LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
FAX (850) 656-4029
www.rsbattorneys.com

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
KYLE L. KEMPER
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, *(1924-2006)*

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 WEST STATE ROAD 434
SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
BRIAN J. STREET

CHRISTIAN W. MARCELLI, *OF COUNSEL*
(LICENSED IN NEW YORK ONLY)

September 12, 2007

VIA HAND DELIVERY

Tim Devlin, Director
Division of Economic Regulation
Room #160B
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: K.W. Resort Utilities Corp.; 2007 Rate Case Filing; PSC Docket 070293
Our File No. 34000.05

Dear Mr. Devlin:

I am writing this letter to respond to your deficiency letter dated August 21, 2007, and provide you all of the information requested therein.

1. **Rule 25-30.431(3), Florida Administrative Code (F.A.C.), requires the utility to submit its most recent wastewater capacity analysis report. KW Resort failed to provide this document.**

Utility Response:

Attached hereto as **Attachment 1** is the most recently updated Capacity Analysis Report dated January of 2005, for KW Resort's wastewater treatment facility.

2. **Rule 25-30.436(4)(h)2., F.A.C. requires a utility to provide a detailed description, itemization, and the amount of each itemized cost for affiliate costs allocated or charged to the utility in excess of one percent of test year revenues. In Volume IV of the MFRs, the utility provided a detailed schedule for each itemized costs that Key West Golf Club charges KW Resort. However, the utility only provided a total amount of $130,083 that Green Fairways, Inc. (GFI) charges KW Resort with a copy of the management agreement dated July 1,**

1999. Under Article IV (entitled Compensation) of the; agreement between GFI and the utility, it states the management fee is $5,000 per month plus the utility will pay GFI a fee equal to 10% of the cost of all capital expense projects entered into by KW Resort for supervision and contract management services. Article II Provision 2.19 (entitled Adherence to Approved Budget) in KW Resort's agreement with GFI, states that GFI shall use all efforts reasonable and necessary to ensure that the actual costs of maintaining and operating the utility's system shall not exceed the approved budget pertaining thereto, whether by line item or cumulative expense. KW Resort has failed to failed to provide the amount of each itemized cost of the total amount of $130,083 charged to the utility by GFI. Regarding this deficiency, the utility's response should include, but not be limited to, a copy of the approved budget for the calendar year 2006.

Utility Response: Attached hereto as **Attachment 2** is the breakdown of the charges from GFI to the Utility.

3. **Rule 25-30.440, F.A.C., requires that each utility applying for a rate increase shall provide two copies of the following engineering information to the Commission, with the exception of item (a) of which only one copy is required.**

(a) **Rule 25-30.440(1), F.A.C., requires the utility to provide a detailed map showing the location and size of the applicant's distribution and collections lines as well as its plant sites and the location and respective classification of the applicant's customers. The map, which was provided by the utility, did not show the location and respective classification of its customers.**

Utility Response: Attached hereto as **Attachment 3** is a map showing the location and respective classification of its customers. This map also shows the location and size of the Applicant's distribution and collection lines, as well as its plant sites. In accordance with the provision of the rule, one copy is attached.

(b) **Rule 25-30.440(2), F.A.C. requires the utility to provide a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. KW Resort failed to provide an estimate of its dosage rates for each chemical it uses.**

Utility Response: Attached hereto as **Attachment 4** is a breakdown of chemicals for 2006, as requested in the above.

(c) **Rule 25-30.440(9), F.A.C. requires the utility to explain how its vehicles are allocated to the utility. The utility failed to provide the method of allocation to the utility.**

Utility Response: Attached hereto as **Attachment 5** is a schedule showing all of the vehicles owned by the Utility and used exclusively for the provision of Utility service and how those are allocated to GFI, as the contract operator.

If you have any other questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP

F. Marshall Deterding
For The Firm

FMD/tms

cc: Ann Cole, Clerk
Ralph Jaeger, Esquire
Mr. Troy Rendell
William Smith, Jr., Esquire
Robert C. Nixon, CPA
Paul DeChario, CPA

f:\kwresort\devlin.ltr

UPDATED CAPACITY ANALYSIS REPORT

for the

KW Resort Utilities Corp. Wastewater Treatment Plant

Located in

MONROE COUNTY

Facility I.D. No. FLA 014951
Expiration November 27, 2006

REPORT DATE: January 2005

Prepared by

The Weiler Engineering Corporation
20020 Veterans Blvd.,Suite 7
Port Charlotte, Florida 33954
(941) 764-6447

CERTIFICATIONS

I certify that the information contained in this report is true and correct to the best of my knowledge, the report was prepared in accordance with sound engineering principles, and I have discussed the recommendations and schedules with the permittee or the permittee's delegated representative.

Weiler Engineering Corporation
20020 Veterans Blvd., Suite 7
Port Charlotte, Florida 33054
(941) 764-6447

Edward R. Castle, P. E.
FL. Registered Engineer No. 58574

3/7/05
Date

I am fully aware and I intend to comply with the recommendations and schedules included in the report.

Mr. Doug Carter, Utility General Manager

3-9-05
Date

KW Resort Utilities Corp.
6450 Junior College Road
Key West, Florida 33040
(305) 294-5232

TABLE OF CONTENTS

INTRODUCTION

This Updated Capacity Analysis Report is provided as required by the KW Resort Utilities Corp. Domestic Wastewater Facility Permit, Section V, Operation and Maintenance Requirements. The Updated Capacity Analysis Report is prepared in accordance with Rule 62-600.405, F.A.C.

GENERAL INFORMATION

KW Resort Utilities Corp. is a permitted 0.499 MGD wastewater treatment facility located on Stock Island, Key West. The KW Resort Utilities Corp. wastewater treatment plant receives wastewater from the Monroe County Detention Facility, Convalescence Center, Monroe County Animal Shelter, numerous small commercial businesses and larger trailer parks, single-family residences, and multiple-family apartment buildings and condominiums.

The wastewater treatment facility consists of two extended aeration treatment plants, installed separately, but piped together to allow the facility to operate as a single plant. The plants, with design flows of 0.249 MGD and 0.25 MGD, respectively, are equipped with sand filters and chlorine contact chambers.

Treated wastewater is pumped to the Key West Golf Course reuse storage ponds for slow rate land application and to the Monroe County Detention Center for toilet flushing and cooling water. Backup effluent disposal is provided by three (3) six-inch Class V Group III underground injection wells.

Residuals, classified as Class B, are stored aerobically, and stabilized on drained drying beds. Land application and disposal in a Class I or II solid waste landfill are the permitted methods of residual use/disposal.

COLLECTION SYSTEM

In 2004, the KW Resort Utilities Corp. provided wastewater treatment for 1297 residential customers and 181 commercial customers bring the total connections receiving service at the wastewater treatment system to 1478. Wastewater flows to the KW Resort Utilities Corp. wastewater treatment facility consists entirely of domestic wastewater, no industrial sources of wastewater are discharged to the KW Resort Utilities Corp. wastewater treatment facility.

As of December 2004, the wastewater transmission system consists of twelve (12) utility owned and ten privately owned lift stations ranging in size from 75 gpm to 600 gpm, approximately eleven miles of PVC force main, and clay gravity sewer collection lines. The Utility also operates and maintains a vacuum collection system consisting of five

miles of PVC vacuum mains. The effluent force main runs parallel to the influent force main, and delivers reclaimed water to the Key West Golf Course reuse ponds and Monroe County Detention Facility reuse water storage tanks via the MCDC reuse water pump station.

Seven wastewater pump stations are tied into the influent main and one effluent pump station delivers reclaimed wastewater to the Monroe County Detention Facility reuse water storage tanks.

In 1998, the KW Resort Utilities Corp. began to correct high effluent salinity due to groundwater infiltration by slip-lining the deep gravity sewer mains and deteriorated manholes and wet wells. Ten manholes and one wet well were repaired using the polytriplex lining system. Most of the gravity mains along Miriam and Roberta Streets, and 6th Avenue through 12th Avenue (Lincoln Gardens) were slip-lined in 1998. Gravity sewer collection system repairs and the placement of rain-guards under the manhole lids significantly reduced inflow and infiltration.

More recently, infiltration of rainwater into the gravity collection system has resulted in elevated flow at the wastewater treatment facility. The average monthly flow during the wet season (May through November) increases the annual average monthly flow by 3 to 22 percent.

In an effort to identify and reduce infiltration, a program of televising the unlined gravity sewer mains has been undertaken by the Utility. Broken sewer mains, leaking joints, and excessive flows from service laterals discovered by the TV inspections will be corrected.

Repairs to correct damaged sewer mains or sewer mains with leaking joints and service laterals includes slip-lining PVC mains and replacing clay-pipe mains. Leaking service laterals can be repaired by lining or grouting or exposing the pipe for repair or replacement. Televising service laterals to determine the cause and location of excess flow is limited by difficulty of access.

TREATMENT PROCESS

The 0.499 MGD treatment facility consists of two independent treatment trains, a 0.250 MGD plant and a 0.249 MGD plant. The extended aeration process is followed by sand bed filtration and disinfection with chlorine.

Chlorinated effluent is pumped to the reclaimed effluent pumping station located on the Key West Golf Course. Reuse water flows into the golf course storage ponds for spray irrigation. Reuse water is also pumped to the Monroe County Detention Facility reuse storage tanks for fire protection, toilet flushing, air conditioning cooling tower make-up water, and landscape irrigation. Reclaimed effluent that does not meet the effluent water quality limitations flows automatically to the injection wells located at the KW Resort Utilities Corp. Facility.

A process flow schematic and the existing hydraulic and process profile for the KW Resort Utilities Corp. wastewater treatment plant unit processes is provided.

Raw wastewater is pumped to the KW Resort Utility wastewater treatment facility. At this point the raw wastewater flow is directed to two separate influent pipes controlled by two valves. These valves control the volume of raw wastewater directed to each treatment train. There are two treatment trains which are operated independently. At the top of the plant are two splitter boxes where the raw wastewater flows through the bar screens. After the wastewater flows through the bar screens it is collected in equalization chambers or surge tanks. From these surge tanks the flow is pumped back up to the top of the treatment plant to a flow regulator box. This flow splitter box regulates the amount of flow from the surge tank pumps to the aeration basins. The amount of flow to the aeration basins and is controlled through a V notch weir. Within this flow splitter box is an overflow weir allowing excess wastewater to be directed back into the surge tank.

The extended aeration process begins as wastewater enters the aeration chamber and is mixed with return activated sludge (RAS) and air. The aeration and mixing process occurs in the aeration tank.

