

REQUEST TO ESTABLISH DOCKET
(Please Type)

Date 09/24/02 Docket No. 021008-SU

1. Division Name/Staff Name: Economic Regulation / Tony Sargent

2. OPR: ECR

3. OCR: GCL

4. Suggested Docket Title: Request for two new classes of service for bulk wastewater rates in Monroe County by KW Resort Utilities.

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):

Table with 2 columns: Name, Address. Row 1: KW Resort Utilities

Table with 2 columns: Name, Address. Row 1: Interested persons and their representatives (if any):

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

KW RESORT UTILITIES

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

September 23, 2002

Mr. Troy Rendell
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0865

02 SEP 24 AM 10:27
REGISTRATION DIVISION

Re: Correction of unauthorized rates charged by KW Resort Utilities to Key West Golf Club Development Inc. and to Synagro Corporation.

Dear Mr. Rendell,

In response to our phone conversation on September 20th, KW Resort Utility would like to request that the Public Service Commission adds two types of rates to our tariff:

1. In November 1998 KW Resort Utility and Key West Golf Club Development Inc. entered into an agreement for the amount of ERC's that would be applied to the two pools (with restrooms) at the golf club. The amount of ERC's that were paid for by the Developer for the pools was 1.18 ERC's for the small pool and 4.0 ERC's for the large pool. In November 1998, we began to charge the Development a monthly rate of \$26.06, based on a 5/8 in. x 3/4 in. pipe size and since the Developer would not install a meter at either of the pools the parties mutually agreed on an monthly \$20.00 flat rate usage fee.
At this time the Utility realizes that we cannot enter into any agreements like the agreement aforementioned and would like the PSC to consider adding a General Service Multiple Agreement to our tariff that would enable the Utility to bill a customer on a monthly basis according to the number of ERC's multiplied by our monthly flat rate of \$35.27, if we need to compute a monthly charge with a customer like the one mentioned above.

2. The second tariff addition we would like the PSC to consider is a Temporary Service Agreement. KW Resort Utility mistakenly entered into an agreement with Synagro Corp. to treat sewerage that they pump out of neighboring package plants, and Synagro brings the sewage to our Utility for treatment. Synagro approached KW Resort Utility because of the high transportation cost to haul liquids up the Keys. This arrangement has been a win – win situation for both companies and we would appreciate that the PSC would consider adding this agreement to our tariff.
3. Enclosed is the contract that we entered to with Synagro to treat the aforementioned sewage.
4. Also enclosed are the two new tariff sheets that if the above is approved by the PSC should be included in the 2002 price index increase currently under review by your office.

Thank you,

A handwritten signature in black ink, appearing to read 'Doug Carter', with a large, stylized initial 'D' on the left and a cursive 'Carter' on the right.

