

09 0093-WS

COMMISSIONERS:
NANCY ARGENZIANO, CHAIRMAN
LISA POLAK EDGAR
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL
S. CURTIS KISER
GENERAL COUNSEL
(850)413-6199

Public Service Commission

June 4, 2010

FPSC, CLK - CORRESPONDENCE
Administrative Parties Consumer
DOCUMENT NO. 089 10-09
DISTRIBUTION: _____

Dr. and Mrs. John Voorheis
3420 Wormer
Waterford, MI 48329

Re: Docket No. 090093-WS - Application for approval of transfer of Keith & Clara Starkey d/b/a Heather Hills Estates' water and wastewater utility, holder of Certificates 577-W and 498-S, to Heather Hills Estates Utilities, LLC, in Manatee County.

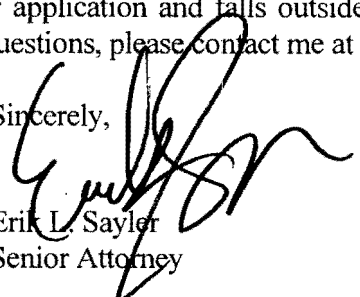
Dear Dr. and Mrs. Voorheis:

Thank you for copying the Commission on your letter dated May 15, 2010. The Commission will review the application to transfer in this docket to make sure it comports with the requirements set forth in both Florida Statutes and Commission rules regarding transfers.

Regarding the costs for any system upgrades, such as valve repair work and new meters, those costs are born by the utility for the time being. To recovery any of those costs in rates, the utility would need to apply for a rate increase or a limited proceeding at some future date. When that happens, all those costs would be thoroughly evaluated and the Commission would make a determination whether those costs would be included or disallowed. However, the Commission does not evaluate those costs during a transfer application and if this transfer is approved, your rates will not be affected at this time.

Regarding the court action about the legality of the assessments charged by Heather Hills park, that is a matter separate from this transfer application and falls outside of the Commission's jurisdiction to evaluate. If you have any further questions, please contact me at 850-413-6084.

Sincerely,


Erik L. Saylor
Senior Attorney

ELS:th

cc: Steve Reilly
Office of Commission Clerk
Chairman Argenziano

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2010
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Stephen C. Larson, Assistant to Chairman Argenziano
RE: Correspondence in Docket #090093-WS

Please place the attached letter in the above noted docket file (Docket Correspondence - Consumers and their Representatives).

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08970-09		
DISTRIBUTION: _____		

RECEIVED-FPSC
10 MAY 24 AM 9:33
COMMISSION
CLERK

May 15, 2010

Chief Counsel
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400

✓
Nancy Argenziano, Chair
and Commissioners of
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850

RE: Docket No. 090093-WS- A response to Rick and Chris Stephens' April 16 letter about the utility transfer request for Heather Hills Estates (HHE) subdivision.

On April 4, 2010, Steve Reilly presented and discussed with over 200 rate payers the requested transfer of the pass through water/sewer utility owned by Keith and Clara Starkey. Mr. Reilly provided an excellent professional overview of the Public Service Commission, the Office of Public Counsel, what the transfer means, what other rate payer groups have done and the advantages/disadvantages of possible alternatives available if the transfer isn't approved and the Starkeys are willing to sell. The past President, of the HHE Property Owners Association, as an individual, suggested an alternative of a Co-op. This year, he was involved with the successful acquisition of the Heather Hills Golf Course by a newly formed Co-op.

A rate payer asked, "Who was told by the Stephens of other options for the rate payers other than the Stephens owning the Utility?" No one raised their hands. The Stephens approached social groups such as card players and bingo players to sign their petition. Office visitors were also asked to sign. Most signed as a courtesy and didn't think they had an option. The Stephens clearly stated that the Starkeys will only sell to them and they already have the deed to the utility in their name. Many individuals signed more than once. Way less than half of the potential 500 individual signatures were obtained.

The April 4 meeting became dominated by a small group of about 5 people. This group consisted of HHE rental property owners, a real estate agent, and a real estate investment business owner. All have financial interest in HHE and/or are very close friends of the Starkeys/Stephens. They don't represent the interests of the majority of rate payers. Please note the utility office is located in the Stephens' Real Estate and Recreation Business office. All 3 businesses appear to be operationally mingled.