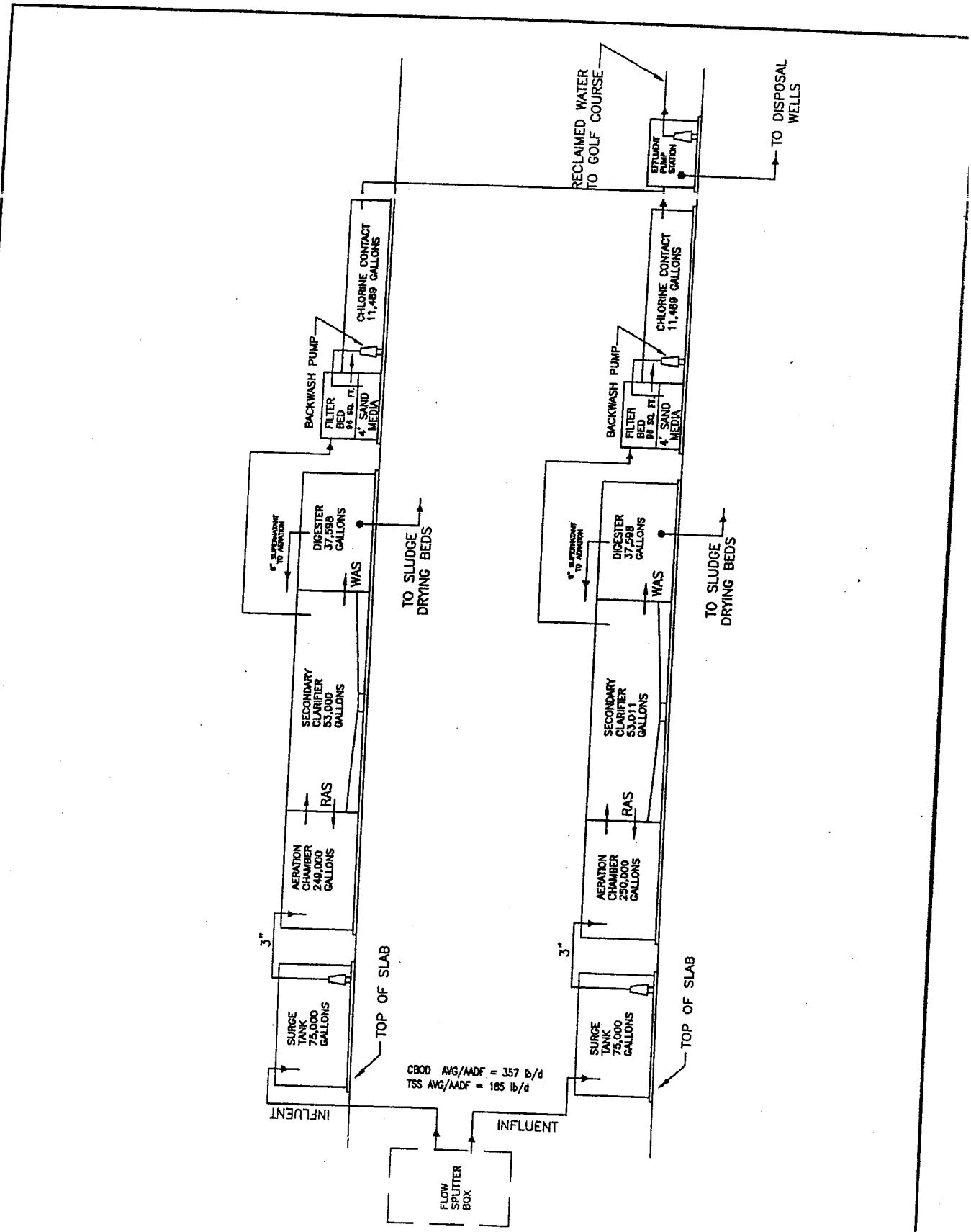
Sedimentation occurs in the clarifier. Mixed-liquor from the aeration tank flows into the clarifier, where sludge settles to the bottom of the clarifier. The settled sludge is returned to the aeration tanks as return activated sludge or directed to the aerobic digester as wasted sludge.

Following the sedimentation process, the wastewater effluent passes through gravity sand filters to facilitate total suspended solids removal required for high-level disinfection. The filtered effluent next flows into the chlorine contact chamber for the final step in the treatment process, high-level disinfection. The treated wastewater effluent is tested to assure compliance with the permitted reclaimed water quality limitations for reuse and disposal.

Effluent that meets all permit requirements as specified in the permit, Section 1. Reclaimed Water And Effluent Limitations and Monitoring Requirements, is pumped to the Key West Golf Course effluent pump station. Reclaimed wastewater effluent will be used for fire protection, toilet flushing, air conditioning cooling tower make-up water, and landscape irrigation at Monroe County Detention Facility, and golf course spray irrigation.

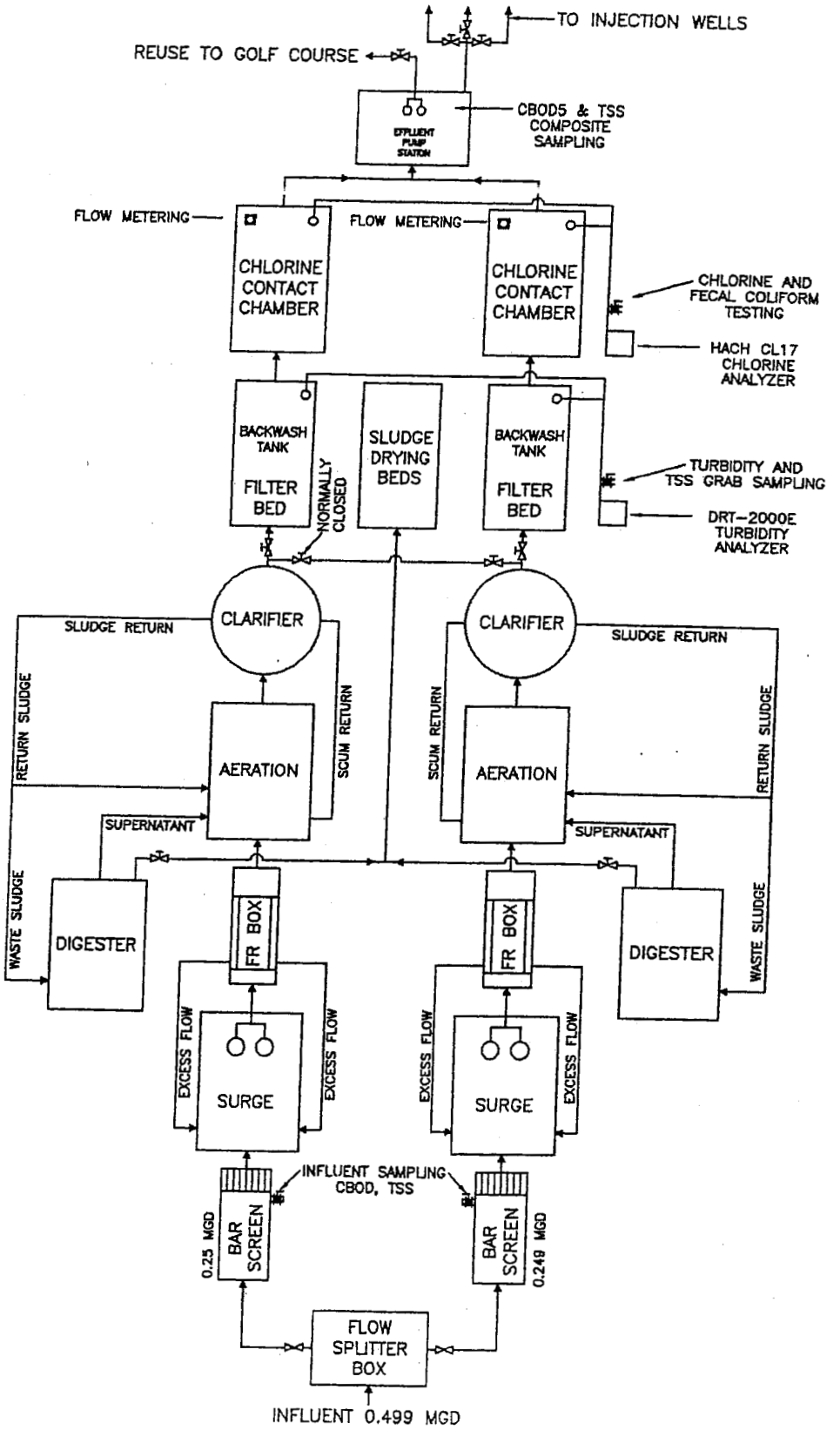
Wastewater treatment plant effluent that fails to meet reuse requirements but complies with the disposal requirements is directed to three Class V Group III injection wells located at the KW Resort Utilities Corp. Facility.

RESIDUALS MANAGEMENT



WEC THE WEILER ENGINEERING CORPORATION
20020 VETERANS BLVD., SUITES 7 - 9
PORT CHARLOTTE, FLORIDA 33954
(941) 764-6447

PROCESS PROFILE SHOWING TANK SIZES
FOR
KEY WEST RESORT UTILITIES
6630 FRONT STREET, STOCK ISLAND
MONROE COUNTY, FLORIDA



WEC THE WEILER ENGINEERING CORPORATION
20020 VETERANS BLVD., SUITES 7 - 9
PORT CHARLOTTE, FLORIDA 33954
(941) 764-6447

PROCESS FLOW SCHEMATIC
FOR
KEY WEST RESORT UTILITIES
6630 FRONT STREET, STOCK ISLAND
MONROE COUNTY, FLORIDA

0000A_FLC

Residuals generated by this facility are stabilized aerobically, air dried on sand beds for a minimum of three months, and land applied in accordance with Chapter 62-640, F.A.C. and title 40 of the Code of Federal Regulations Part 503 (503.32(b)(3)) for residual processing to significantly reduce pathogens (PSRP) for Class B sewage sludge.

Waste activated sludge is stored under aerobic conditions. Supernate is drained off the top of the aerobic digester tank and returned to the aeration chamber to make room for the activated-sludge wasting. Digested sludge is poured onto the drying beds, and air-dried for three months.

The dried cake is hauled to the Circle "I" Ranch, Saint Lucie County, Florida for land application. The alternate agricultural site is the Circle "O" Ranch, Saint Lucie County, Florida.

Total acreage of the Circle "I" Ranch is 1,904.8 gross acres with 1,394.5 net acres available for residuals application. Pasture grasses are grown on 14 fields. Predominant soils consist of pineda, riviera (depressional and fine), pople, pineda, winder (depressional), chobee loamy, floridana, malabar (fine), and pepper sands.

Total acreage of the Circle "O" Ranch is 706.7 gross acres with 467.5 net acres available for residuals application, Citrus and Bahiagrass are grown on predominantly malabar (fine), oldsmar, pepper, pople, riviera (depressional), floridana, winder, and hilolo loamy, pineda, and chobee loamy sands. Residuals application rates are limited to agronomic rates based on 215.4 net acres of citrus and 252.1 net acres of pasture grasses.

