

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-**

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**DATE:** February 19, 2016  
**TO:** Carlotta Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Kelly J. Thompson, Public Utility Analyst II, Division of Economics *KJ PD*  
**RE:** Docket No. 150071-SU Application for increase in wastewater rates in Monroe County by KW Resort Utilities Corp.

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Please place the attached documents in the docket file.

RECEIVED-FPSC  
2016 FEB 19 PM 3:05  
COMMISSION  
CLERK

Kelly Thompson

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**From:** Deborah Swain <dswain@milianswain.com>  
**Sent:** Wednesday, February 17, 2016 12:10 PM  
**To:** Kelly Thompson  
**Subject:** Private Lift Station List.xlsx  
**Attachments:** Private Lift Station List.xlsx

**Private lift stations**

MCDC#2 Sheriff Office  
Whitey Station KW Golf HOA\*  
Roys Trailer Park  
Oceanside Bath House  
Oceanside Bait Shop  
Gerald Adams Elementary School  
FK Comm College (4 lift stations)  
Lower Keys Medical Center  
KW Health and Rehab  
Safe Harbor (2 lift stations)  
Sunset Marina  
Sunset Condos  
Isander Village  
Stock Island Marina Village  
Constallation Yachts

Rate Code

N/A  
?  
01 (Res 5/8') ~110 individual residential accounts  
2" HOA mtr TEMPORARY  
not in service  
04 (2" mtr)  
26 (1-6" + 1-1.5")  
26 (1-6" + 1-1.5")  
26 (1-6" + 1-1.5")  
part of sunset marina billing  
1-01, 1-02 (2-5/8")  
Walter

\*\* provides a very small amount of the total flow (water meter to entire jail, but this LS only for the office)

**E-ONE type system**

Very Small low volume  
American Legion  
COTS - City Homeless Shelter  
Florida Keys Aqueduct (4)  
Keys Energy Services (4)  
Sunset Harbor Trailer Park - Carefree

***\*serves about half of the HOA residences the other half are served by a Utility owned lift station***

Kelly Thompson

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**From:** Deborah Swain <dswain@milianswain.com>  
**Sent:** Tuesday, February 02, 2016 3:38 PM  
**To:** Kelly Thompson  
**Subject:** FW: MCDC monthly invoice info

Daily cost per hour:  
Per hour labor \$21.00  
Labor cost (35%) (fringe, etc.) \$7.35  
price per pound x 100 lbs \$13.44  
incidentals (gloves, bags, rakes, the carrying baskets) \$3.00  
Labor to washing the truck (1/4 hour) \$5.25  
Total per hour ~\$50.00

This is the hourly rate billed each day (some days are 1 hr, some are 1.5 hrs), so the invoice each month is different. Certainly a fixed monthly bill based on the average would be fine.

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**From:** Kaitlin Bianchi [mailto:kaitlin@kwru.com]  
**Sent:** Tuesday, February 02, 2016 2:02 PM  
**To:** 'Deborah Swain'  
**Subject:** RE: MCDC monthly invoice info

Debbie,  
We did an analysis over 4 month time period and found the price per pound of waste and did a per pound average. The bags from the lift station are roughly 100 pounds each at \$13.55 a bag. Time is \$21/hour, which brings us to \$34.55 plus the use of gloves, bags, rakes, the carrying baskets and money/time for washing the truck with soap and water after job is completed.

Will this help?  
Let me know if you need anything else.

Kaitlin

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**From:** Deborah Swain [mailto:dswain@milianswain.com]  
**Sent:** Tuesday, February 02, 2016 12:23 PM  
**To:** 'Kaitlin Bianchi'  
**Subject:** RE: MCDC monthly invoice info

Kaitlin - I need to get an analysis of the time it takes for the cleaning x the employee rate + equipment cost + disposal cost.

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**From:** Kaitlin Bianchi [mailto:kaitlin@kwru.com]  
**Sent:** Tuesday, February 02, 2016 10:48 AM  
**To:** dswain@milianswain.com  
**Subject:** MCDC monthly invoice info

Hi Debbie,

For the Monroe County Detention Center (MCDC) monthly invoice, we bill them on a daily basis for the cleaning of the Lift Station and for the employees time. After we clean the Lift Station, it is taken to be disposed of and there is a cost associated with that as well.

MCDC is the only Lift Station we clean. There is an invoice that I send once a month. Attached is exactly what I send MCDC. \*

Let me know if you have any more questions regarding this.

Thanks,  
Kaitlin

Kelly Thompson

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**From:** Deborah Swain <dswain@milianswain.com>  
**Sent:** Friday, February 12, 2016 3:44 PM  
**To:** Kelly Thompson; Patti Daniel  
**Cc:** 'Chris Johnson'; 'Bart Smith'  
**Subject:** RE: KWRU - Cost Justification for Miscellaneous Charges - REVISION 1  
**Attachments:** Support for Connection Charges\_ds2-12-16a.pdf

Resending with corrected number of miles.