When deficient business practices and skills of the Starkeys/Stephens were presented this small group used distractions including insults, jeers, noise, and other discourtesies. We personally hesitated to speak because of verbal attacks we have received. Darrell Gilbert, who owns several rental properties in HHE, put down Jan because she expressed concerns about the business practices of the Starkeys and/or Stephens such as 1) not following the Drinking Water Systems Manual. 2) Charging fees that were not approved by the PSC 3) ignoring discontinuance of service requirements 4) ignoring annual consumer information rules and 4) not having a water meter installed in the Recreation Business until 2005.

The Starkeys/Stephens appear to only comply with consumer protection rules when a complaint is filed with the PSC or other government departments and a deadline is given. Having the Starkeys train the Stephens is a concern. The Starkeys neglect of the system and rules sets a bad example for the Stephens. Up until March 2010, the Starkeys/Stephens shut down the complete system to do repairs. The isolation valves were not operational because they were not used, exercised and maintained. The meters were not replaced systematically over the 30 years the Starkey owned the utility. As a matter of fact in early 2009 most, if not all, of the meters were over 40 years old.

In March 2010 before 100 rate payers, the Stephens promised that as utility owners they will never charge as much as Manatee County Utility would charge. However, the Stephens plan to be reimbursed by the rate payers for the recent isolation valve repair work and new meters. If maintained by the Starkeys this expenditure would have been spread over a 30 year period. Aren't the Starkeys and not the Stephens responsible for expenses accrued up to a transfer? **If the transfer is approved please require that all expenses accrued, up to the date of transfer, are paid by the current owners the Starkeys.**

The meeting room was only available for 2 hours. Mr. Reilly graciously offered unlimited time to answer individual questions after the meeting. Time wasn't available during the scheduled meeting to discuss financial resources available to support the utility. The Stephens' major resource comes from the \$200,000 mandatory Assessment for the use of the recreation area. A Manatee Circuit Court Case No.41 2009 CA 011491, funded by over 85 HHE rate payers, will likely prove this Assessment illegal. The Stephens' profit making Recreation Business's purported "Restrictions/Assessments" started extinguishing/ lapsing in 1997 and attempted "Extensions" do not fulfill the requirements of Chapter 712, Florida Statute. Within the year, the legality of the Assessment will be determined by the court. **It would be prudent not to approve the transfer until the judge rules.** It appears the Starkeys aren't in a rush to sell since the Stephens say they will only sell to them. Perhaps the Stephens will not want the utility and/or can not afford to manage and maintain the utility if the judgment states the \$200,000 annual Assessment is not legal.

We commend Mr. Reilly for listening patiently to all HHE rate payer concerns and clearly explaining the current request and the future of the utility that serves our subdivision.

Your consideration of the above is appreciated.

Respectfully,



Dr. and Mrs. John Voorheis
Heather Hills Estates subdivision
Rate Payer to the Utility Owned by Keith and Clara Starkey
Managed by Rick & Chris Stephens

PS: Please place this in the correspondence file of Docket 090093-WS.

090093

May 12, 2010

Office of Public Counsel
Chief Counsel
111 West Madison
Room 812
Tallahassee, Florida 32399

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Consumer~~
DOCUMENT NO. 08970-09
DISTRIBUTION: _____

RECEIVED-PPSC
10 MAY 20 PM 12: 26
COMMISSION
CLERK

RE: Heather Hills – Docket #090093 WS

Today I received a copy of a letter written by Mrs. Chris Stephens, dated April 12, 2010, regarding a meeting held in the clubhouse to discuss the water transfer for the privately owned utility serving Heather Hills Estates. This meeting was held on March 4, 2010 and though Mrs. Stephens acknowledges that she and her husband DID NOT attend this meeting, she writes a two page letter referencing what she understands took place during that meeting. In spite of the many times the reason the Stephens were not able to attend this meeting were stated, in that Mr. Reilly was acting as a representative of the interests of the utility users and wanted them to be free to discuss the issues at hand, Chris Stephens still misrepresents this vital piece of information.