EFFLUENT DISPOSAL

Chlorinated effluent that meets all reclaimed wastewater requirements as specified in the permit, Section I, Reclaimed Water And Effluent Limitations and Monitoring Requirements, is pumped from the KW Resort Utilities Corp. wastewater treatment facility effluent wet well to the Key West Golf Course effluent pump station and irrigation storage ponds to be used for fire protection, toilet flushing, air conditioning cooling tower make-up water, and landscape irrigation at the Monroe County Detention Facility, and golf course spray irrigation.

Effluent that fails to meet reuse requirements but complies with disposal requirements automatically flows by gravity overflow to three Class V Group III injection wells located at the KW Resort Utilities Corp. facility, approximately fifty feet North of the effluent wet well.

Reclaimed wastewater effluent is slow rate land applied to an area of 100.27 acres at the Key West Golf Course. The spray irrigation area is calculated as the total golf course area 118.92 acres, minus 18.65 acres for the reuse ponds, storm water lakes, mangrove areas and impervious golf cart paths.

The reuse storage/equalization ponds located at the Key West Golf Course have a combined surface area of 94,200ft^2, providing adequate storage to accommodate the flows from the KW Resort Utilities Corp. wastewater treatment facility. Flows to the golf course reuse storage ponds are discontinued if the pond level rises above the high water mark. The reclaimed water usage by the Key West Golf Course is recorded daily.

The calculated hydraulic loading rate based on design flow of 0.499 mgd and pervious area 100.27 acres is 1.28 inches per week. Chapter 62-610.423(4), F.A.C. specifies the maximum allowable hydraulic loading to be not more than two inches per week.

The hydraulic loading rate for 2004 is calculated as 0.68 inches per week, and is based on the Key West Golf Course daily spray irrigation water usage log. The maximum monthly average hydraulic loading rate, assuming the golf course is spray irrigated daily using 100% of available effluent, is 0.98 inches per week.

The reuse storage system located at the Monroe County Detention Center consists of a combination of interconnected storage tanks totaling 102,372 gallons. Each reuse storage tank has a capacity of 34,124 gallons. Reclaimed water from the KW Resort Utilities Corp. will be delivered to the Monroe County Detention Center storage tanks via the Key West Golf Course pump station. Reuse water from the storage tanks will be used for toilet flushing, air conditioning cooling tower make-up water, 3.3 acres landscape irrigation and for fire protection. A 4,800 gallon hydro pneumatic tank fed from the reuse storage tanks and equipped with high service pumps provides pressurized water necessary for these uses.

Three Class V injection wells located at the KW Resort Utilities Corp. wastewater treatment plant will serve as the alternate method of effluent disposal in periods of excessive wet weather or instances when reclaimed water cannot be delivered to the Key West Golf Course effluent pump station.

Continuous on-line monitoring for chlorine residual and turbidity guarantees only reclaimed effluent that meets the minimum water quality limitations specified by permit will be allowed for reuse. Sub-standard effluent is automatically diverted to the disposal wells by gravity overflow.

EXISTING CONDITIONS

PERMITTED CAPACITY

The KW Resort Utilities Corporation is permitted to operate a 0.499 annual average daily flow (AADF) extended aeration process domestic wastewater treatment facility. Each treatment train includes screening, aeration, sedimentation, filtration, chlorine disinfection, and aerobic digestion of residuals.

The KW Resort Utilities Corporation is permitted to slow-rate land apply 0.499 mgd annual average daily flow to the Key West Golf Course public access reuse system R001.

The permit has been revised (FLA014951-DW2/MR) to allow for delivery of 0.060 mgd of public access reuse water to the Monroe County Detention Center reuse system R002 for use in the fire protection system, 3.3 acres landscape irrigation, cooling tower water make-up, and toilet flushing.

Alternate effluent disposal consists of three (3) Class V underground injection wells discharging to Class G-III ground water; DEP Well System U001 permit numbers 184940-004-UO, 184940-005-UO, and 184940-006-UO. The wells are drilled to a minimum of ninety feet or greater, and cased to sixty feet.

AVERAGE DAILY FLOWS

Hydraulic loading is continuously monitored and recorded at the KW Resort Utilities Corp. wastewater treatment facility. A Leopold Stevens float and pulley system attached to chart recorder is installed in a V-notched weir located at the end of each chlorine contact chamber. The strip-chart paper is replaced as needed. The Leopold Stevens float and pulley system is calibrated annually by adjusting the float assembly height in the V-notched weir.

In 1994 through 1997, wastewater flow to the KW Resort Utilities Corp. averaged 0.159 mgd, differing by less than 5% year to year. In February 1998, wastewater flows to the KW Resort Utilities Corp. treatment plant increased approximately 33% due to the connection of approximately 260 residential units from the Key West Golf Club and Sunset Marina Condominiums.

Wastewater flows to the KW Resort Utilities Corp. have increased significantly since April of 2002. The increase in flow is attributed to the connection of the Monroe County Detention Facility, Bayshore Manor, numerous residential and commercial units and an aggressive plan to eliminate as much inflow/infiltration as possible to the KW Resort Utilities Corp..

The calculated annual average daily flow (AADF) for the year 2004 was 0.317 mgd. The maximum three-month average daily flow (TMADF) for the 2004, 0.362 mgd, occurred in November.

SEASONAL FLOW VARIATION

Elevated wastewater flows to the treatment plant for the months of May through October correspond with the wet weather season. Flow variations during the wet season increase flow to the wastewater treatment system, as experienced between1999 through 2004.

In 2000, repairs to the gravity collection system and placement of rain-guards under the manhole covers prevented rainwater runoff from entering the collection system, reducing the monthly annual average daily flow to the wastewater treatment plant.

UPDATED FLOW INFORMATION

The equivalent residential connection may be estimated by dividing the annual average monthly daily flow corrected for the Monroe County Detention Facility daily water use flows, by the number of residential service connections. An average daily flow of 0.317 mgd, minus 0.089 mgd from the Monroe County Detention Center commercial contribution yields an adjusted flow of 0.228 mgd. The adjusted flow divided by 1478 residential and commercial units, results in an equivalent residential connection of approximately 154 gallons per day. This flow rate is based on the current levels of inflow and infiltration (wet weather flows). An adjusted flow rate is included (dry weather flows) as the Utility continues to address and reduce the inflow and infiltration intrusions.

YEAR	CONNECTIONS		ANNUAL AVERAGE	MAX. 3-MONTH AVG
	Residential	Commercial	DAILY FLOW	DAILY FLOW
1996	681	NA	0.152 MGD	0.214 MGD
1997	753	14	0.164 MGD	0.195 MGD
1998	791	20	0.203 MGD	0.239 MGD
1999	857	26	0.230 MGD	0.296 MGD
2000	936	26	0.186 MGD	0.250 MGD
2001	1023	27	0.196 MGD	0.235 MGD
2002	1108	29	0.259 MGD	0.317 MGD
2003	1118	153	0.281 MGD	0.317 MGD
2004	1297	181	0.317 MGD	0.362 MGD

Based on 154 gallons per day (wet weather flows), the 2004 equivalent residential connection daily wastewater flow contribution, the KW Resort Utilities Corp. wastewater treatment facility has design capacity to connect an additional 1181 residential units.

INFLUENT LOADING INFORMATION

Influent $CBOD_5$ and TSS loading calculations are tabulated for 2000 through 2004. The corresponding $CBOD_5$ and TSS loading rates indicate a gradual increasing trend line. The increasing loading rate reflects higher organic loadings to the KW Resort Utilities Corp. wastewater treatment plant.

The influent $CBOD_5$ loading has remained relatively constant; however, the TSS loading has shown an increase in concentration. This is based on the increase in flows to the KW Resort Utilities Corp.. The average daily flow for the year 2004 has now reached the maximum daily flow for the year 2003.

FUTURE CONDITIONS

POPULATION PROJECTION

The KW Resort Utilities Corp. wastewater treatment facility currently services wastewater flows from 1297 residential connections and 181 commercial accounts consisting of restaurants, animal clinic, laundry, convalescence facility, and detention center. The service area includes residential developments, public office facilities and small commercial businesses. Population projections in the service area are expected to remain constant as the rate of growth ordinance (ROGO) curtails development.

FLOW PROJECTION

WET WEATHER FLOWS

Wastewater flows for all properties located in the Stock Island service area may be predicted. Based on the existing development, 0.167 mgd of wastewater will be produced from the connection of the remaining Stock Island Properties.

Combining the 2004 annual average flow with the estimated daily flow from the remaining Stock Island properties yields the predicted annual average daily flow. Since the predicted annual average daily flow will include only the existing Stock Island service area, the ten-year annual average daily flow will be 0.484 mgd.

A vacuum sewer collection system was constructed to provide wastewater treatment service to the residents of Stock Island. The vacuum sewer collection system, designed for the existing Stock Island residential and commercial developments will collect and deliver an additional 0.167 mgd to the KW Resort Utilities Corp. wastewater treatment facility.

Following connections to the collection system of all remaining properties, an annual average daily flow of 0.484 mgd is predicted for the KW Resort Utilities Corp. wastewater treatment facility. The predicted flow is based on the annual average daily flow (0.317 mgd) and includes flows from connections to the sewer collection system

An estimated 0.015 mgd (3%) reserve capacity exists following connection of the entire population of Stock Island to the KW Resort Utilities Corp. wastewater treatment facility. The complete connection to the vacuum sewer collection system will result in an estimated annual average daily flow to the KW Resort Utilities Corp. wastewater treatment facility of 0.484mgd or 97 % permitted capacity. These calculations are based on the Utility doing no repairs to the collection system to reduce inflow and infiltration.

DRY WEATHER FLOWS (MORE REALISTIC)

Following the connection of all remaining properties on Stock Island a predicted flow may be assumed. This calculation is based on the removal of all extraneous flows to the wastewater treatment plant. Calculating the connection flows is based on an annual average daily flow of 0.277 mgd (dry weather flow). Based on this flow, the average connection will yield 127 gallons per EDU. To connect the remaining Stock Island properties (1082), a total flow of 0.137 mgd may be assumed. Adding this flow to the annual average daily dry weather flow will yield a total of 0.414 mgd predicted annual average ten year daily flow. This adjusted flow would bring the total percentage of plant capacity to 83%. This would create a 0.085 mgd (17%) reserve capacity.

RECOMMENDATIONS TO ELIMINATE EXTRANEOUS FLOWS TO THE TREATMENT FACILITY

WHAT HAS BEEN DONE BY KW RESORT UTILITY CORPORATION:

1. **1998**

   a. The deep gravity mains along Miriam and Roberta Streets were slipped-lined.
   b. 6th Avenue through 12th Avenue (Lincoln Gardens) were slipped-lined.

2000

   a. Ten manholes and one wet well were repaired using the polytriplex lining system.

2002

   a. Point repairs

2003

   a. Backyard survey and repairs to laterals
   b. Manhole rain guards for KWRU, KWHOA and Monroe County

2004

   a. Balido Street gravity and service laterals replaced

Currently, the Utility is televising the system to locate additional problems associated with inflow and infiltration. The Utility has also contracted a company to begin a grouting program to reduce additional flows. The Utility is also pursuing other avenues of I&I reduction including slip lining, point repairs and line replacement.

