons a month.**
- **Choose shrubs and groundcovers instead of turf for hard-to-water areas such as steep slopes and isolated strips.**
- **Install covers on pools and spas and check for leaks around your pumps.**
- **For cold drinks keep a pitcher of water in the refrigerator instead of running the tap.**
- **Monitor your water bill for unusually high use. Your bill and water meter are tools that can help you discover leaks.**
- **Water your lawn and garden in the morning or evening when temperatures are cooler to minimize evaporation.**
- **Wash your fruits and vegetables in a pan of water instead of running water from the tap.**
- **Spreading a layer of organic mulch around plants retains moisture and saves water, time and money.**
- **Use a broom instead of a hose to clean your driveway and sidewalk and save water every time.**
- **If your shower fills a one-gallon bucket in less than 20 seconds, replace the showerhead with a water-efficient model.**
- **Collect the water you use for rinsing fruits and vegetables, and then reuse it to water houseplants.**
- **We're more likely to notice leaks indoors, but don't forget to check outdoor faucets, sprinklers and hoses for leaks.**
- **If you have an automatic refilling device, check your pool periodically for leaks.**
- **When buying new appliances, consider those that offer cycle and load size adjustments. They're more water and energy efficient.**
- **Shorten your shower by a minute or two and you'll save up to 150 gallons per month.**
- **Upgrade older toilets with water efficient models.**
- **Adjust your lawn mower to a higher setting. A taller lawn shades roots and holds soil moisture better than if it is closely clipped.**
- **When cleaning out fish tanks, give the nutrient-rich water to your plants.**
- **Use sprinklers for large areas of grass. Water small patches by hand to avoid waste.**
- **Put food coloring in your toilet tank. If it seeps into the toilet bowl without flushing, you have a leak. Fixing it can save up to 1,000 gallons a month.**
- **When running a bath, plug the tub before turning the water on, then adjust the temperature as the tub fills up.**
- **Collect water from your roof to water your garden.**
- **Rather than following a set watering schedule, check for soil moisture two to three inches below the surface before watering.**
- **Install a rain sensor on your irrigation controller so your system won't run when it's raining.**
- **Use drip irrigation for shrubs and trees to apply water directly to the roots where it's needed.**
- **When doing laundry, match the water level to the size of the load.**

Auburn Water System Inc. routinely monitors for contaminants in your drinking water according to Federal and State laws, rules, and regulations. Except where indicated otherwise, this report is based on the results of our monitoring for the period of January 1 to December 31, 2008. Data obtained before January 1, 2009, and presented in this report are from the most recent testing done in accordance with the laws, rules, and regulations.

2008 TEST RESULTS TABLE

Contaminant and Unit of Measurement	Dates of Sampling (mo./yr.)	MCL Violation Y/N	Level Detected	Range of Results	MCLG	MCL	Likely Source of Contamination
Radiological Contaminants							
Radium 226 or combined radium (pCi / l)	March 08	N	0.9	ND-0.9	0	5	Erosion of natural deposits
Inorganic Contaminants							
Fluoride (ppm)	April 08	N	0.14	0.12-0.14	4	4	Erosion of natural deposits; discharge from fertilizer and aluminum factories. Water additive which promotes strong teeth when at optimum levels between 0.7 and 1.3 ppm
Sodium (ppm)	April 08	N	6.0	2.0-6.0	N/A	160	Salt water intrusion, leaching from soil
Arsenic (ppb)	April 08	N	4.0	2.0-4.0	N/A	10	Erosion of natural deposits; runoff from orchards; runoff from glass and electronics production wastes
Barium (ppm)	April 08	N	0.023	0.003-0.023	2	2	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits

Contaminant and Unit of Measurement	Dates of sampling (mo./yr.)	MCL Violation Y/N	Level Detected	Range of Results	MCLG	MCL	Likely Source of Contamination
Stage 1 Disinfectant/Disinfection By-Product (D/DBP) Parameters							
TTHM [Total trihalomethanes] (ppb)	July 08	N	4.05	1.0-10.4	NA	MCL = 80	By-product of drinking water disinfection
Haloacetic Acids (five) (HAA5) (ppb)	July 08	N	1.82	1.5-2.8	NA	MCL=60	By-product of drinking water disinfection
Chlorine(ppm)	Jan-Dec 08	N	RAA= 1.29	1.1-1.42	MRDGL=4	MRDL=4.0	Water additive used to control microbes

Contaminant and Unit of Measurement	Dates of sampling (mo./yr.)	AL Viola-tion Y/N	90th Percentile Result	No. of Sampling sites Exceeding the AL	MCLG	AL (Action Level)	Likely Source of Contamination
Lead and Copper (Tap Water)							
Copper (tap water) (ppm)	Jun-Sept 07	N	0.26	0 OF 30	1.3	1.3	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Lead (tap water) (ppb)	Jun-Sept 07	N	3.00	0 OF 30	0	15	Corrosion of household plumbing systems, erosion of natural deposits

Annual Drinking Water Quality Report 2008

For Auburn Water System Inc.