Steve Reilly attended this meeting in an effort to discuss with the residents of Heather Hills this vitally important water transfer in an atmosphere of safety for them, free of ramifications of harassment and penalty if they questioned or expressed any detail that was not favorable to the past, or perhaps new owners of the utility. After his introduction, he attempted to discuss this transfer and was immediately attacked by Mr. Gerry Norton, who, in my opinion, vehemently scolded him for even discussing options in regards to possible directions a transfer can take. After this confrontation, those who are supporting the Starkey/Stephens point of view (five by my count) ambushed the meeting to give lengthy accounts of why this transfer should be granted. The large audience listened without interruption, however, when those opposing this transfer attempted to speak, they were loudly shouted down. It appears to me that any time we have a meeting, those who behave arrogantly by interrupting and shouting insults take over the floor and the senior community becomes intimidated and many times chose to avoid the stress and leave the meeting. This has happened two times within a short period of time this year in Heather Hills.

I write this letter from a perspective of someone who DID attend the meeting, and also from the point of being the person who was ASKED by many of my neighbors to represent the seniors who were opposed to this transfer, and know firsthand the experience of being personally attacked, insulted, and harassed by the Starkeys/ Stephens. For almost fifteen years my husband and I have supported, worked with, and contributed to this lovely community. We were at one time honored for our contributions by the Starkeys. However, once we actively became involved with attempting to become resident owned community, something the Florida State Statutes protect, we have become the targets for much abuse. This senior community has paid handsomely for the one and only benefit provided by the owners of the clubhouse; the USE of the clubhouse for community activities. The assessment that has been collected by the owners over a period of more than forty years has provided millions of dollars in reward for the clubhouse owners AND the same utility owners. Now that they are in their eighties, they have sold to a much younger set of owners who hope to collect many more millions from the present and future senior owners in Heather Hills. There has to be an end to the enrichment of these owners at the expense of this senior community. If this utility transfer is permitted, the commission will give to this much younger and

energetic couple the ability to profit without control and make those of us who live in Heather Hills now, and in the future, victims of a FOR PROFIT ONLY scheme that could last for many years.

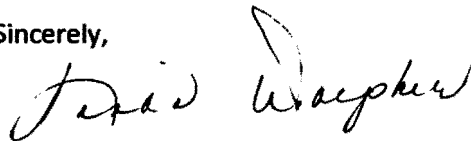
We are extremely grateful for the professionalism of Mr. Reilly and his attempts to represent those of us in this serious predicament. He maintained his gracious attitude of inclusiveness, and attempted in a very confrontational atmosphere, to operate the meeting in a civil and safe manner. I applaud his efforts and am grateful for his expertise during this stressful time. His efforts were, and are appreciated by those of us who are attempting to protect our community. Please remember we have many seniors who are alone, in a state of frail health, and on limited incomes. They cling to those of us who attempt to stand for those who are not able to step forward at this time in their life journey.

May I take this opportunity to tell you that I am not the ONLY resident in opposition to the Starkeys/Stephens and their efforts to control and profit without limits from our park community. By the huge attendance at the meeting I called on March 4, it is obvious there is a great number supporting this endeavor, or at the very least, extremely interested in how this transfer will affect them. I read where Mrs. Stephens referenced those who signed a petition. It is my understanding there are several duplicate names and many who signed under false impressions, or who were asked to sign while attending association activities and were too uncomfortable not to sign with Mrs. Stephens standing there. My guess is there may be a far larger majority who are not supportive of the Starkey/Stephens position, but are fearful of becoming the object of attacks such as those that are now directed at me. I am answering a call to represent those who are not able to withstand the onslaught of verbal attacks that occur when you go against management in Heather Hills. This has not been an easy task. Most of us at this point in our lives would not chose this effort, and I would have been pleased if I had not been called on to help. All of us involved are hoping for a fair result to this issue.

We are asking that you understand the efforts of the Starkeys/Stephens are coming from the prospective of those who are profiting from these circumstances; the clubhouse and THE UTILITY. We are coming from the prospective of those who are being asked to continue to be those who provide the profit, without the benefit of having a voice of how or when, or for how long this can be sustained without end, AT OUR EXPENSE.

Please consider this issue and the consequences for our community, with great and serious deliberation. Thank you.