SUMMARY AND CONCLUSIONS

TIME FOR TMADF TO REACH PERMITTED CAPACITY

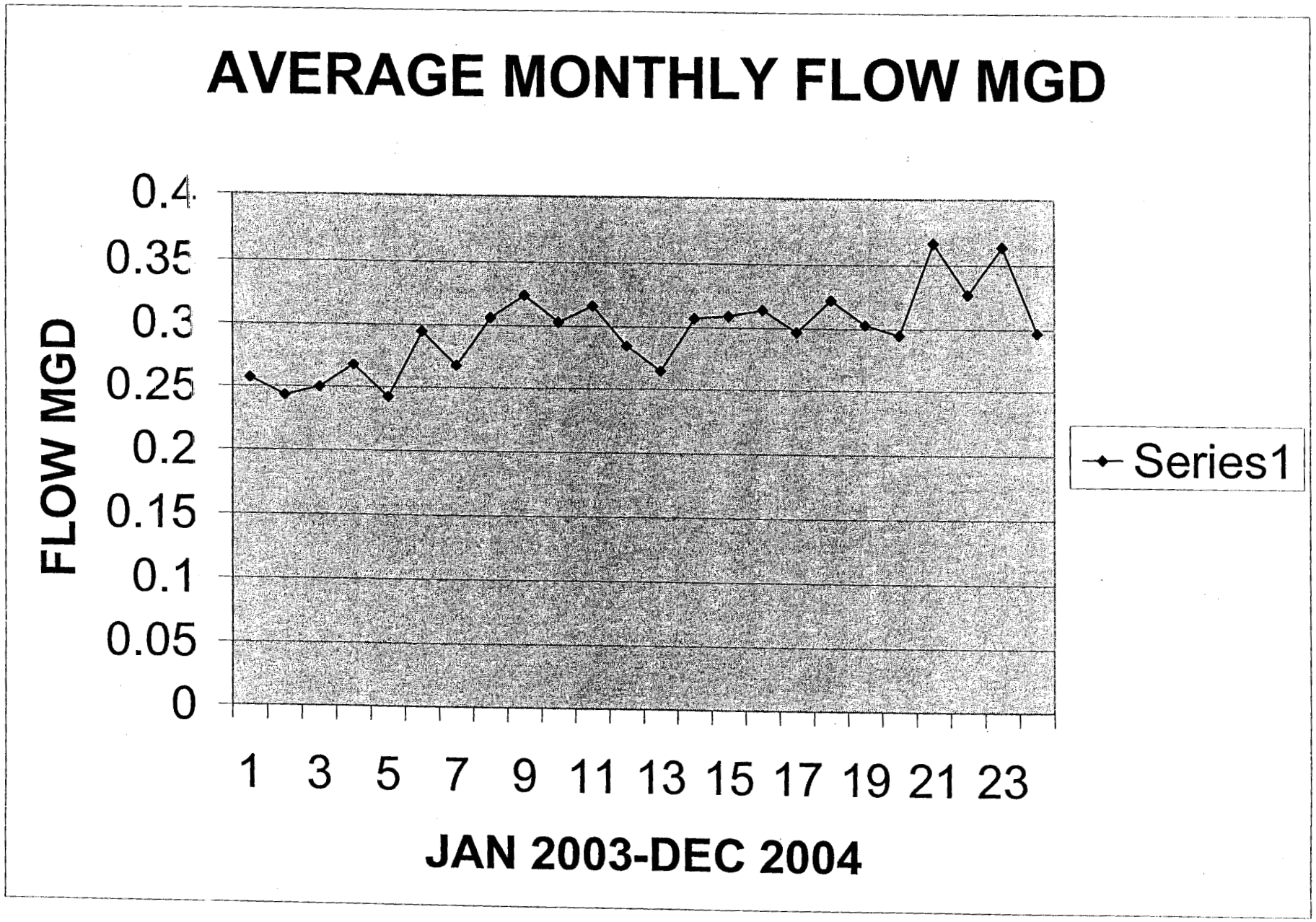
The annual average daily flow to the KW Resort Utilities Corp. wastewater treatment plant may reach 0.414 mgd or 83% of plant capacity following connection of the entire Stock Island service area. No additional service areas are planned to connect to the KW Resort Utilities Corp. wastewater treatment facility.

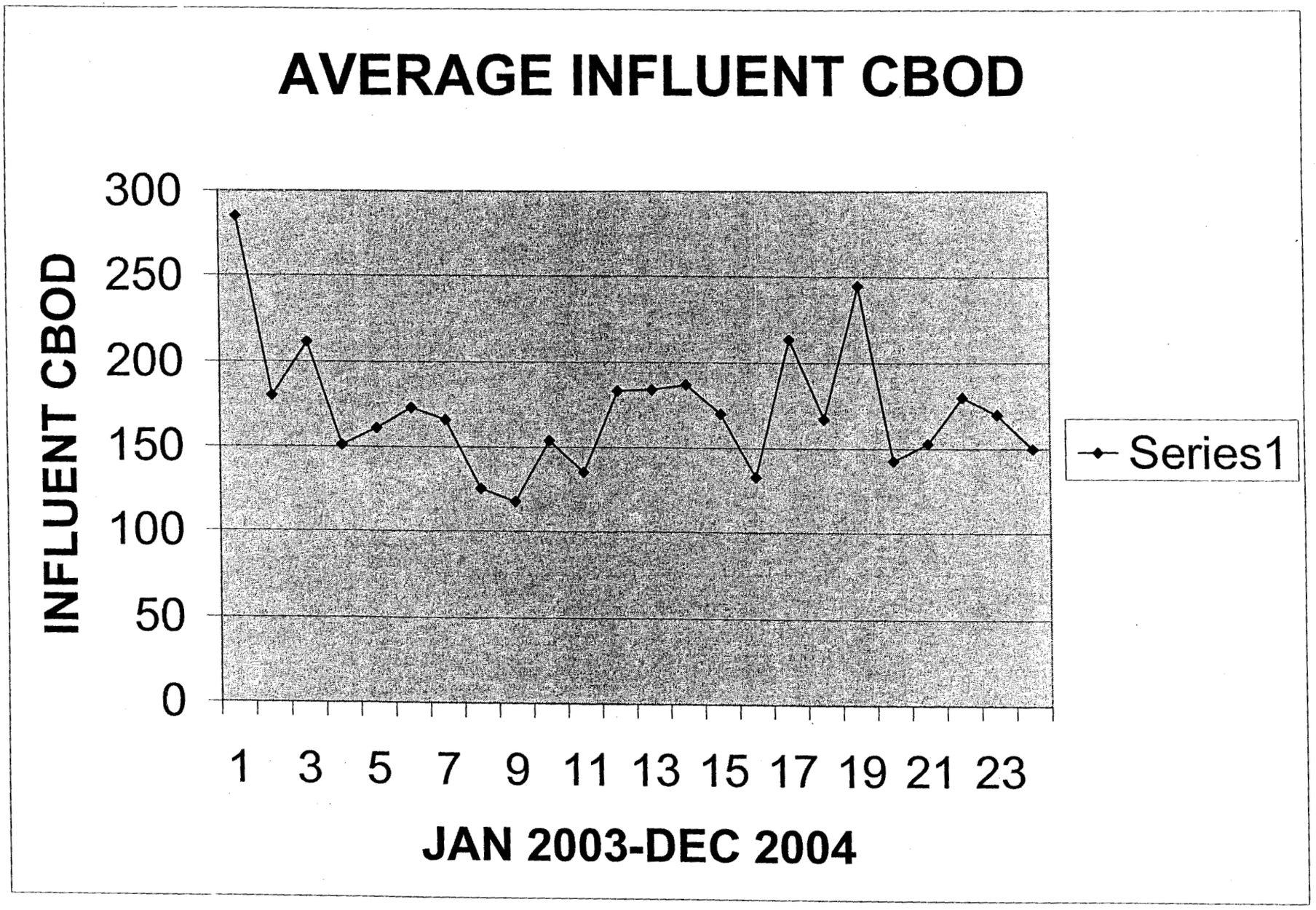
Providing wastewater collection and treatment services to the Stock Island properties should not require expansion of the KW Resort Utilities Corp. wastewater treatment facility providing the Utility continues it's aggressive inflow and infiltration program. It should be noted that the estimated wastewater flow as predicted may be high, and the anticipated connection of 100% optimistic. The actual flow to the KW Resort Utilities Corp. wastewater treatment facility may be less than predicted.

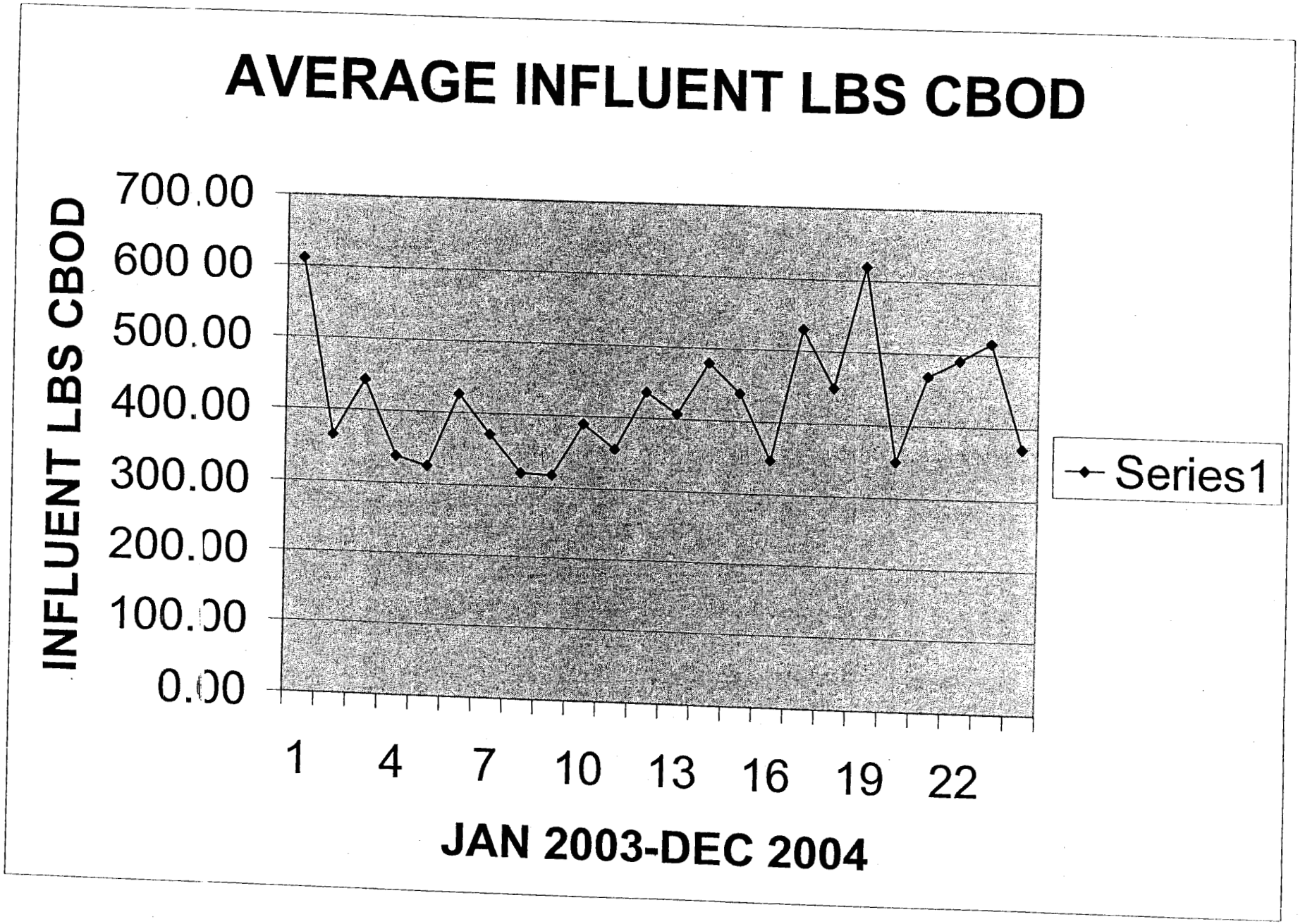
The KW Resort Utilities Corp. intends to fully comply with the Wastewater Treatment Facilities Permit and Vacuum System Permit, including the continuation of the facilities aggressive efforts to minimize any extraneous flows resulting from inflow and infiltration. Connections to the vacuum system will be regulated to eliminate any groundwater intrusion. With the control of connections and the I/I reduction program the Key West Utility Corp. will ensure that flows to the Treatment Facility do not exceed permitted capacity.

