



Public Service Commission

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COMMISSION CLERK

DATE: September 26, 2003
TO: Division of Economic Regulation (Devlin, Willis, Rendell, Sargent)
Division of Consumer Affairs (DeMello, Hicks, McHargue, Plendl)
FROM: Ralph Jaeger - Office of the General Counsel - Economic Regulation Section
RE: KW Resort Utilities Corp.

I received the attached complaint from Ms. Brenda Conroy in the mail. I have been talking to Ms. Ruth McHargue about other complaints (both telephonic and written) in regards to KW Resort Utilities Corp. I am not sure how we should proceed, but it looks like we need to reach a decision on how to handle the complaints. Currently, there are two docketed complaints against KW Resort Utilities Corp. (Dockets Nos. 030166-SU & 030191-SU) and it appears that other complaints may either already be filed or will be filed.

RRJ/jb

cc: Division of the Commission Clerk and Administrative Services
Office of the General Counsel (Helton)

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FPSC-COMMISSION CLERK

ORIGINAL

Attn: Ralph J. Jaeger

SEP 24 2003

On Sept 03, 03 I called the PSC twice to ask questions and voice a complaint (actually numerous) about KW Resort Utilities. My phone calls were never returned. This spurred me to call the Office of the Atty.

General on Sept 6, 03.

On Sept. 23, 03, I mailed a formal letter of complaint to the PSC and various other offices.

Brenda Conway
6800 Maloney Ave #31
Harbor Shores Condo Assoc
Key West FL 33040

Brenda Conroy

6800 Maloney Ave. 31
Key West, Fl. 33040

RECEIVED
SEP 25 2003
MONROE COUNTY PUBLIC SERVICE COMMISSION
OFFICE OF THE GENERAL COUNSEL

To whom it may concern;

After many unanswered calls to the Public Service Commission, I have felt it necessary to write this letter.

Since January 03, concerned citizens of Stock Island, Monroe County, Florida have raised questions to the Monroe County Commission concerning the private sewer utility doing business as KW Resort Utility. So far, the answers we have received have been vague and elusive.

Here are some of the concerns:

I. There appear to be no uniform charges for services. One marina owner had to pay \$200,000.00 to run a line to the nearest hook-up offered by the utility. This included getting the right of way down US1 by the DOT. Then he had to pay a \$74,000.00 hook-up fee. Another gentleman was forced to pay \$50,000.00 to install a force main. He had to relinquish ownership in order to hook-up with the utility. To the credit of the KW Resort, they did make an offer; if you could not afford the sewer system, they would buy your land from you.

II. The corporation doing business as KW Resort Utility is a registered Florida corporation. An interesting note is, according to the contracts they have sent out, any liability (albiet, very limited) is the liability of Key West Resort Utility. Please be advised, the Utility refuses any liability in general. They expect trailer parks, condo assoc.,etc. to insure(to the tune of \$1,000,000.00), maintain, and repair the systems while still turning ownership over to KW Resort Utility. There is no Florida corporation recorded as Key West Resort Utility.

III. This naturally leads to this point. The Monroe County Commission maintain that public monies cannot be used for private properties; i.e. trailer parks and condo assoc. Yet, KW Resort Utilities refuse to use an easement to gain access. They demand outright ownership of the roads in these areas. An interesting question(never having been answered), how can public monies be used to fund a private for profit corporation? Another interesting question, is why the contract was awarded to KW Resort Utilities without going thru the bidding process? This has created problems in getting state and federal funding. There are so many discrepancies between using a private versus a public utility that the residents feel like they were hung out to dry.

IV. There are questions concerning the ability of the KW Resort Utility to have the systems to be able to handle the amount of flow created by adding on all of the properties on south Stock Island. Recently it has come to light (yes, we do get some information) that in 2007, there has to be another update of the system to comply with state mandates for waste water systems. This update will be to AWT(advanced waste water treatment) and will cost approximately \$4,500,000.00. Once again, the costs will be passed on to the residents.

V. Attached with this letter is a copy of a petition presented to they Monroe County Commission on September 17, 2003. Many business owners were apprehensive about signing this petition. There was a general fear of retribution on the part of the signers. A fear based on the fact when the County Clerk asked for a copy of the orginal plans, he and the head of Monroe County Public Works were asked to leave the public golf course. The director of golf, Doug Carter, later recanted that statement. Doug Carter is the manager of KW Resort Utilities, while his business card states Key West Resort Utilities. Key West Golf Club is owned by William Smith CEO and Director of KW Resort Utilities. As for Key West Resort Utilities, no one knows who owns it since it does not exist on paper. It is a little un settling to try and reach KW Resort Utilities by telephone. During the day, the call is picked up by Key West Golf Club, during the night, the phone is picked up by Keys Environmental (another shoot off of the holdings of William Smith). There is no tabulation of the number of times people have thought that they have dialed the wrong number.

