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November 4, 2000

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Dear Mr. Van Leuven:

This is in response to North Fort Myers Utilities, Inc. (NFMU) Motion for Final Order (October 24, 2000). I apologize if much of the following appears redundant to you, since, in my ignorance, I expanded on several of these topics in my "Identification of Issues" letter of October 30, 2000.

To reiterate, it is my belief that the "issues" as expressed by the PSC and/or its staff, as presented in the October 24, 2000 teleconference, appear to be implicitly biased, standardized and expressly designed to limit and proscribe a "plaintiff's" ability to present meaningful arguments against the proposed transfer of certificates by a politically powerful utility (NFMU) represented by even more politically powerful lawyers i.e., William E. Sundstrom and James Garner allied with tainted Lee County bureaucrats, (all recently resigned) J.W. French, Director of Public Works, Larry Johnson, Director, Environmental Services and A. Glen Greer, Deputy Director, and perhaps several unnamed others.

If I am permitted to continue in this proceeding, and not be squelched by NFMU's Motion for Final Order, I will introduce evidence gathered by the Lee County Clerk of Courts, Internal Audit Department - Acquisitions. (June 27, 2000), concerning three utilities and, **in part, NFMU and their recent efforts to sell their assets to the Lee County Board of Commissioners** for a deliberately inflated and exorbitant price of \$59.5 million. This was not a "good faith" offer conceived by Mr. Sundstrom and Mr. Garner.

Obviously, I will maintain that there are "genuine issues as to material facts."

1. **Financial Ability** By his own quoted testimony in this Motion for Summary Final Order, Mr. A. A. Reeves, III, acknowledges that **"from a financial standpoint North Fort Myers (Utilities, Inc.) is losing money"**. A few lines further on, he states, **"That financial statement shows a loss, but not complete.(sic) For Cash Flow purposes we're dong (sic) fairly well."**

Is "fairly well" a new accounting term, or a terminology understandable to the PSC; an arcane jargon perhaps? Does it mean a company is well into the black, slightly in the black, slightly in the red, or well into the red. A reasonable interpretation of this **"material fact" is that NFMU is losing money.** The staff and the Commission are urged to take Mr. Reeves, III at his word

As to NFMU's claim that their parent company, Old Bridge Village, will be able to bail them out in a \$4.2 million purchase that **represents 22% of their total worth** (not considering their bond and long term debt of \$13 plus millions). Old Bridge Village* is a modestly sized manufactured home community of 650 very moderately priced homes, with a scheduled buildout to 750 homes. As sales efforts and construction are still going on...it seems doubtful that they would have the extra cash or credit to reasonably finance this major purchase. Undoubtedly there are other entities that might want to finance this deal, however, I believe that their identities should be made public in advance, in the public interest. We should have the assurance that the backers of this sale are forthcoming, secure and legitimate. *(Note: My previous letter (10/30/00) had a typo; this park consists of 155 acres, not 115).

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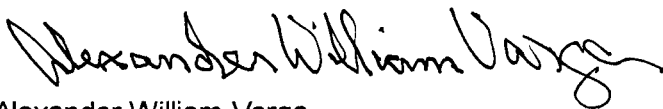
2. **Technical Ability** While NFMU may be considered to have the technical "ability" to maintain the MHC Systems, Inc.'s wastewater plant, their recent **intent and performance may not have been considered in the public interest**. Between March 8, 2000 and August 10, 2000, when they signed a Department of Environmental Protection (DEP) Consent Order, they did **presumably, operate the wastewater plant in violation of several DEP rules**.

I believe that NFMU should be **required to provide the PSC with a schedule of the repairs made** and the dates when various violations were eliminated. Some of these violations may have continued to result in thousands of gallons of water, contaminated by solids and fecal matter, being **discharged in the percolation ponds and on the Pine Lakes Golf Course**. This possible exposure of many **susceptible elderly residents**, to potentially dangerous levels of coliform bacteria, which may include **Echerichia coli and Salmonella** indicates a callous disregard for health, life and public safety or "**The Public Interest**", as the staff likes to say.

According to the DEP, all of the violations enumerated in the August 10, 2000 consent order have been repaired, however, on **October 16, 2000**, the newly repaired chlorine contact tank "**sprung a leak or burst**" spilling an unknown number of gallons. **How's that for "Technical Ability"**.

Since these two issues seem to be all that the staff wishes to consider, I rest my case. Thank you

Very truly yours,



Alexander William Varga

cc: Leon Beekman - President, Pine Lakes Estates Home Owners Association, Inc.
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