Doug Carter
General Manager
KW Resort Utilities

KW RESORT UTILITIES CORP
CALCULATE REVENUES

MONTH OF: 11/30/98

NAME	SIZE	Base price	\$ Per Gall	# GALLS (PER THOU) x gal used	\$ per gal	TOTAL \$
A023	All Animal Clinic	5/8 X 3/4	\$26.06	\$2.89	6.8	19.65 \$45.71
N009	Jimmy Rodriguez	5/8 X 3/4	\$26.06	\$2.89	107	309.23 \$335.29
K007	Key West Golf Club	5/8 X 3/4	\$26.06	\$2.89	30.13	87.08 \$113.14
R056	Rusty Anchor	5/8 X 3/4	\$26.06	\$2.89	10.4	30.06 \$56.12
S039	Old Road Partnership	5/8 X 3/4	\$26.06	\$2.89	4.5	13.01 \$39.07
W024	Southern Fastners	5/8 X 3/4	\$26.06	\$2.89	0.3	0.87 \$26.93
M052	Bernstein Park	1"	\$63.35	\$2.89	8.8	25.43 \$88.78
D020	Danny's Laundry	1"	\$63.35	\$2.89	94.4	272.82 \$336.17
D016	Dolphin Deli	1"	\$63.35	\$2.89	7.5	21.68 \$85.03
P030	SI Apartments	4"	\$600.23	\$2.89	798.6	2,307.95 \$2,908.18
PRIVATE LIFT STNS:						
D007	Demilly	5/8 x 3/4	\$27.56	\$2.33	6.4	14.91 \$42.47
S001	Safe Harbor	5/8 x 3/4	\$27.56	\$2.33	599.76	1,397.44 \$1,425.00
T006	Torres Plaza	5/8 x 3/4	\$27.56	\$2.33	6.9	16.08 \$43.64
GCHO15	Sewell-KWGC/HOA	(POOL)	\$26.06		per mo	20.00 \$46.06 monthly
GCH016	Sewell-KWGC/HOA	(POOL)	\$26.06		per mo	20.00 \$46.06 monthly
TOTAL			\$1,081.44		TOTAL	4,556.19
K015	KWGC Effluent			\$0.25	5669	TOTAL \$1,417.25
	KWGC Effluent/testing					\$2,000.00 October
						\$2,000.00 November
	Residential/Ordinary		Flat Rate	\$34.25		
	Golf Club Residential		Flat Rate	\$34.25		
	Multi Family		Flat Rate	\$34.25		
105M18	McKILLIP	12 UNITS				\$411.00 monthly
105S36	SUNNY ISLES	13 TRAILERS				\$445.25 monthly
105S40	OLD ROAD PTNRS	14 TRAILERS				\$479.50 monthly
TOTAL						\$1,335.75
D013	Trailer Rental					
	Davis Water					TOTAL \$800.00 monthly
ESCROW DEPOSIT AMOUNTS				\$68.50		
TIE IN AMOUNTS/ORDINARY				\$2,700.00		
TIE IN AMOUNTS/KWGCDEV				\$2,025.00		
Base Sewer					Total	\$1,081.44
Commercial Sewer					Total	\$3,647.34
Multi Unit					Total	\$1,335.75
Effluent water					Total	\$1,477.75
Trailer rental					Total	\$800.00



SYNAGRO

A Residuals Management Company

License Agreement

Dated May 1, 2001

- 1) This license concerns the real property located at 6630 Front Street, Stock Island, Florida 33040 and owned by K.W. Resort Utilities Corp. (hereinafter referred to as "Utility").
- 2) The Licensee is Synagro Southeast, Inc., 89111 Overseas Highway, Tavernier, Florida, 33070 (hereinafter referred to as "Synagro").
- 3) Synagro is in the septic tank pumping business for Monroe County, in addition to the sewer treatment plant operations and maintenance business, of which the Utility is a customer of Synagro for their Stock Island sewer treatment plant. Part of Synagro's business includes hauling of septage and waste activated sludge from Monroe County to Dade and Broward counties for further treatment. A significant portion of each of these loads is water. Synagro desires to purchase equipment for the processing and dewatering of the sludge collected in Monroe County. Dewatering the sludge will result in reduced sludge loads going to Miami for disposal, however, this extra treatment will also produce effluent water which Synagro would like to contract with the Utility to accept at their sewer treatment plant in Stock Island. Utility has capacity available at its Stock Island sewer treatment plant to treat the water produced by the dewatering process.
- 4) Synagro agrees that all water shall be clean (clean is defined as less than 100 mg/l of CBOD and less than 100 mg/l of TSS on a monthly average). Synagro will prohibit the dewatering of chemically treated holding tank waste in the process at Utility. The maximum daily delivery shall not exceed 25,000 G.P.D.
- 5) Synagro will obtain all necessary FDEP or other permits necessary for this operation and pay for all required plant modifications.
- 6) Synagro agrees that this process shall not interfere with the operation of the wastewater treatment plant; to the extent that the process does interfere or prevent Utility from conduction its business, Synagro shall cease and desist from its operations.
- 7) The duration of the license is one year from May 1, 2001 to April 30, 2002, renewable annually subject to the approval of both parties.
- 8) The charge by Utility to Licensee shall be one half cent (\$0.005) per gallon delivered to Utility with the minimum monthly charge of 20 ERC's ("Equivalent Residential Connections" at 205 gallons per day at the then current ERC rate).

Synagro Southeast, Inc.

89111 Overseas Highway, Tavernier, FL 33070 • Ph: (305) 852-5103 • Fax: (305) 852-5897

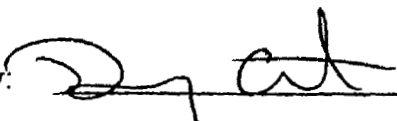
The first payment shall be due on May 1, 2000. Synagro shall install, at its expense, a meter to determine the amount of wastewater delivered to the Utility.