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**From:** Deborah Swain [<mailto:dswain@milianswain.com>]  
**Sent:** Friday, February 12, 2016 3:15 PM  
**To:** 'Kelly Thompson '; 'Patti Daniel'  
**Cc:** 'Chris Johnson'; 'Bart Smith'  
**Subject:** KWRU - Cost Justification for Miscellaneous Charges

Please see attached and let me know if you have questions.  
Debbie

Deborah D. Swain  
Vice President



2025 SW 32 Ave.  
Miami FL 33145  
(305)441-0123 ext 202  
(305)441-0688 fax  
(305)496-2374 cell

**KW Resort Utilities Inc.**  
**Miscellaneous Service Charges**  
**Cost Justification - Summary**  
**Revision 1**

**Miscellaneous Service Charges**

Charge	Current	Proposed (Business Hours	Proposed After Hours
Initial Connection	\$15	\$75	\$125
Normal Connection	\$15	\$75	\$125
Disconnect / Reconnect Non-Payment		\$150	\$225
Violation Connection	Actual cost	Actual Cost	Actual Cost
Premises Visit	\$10	\$65	\$125

**Initial Connection, Normal Reconnection / Normal Disconnection**  
**Cost Justification**

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor	\$ 69.34	Labor	\$ 131.61
Transportation (\$ .56 mile x 3 miles)	\$ 1.68	Transportation (\$ .56 mile x 6 miles)	\$ 3.36
Subtotal	\$71.02	Subtotal	\$134.97
Supplies & office expenses (3)	\$ 1.29	Supplies & office expenses (3)	\$ 1.29
Total	\$72.31	Total	\$136.26

**Violation Disconnection/Reconnection**  
**Cost Justification**

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor	\$ 138.68	Labor	\$ 235.55
Transportation (\$ .56 mile x 6 miles)	\$ 3.36	Transportation (\$ .56 mile x 6 miles)	\$ 3.36
Subtotal	\$142.04	Subtotal	\$238.91
Supplies & office expenses (3)	\$ 0.79	Supplies & office expenses (3)	\$ 0.80
Total	\$142.83	Total	\$239.71

**Premises Visit Cost Justification**

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor	\$ 62.42	Labor	\$ 117.77
Transportation (\$ .56 mile x 3 miles)	\$ 1.68	Transportation (\$ .56 mile x 6 miles)	\$ 3.36
Subtotal	\$64.10	Subtotal	\$121.13
Supplies & office expenses (3)	\$ 0.79	Supplies & office expenses (3)	\$ 1.29
Total	\$64.89	Total	\$122.42

**Cost Basis for Late Payment Charge**

Labor	\$ 9.00
Printing/Supplies	\$ 0.02
Postage	\$ 0.49
Total Cost	\$ 9.51

**KW Resort Utilities Inc.**  
**Miscellaneous Service Charges**  
**Cost Justification - Detail**  
**Revision 1**

**DURING REGULAR HOURS**

	Normal Connection			Normal Disconnection			Disconnect / Reconnect for			Premise Visit (in Lieu of Disconnection)		
	Units	Cost	Total	Time	Cost	Total	Time	Cost	Total	Time	Cost	Total
Labor Recording/Processing	1	\$ 22.50	\$ 22.50	0.5	\$ 22.50	\$ 11.25	1	\$ 22.50	\$ 22.50	0.5	\$ 22.50	\$ 11.25
Labor - Field	0.75	\$ 22.50	\$ 16.88	1.25	\$ 22.50	\$ 28.13	2.5	\$ 22.50	\$ 56.25	1	\$ 22.50	\$ 22.50
Labor - Supervision	0.25	\$ 68.00	\$ 17.00	0.25	\$ 68.00	\$ 17.00	0.5	\$ 68.00	\$ 34.00	0.25	\$ 68.00	\$ 17.00
Labor benefits & insurance		23%	\$ 12.97		23%	\$ 12.97		23%	\$ 25.93		23%	\$ 11.67
Total Labor			\$ 69.34			\$ 69.34			\$ 138.68			\$ 62.42
Transportation	3	\$ 0.56	\$ 1.68	3	\$ 0.56	\$ 1.68	6	\$ 0.56	\$ 3.36	3	\$ 0.56	\$ 1.68
Supplies			\$ 0.80			\$ 0.60			\$ 0.30			\$ 0.30
Postage	1	\$ 0.49	\$ 0.49	1	\$ 0.49	\$ 0.49			\$ 0.49	1	\$ 0.49	\$ 0.49
<b>TOTAL</b>			<b>\$ 72.31</b>			<b>\$ 72.11</b>			<b>\$ 142.83</b>			<b>\$ 64.89</b>
<b>Requested</b>			<b>\$ 75.00</b>			<b>\$ 75.00</b>			<b>\$ 150.00</b>			<b>\$ 65.00</b>

