

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

June 30, 1999

Mr. Sherman Varney
39407 Rockford Avenue
Zephyrhills, FL 33540

Re: Docket No. 990256-WU, Application for transfer of facilities of Gem Estates Utilities, Inc. in Pasco County to Gem Estates Mobile Home Village Association, Inc., and cancellation of Certificate No. 563-W.

Dear Mr. Varney:

Per your request, I am sending a summary of our last conversation regarding the above-referenced docket. The purpose of the summary is to serve as a reminder when the homeowners association reconvenes after the first of the year as to the circumstances under which the docket has been temporarily put on hold.

At this time, there is no executed contract for the sale and purchase of the utility facilities between Gem Estates Utilities, Inc. (Gem Estates or utility) and Gem Estates Mobile Home Village Association, Inc. (homeowners association). Therefore, the application for transfer of the facilities cannot be processed. However, it is staff's understanding you have provided the sole Trustee of the utility, Ms. Hollis Malberg, with a good-faith offer on behalf of the homeowners association for the eventual purchase of the utility facilities. It is also staff's understanding that Ms. Malberg has signed an agreement to wait on any decision to sell the utility facilities until the homeowners association reconvenes after the first of next year. The delay is necessary because the plurality of homeowners required by the homeowners association's documents will not be available to vote on the good-faith offer until that time. Based on these representations, staff will revise the docket schedule until after the first of next year. Please be sure to contact staff as soon as action on the offer for purchase is reactivated.

AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG _____
MAS _____
OPC _____
RRR _____
SEC _____
WAW _____
OTH _____

DOCUMENT NUMBER - DATE

08096 JUL -6 99

FPSC-RECORDS/REPORTING

Mr. Sherman Varney
Page 2
June 30, 1999

In the interim since our last conversation, Ms. Malberg has provided the Commission with a copy of the Circuit Court order dated April 16, 1999 which removes Ms. Jacqueline R. Cahill as Co-trustee and results in Ms. Malberg becoming the sole Trustee of the Estate of Majorie Ruth Cahill, which owns the utility facilities. Also, Ms. Kathelyn M. Jacques, Assistant General Counsel for Florida's Department of Environmental Protection (FDEP), has provided the Commission with a copy of the Circuit Court Stipulated Order dated June 1, 1999 which represents the agreement between Ms. Malberg and FDEP regarding the actions necessary to bring the utility back into environmental compliance. Copies of both orders are attached for the homeowners association's records.

Finally, staff's legal counsel on the transfer docket has changed from Mr. Cleveland Ferguson (who is no longer with the Commission) to Ms. Alice Crosby. Ms. Crosby can be reached at (850) 413-6222. I remain the technical lead on the docket and can be reached at (850) 413-6686.

Sincerely,



Patricia Brady
Regulatory Analyst IV
Bureau of Policy Development
and Industry Structure

Attachments: (2)

cc: Ms. Hollis Malberg, Gem Estates Utilities, Inc.
Ms. Jacqueline R. Cahill
Division of Water and Wastewater (Redemann, Chase, Waldon, Davis)
Division of Legal Services (Crosby, Brubaker)
Division of Records and Reporting

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
IN AND FOR PASCO COUNTY, FLORIDA
PROBATE DIVISION

IN RE: ESTATE OF

MAJORIE RUTH CAHILL,

File No. 86-59CP
Division "X"

Deceased.

ORDER

THIS CAUSE having come to be heard on the Motion for Removal of Co-Trustee and the Court having noted that while it is called and Emergency Ex-Parte Motion, notice was given to JACQUELINE R. CAHILL and having heard the testimony and reviewed the Motion and taking judicial knowledge of Case Number 99-2299CA, it is hereby

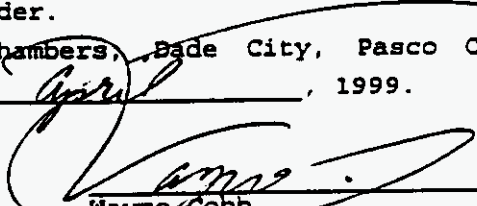
ORDERED AND ADJUDGED that JACQUELINE R. CAHILL is removed as Co-Trustee and HOLLIS MALBERG shall remain as the sole Trustee. It is further

ORDERED AND ADJUDGED that HOLLIS MALBERG shall have access to all the Trust property, both real and personal. And, it is further

ORDERED AND ADJUDGED that JACQUELINE R. CAHILL shall be required, within thirty (30) days from the date of this Order, to give a proper accounting of the Trust's assets. And, it is further

ORDERED AND ADJUDGED that JACQUELINE R. CAHILL shall turn over all of the assets of the Trust to HOLLIS MALBERG within ten (10) days from the date of this Order.