Sincerely,



Mrs.Linda Doepker
Heather Hills
303 50th Avenue Plaza West
Bradenton, Florida 34207
941-753-7357
OHIO
763 Treat Blvd.
Tallmadge, Ohio 44278
330-633-2213

COPY TO: Florida Public Service Commission
2540 Schumard Oak Blvd.
Tallahassee, Florida 32399

***Please place this letter in the correspondence file of
Docket #090093-WS

DISTRIBUTION CENTER

09 AUG 31 AM 8:01

William A. MacCannell, M.D.
113 50th Ave. Terrace W.
Bradenton, FL 34207

August 24, 2009

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

CONSUMER

RECEIVED-FPSC
09 AUG 31 AM 9:32
COMMISSION
CLERK

RE: Docket No. 090093-WS

To Whom It May Concern:

I understand that a resident of Heather Hills Estates has recently written to your department questioning the abilities of the present owners of the amenities of Heather Hills, Rick and Chris Stephens, to have the Heather Hills Estates Water and Wastewater Utility system transferred to them.

My wife and I are full-time residents of Heather Hills since 2002. The management of the Heather Hills amenities and water system by Keith and Clara Starkey has been consistently excellent and this continues to the present time. I have known the prospective buyers of the water system, Rick and Chris Stephens, for the past 2 years. Rick and Chris Stephens are an outstanding couple with excellent business and management skills and experience. They are friendly, gracious, and highly intelligent, always working to maintain and improve the Clubhouse and surrounding property. Their enforcement of the rules and regulations benefits all of the residents making this a wonderful place to live.

In that Rick and Chris Stephens have done such an outstanding job as noted above, then it stands that they would be excellent owners of Heather Hills Estates Water and Wastewater Utility system.

Sincerely,

William A. MacCannell, M.D.

William A. MacCannell, M.D.
(941)751-4332
wmaccannel@aol.com

W. A. MacCannell, M.D.
113-50th Avenue Ter W
Bradenton, FL 34207-2740

DOCUMENT NUMBER-DATE

08970 AUG31 8

FPSC-COMMISSION CLERK

Katie Ely

090093

From: Ruth McHargue
Sent: Friday, May 22, 2009 3:51 PM
To: Katie Ely
Cc: Dorothy Menasco; Ann Cole; Cheryl Bulecza-Banks
Subject: FW: {BULK} Heather Hills / Docket #090093 Starkey/Stephens Transfer
Importance: Low

Please add to docket file.

From: DOECOTTAGE@aol.com [mailto:DOECOTTAGE@aol.com]
Sent: Thursday, May 21, 2009 1:06 PM
To: Consumer Contact
Cc: reilly.steve@leg.state.fl.us
Subject: {BULK} Heather Hills / Docket #090093 Starkey/Stephens Transfer
Importance: Low

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 08970-09		
DISTRIBUTION: EUR GLL		

Florida Public Service Commission
 3540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0850

RE: Docket #090093

Application for approval of transfer of Keith & Clara Starkey d/b/a Heather Hills Estates
 Certificate 577-Wand 498-S, to Heather Hills Estates Utilities, LLC in Manatee County

To Whom It May Concern:

I am writing this letter to express my deep conviction that this transfer will be extremely costly and detrimental in many ways for the residents of our mobile home subdivision. Please review my letter of July 28, 2008 written to the FPSC regarding the previous attempt to transfer this same outdated and poorly maintained water system to Ni America/Ni Florida last year around this same time period. At that time the price to Ni Florida was **\$277,500.00** and interestingly it has dropped to **\$123,000.00** about seven months later. My understanding is the system is valued at less than **\$1,000.00**. In my opinion, the two contract prices for the transfer of this low valued system should be enough to bring questions about the games being played by Keith and Clara Starkey.

My husband and I have been seasonal residents of Heather Hills for thirteen years and have been very active members of our property/homeowners association and are familiar with the antics of the Starkeys with respect to the residents of our park. I feel the only concern for our wonderful people has been the payment of assessments. We have found ourselves the subject of legal action over the last five years that has been relentless and, at times, brutal, not to mention the extreme amount of money we spent in an effort to defend ourselves in the law suits filed by the Starkeys against the association. If you refer to my letter of July 28, 2008, you will gain some knowledge of the history of this situation.