Monthly Average Loading Data

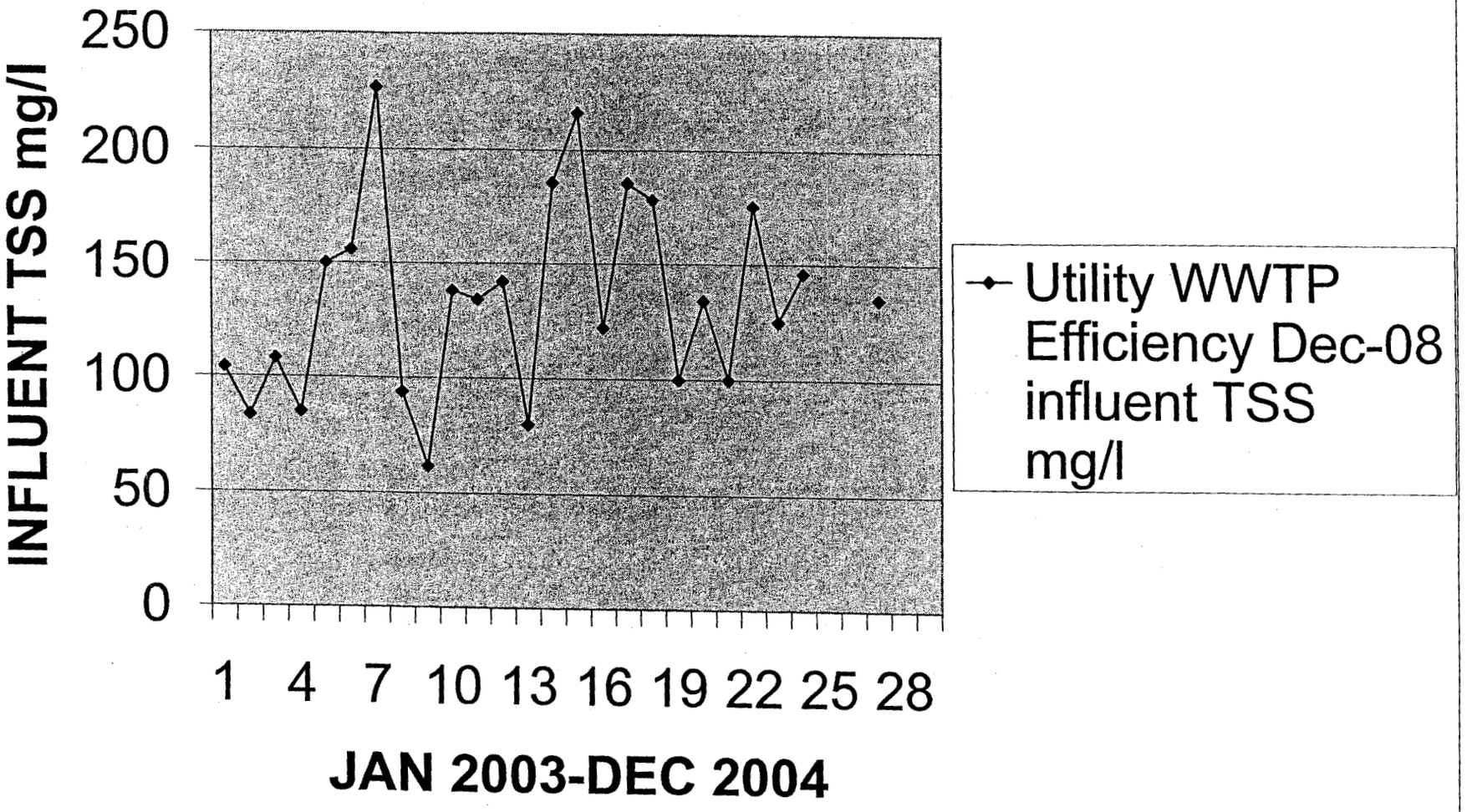
Date	Flow mgd	influent $CBOD_5$ mg/l	influent $CBOD_5$ lb/day	influent TSS mg/l	influent TSS lb/day	effluent $CBOD_5$ mg/l	effluent $CBOD_5$ lb/day	effluent TSS mg/l	effluent TSS lb/day	efficiency $CBOD_5$	efficiency TSS
Jan-03	0.257	285	611	104	223	1.3	2.8	0.5	1.1	99.54	99.52
Feb-03	0.243	180	365	84	169	3.1	6.3	1.8	3.7	98.28	97.84
Mar-03	0.25	212	442	108	225	5.5	11.5	0.6	1.3	97.41	99.43
Apr-03	0.268	151	338	85	190	1.3	2.8	0.5	1.2	99.17	99.38
May-03	0.242	161	325	150	303	2.0	4.0	1.1	2.3	98.76	99.25
Jun-03	0.295	173	426	156	384	2.0	4.9	1.1	2.8	98.84	99.28
Jul-03	0.268	166	371	227	508	2.0	4.5	1.5	3.4	98.80	99.34
Aug-03	0.306	125	319	94	240	2.0	5.1	3.1	7.9	98.40	96.70
Sep-03	0.324	118	318	62	168	2.0	5.4	2.4	6.4	98.30	96.21
Oct-03	0.303	154	389	138	349	2.0	5.1	2.0	5.1	98.70	98.55
Nov-03	0.316	135	356	134	353	2.0	5.3	1.6	4.2	98.52	98.81
Dec-03	0.285	183	436	142	338	2.6	6.3	1.6	3.9	98.57	98.85
Jan-04	0.265	184	407	80	177	2.0	4.4	2.2	4.8	98.91	97.30
Feb-04	0.307	187	479	186	477	2.0	5.1	0.9	2.3	98.93	99.52
Mar-04	0.309	170	438	216	557	2.0	5.2	1.6	4.2	98.82	99.25
Apr-04	0.314	133	347	122	320	2.2	5.6	1.6	4.2	98.38	98.69
May-04	0.297	214	530	186	461	1.9	4.7	2.3	5.7	99.11	98.76
Jun-04	0.322	167	450	179	480	2.0	5.4	1.8	4.8	98.80	99.01
Jul-04	0.303	245	619	100	253	2.0	5.1	2.1	5.4	99.18	97.86
Aug-04	0.295	143	351	134	330	2.0	4.9	1.2	3.1	98.60	99.07
Sep-04	0.367	153	469	100	306	2.0	6.1	1.3	4.0	98.69	98.70
Oct-04	0.327	180	491	176	480	2.0	5.5	1.5	4.1	98.89	99.15
Nov-04	0.364	170	516	125	380	2.0	6.1	2.0	6.2	98.82	98.37
Dec-04	0.297	150	372	146	362	1.8	4.5	1.1	2.7	98.80	99.25
	AVERAGE:	172	418	424	335	2.2	5.3	1.6	3.9	98.72	98.67