DONE AND ORDERED in Chambers, Gade City, Pasco County, Florida, this 16 day of April, 1999.


Wayne Cobb
Circuit Court Judge

Copies to:

Larry S. Hersch, Esquire
Jacqueline R. Cahill

STATE OF FLORIDA
COUNTY OF PASCO

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE DOCUMENT ON FILE OR OF PUBLIC RECORD IN THIS OFFICE. WITNESS MY HAND AND OFFICIAL SEAL THIS 20 DAY OF April 19 99

JED PITTMAN, CLERK OF CIRCUIT COURT
BY Ruth A. Hill D.C.

FILED FOR RECORD
Pasco County, Florida
99 APR 16 PM 4:09

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT,
IN AND FOR PASCO COUNTY, FLORIDA

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION,

Plaintiff,

vs.

Case No.: 99-2299-CA

GEM ESTATES UTILITIES, INC.,
JACQUELINE R. CAHILL,
AND HOLLIS MALBERG

Defendant.

STIPULATED ORDER

This cause came before me on the State of Florida Department of Environmental Protection's ("Department") Motion for Receiver and Motion for Temporary Injunction and this Court having considered the motions, stipulations of counsel, and being otherwise duly advised finds that:

1. Defendants own and operate a community water system ("System") located at 39410 North Avenue, Zephyrhills, FL 33540.
2. The Department alleges that the Defendants are operating the System in violation of Florida Statutes, and the Florida Administrative Code ("F.A.C."). These alleged violations are occurring because Defendants are failing to maintain and operate the water treatment plant in such a manner as to comply with Departmental Rules which have as their underlying purpose the

protection of the public health. Defendants' alleged violation includes failure to provide auxiliary power for the System.

3. The Defendant Holly Malberg alleges that she was not the operator at the time of the violations stated in the above referenced case.

Based on these findings and the stipulation of the parties, it is, therefore, **ORDERED AND ADJUDGED** as follows:

4. Immediately upon the date of this Order and henceforth, the undersigned Defendants shall comply with Department Rules 62-550, 62-555, and 62-560, Florida Administrative Code.

5. Within fourteen days (14) of the date of this order the undersigned Defendants shall construct a two inch (2") connection between the City of Zephyrhills and Gem Estates MHP, pursuant to the specifications described in Department Permit Number 82640-017-DS/C.

6. Immediately upon the date of this order the undersigned Defendants shall comply with the terms of Department Permit Number 82640-017-DS/C.

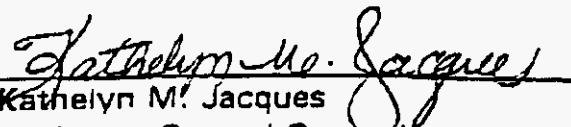
7. Within five (5) days from the date of this order, the undersigned Defendants shall pay to the City of Zephyrhills the sum total of three thousand four hundred thirty dollars (\$3,430.00), for the installation of a two inch (2") line between the City of Zephyrhills and Gem Estates MHP, and a backflow preventer. The undersigned Defendants shall immediately notify the Department of same payment.


8. Upon connection to the City of Zephyrhills, as described in paragraph 6. the undersigned Defendants shall maintain auxiliary power to the System.

DONE AND ORDERED in Chambers, this 1 day of June 1999.


Wayne L. Cobb
Circuit Court Judge

The above Stipulated Order (Case No.: 99-2299-CA) may be presented to the court for approval and signature, without any further pleading, notice, or hearing:


Kathelyn M. Jacques
Assistant General Counsel
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000
Bar No.: 0110949
(850) 488-9314


Hollis Malberg
Individually and as duly authorized
representative of Gem Estates
Utilities, Inc.

Cc: Kathelyn M. Jacques
Assistant General Counsel
3900 Commonwealth Blvd., MS #35
Tallahassee, FL 32399-3000

Gem Estates Utilities, Inc.
Hollis Malberg
39655 Elgin Drive
Zephyrhills, FL 33540