My motive for writing today is to ask you, to request with extreme seriousness, that you review this current transfer in great detail. The residents once again find themselves to be at the mercy of the owners of a clubhouse that is over 40 years old (which should indicate my concern for it's present day condition) and a shuffleboard court (which the association members maintain). They DO NOT own the land in the park. The homeowners own their land. The Stephens have contracted with the Starkeys to buy ONLY the small amount of land the clubhouse and shuffle board courts occupy. Please, PLEASE, consider the amount of indebtedness this entails for the Stephens. Their financial statement indicates a hefty amount of personal debt in addition to the debt for the purchase of the amenities of Heather Hills. Now they come with another huge personal debt to the Starkeys to request this water utility transfer. It has been stated they intend to use the knowledge they gain from the Starkeys in managing this system. This sets off loud alarm bells for the residents. The Starkeys

5/22/2009

for years shut down the entire park to make repairs, without any notification or alerts to boil the water. We have had only two shut down notices for the frequent repairs that have been needed since we have lived in Heather Hills. How can this possibly be a safe way to manage a water system for a community of seniors? In addition, the testing of the water quality only began recently. The Starkeys operated under the radar for over 35 years! The FPSC apparently was not aware that this system even existed! Please understand how very much this concerns our community.

I also have much concern over the Stephens ability to manage the required time it takes to own and operate Heather Hills Estates, not to mention the addition of Heather Hills Utilities, along with their full time jobs, family obligations, and personal time commitments. All of us are given only 24 hours a day, seven days a week. There comes a time when you must recognize there is only so many things you can fit into that time frame. If there is any area that would be given the short side of their commitments, do you understand why many of us suspect that Heather Hills will be the area of slack? At this point in time, the residents are not allowed to even ask questions regarding the park. If they should go to the office (during the short time it is staffed) and request information, they are given the Stephens attorney's card, and told they can pay for answers if they want them. Or, as in my own personal experience, they are ordered out of the office with emphasis. Is it any wonder we doubt this transfer will be to our benefit? The Stephens can hardly ignore their full time paid positions or their families. This community will most likely be the area that gets ignored to the point of failure. If a water line breaks, and there is no one available to attend to it, who suffers? The Stephens are simply the next generation of middle man that we must pay to have a water system, that to the best of my knowledge, has been ignored (I understand that at one time Keith Starkey was ordered to replace all the meters in the park, twenty five a year until they were all replaced - that never happened) and only maintained at the barest of minimums. In my opinion it has always been about the money. Making a profit. While profit is not a bad thing, if the county operated our water system (and our water is obtained from the county) we would not be subjected to this haphazard way of running this system, plus we could eliminate the costs passed on to us simply to bring more profit to the owners of the amenities and the utility. This is NOT a good system for us as rate payers for this utility. Surely we are entitled to have a water utility ran by professionals who understand the task, and not merely someone who obtains the utility for their own financial gain.

I ask sincerely that you review this request for transfer with a fine tooth comb. Please ask yourselves if it were your home, or your parents place of residence, would you want this kind of system for your drinking water? Would you want something so vitally important ran by novices who have no formal training, who take this business on to make a profit? Why should the Starkeys be able to determine the value of this system only by what someone is willing to pay? Demand to see their receipts and proof of their claimed expenditures. The value of this system should be carefully determined. Our welfare is at stake. Our lifestyles and wallets are virtually under attack by park owners who have only one consideration, their personal gain. It is very obvious to me that neither the Starkeys, in their years of running and NOT maintaining this system, and now the Stephens who are not knowledgeable in this area and will be operating the system on a need to know basis at what could be to our detriment, have not been concerned about our community in the past, and apparently not in the future. Please consider that our senior life styles will be greatly affected by your decisions.

Thank you for your review of this transfer. Please consider every issue that may bring serious ramifications to each of us as residents of Heather Hills.

Sincerely,

Linda Doepker
303 50th Avenue Plaza West
Bradenton, Florida 34207
941-753-7357

763 Treat Blvd
Tallmadge, Ohio 44278
330-633-2213

Huge savings on HDTVs from Dell.com!

5/22/2009