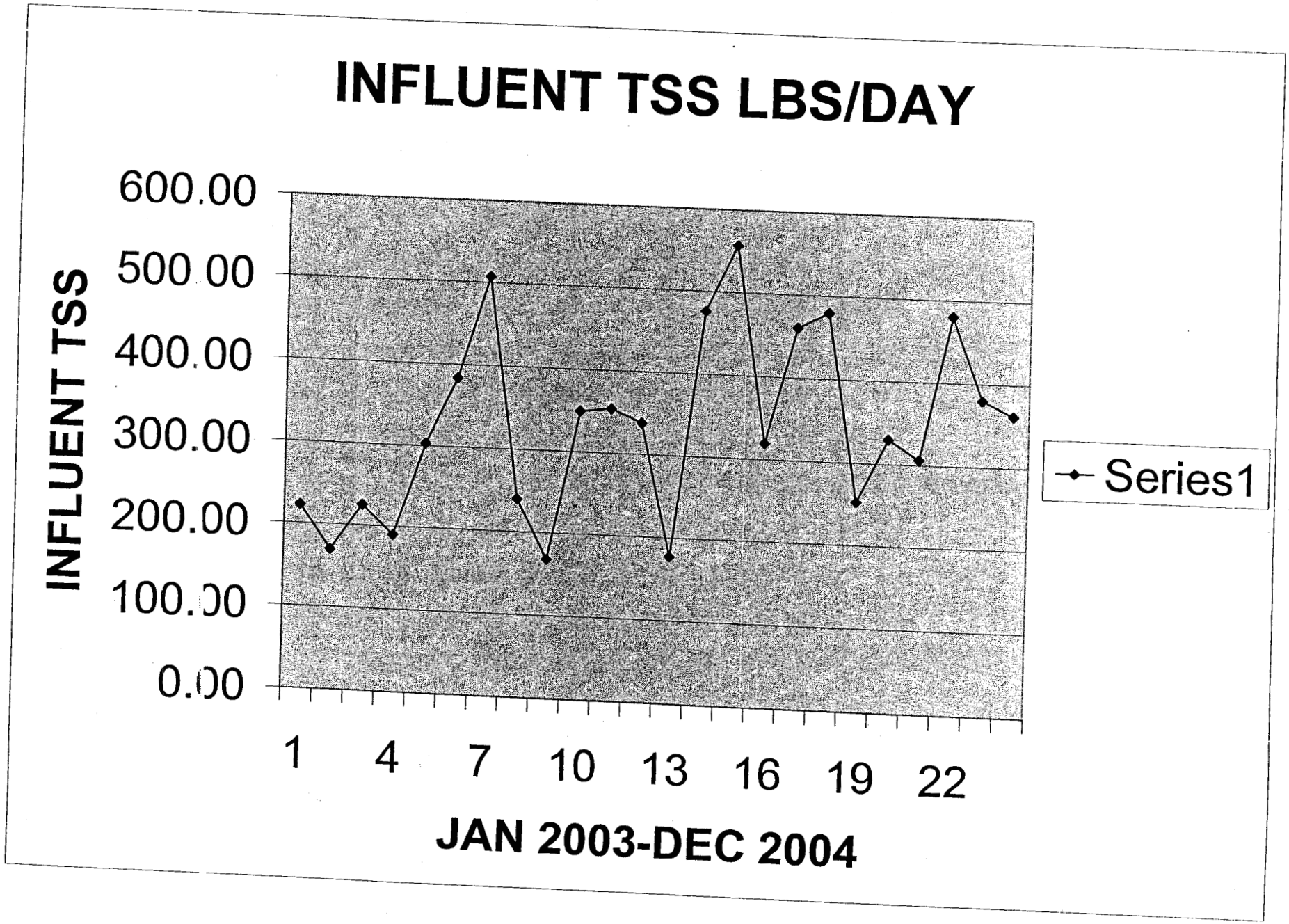

AVERAGE MONTHLY FLOW MGD
FLOW MGD
0.4
0.35
0.3
0.25
0.2
0.15
0.1
0.05
0
1 3 5 7 9 11 13 15 17 19 21 23
JAN 2003-DEC 2004
Series1

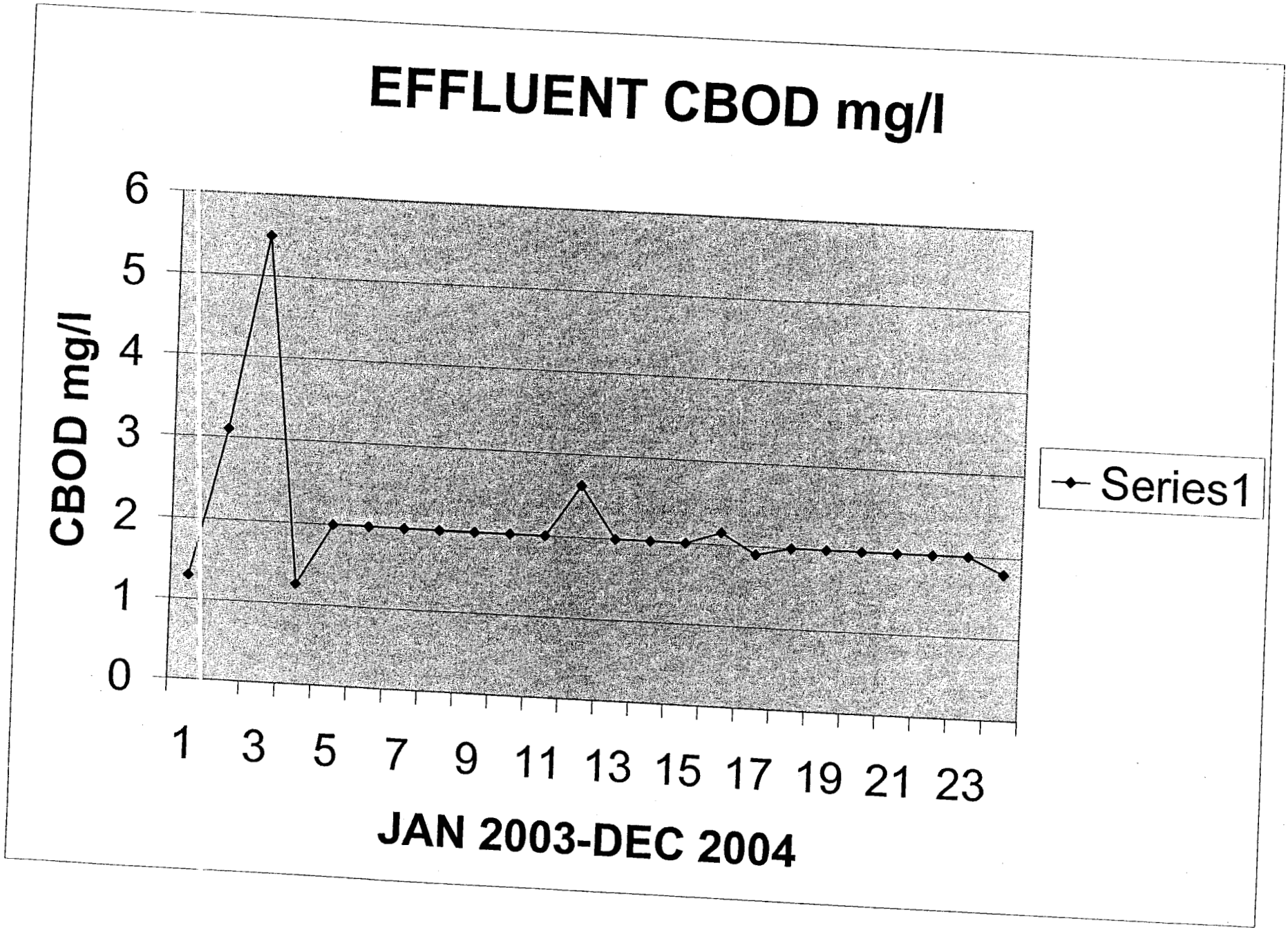

AVERAGE INFLUENT CBOD
INFLUENT CBOD
300
250
200
150
100
50
0
1
3
5
7
9
11
13
15
17
19
21
23
JAN 2003-DEC 2004
Series1

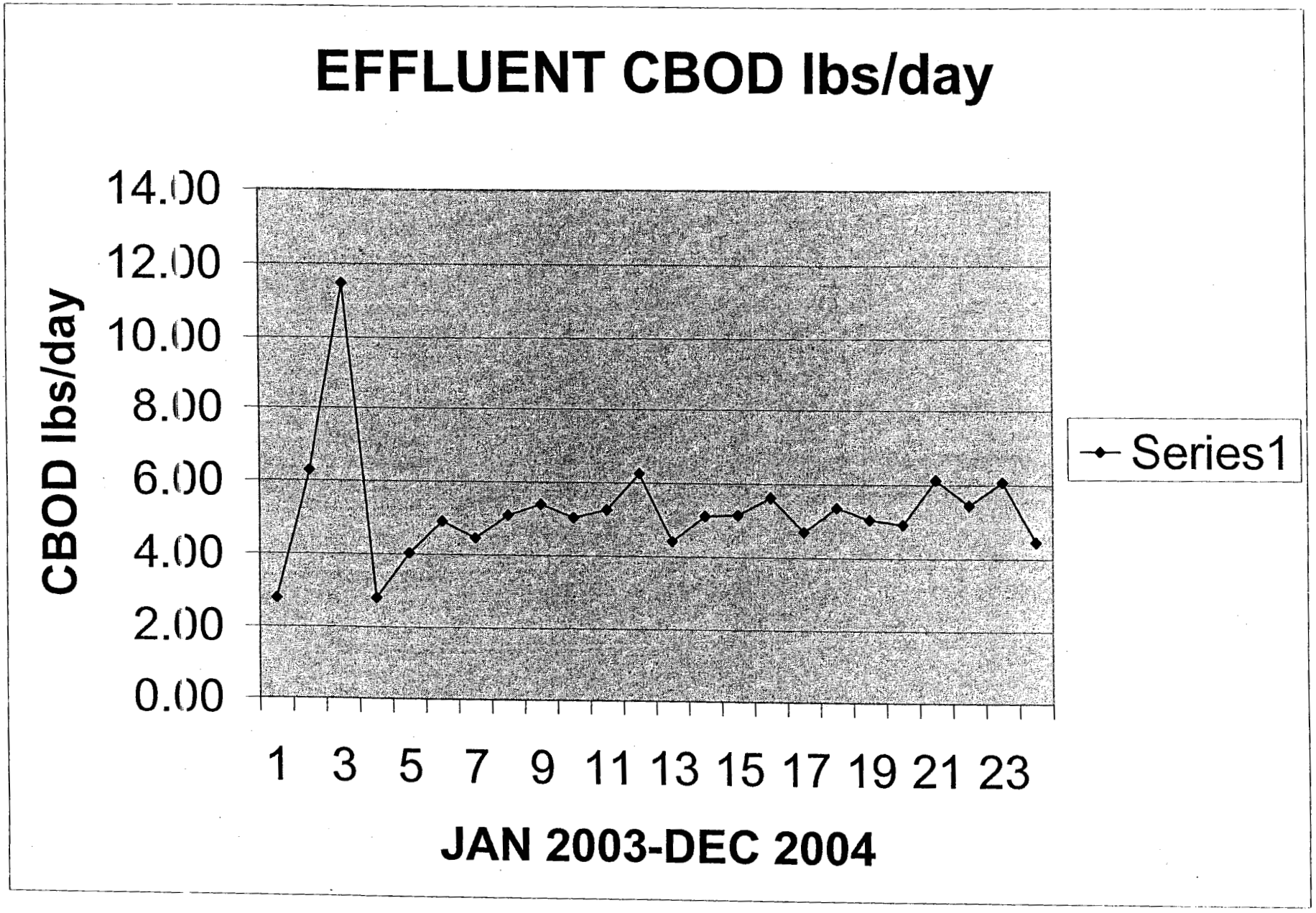

AVERAGE INFLUENT LBS CBOD
INFLUENT LBS CBOD
700.00
600 00
500.00
400.00
300.00
200.00
100.00
0.00
1
4
7
10
13
16
19
22
JAN 2003-DEC 2004
Series1