- 9) Security Deposit. Synagro shall pay to Utility \$500 security deposit, which shall be returned by Utility upon conclusion of this license.
- 10) Synagro shall be permitted to store, or overnight two vehicles on the premises. To the extent, Utility needs to work in the same space as Synagro; Utility is authorized to do so.
- 11) Each party agrees to indemnify and save harmless the other against and from any and all claims by or on behalf of any persons, firms or corporations, arising from the conduct or management of, or from any work or thing whatsoever done in or about, the Premises during the term of this License, arising from any breach or default on the part of the other party in the performance of any covenant or agreement to be performed pursuant to the terms of the License, in or about the Premises, or upon or under the sidewalks and the land adjacent thereto, if any, and from and against all costs, counsel fees, expenses and liabilities incurred in connection with any such claim or action or proceeding brought thereon; and in case an action or proceeding be brought against a party by reason of any such claim.
- 12) Except as otherwise provided herein, any notice, demand or other communication shall be in writing and shall be personally served, sent by commercial courier service or prepaid registered or certified mail, or sent by telephonic facsimile delivery with confirmation thereof. Any such notice shall be deemed communicated upon receipt.
- 13) Wherever the word "Force Majeure" is used, it should be understood to mean:
 - (a) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of a public enemy, wars, blockades, insurrections, riots or civil disturbances;
 - (b) labor disputes, strikes, Work slowdowns, or Work stoppages;
 - (c) orders or judgements of any Federal, State or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;
 - (d) power failure and outages affecting the Premises; and
 - (e) any other similar cause or event, including a change in law, regulation, ordinance or permit, provided that the foregoing is beyond the reasonable control of the party claiming Force Majeure.

If, because of Force Majeure any party's cost is increased by more than 15% or any party hereto is rendered unable, wholly or in part, to carry out its obligations under this Contract, then such party shall give to the other party prompt written notice of the Force Majeure with reasonable full details concerning it; thereupon the obligation of the party giving the notice, so far as they are affected by the Force Majeure, shall be suspended during, but no longer than, the continuance of the Force Majeure. The affected party shall use all possible diligence to remove the Force majeure as quickly as possible, but his obligation shall not be deemed to require the settlement of any strike, lockout, or other labor difficulty contrary to the wishes of the party involved.

- 14) The Utility and/or Synagro shall have the right to assign this agreement in writing to any successor in interest, subject to the written approval of the other party, which approval shall not be unreasonably withheld. However, Utility may assign its rights and duties to an affiliate or related party of Synagro.

KW Resort Utilities Corp.

By:  _____

Synagro Southeast, Inc.

By:  _____

ORIGINAL SHEET #16.0

2002 INDEX

**NAME OF COMPANY: KW RESORT UTILITIES CORPORATION
SEWER TARIFF**

**GENERAL SERVICE MULTIPLE AGREEMENT
FOR KEY WEST GOLF CLUB HOME OWNERS ASSOCIATION**

Large Swimming Pool (\$35.89 X 4 ERC's)	\$143.56
Small Swimming Pool (\$35.89 X 1.18 ERC's)	\$ 42.35

EFFECTIVE DATE: NOVEMBER 30, 2002

ORDER NO.:

TYPE OF FILING: 2002 INDEX

FOR SERVICE RENDERED ON OR AFTER NOVEMBER 30, 2002

**William L. Smith
Issuing Officer**

**President
Title**

ORIGINAL SHEET #17.0

2002 INDEX

**NAME OF COMPANY: KW RESORT UTILITIES CORPORATION
SEWER TARIFF**

**TEMPORARY SERVICE AGREEMENT
WITH SYNAGRO SOUTHEAST INC.**

Dewatering Sludge Loads:

Minimum monthly fee of 20 ERC's (20 X \$35.89) \$717.80

Plus one half cent (\$0.005) per gallon for any usage

Over 20 ERC's.

EFFECTIVE DATE: NOVEMBER 30, 2002

ORDER NO.:

TYPE OF FILING: 2002 INDEX

FOR SERVICE RENDERED ON OR AFTER NOVEMBER 30, 2002

William L. Smith
Issuing Officer

President
Title