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North Fort Myers, FL 33903

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

2000

July 17, 2000

Docket 000277 W-S

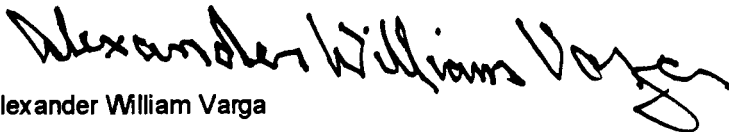
Dear Mr. Van Leuven:

Yesterday, NFMU again made the headlines. This time, through the intercession of Mr. Gamer and Mr. Sundstrom, the public (9,500 customers) were compelled to pay \$16.3 million in excess bond debt. Of course, the Lee County Commissioners were oblivious, as usual, to what was happening. While they dozed, Gamer, Sundstrom and others profited by hundreds of thousands of dollars in yet **another** questionable utility deal. Can any reasonably intelligent person attribute all of these propitious events to be coincidence... or dumb luck? Or perhaps a sinister conspiracy? What will the Public Service Commission think? More importantly, What will they do about it?

In another matter, while examining The PSC website, Docket 000277, I noticed that some entries in the docket are still being identified as being posted by "The Rose Law Firm". As I have previously requested, I would like to see this firm identified by its full and legal designation, i.e. Rose, Sundstrom and & Bentley, LLP. This is according to the Florida Division of Corporations, (see website <http://ccfcorp.dos.state.fl.us/scripts/genpart.exe?n1=LLP980000018>). You will note that there is no "Rose" listed as one of the eight partners. The shy and retiring Mr. William Elmer Sundstrom P.A. is, however, a very prominent and newsworthy partner. Wouldn't he also favor his firm being correctly identified?

I am forwarding this article to the PSC's Director of Records and Reporting (Blanca Bayo) in order that it becomes part of Docket 000277 W-S. Be in touch with you again soon, I'm very sure. Thank you.

Very truly yours,



Alexander William Varga

CC: Leon Beekman - President, Pine Lakes Estates Home Owners Association, Inc.  
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Attachment Enclosed (1 page)

The News Press - July 16, 2000 "Utility deal fueled higher costs".

"Audit: Lee decision to use middleman tacked on \$16.3 million in bond debt".

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# Utility deal fueled hi

*Paul*  
Sunday July 16, 2000

## Audit: Lee decision to use middleman tacked on \$16.3 million in bond debt

By **LEE MELSEK**  
The News-Press

Thousands of south Lee County residents are paying off a debt inflated by as much as \$16 million because commissioners let a powerful campaign fund-raiser buy a water and sewer utility for them.

County auditors reported Friday that the outright purchase by the county of Gulf

Utility Company in 1998 could have saved customers in the San Carlos Park, Estero and Three Oaks neighborhoods \$16.3 million in bond debt.

The utility fees billed to the area's 9,500 customers go toward paying off the \$114 million bond debt over 30 years.

The \$16 million that could have been saved by a county purchase amounts to nearly

\$60 a year in each of the customer's bills.

Auditors compared the financing done by a nonprofit group led by Fort Myers lobbyist James Garner to what the costs would have been if the county bought the company outright.

Among other things, the county would have gotten a cheaper interest rate and much cheaper bond insurance.

In all, a county purchase would have saved \$3.5 million on the principal and \$12.8 million on interest.

But commissioners let Garner's group buy the company and the county will assume ownership of it later.

Garner, who is an attorney, has played major roles in the re-election campaigns of several commissioners as a fundraiser and as a campaign adviser to Commissioner Doug St. Cerny.



GARNER

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## UTILITY: Possible misrepresentations made

From Page 1A

officials in 1998.

But Moore told auditors he never refused to sell to the county.

"I can't play the 'What if' scenario. It's too hypothetical," Judah said Friday when Lee County Clerk of Courts Charlie Green shared the audit with him.



GREEN

Commissioner Chairman John Albion said he wants to find out if the county and its utility customers were damaged by misrepresentations by Garner and Sundstrom during their negotiations for the company.

Sundstrom told Moore in November 1997 he and Garner were acting on behalf of the county and

the property if he didn't sell to them.

County officials say Garner and Sundstrom had no authority to say either of those things to Moore. Commissioners didn't get involved in the deal until March 1998.

"If I had known Mr. Moore was remotely interested in selling then certainly the county should have communicated with him to buy it," Judah said.

Judah said many of the utility's customers got slightly reduced rates after the purchase, a fact he claims made it a good deal.

Green didn't dispute that.

But he said those same customers were forced to pay off more bond debt because of the purchase arrangement.

"Did we get the best deal? No," Green said.

Federal investigators now are studying the latest audit and have added another FBI agent to the task force investigating the county's utility dealings and Garner's role in them.

Garner's lawyer, Wilbur Smith, has advised Garner not to discuss the deal. He said Friday the audit doesn't mean much to him.

"It appears the clerk of courts has done a comparison with alternative ways to finance that purchase and obviously the commission wanted to do it this way," he said.

Commissioner Ray Judah, whose district covers much of the Gulf Utility area and who voted to let Garner act as a middleman in buying the utility, said he thinks the audit is too hypothetical.

Judah said it was his understanding the company's president, James Moore, wouldn't sell to the county.

That's what Garner and one of his partners in the deal, Tallahassee lawyer Bill Sundstrom, told county

See **UTILITY / 7A**

— Contact Lee Melsek at [lmelsek@news-press.com](mailto:lmelsek@news-press.com) or 335-0226