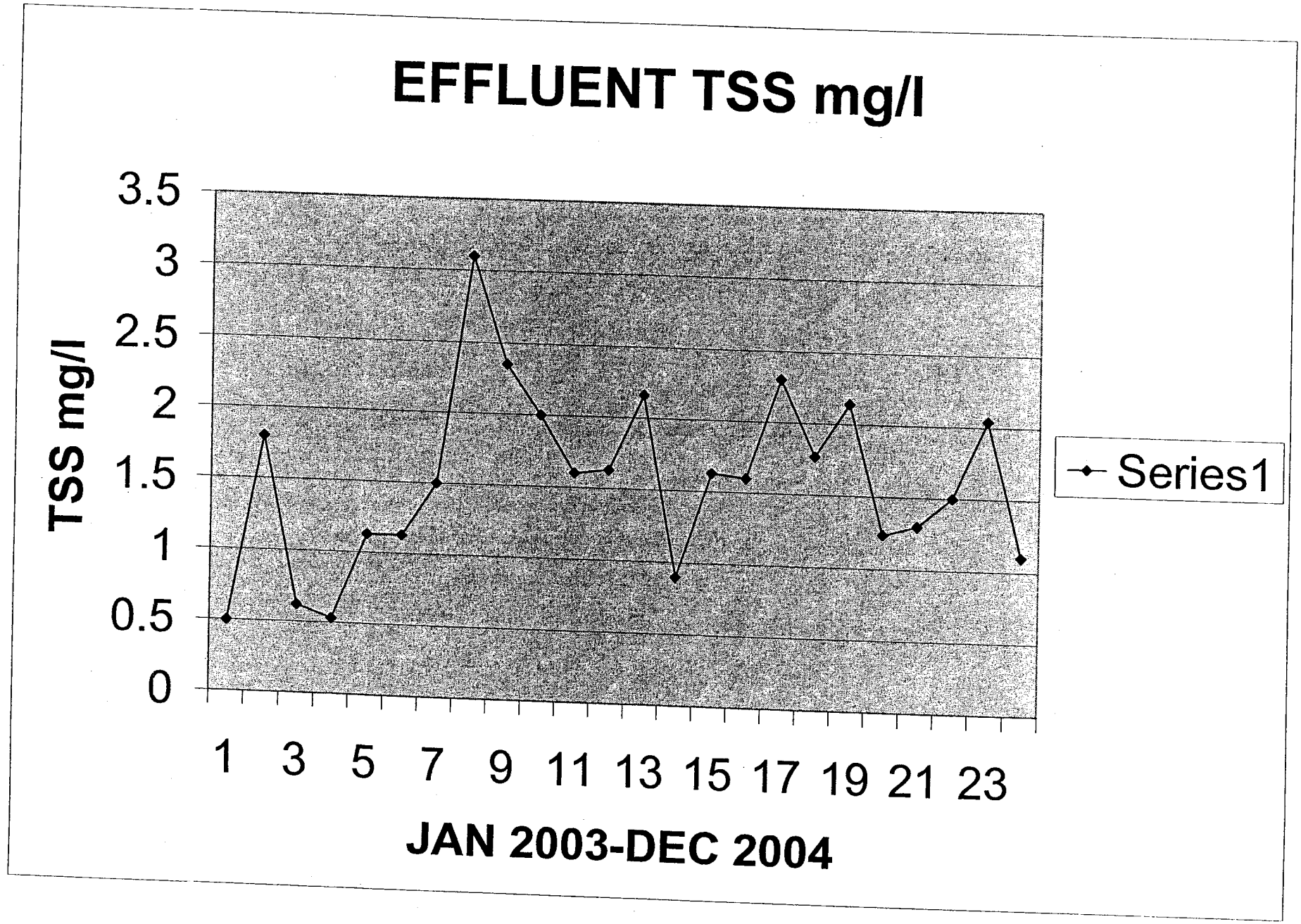
AVERAGE INFLUENT TSS mg/l

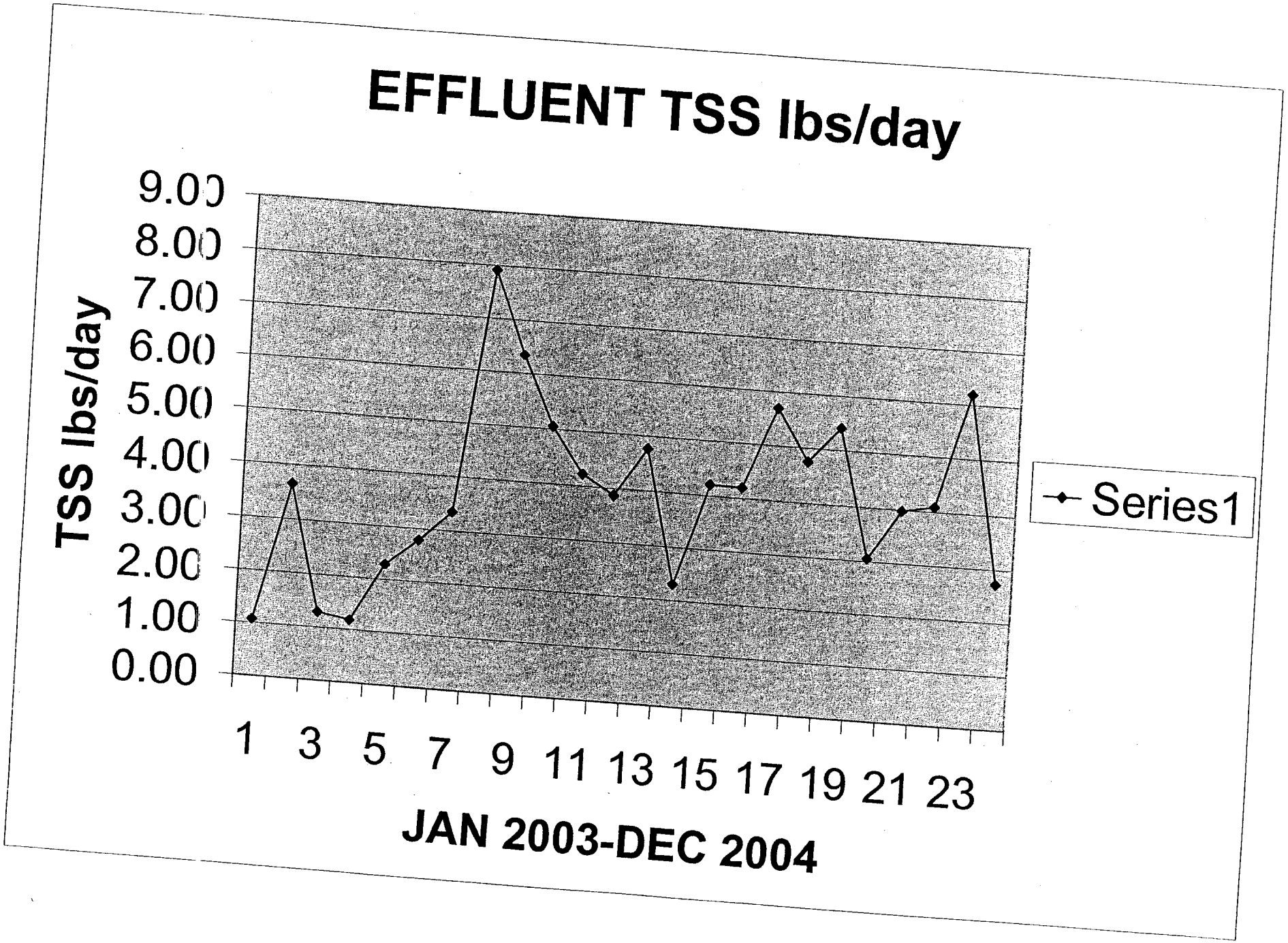


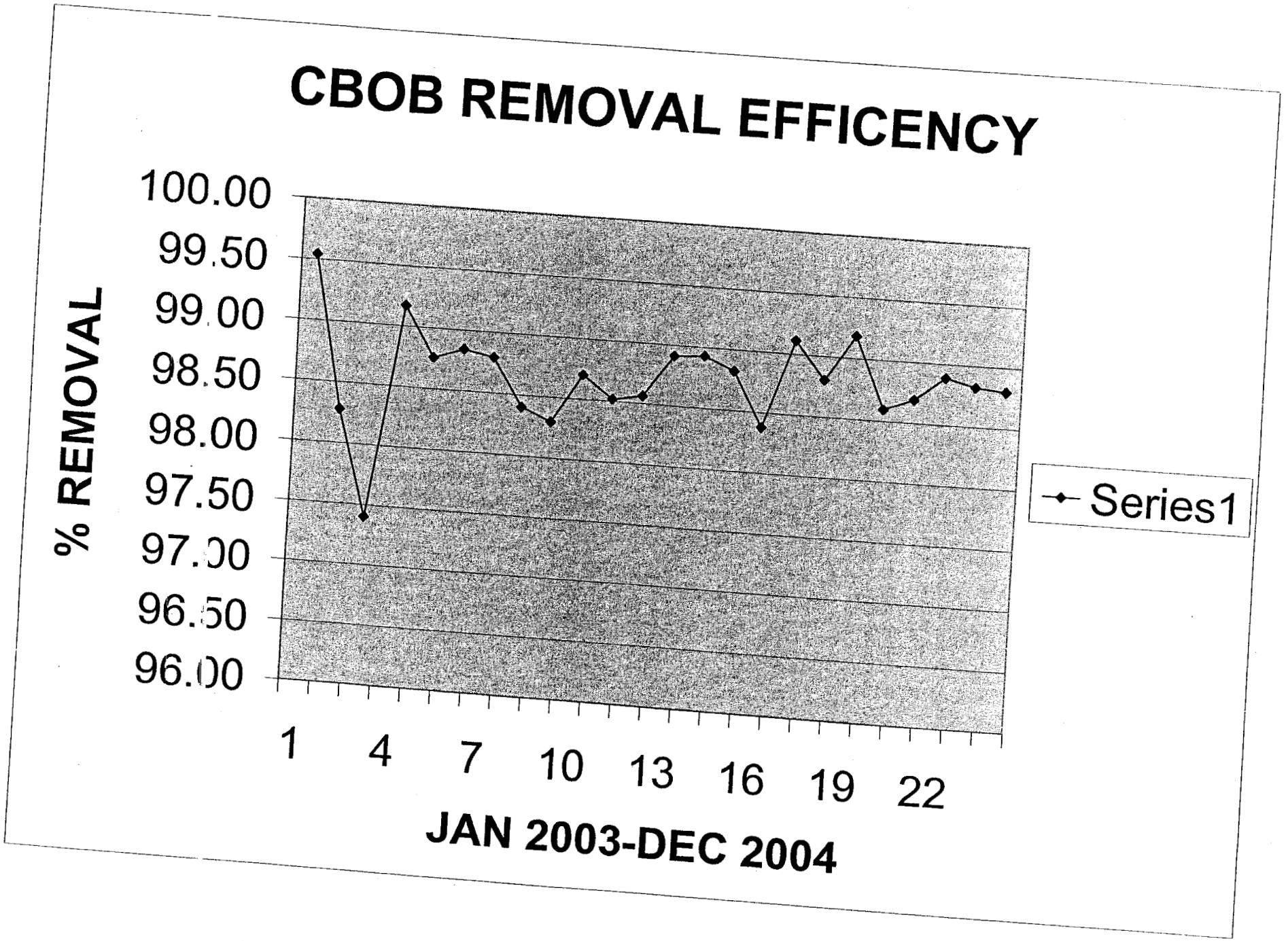

INFLUENT TSS LBS/DAY
INFLUENT TSS
600.00
500.00
400.00
300.00
200.00
100.00
0.00
1
4
7
10
13
16
19
22
JAN 2003-DEC 2004
Series1

