

State of Florida



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

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**DATE:** December 11, 2002  
**TO:** Division of the Commission Clerk and Administrative Services  
**FROM:** Office of the General Counsel (Gervasi) *GS*  
**RE:** Docket No. 020640-SU - Application for certificate to provide wastewater service in Lee County by Gistro, Inc.

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Please file the attached letter from Mr. J. Fritz Holzberg, dated December 9, 2002, in the docket file for the above-referenced docket.

RG/dm

cc: Division of Economic Regulation (Brady, Redemann)

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DOCUMENT NUMBER-DATE

13559 DEC 12 8

FPSC-COMMISSION CLERK

# GISTRO INC.

A FLORIDA CORPORATION

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December 9,2002

Dear Ms. Daniel

I am sorry for the delay of my answer, of your request for additional information to my application for an Original Certificate. The reason is mostly the aggressive unethical manner of Bonita Springs Utilities and their Attorneys, in trying to get our sewer collection system in to their hands without reimbursement for it.

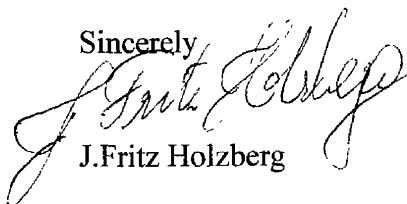
If A.B.C. means to establish the size of a facility, in this case we are C. Our land has been developed in 1984 and completed in about 1995, in 3 phases. Our total bookkeeping , from 1981 until 2 years ago has been stolen and destroyed. A lawsuit against the vandals is in Court. Please understand our situation.

We began to operate our system 7 years before B.S.U. came in to the sewer business. Bonita Springs was not incorporated yet, and there was no sewer available.

We had no choice as to go ahead and build a sewer. Now we are only interested to get our investment back, one way or an other. The water distribution system we have build and deeded to B.S.U. without reimbursement The sewer we will definitely not. give away. On July 22 2002 you have received some information from Attorney Friedmann. Here he admitted that Bonita Springs Utilities, in 1991 has elected not to go ahead and complete the deal with us. For eleven years until today , Mr. Sundstorm claims Bonita Utilities has a fully executed contract with us. B.S.U. is only treating what we are sending them, the sewerage, for 11 years. We have no contract with B.S.U. As I found out end of August 2002 that B.S.U. is not under your jurisdiction ,I understand much more their behavior.

I hope of getting closer with our obligation to complete the necessary paperwork, the staff is requesting. I am sure they will need some more . This time it want take that long

Sincerely



J.Fritz Holzberg

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COMMUNICATIONS SECTION

1. Territory and Description and Territory Map is included.

2. Noticing. Will be taking care of.

3. FINANCIAL AND TECHNICAL ABILITY.

Until 1998 the cost to run the system was provided by the original developer Gulf Construction Partnership. Since 1998 the financing was being provided by the builder of the system J.Fritz Holzberg. 2 years ago ownership has changed to GISTRO INC. CORPORATION. the financing is provided private by the owners of Gistro INC. As Gistro can not bill its customers it has no income. After granting the certificate Gistro will finally be able to finance itself and beside a little profit will be able to get in return its investment. This is actually the principal view of the P.S.C.

#### TECHNICAL ABILITY

This is in the hands of a professional company since the beginning of operation of the system.

4. NEED for SERVICE

.This question I do not understand at all. B.S.U would gladly take over our system if we would rebuild it with foreign expensive equipment and pay for it. This were the deals that were maid in Moscow in1918.

The City of Bonita Springs is not in the sewer business. As I indicated before .I did ask, They are not interested at all.

B.S.U. is the only Public Utility Service in Bonita Springs, some existing developments have their own system . All other utilities are mostly in the northern part of Lee County located.. The question of need is simply answered .I have build the sewer because there was no sewer here, there are still 180 homes to be build and they will need a sewer.

5. COUNTY COMPREHENSIVE PLAN.

The new City of Bonita Springs has been incorporated less than 3 years and is still operating under the Lee County Comprehensive Plan.. The City is in the process of adopting its own plan , but it is not yet finalized. To the best of my knowledge the wastewater service, to be provided as a result of this application, is consistent with the sanitary sewer element of the Lee County comprehensive plan.

## 6. DEVELOPMENT.

From 1984 until 1995 the access to this location was not very easy. As a wooden bridge has burnt down. This bridge was an important link of a direct connection to this development. In 1995 a new road and bridge was build and after 2 years the real estate market exploded in Bonita Springs Right at this time some body begun to, with trying an unfriendly takeover of this development. Recently ownership has changed and Bonita Springs area has sold out in lots with reasonable prices ,once the sewer situation is cleared., it will not be a problem to sell out in a relative short time.

