

REQUEST TO ESTABLISH DOCKET  
(Please Type)

ORIGINAL

Date February 19, 2003 Docket No. 030191-30

1. Division Name/Staff Name: ECR/Sargent

2. OPR: Willis, Rendell, Sargent

3. OCR:

4. Suggested Docket Title: Complaint against K W Resort Utilities Corp. by Historic Seaport District, Inc. d/b/a Hurricane Hole Marina, regarding Capacity Reservation Fees in Monroe County.

5. Suggested Docket Mailing List (attach separate sheet if necessary)  
A. Provide NAMES OR ACRONYMS ONLY if a regulated company.  
B. Provide COMPLETE NAME AND ADDRESS for all others. (Match representatives to companies.)  
1. Parties and their representatives (if any):

KW Resort Utilities Corp.	Historic Seaport District, Inc.
	d/b/a Hurricane Hole Marina
	5130 Overseas Highway, Suite 2
	Key West, FL 33040
	ph 305-294-8025
	fax 305-294-8024

2. Interested persons and their representatives (if any):


6. Check one:  
 Documentation is attached.  
 Documentation will be provided with recommendation.

DOCUMENT NUMBER-DATE  
01688 FEB 19 8  
FPSC-COMMISSION CLERK

# HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

February 17, 2003

Mr. Troy Rendell  
Mr. Tony Sargent  
Florida Public Service Commission  
Room 362, Gerald L. Gunter Building  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0865

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
03 FEB 18 AM 10:12  
DIVISION OF  
ECONOMIC REGULATION

RE: Formal complaint against Key West Resort Utilities

Dear Sirs:

Historic Seaport District, Inc. dba Hurricane Hole Marina wishes to file a formal complaint against the Key West Resort Utilities.

Our complaint is that Key West Resort Utilities has demanded extremely high "Capacity Reservation fees" that they cannot justify, and are unwilling to negotiate in good faith regarding those fees.

We are a new development on an old marina property. We have added a new 54 slip (not 63 as is on our originals plans) dry rack storage building; we have built one new mercantile building (980 s.f.) with no restrooms; we have converted an old dive shop into a kitchen for a new 2250 s.f. dining room (approved for 150 seats); we have built an open building housing five booking booths; and we have built a new CBS restroom building.

We have a controlling depth of water to get in and out of our marina of 30" at mean low tide (restricting the size of boats we can accommodate). Our boat barn will handle boats to 28 feet. We are not zoned for live-a-boards, even if the boat could get into our marina (which they can't because of the controlling depth of water).

# HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

Since we do not (and will never) have any live-a-boards; and since our boat barn can accommodate only small boats; and since our wet slips (approximately 38) are filled with back country skiffs, small pleasure boats and one small day sailer; and since most of these boats are used only occasionally with no need for sewerage use; and since D.E.P. and D.C.A have allowed us to use a portable pump-out station (because we have no pump-out needs, but the state law requires us to be equipped "just in case"); all sewage that is, or will be generated will come from our present restrooms (one new employee restroom is yet to be added).

The above information, which can be verified by a sealed copy of our drainage plan (enclosed), or through Monroe County Building Department, was of no interest to Mr. Carter or Mr. Smith. They want to levy ERC's against us to increase their revenues. Facts and realities are less important than their ability to collect all the "up front" money that you will allow them to demand of us.

We respectfully ask that you intercede into our negotiations to set appropriate " Capacity Reservation fees" commensurate with the new impact we will create with our new development. We believe that without your oversight we, and probably many others, will be overcharged and unjustly treated.

I have enclosed the following for your review:

1. A December 9, 2002 letter to Doug Carter from myself (copy to Mr. Sargent).
2. A letter of December 11, 2002 sent to you, with no copy to me, addressing issues in my letter to him.
3. A sealed plan for our development (Several items have been changed - Reduction in boat barn from 63 to 54, consolidation of "Dive shop & work shop" into one 980 s.f building).
4. Pictures of our marina and new structures, and pictures of the boats on our docks.
5. Copy of a letter from ourselves to Beth Bergh of the D.E.P about our not needing a pump-out (they have agreed).

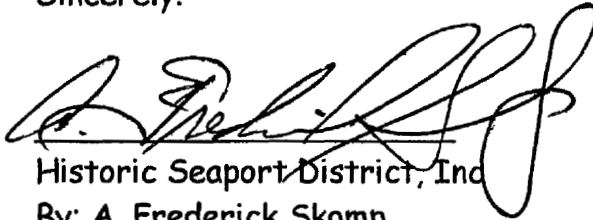
**HISTORIC SEAPORT DISTRICT, INC.**

**DbA Hurricane Hole Marina**

Please instruct us as to how to proceed further.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Frederick Skomp". The signature is fluid and cursive, with a large loop at the end.

Historic Seaport District, Inc

By: A. Frederick Skomp

Its' President

# HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

December 9, 2002

Mr. Douglas Carter  
Key West Resort Utilities  
6450 College Road  
Key West, Fl. 33040

Dear Doug,

I appreciate your visit to our marina property today, even though the weather wasn't very cooperative. I believe that it was worthwhile for you to see the entire development, even through the pouring rain.

I do hope that you were able to see why we feel that the ERC's that you have allocated for various aspects of the marina were severely overstated. As you saw personally, we have no live-boards, no pump-outs, no showers, and no prospects for sewer usage that could produce ERC's more than we are presently using (other than the restaurant); and we are using one (1) residential septic tank now. The front lagoon has only ten (10) small rental boats and ten (10) small boats in a charter fleet. The rear docks are already full with twelve (12) stored boats, which are used infrequently, no more often than our dry rack boats. You also saw that our dry racks hold only 52 boats.

