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North Fort Myers, FL 33903

ORIGINAL

Mr. D. Tyler Van Leuven
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

August 4, 2000

Docket 000277 W-S

Dear Mr. Van Leuven:

This has been another eventful week for Lee County. This morning's News Press reported that two more high-level County officials resigned in the wake of critical audit findings and ongoing investigations, into conflict of interest and questionable activities in the purchase of water and sewer companies. These multi-pronged investigations by the FBI, the Lee County Sheriff's Office, The County Clerk of Courts, the Florida Bar Association and the News Press center around the activities (or lack of activity) of the Lee County of Commissioners, North Fort Myers Utilities, Manufactured Home Communities, Severn Trent Environment Services, Gulf Utilities and such notorious characters as Public Works Director J. W. French (resigned under fire), Attorney James Garner and Attorney William Elmer Sundstrom.

The high-level officials who are trying to evaporate into the woodwork this week for "personal reasons" are Utilities Director Glenn Greer and Environmental Services Director Larry Johnson. Of course, no further information is as yet forthcoming from our ever alert County Manager Don Stilwell (beautifully coifed) and the "see no evil, hear no evil, speak no evil" Board of County Commissioners"! Can it be a coincidence that many of these officials have received so called "campaign contributions" from James Garner totaling hundreds of thousands of dollars?

Many of these people are participants in the current efforts by Manufactured Homes Communities, Inc. (MHC) to unload the Water and Sewer facilities located at Pine Lakes Country Club and Lake Fairways to the virtually bankrupt North Fort Myers Utilities, Inc., with the eventual goal of selling the utility (NFMU) to Lee County at an exorbitant and inflated price.

In the upcoming Public Service Commission Hearing (as yet undated) Docket 000277, I and the Board of Directors of the Pine Lakes Estates Home Owners Association intend to energetically resist this proposed transfer of facilities, for the financial and physical benefit of our residents, a majority of whom are either away on vacation or are "snow birds." We hope and expect to be as successful as Joe Devine, President of Buccaneer Estates Homeowners Association in his unprecedented legal victory over the combined forces of MHC, NFMU and the Lee County Board of Commissioners and I'm sorry to say the Florida Public Commission!

In closing, you will note that MHC apparently agreed with me about their lawyer, Martin Friedman, representing both FFEC-Six and NFMU. They have divested themselves of Mr. Friedman (a partner of the infamous and heretofore reticent William Elmer Sunstrom) both of whom are partners of "utilities specialists" Rose, Sundstrom & Bentley. LLP.

As always, I am forwarding this letter by U.S. Mail to Ms Blanca Bayo, Director, Division of Records and Reporting. Very truly yours,

Alexander William Varga
Alexander William Varga

CC: Leon Beekman - President, Pine Lakes Estates Home Owners Association, Inc.
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Blanca Bayo - Director, Division of Records and Reporting PSC (with enclosure)
Enclosure: News Press - August 4, 2000, "Two more top Lee utilities officials resign".

FRIDAY, AUGUST 4, 2000

Both played prominent roles in matters later criticized by department's auditors

By LEE MESSER
The News-Press

Two more high-level Lee County officials resigned Thursday in the wake of critical audit findings and ongoing investigations into conflicts of interest and

Two more top Lee utilities officials resign

questionable activities in the purchase of water and sewer companies. Environmental Services Director Larry Johnson and Utilities Director Larry Johnson and Green submitted short letters saying only that they were



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resigning for personal reasons. Their resignations are effective Aug. 4. Another man could be reached for comment. Lee County Manager Don Lee said he did not return a phone call Wednesday. Spokesman Pete Winson refused to say whether the two were forced to leave. Winson said only it was a personal matter.

Winson said he didn't want to discuss it. He also started with the county in 1992 and was making \$102,001 a year. Their resignations came

Asked why the resignations were such a surprise, they said they shouldn't be. Lee said he also started with the county in 1992 and was making \$102,001 a year. Their resignations came

Andy Coy said Silwell told him the two men were resigning and explained why. But Coy also refused to disclose why they left. Green began in 1992 and was making \$97,178 a year. Johnson also started with the county in 1992 and was making \$102,001 a year. Their resignations came

three weeks after the departure of J.V. French, who resigned his \$111,000 a year job. Press reports by The News-Press revealing by the department interest and other conflicts of

able activities in county utility deals. See RESIGNED /

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NEWS PRESS

RESIGNED: Officials had roles in utility

From Page 1A

Stilwell also felt repercussions over the utilities deals and critical audits of the utility department when commissioners decided two weeks ago not to let his \$164,000 a year contract automatically extend itself from 2001 to 2002. Commission Chairman John Albion had been pressing Stilwell for weeks to take action before Stilwell forced French to resign.

Albion said Thursday he doesn't know why Johnson and Greer quit but expects to find out.

Although French was the county's point man in utility matters, Johnson and Greer played prominent roles in matters later criticized by auditors.

French's position as one of Stilwell's inner circle began to erode after it was revealed he knew of conflicts of interest by Fort Myers lobbyist James Garner in the county's attempted purchase last year of North Fort Myers Utility but didn't disclose it.

Garner represented North Fort Myers Utility only weeks before he secretly began representing the

county in its attempts to buy the company. When Garner's role in those negotiations was revealed commissioners killed the deal.

Florida Bar officials are investigating Garner's role in that deal as is a task force of Lee County sheriff's agents and the FBI.

The News-Press reported that French helped Garner and North Fort Myers Utility force a mobile home park to shut down its sewer plant and hook into the company's plant, a move that increased the value of the utility Garner later got French to try to buy for the county.

purchase deal or monitoring operations

Johnson assisted French in the North Fort Myers Utility deal and in putting together another utility deal that auditors found cost south Lee County water and sewer customers \$16 million more than they might have had to pay.

In that deal, Garner, his client, Severn Trent Environmental Services, and Tallahassee attorney Bill Sundstrom bought Gulf Utilities for \$43 million and promised to someday turn it over to the county. They floated bonds to make the purchase and that bond debt will cost the utility's 9,500 customers \$14 million over

30 years. Lee County auditors found that if the county had bought the utility outright a total of \$16 million might have been saved on that bond debt. Garner took a \$350,000 fee for putting the deal together and Sundstrom and Severn Trent paid themselves about \$800,000 for helping put the deal together. All of those fees were paid from the bond proceeds.

Greer's role in utility matters began to be questioned last month when auditors found his department did a sloppy job monitoring a contract with Severn Trent to

operate county-owned water and sewer plants.

Stilwell claims the county is saving \$10 million by letting the company operate its water and sewer plants for the past five years. County auditors couldn't confirm that figure. But auditors did report that Greer's department hadn't acted on the company's failure to do about \$250,000 in maintenance to pumps and lift stations.

— Lee Melsek can be reached at lmelsek@news-press.com or 335-0386.