- a. The demand for this price range is very good , interest rates very low and this lots are ready to be used. Bonita Springs is still growing fast
- b. All lines are 100% complete and all building lots can immediately be connected. The system is ready for the projected capacity.
- c. As stated above, The system is complete.

## 7. LAND OWNERSHIP.

Gistro Inc is the owner of the land for the 2, lift stations and the land for the package plant. All the lines to connect all homes to be build ,are located in the right of way, where all utilities are. Only the gravity sewer line which also connects the manholes is located underground in the center of all the roads going through the whole development

## 8. WASTEWATER TARIFF.

As required this description is separate

## 9. SYSTEM MAP.

As required this description is separate

## 10. CORPORATE STATEMENTS.

Gistro Inc.A Florida Corporation is the sole owner of the wastewater system in the Forest Mere development in Bonita Springs , South West Florida.

A balance sheet does not exist as there is no income only expenses and this are provided by the owners The only asset is the system with no liabilities.

The value of this facility can only be appraised by the number of homes to be build in this development and the price per connection and by the income if all the homes connected and serviced

The second possibility to estimate the value is by compareable connection fees and

market prices for utilities.

11 PROJECTED COSTS AND OPERATING EXPENCES.

The system has already been build and completed, and most important , paid. From the total of available homesites,159 single family and 118 multifam. 55single family homes are connected, of which about 20% are second homes. From the available 118 multi family 44 units are connected to the system. This is about 35.74% We can only give you the internal costs of running the system. As our system is connected to B.S.U. for treatment of the sewege.

- b. Maintenance monthly \$ 300.00
  - Electri power
  - parts and repairs
  - Management and
  - bookkeeping after
  - certificate issue 700.00

b. documentation and bookkeeping of our companys. From the year 1981 untill 2 years ago,Has been stolen and destroyed. A lawsuit is pending against the people responsible. The estimated values have been given to us by Gary Butler engineering.

12. CAPITAL STRUCRURE

The system did not have an income since its operation began, in 1994 the expenses were supplied by the owners untill today. The company , who owns the system has no debts or any other obligations on the system. After the company will be granted the Certificate of Authority, it will be able to bill its customers and create an income to finance the operation of the system Which is the normal way of running a business.

13. ADDITIONAL INFORMATION

- a. Water service is being provided by Bonita Springs Utilities.
- b. No steps have been taken yet to obtain the necessary data from B.S.U As

14. WASTWATE TREATMENT FACILITIES

a. Please see letter of OBJECTION TO APPLICATION .....  
Attorney Friedman to P.S.C. from July, 24,02

b. Same as a.

c. B.S.U. has signed an agreement with Forest Mere in January of 1991. As soon as they began to operate their facility, which might have been 8 or 10 months after the signing. We were told we can tap in to their force main, what we did. A few weeks later we have been informed that they can not go through with the pre agreement because our lift stations are not built to their specification. Which means they broke the agreement but claimed until the Friedman letter from July 2002 that they have a valid contract with Forest Mere that permitted them to do everything what they did, but all was wrong. They elected in 1991 not to go through with their signed agreement. In 1984 we have also completed the water distribution system and deeded it over to B.S.U. without ever receiving any reimbursement. After tapping our sewer system in to their forcemain, before they canceled the agreement, B.S.U. had all the names and addresses of the home owners in Forest Mere who were connected to the water system. They simply added to the water bill the sewer fee.

We many times requested from them at least to pay the running expenses, what they refused. On April 24, 2001 County attorney David Owen made them aware that their billing method is wrong and they should give me one bill and Gistro should bill the homeowners for sewer service. Because Gistro is the owner of the facility. Their attorney Donald Thomson did answer that B.S.U. has a fully executed contract and it is their right to do so. That was on May 23, 2001, and on July the 24th 2003 Mr Friedman is admitting that B.S.U. has elected not to go through with the agreement they have signed with us. But this has happened in 1991.

B.S.U.'s strong position is based on operating in a lawless space without a controlling Organ above them. Being in cahoots with the County and being even protected by the County is giving them all the freedom. The word ethic does not exist in their vocabulary.

d. A copy regarding this question will be included.

c. The (F.D.E.P.) Permit number was given in September 1997,  
I also found documents that development work began 1994  
1997 seems to be the begin of the sewer operation.