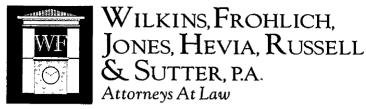
ORIGINAL

Gary L. Wilkins W. Cort Frohlich* Phillip I. Iones** Jesus M. Hevia*** W. Kevin Russell Brian O. Sutter**** Louise Hanaoka Catherine Douglas*** John B. Mizell***** Brian M. Beason James D. Gordon



Main Office 18501 MURDOCK CIRCLE, 6th FLOOR PORT CHARLOTTE, FL 33948-1039 PHONE (941) 625-0700 FAX (941) 625-9540

EMAIL: wilkins@wilkinslaw.com www.wilkinslaw.com

NORTH PORT OFFICE 14295 S. TAMIAMI TRAIL NORTH PORT, FL 34287 PHONE (941) 429-1871 FAX (941) 429-8961

EMAIL: www.wilkinslaw@sunline.net www.wilkinslaw.com

REPLY TO:

February 12, 2004

- * FL Bar Board Certified Civil Trial Lawyer
- ** Also Admitted in Colorado
- *** Certified Family Mediator
- **** FL Bar Board Certified Workers' Compensation Lawver
- ***** Also Admitted in RI & Mass.
- ** FL Bar Board Certified Wills, Trusts & Estates

VIA FEDERAL EXPRESS

Ms. Blanca Bayo Commission Clerk and Administrative Services Director Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

Re:

Docket No. 020745-SU

Application of Island Environmental Utility, Inc.

Dear Ms. Bayo:

Enclosed please find for filing in the above-referenced docket, our Prehearing Statement of Little Gasparilla Island Property Owners Association, Inc. 1 have enclosed the original and fifteen (15) copies for filing. Thank you for your assistance in this regard.

Very truly yours,

WILKINS, FROHLICH, JONES, HEVIA, RUSSELL, HANAOKA & MIZELL, P.A.

W. Kevin Russell

WKR:nle MOC

ECR 3CL OPC **IMS** **Enclosures** cc. Linda Bamfield Ronald Koenig

> Janette Knowlton, Esq. Rosanne Gervasi, Esq. Martin Friedman, Esq.

Island Environmental Utility, Inc.

client

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: APPLICATION FOR CERTIFICATE TO PROVIDE WASTEWATER SERVICE IN CHARLOTTE COUNTY

Docket No. 020745-SU

PREHEARING STATEMENT OF LGIPOA

Intervenor, Little Gasparilla Island Property Owners Association, Inc. (LGIPOA), in compliance with the requirements of Order No. PSC-03-0485-PCO-SU issued on April 14, 2003 hereby submits its Pre-Hearing Statement for Docket No. 020745-SU.

A. APPEARANCES

W. Kevin Russell, Esq.
Wilkins, Frohlich, Jones, Hevia, Russell,
Hanaoka & Mizell, P.A.
14295 South Tamiami Trail
North Port, FL 34287

B. WITNESSES

LGIPOA proposes to call the following witnesses to offer testimony on the Issues in this docket:

Direct Witnesses

Craig Reitz, Past President of LGIPOA Elliot Kampert, Charlotte County Natural Resources Manager for the Environmental Services Department

LGIPOA reserves the right to call additional witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony, and witnesses to address issues not presently designated that may be designated by the Prehearing Officer at the Prehearing Conference to be held on April 7, 2004.

C. EXHIBITS

- A. Map(s) [some may be composites] (Kampert)
 - 1. Map of barrier islands showing existing water and wastewater service areas.
 - Map showing Charlotte County's Urban Service Area and Infill Areas.

B. Documents and Reports

1. Policy 9.1.4 of the Infrastructure Element of Charlotte County's 1997 Comprehensive Plan.

LGIPOA reserves the right to use demonstrative exhibits and to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and rules of this Commission.

D. STATEMENT OF BASIC POSITION

As of this time, the provision of central wastewater services is not consistent with the current policies of the 1997 Comprehensive Plan, particularly Policy 9.1.4 of the Infrastructure Element, which limits utility services to areas within the Urban Services Area, and in particular the Infill Areas.

E. LGIPOA POSITION ON THE ISSUES

ISSUE 1: Can the public be adequately served by modifying or extending a current wastewater system?