We understand that the reservation fee for our 150 seat restaurant will be assessed when it comes on line, and you have a formula based on seats that will dictate the ERC value for that restaurant.

We further understand that you will monitor, at least on a yearly basis, our usage of your facility; we are comfortable that the original reservation fees, if calculated correctly, will cover the anticipated usage.

As we discussed, we will place a meter on the water used in our current restrooms, as they will still be our only sewer generated water usage even after completion of our development. I believe, as do you, that this meter will give us a fair evaluation of what our ERC's should be for the marina,

# HISTORIC SEAPORT DISTRICT, INC.

DbA Hurricane Hole Marina

rather than the overstated estimates we received from you in your contract offer.

We are fair and honest businessmen who would not ask to receive any special consideration, but we also feel we should pay no more than our fair share. We will trust that you, as the utility, and our regulators (County government and PSC), will conduct business in a similar, up front, fair manner.

Please contact me with any questions; we are anxious to get this element of our development behind us, and get on with business.

I'll see you at the golf course!

Sincerely yours,  
Historic Seaport District, Inc

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By: A. Frederick Skomp  
Its: President

CC: PSC, Mr. Tony Sargent  
Dixie Shehar, Monroe County Major

**KW Resort Utility  
6450 East Junior College Road  
Key West, Florida 33040**

December 11, 2002

Troy Rendell  
PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0865

**RE: Capacity Reservation Fee for Hurricane Hole Marina**

Dear Mr. Rendell:

On behalf of KW Resort Utility, I met with Fred Skomp, Developer of Hurricane Hole Marina on Monday, December 9<sup>th</sup>, to discuss the marina's capacity reservation fees. The Developer feels the capacity fees are unfair. Mr. Skomp is revitalizing an old existing marina. He has constructed a new storage building, which will store 63 boats, he has a retail shop of 576 square feet, a 1245 square foot building, a Dive Shop, a Concrete Block building, and a Bath House and in addition an old dock that contains approximately 600 linear feet of dockage. We also understand he has plans to construct a 150-seat restaurant and there may be additional boat storage both wet and dry. We have not received any development plans for this project.

We are also in receipt of the water usage from Florida Keys Aqueduct Authority and the average of the highest three (3) months is 101,166 gallons per month, although I note that the water consumption in the last four (4) months is 92,400, 80,700, 97,800 and 113,300 gallons.

The Developer has suggested that he install a deduct meter on the water used to wash down boats and water the new shrubbery in order that they can determine the water usage for the forthcoming months and determine the capacity reservation fees on that basis. They do not plan on connecting to the utility until the fall of 2003. This method however will not supply sufficient data for the utility, because it will take the marina many months to achieve full occupancy and therefore the water readings will not reflect the true capacity of the marina.

Troy Rendell  
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KW Resort Utility has referenced Florida Administrative Code 10-D-6 to arrive at the following capacity fee.

Retail 576 sq. ft.	200 gpd per water closet	1 ERC's	<i>new ?</i>
<i>X</i> Building 1245 sq. ft.	15 gallons per 100 s.f.	1 ERC's	<i>?</i>
<i>X</i> Dive Shop	200 gpd per water closet	1 ERC's	<i>new</i>
CBS Building	200 gpd per water closet	1 ERC's	<i>no</i>
Bath House Structure @ 50 people/day	10 gpd per person	2.4 ERC's	
Dry Boat Slips (63)	10 gallons per boat	3.1 ERC's	
Wet Slips (38)	50 gallons per boat	9.3 ERC's	
Restaurant (150 seats)	40 gallons per seat	29.3 ERC's	
<b>TOTAL:</b>		<b>48.1 ERC's</b>	<i>2700</i>

I note that the capacity reservation fee demonstrated by the existing water usage and the water usage from a 150-seat restaurant would be  $16.45 + 29.3$  for a total of 45.75 ERC's verses the 10-D-6, Member of 48.1 ERC's.

KW Resort has made every attempt in this evaluation to be fair and consistent in its approach to assigning the appropriate ERC's for the redevelopment of Hurricane Hole Marina.

Sincerely yours,

  
Doug Carter

cc: Jim Roberts/Monroe County Administrator  
Tim McGerry



# HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

January 27, 2003

Beth Bergh  
Dept, Of Environmental Protection  
2796 Overseas Highway, Suite 221  
Marathon, Fl. 33050

Dear Beth,

We are in receipt of your "completeness summary" dated January 21,2003. The copy of our site plan that you have showing a pump-out facility on the dock has been changed to reflect the fact that there is no need at our new facility for a pump-out. The reasons are as follows:

1. We are not approved for, nor would we even allow "live-a boards" at our marina.
2. We are, at best, a very small boat marina; both boat barn, and our very own limited wet berth facilities.
3. The controlling depth of Cow Key Channel restrict all boats of any size that might require a pump-out to get to our marina.
4. a pump-out station has never been requested by a boater since we have owned this marina.
5. As you are aware, a pump-out facility must be used occasionally, or it will not operate. So even if we had a pump-out station, it probably would not work since it would rarely, if ever, be requested.
6. Logically, the installation of such a facility makes no sense to a marina handling only small fishing boats or run-about, without marine heads.
7. In the strange event that we would be requested to pump-out a small holding tank, we will send the boat owner to a facility (and there are several in the vicinity) where a pump-out is available or call the city operated pump-out boat.

# HISTORIC SEAPORT DISTRICT, INC.

DbA Hurricane Hole Marina

I am sure, after reviewing our thoughts above, you understand why the decision was made not to include a pump-out facility.

Sincerely,  
Historic Seaport District, Inc.

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By: A. Frederick Skomp  
Its' President