**AFTER REGULAR HOURS**

	Normal Connection			Normal Disconnection			Disconnect / Reconnect for			Premise Visit (in Lieu of Disconnection)		
	Units	Cost	Total	Time	Cost	Total	Time	Cost	Total	Time	Cost	Total
Labor Recording/Processing	1	\$ 22.50	\$ 22.50	0.5	\$ 22.50	\$ 11.25	1	\$ 22.50	\$ 22.50	0.5	\$ 22.50	\$ 11.25
Labor - Field	2	\$ 33.75	\$ 67.50	2	\$ 33.75	\$ 67.50	4	\$ 33.75	\$ 135.00	2	\$ 33.75	\$ 67.50
Labor - Supervision	0.25	\$ 68.00	\$ 17.00	0.25	\$ 68.00	\$ 17.00	0.5	\$ 68.00	\$ 34.00	0.25	\$ 68.00	\$ 17.00
Labor benefits & insurance		23%	\$ 24.61		23%	\$ 22.02		23%	\$ 44.05		23%	\$ 22.02
Total Labor			\$ 131.61			\$ 117.77			\$ 235.55			\$ 117.77
Transportation	6	\$ 0.56	\$ 3.36	6	\$ 0.56	\$ 3.36	6	\$ 0.56	\$ 3.36	6	\$ 0.56	\$ 3.36
Supplies			\$ 0.80			\$ 0.80			\$ 0.80			\$ 0.80
Postage	1	\$ 0.49	\$ 0.49	1	\$ 0.49	\$ 0.49			\$ -	1	\$ 0.49	\$ 0.49
<b>TOTAL</b>			<b>\$ 136.26</b>			<b>\$ 122.42</b>			<b>\$ 239.71</b>			<b>\$ 122.42</b>
<b>Requested</b>			<b>\$ 125.00</b>			<b>\$ 125.00</b>			<b>\$ 225.00</b>			<b>\$ 125.00</b>

**COST BASIS FOR LATE PAYMENT CHARGE**

Average number of delinquent accounts per month.	30
Average number of customer accounts per month.	3200
Percent of delinquent accounts per month.	0.94%
Number of minutes per month spent processing late payment notices.	480
Number of minutes per notice.	16
Hourly salary of the employee processing late payment notices (plus overh)	\$ 33.75
Labor cost per notice.	\$ 9.00
Printing cost per notice (paper and ink).	\$ 0.02
Postage cost per notice.	\$ 0.49
Total Late Payment Charge Calculated	\$ 9.51
Total Late Payment Charge Requested	\$ 9.50



## Patti Daniel

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**From:** Deborah Swain <dswain@milianswain.com>  
**Sent:** Thursday, February 11, 2016 11:22 AM  
**To:** Patti Daniel  
**Subject:** RE: FPSC Electronic Filing Submission : ID=46801 KW Resort Utility Rate Case  
**Attachments:** KW billing analysis\_PD\_ds1.xlsx; December 2014 Base & Overage Report.pdf

See attached:

- KW Billing analysis with my notes in response to your question.  
\*\* The one item I was verifying to send the spreadsheet was Carefree property RC32. In looking for the answer to your question, I see that the utility IS billing those 580 units as individually metered residential 5/8 customers. I revised the E-2 S tab to remove the 580 bills that I was adding, and all the associated \$\$ from the spreadsheet. These customers show up on the residential billing pages.
- "Base and overage report" for December 2014 - the report of billing by customer from KWRU. The monthly reports were provided to the auditors. These are scanned reports, so not searchable. I made the GS pages at the end searchable, but not the residential pages.

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**From:** Patti Daniel [<mailto:PDaniel@PSC.STATE.FL.US>]  
**Sent:** Thursday, February 11, 2016 9:53 AM  
**To:** 'Deborah Swain'  
**Subject:** RE: FPSC Electronic Filing Submission : ID=46801 KW Resort Utility Rate Case

I need to run to a meeting, so I didn't finish my analysis, but I'm looking at the bill impact (Dec 2014) for rate codes 9 through 32. See Bill Impact tab. Here's my first question.

1. Private meters – did not charge BFC, only gallons > 1 1" meter + 3 1.5" meters + 1 2" meter + gallons per FCAA? Which rate codes? Jim Groff – 23? How much was each billed in Dec 2014?

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**From:** Deborah Swain [<mailto:dswain@milianswain.com>]  
**Sent:** Wednesday, February 10, 2016 1:29 PM  
**To:** Kelly Thompson; Patti Daniel  
**Cc:** 'Chris Johnson'; 'Bart Smith'; 'Cynthia Yapp'; 'Frank Seidman'; 'Martin S. Friedman'  
**Subject:** RE: FPSC Electronic Filing Submission : ID=46801 KW Resort Utility Rate Case

Please see attached excel file without formulas, per our conversation.

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**From:** Martin S. Friedman [<mailto:mfriedman@ff-attorneys.com>]  
**Sent:** Wednesday, February 10, 2016 11:29 AM  
**To:** Martha Barrera; Kelly Thompson ; Patti Daniel; Erik Sayler  
**Cc:** Chris Johnson; Bart Smith; Debbie Swain; Cynthia Yapp ; Frank Seidman  
**Subject:** FW: FPSC Electronic Filing Submission : ID=46801 KW Resort Utility Rate Case

I have attached a copy of the enclosure which may be more legible since it has not been reduced from legal size paper.

**MARTIN S. FRIEDMAN, ESQ.**  
*Shareholder*