We're pleased to present to you this year's Annual Water Quality Report. This report is designed to inform you about the quality water and services we deliver to you every day. Our constant goal is to provide you with a safe and dependable supply of drinking water. We want you to understand the efforts we make to continually improve the water treatment process and protect our water resources. We are committed to ensuring the quality of your water. Our water source is ground water from 6 wells. The wells draw from the Floridan Aquifer. Because of the excellent quality of our water, the only treatment required is chlorine for disinfection purposes.

In 2008, the Department of Environmental Protection performed a Source Water Assessment on our system and a search of the data sources indicated no potential sources of contamination near our wells. The assessment results are available on the FDEP Source Water Assessment and Protection Program website at www.dep.state.fl.us/swapp.

If you have any questions about this report or concerning your water utility, please contact Doug Sims, System Manager or Richard E. Laux, Operations Manger at 850-682-3413 or 682-1258. We encourage our valued customers to be informed about their water utility. If you want to learn more, please attend any of our regularly scheduled meetings. They are held on the third Monday of each month at 6:00 pm in the Board of Directors Room, 3097 Locke Lane, Crestview, Florida.

In the table to the right, you may find unfamiliar terms and abbreviations. To help you better understand these terms we've provided the following definitions:

Maximum Contaminant Level or MCL: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal or MCLG: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Action Level (AL): The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

"ND" means not detected and indicates that the substance was not found by laboratory analysis.

Picocurie per liter (pCi/L) - measure of the radioactivity in water.

Parts per million (ppm) or Milligrams per liter (mg/l) – one part by weight of analyte to 1 million parts by weight of the water sample.

Parts per billion (ppb) or Micrograms per liter (µg/l) – one part by weight of analyte to 1 billion parts by weight of the water sample.

Maximum residual disinfectant level or MRDL: The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum residual disinfectant level goal or MRDLG: The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Initial Distribution System Evaluation (IDSE): An important part of the Stage 2 Disinfection Byproducts Rule (DBPR). The IDSE is a one-time study conducted by water systems to identify distribution system locations with high concentrations of trihalomethanes (THMs) and halo-acetic acids (HAAs). Water systems will use results from the IDSE, in conjunction with their Stage 1 DBPR compliance monitoring data, to select compliance monitoring locations for the Stage 2 DBPR.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

(A) Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

(B) Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

(C) Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.

(D) Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, and septic systems.

(E) Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the EPA prescribes regulations, which limit the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water, which must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791.

In our continuing efforts to maintain a safe and dependable water supply it may be necessary to make improvements in your water system. The costs of these improvements may be reflected in the rate structure. Rate adjustments may be necessary in order to address these improvements.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Auburn Water System, Inc is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at http://www.epa.gov/safewater/lead.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbiological contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

We at Auburn Water System, Inc. work around the clock to provide top quality water to every tap. We ask that all our customers help us protect our water sources, which are the heart of our community, our way of life and our children's future.

Message from the General Manager

Doug Sims

The water utilities of NW Florida have formed a coalition in an effort to: provide for mutual aid where we can help each other recover quicker from a disaster; work closely to develop continuity of operations plans which will help us prepare and respond for different emergency and disaster scenarios; discuss basic and advanced operations as we attempt to have guidelines for our water systems that are similar in content and goals; review proposed legislation on the state level and provide our local delegation with input on bills which may have a detrimental effect on our customers and/or our operations.

Representatives from our office are now serving on two national committees-one from the National Association of City and County Health Officials-dealing with the National Incident Management System and the other from the Centers for Disease Control dealing with emergency response for radiological incidents. This is a planned effort to put our water system at the forefront of national decisions that affect our ability to protect and our water system and our customers.

All public water systems are required by the Department of Environmental Protection to have certified operators to operate our wells and tanks. Auburn Water now has several of our employees with this certification to assure we are never without a certified person for our system.

To help our customers avoid cutoff, we have an automated phone service which will call to let those on the potential cutoff list know of the potential for service termination and to give them a time frame to pay the bills and avoid cutoff/reconnect fees. Please call our office at 682-3413 if you have a phone number change or to verify that we have your current number.

You can help us keep our water system safe, by reporting to us at 682-3413, any suspicious activity around our wells, or if you see an illegal connection, such as a fire hose connected directly to a fire hydrant (except for fire departments).