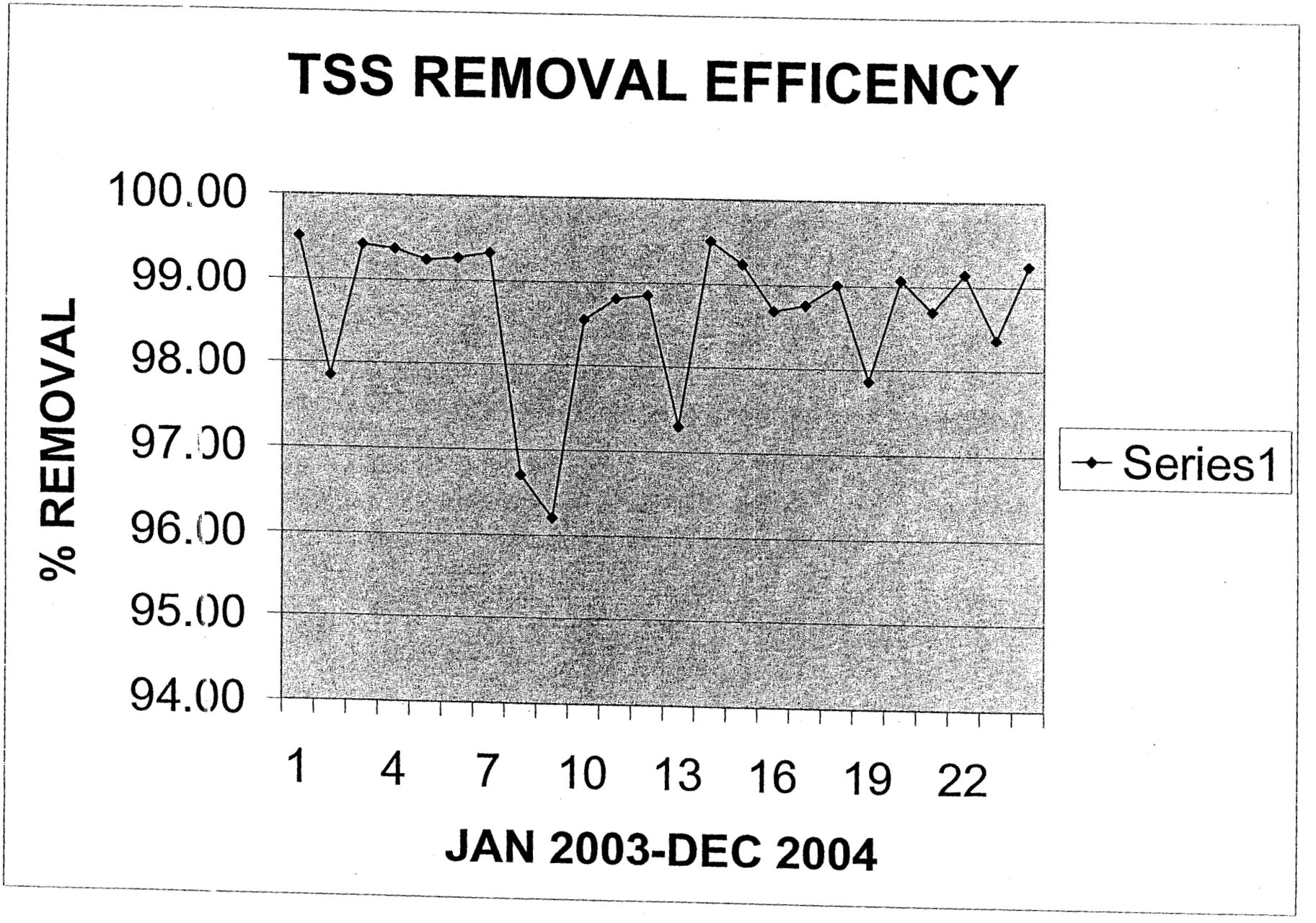

EFFLUENT CBOD mg/l
CBOD mg/l
6
5
4
3
2
1
0
1
3
5
7
9
11
13
15
17
19
21
23
JAN 2003-DEC 2004
Series1


EFFLUENT CBOD lbs/day
CBOD lbs/day
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
1 3 5 7 9 11 13 15 17 19 21 23
JAN 2003-DEC 2004
Series1


EFFLUENT TSS mg/l
TSS mg/l
3.5
3
2.5
2
1.5
1
0.5
0
1
3
5
7
9
11
13
15
17
19
21
23
JAN 2003-DEC 2004
Series1


EFFLUENT TSS lbs/day
TSS lbs/day
9.00
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
1
3
5
7
9
11
13
15
17
19
21
23
JAN 2003-DEC 2004
Series1


CBOB REMOVAL EFFICENCY
% REMOVAL
100.00
99.50
99.00
98.50
98.00
97.50
97.00
96.50
96.00
1
4
7
10
13
16
19
22
JAN 2003-DEC 2004
Series1


TSS REMOVAL EFFICENCY
% REMOVAL
100.00
99.00
98.00
97.00
96.00
95.00
94.00
1
4
7
10
13
16
19
22
JAN 2003-DEC 2004
Series1

KW RESORT UTILITIES
P.O. Box 2125
Key West, Florida 33045
Telephone (305) 294-9578
Facsimile (305) 294-1212

August 29, 2007

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

Re: Docket No. 070293-SU - Applicaton for increase in Wastewater rates in Monroe County

Item (2) Rule 25-30.436(4)(h)2 - F.A.C. requires us to provide a detailed description, itemization and amount of each itemized cost for affiliate costs allocated or charged to the utility in excess of one percent of test year revenues.

Following is an itemized list of the total charges in the amount of $130,083 from Green Fairways Inc., to KW Resort Utilities Corp.

Reimbursement of bi monthly Travel Expenses	$6,000.00
10% AWT Upgrade Management Fee	$89,674.96
Reimburse AWT Upgrade Cost check was made payable to Green Fairways/Johnson Constructors and was in fact due to Johnson Constructors for work performed on the Upgrade, specifically for the Clarifier/tank and concrete pad	$34,408.80
	$130,083.76

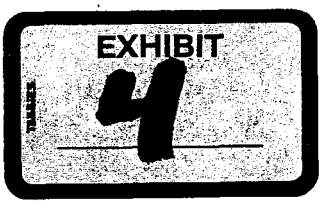
KWRU
FY2006

Chemical Summary KWRU FY2006

NO.	Chemical Name	Annual Cost	Qantity	Unit	Cost/Unit	Dosage Rate
1	Chlorine	$19,839.30	14250.00	lbs	$1.39	15.6mg/L
2	Polymer	$10,860.38	470	gal	$23.11	N.A.*
3	hydrated lime	$123.60	300.00	lbs	$0.41	N.A.**
4	H2SO4	$234.13	30.00	gal	$7.80	N.A.***
5	POH	$0.00	0	gal	N.A.	

Notes

* Polymer used at 1:8000 gallon ratio (polymer to wastewater) **Used as needed ***Used to acid wash filter media (applied to media on an as needed basis)



KW RESORT UTILITY CORPORATION

SCHEDULE OF VEHICLES OWNED BY THE UTILITY AS AT 8/13/07

YEAR	VEHICLE	SERIAL/VIN #	ORIGINAL COST	ALLOCATION	ALLOCATION Department/Group
OWNED: Vehicles and Equipment					
1985	Ford Scavenger Vacuum Truck	1FDZH80U9KVA25045	$19,905.75	Collection System Vac Truck for Emergency & Maintenance	Collections Staff
1998	Isuzu Hombre	1GGCS1449W8666972	$8,017.86	Collection System Fleet vehicle	Collections Staff
1996	Isuzu Pickup	1GGCS1444T8703339	$2,000.00	Collection System Fleet vehicle	Collections Staff
1999	Ford F150 Pickup	1FTRXO7OXKAOO517	$7,500.00	Operations Contractor Management	Christopher A. Johnson
2006	Ford F150 Pickup	1FTRF12246NA05031	$19,038.32	Chief Wastewater Plant Operator	Mark A. Burkemper
1996	GMC 3500 Pickup	1GDKC34F8TJ513071	$6,010.00	Collection System Fleet vehicle Towing Capacity for US Jet rodder trailer	Plant Staff and Collections Staff
2003	US Jet 4018-600 Trailer (Jetrodder)	1U9FS13103A044218	$25,000.00	Collection System Cleaning and Maintence vehicle	Plant Staff and Collections Staff
1995	310D John Deere Backhoe	T0310DA816132	$20,000.00	Plant&Collection System	Maintenance Staff
2005	Cherrington 3000 Screener	MDL3000-05	$33,900.00	Plant (Solids Handling)	Solids Handling Staff
2002	Desi Mobile Home/Office Trailer	DS113109A/DS113109B	$40,470.00	On site office. Rented to Engineering firm and Operations Contractor	
LEASED: Vehicles and Equipment					
2005	Yamaha Hauler Golf Cart (leased from Key West Golf Club)	JU5-300493	$200.00 per month	Plant grounds maintenance.	Maintenance Staff

KW RESORT UTILITY CORPORATION

SCHEDULE OF VEHICLES OWNED BY THE UTILITY AS AT 8/13/07

YEAR	VEHICLE	SERIAL/VIN #	ORIGINAL COST	ALLOCATION	ALLOCATION Department/Group
OWNED: Vehicles and Equipment					
1985	Ford Scavenger Vacuum Truck	1FDZH80U9KVA25045	$19,905.75	Collection System Vac Truck for Emergency & Maintenance	Collections Staff
1998	Isuzu Hombre	1GGCS1449W8666972	$8,017.86	Collection System Fleet vehicle	Collections Staff
1996	Isuzu Pickup	1GGCS1444T8703339	$2,000.00	Collection System Fleet vehicle	Collections Staff
1999	Ford F150 Pickup	1FTRXO7OXKAOO517	$7,500.00	Operations Contractor Management	Christopher A. Johnson
2006	Ford F150 Pickup	1FTRF12246NA05031	$19,038.32	Chief Wastewater Plant Operator	Mark A. Burkemper
1996	GMC 3500 Pickup	1GDKC34F8TJ513071	$6,010.00	Collection System Fleet vehicle Towing Capacity for US Jet rodder trailer	Plant Staff and Collections Staff
2003	US Jet 4018-600 Trailer (Jetrodder)	1U9FS13103A044218	$25,000.00	Collection System Cleaning and Maintence vehicle	Plant Staff and Collections Staff
1995	310D John Deere Backhoe	T0310DA816132	$20,000.00	Plant&Collection System	Maintenance Staff
2005	Cherrington 3000 Screener	MDL3000-05	$33,900.00	Plant (Solids Handling)	Solids Handling Staff
2002	Desi Mobile Home/Office Trailer	DS113109A/DS113109B	$40,470.00	On site office. Rented to Engineering firm and Operations Contractor	
LEASED: Vehicles and Equipment					
2005	Yamaha Hauler Golf Cart (leased from Key West Golf Club)	JU5-300493	$200.00 per month	Plant grounds maintenance.	Maintenance Staff