LGIPOA: No, because of the unique, primitive nature of the island, the lack of roads or other public right-of-ways or easements the public cannot be adequately served by extending sewer service to LGIPOA.

ISSUE 2: Does IEU have the financial ability to serve the requested territory?

LGIPOA: Based upon experience with a related entity to the applicant, LGIPOA does not believe IEU has the financial ability to serve the requested territory. In 2000, Little Gasparilla Water Utility (LGWU) sent letters to property owners on LGI informing them of his intention of extending his water service and requesting \$500.00 deposits for future water service with a stated completion date of June 30, 2001. If this completion date is not met then all deposits would be refunded with 5% interest. As of November 2003, over two years after the stated completion date, no water service has been provided to those property owners who forwarded deposits. In addition, despite requests for refunds of deposits by residents from LGWU, no refunds have been given by LGWU.

ISSUE 3: Does IEU have the technical ability to serve the requested territory?

LGIPOA: No. Currently the only experience the IEU can exhibit is that of the Little Gasparilla Water Utility (LGWU). This utility has been repeatedly cited virtually every quarter since 1997 for violations by the DEP for cleanliness, back up service and lack of properly certified operating staff. Each DEP report indicates the LGWU has not made attempts to correct these violations. There is no reason to believe that the creation of an additional utility under the same management will provide any better technical ability to operate a dependable wastewater system in the Service Area and it may actually create a greater danger to the Gulf of Mexico and Lemon than exists today.

The LGWU has repeatedly failed to provide service to its customers and has numerous and continuous complaints from existing customers. Several LGI

residents have complained that LGWU has, without permission, run its water lines through private property. LGWU's contractor has damaged both phone, electrical and existing water lines leaving island residents without phone, power or water service.

The owner of LGWU and now President of the IEU was arrested on April 29, 1996 for illegally and secretly tapping into the water system that supplies the State Park on Don Pedro Island in an attempt to gain adequate water for LGWU. This case was cited as a Criminal Mischief – Felony and Trespass/Larcency, 1st Degree Misdemeanor and assigned Charlotte County Case No. 96 3B 5154 093096.

Further, because this utility would not be in compliance with the Charlotte County Comprehensive Plan, Charlotte County, by law, would be precluded from issuing permits for construction of the collection system.

ISSUE 4: Has IEU contracted for sufficient wastewater plan capacity to serve the requested territory?

LGIPOA has no position on this issue.

ISSUE 5: Is it in the public interest for IEU to be granted a wastewater certificate for the territory proposed in its application?

LGIPOA: No, for the reasons stated above and the fact that the system, if built, will only allow greater density on the island the public interest will not be served.

ISSUE 6: What is the appropriate return on equity for IEU? LGIPOA has no position on this issue.

ISSUE 7: What are the appropriate wastewater rates and charges for

IEU?

LGIPOA has no position on this issue.

ISSUE 8: What are the appropriate service availability charges for IEU?

LGIPOA has no position on this issue.

ISSUE 9: What is the appropriate allowance for funds used during

construction (AFUDC) rate for IEU?

LGIPOA has no position on this issue.

F. STIPULATIONS

No issues have been stipulated to at this time.

G. PENDING MOTIONS

LGIPOA is not aware of any pending motions or other matters.

H. <u>OTHER REQUIREMENTS</u>

In light of the fact that IEU has just filed a Restated Application for Original Certificate, LGIPOA reserves the right to amend this statement in response to the Restated Application.

Respectfully submitted,

W. Kevin Russell, Esq.

Wilkins, Frohlich, Jones, Hevia, Russell, Hanaoka & Mizell, P.A.

14295 S. Tamiami Trail North Port, FL 34295

Telephone: 941-429-1871 Attorneys for LGIPOA

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U.S. Mail this ______ day of February, 2004:

Martin Friedman, Esquire 600 S. North Lake Boulevard Suite 160 Altamonte Springs, FL 32701

Rosanne Gervasi Senior Attorney Public Service Commission Capital Circle Office Center 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Ronald A. Koenig 8006 Lago Vista Drive Tampa, FL 33614

Linda Bamfield P. O. Box 5063 Grove City, FL 34224-0063

Island Environmental Utility, Inc. 7092 Placida Road Cape Haze, FL 33946-2501

Janette Knowlton, Esquire Charlotte County Attorney's Office 18500 Murdock Circle Port Charlotte, FL 33948-1094

W. Kevin Russell Esc