In an effort to trim costs two years ago we approved a tank maintenance program, which provides for the cleaning and painting of our water tanks, as well as any repairs that might be needed. Agreements have been signed with several cell phone companies which provides Auburn Water with income sufficient to completely pay for the cost of the maintenance agreements.

Our website, www.auburnwatersystem.com, has been updated to work with the Firefox browser. We have made many changes to the site and invite you to visit it for information about our system, downloadable water conservation tips, system bylaws, boil water and rescission notices, service application forms, online payments, and current rates.

Cross Connection & Backflow Control Program Information

What is a Cross-Connection?

Cross-Connection is any temporary or permanent arrangement or actual or potential connection between a public water system or consumer's drinking water system and any source or system containing non-potable water or other substances, etc. One example of a Cross-Connection is the piping between a public water system and a customer's lawn irrigation sprinkler system. The most common Cross-Connection is caused by the garden hose.

What is backflow?

Back-flow is the undesirable reversal of flow of non-potable water or other substances through a Cross-Connection and into the piping of a public water system or consumer's potable water system. There are two types of backflow: back pressure backflow and backsiphonage backflow.

What can cause backflow?

Back-flow can be caused by a sudden drop in the water pressure in a public water main, which can create a sub-atmospheric condition. If a drop in pressure occurs while a hose is in a bucket of dirty water, for example, that water could backflow into the public water system, potentially contaminating the water for other users. A drop in pressure could be caused by a variety of things, including a water main break, loss of power at a pump station, etc.

What can I do to prevent backflow?

It is evident that we cannot eliminate either the occurrence of backflow nor can we prevent cross-connections from being created. We must therefore provide a means of protecting potable drinking water systems from the hazards of backflow occurrences through cross-connections.

You can prevent backflow in your home plumbing system by installing an inexpensive hose-bib vacuum breaker on each of your outside water spigots. These vacuum breakers will prevent water from being back siphoned from a polluted or even contaminated water source into your home's water pipes or the public water distribution system. These devices are generally inexpensive, and are available at most plumbing or hardware stores. Hose-bib vacuum breakers have been required by the Standard Plumbing Code since 1963.

- **Never submerge hoses in buckets, pools, spa's, tubs or sinks. They may contain harmful cleansers or dangerous bacteria.**
- **Always keep the end of the hose away from possible contaminants.**
- **Do not use any spray or cleaning attachments on your hose without a backflow prevention device on a hose. This includes pesticide applicators, portable pressure washers, drain openers and radiator flush kits. All of these devices utilize chemicals, detergents and waste water which are toxic and can be fatal if ingested.**

Why do I need cross connection control on my sprinkler irrigation system

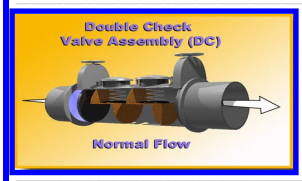
Everyone likes to feel that the potable water supply is safe and under control at all times. Unfortunately, this is not always true, and precautions are required to ensure your heath and safety.

It is a very real and constant danger that our potable water supply could become contaminated by something harmful to our heath. As a result, minor skin irritation, serious heath effects, or in some cases death may occur. For this reason Backflow Preventer devices shall be selected, installed, and maintained.

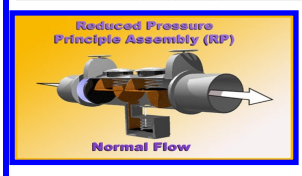
Why do I need my "Backflow Prevention Assembly" tested annually?

As with everything that is manufactured, Backflow Prevention Assemblies and Devices break or wear out. By having your Backflow Prevention Assembly tested annually, you will help to ensure that the potable water supply remains safe.

Above Ground Backflow Preventer Assembly's are field tested annually only by Auburn Water System, Inc certified technicians.



The Double Check Valve Assembly consists of two internally loaded; independently operating check valves together with tightly closing resilient seated shut-off valves upstream and downstream of the check valves. Additionally, there are resilient seated test cocks for testing of the assembly. The DC may be used to protect against a pollutant only. However, this assembly is suitable for protection against either backsiphonage or backpressure.



This RP assembly consists of two internally loaded independently operating check valves and a mechanically independent, hydraulically dependent relief valve located between the check valves. This relief valve is designed to maintain a zone of reduced pressure between the two check valves at all times. The RP also contains tightly closing, resilient seated shut-off valves upstream and downstream of the check valves along with resilient seated test cocks. This assembly is used for the protection of the potable water supply from either pollutants or contaminants and may be used to protect against either backsiphonage or backpressure.

Please do your part to ensure that everyone can enjoy the benefits of safe drinking water and ensure the health and safety of everyone.