VI. The Monroe County Commission did mandate that new hook-ups to the sewer would receive a 365 day notice. Those notices were non-existent. Certain businesses were receiving thirty day notices with a blank contract disclosing NO fees. There was an implied threat that if you didn't sign and return the contract, the Code Enforcement of Monroe County would levy daily fines.

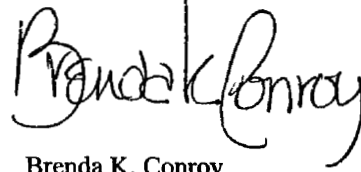
These are a few of the major concerns of the residents of Stock Island about the sewer utility the county wants us to use. Believe me, there are still many more issues. Granted, there are many rumors flying around, but the implied threat of people wanting to take our properties away from us is very real. All of

us are working hard to maintain and enjoy our homes. There have been precedents set such as Martin vs. Monticello, where because of unacceptable effluence levels the land was deemed unlivable and thus went into receivership. And once again, remember KW Resort Utilities OFFERED to buy out properties. It does make one question the ulterior motives.

There is one point I do want to make clear; WE ARE NOT AGAINST A CENTRAL SEWER SYSTEM. We do expect to be treated fairly and equitably as regards to the rest of Monroe County. We are working class, taxpaying individuals who contribute to the economy of the Florida Keys. We hope that this will raise serious inquiries into the entire history of the Monroe County Commission dealings with the KW Resort Utilities and any other sewer projects in Monroe County.

All we truly ask is to be able to keep our homes and properties; PLEASE don't force us out.

Thank-you for your time,

A handwritten signature in black ink that reads "Brenda K. Conroy". The signature is written in a cursive, flowing style with a large initial "B".

Brenda K. Conroy

cc Public Service Commission
cc Governor,s office
cc Office of the Attny General
cc Key West the Newspaper

PO: Danny Kolhage, Monroe County Clerk of Court
Jim Roberts, Monroe County Administrator
Dixie Spehar, Monroe County Mayor
Charles McCoy, Monroe County Commissioner
George Neugent, Monroe County Commissioner
David Rice, Monroe County Commissioner
Murray Nelson, Monroe County Commissioner
Ken Sorensen, Florida State House Representative
Ileana Ross-Lehtinen, U. S. Representative
Ralph Jaeger, Public Service Commission
Jeb Bush, Florida Governor

The following petitioners' signatures represent approximately
50 % of the Stock Island Wastewater Project being served by
K W Resort Utilities, in Monroe County, Florida.

We, the undersigned Stock Island property owners and intended users of the K W Resort Utilities Wastewater System believe that numerous errors and significant discrepancies may exist between the contracted engineering plans and the utility's actual existing "in the ground" infrastructure. We also believe that financial errors involving public funds may have resulted from these and other discrepancies. We are requesting a full financial audit and independent engineering audit.

Signature	Property Represented	Printed Name	# of E.D.U.s
<i>Carolee McKeynolds</i>	Waters Edge Colony MHP 5700 Laurel Ave #70	Carolee McKeynolds	66
<i>R.C. Clapp</i>	OBERSEAS TR PARK 5300 Mac Donald Ave	Vanyo ^{SR} R.C.	23
<i>[Signature]</i>	Leo's Campground 5236 Suncrest Rd	Gabriela Pozzi	46
<i>[Signature]</i>	Ocean Spray Telek 6529 Maloney Ave	Emigdio Gil	14
<i>[Signature]</i>	Tony's Roofing Co. 5685 2nd Ave.	Emigdio Gil	1
<i>[Signature]</i>	6400 2nd St	Emigdio Gil	1
<i>Fred R. Burrin</i>	6150 2nd St.	FRED R. BURRIN?	
<i>Diana S. Kerr</i>	6531 Maloney Ave	DIANNE KERR	14
<i>[Signature]</i>	6531 Maloney Ave	KEVIN J KERR	14
<i>Tom Newman</i>	Tropic Palms MHP 6125 2nd St.	TOM NEWMAN	25

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Signature	Property Represented	Printed Name	# of E.D.U.
<i>Kurt Heiter</i>	6800 MALONEY AVE #101	KURT HEITER	1
<i>D. Leeson</i>	6418 2ND ST.	D. LEESON	?
<i>D. Leeson</i>	6418 2ND ST.	D. LEESON	
<i>Robert J. Brown</i>	6800 Maloney #41	Robert J. Brown	1
<i>Carol C. Brown</i>	6800 Maloney Av. #41	Carol C. Brown	1
<i>Lucey George</i>	5300 Maloney #65	LUCY GEORGE	1
<i>Genevieve C. Isaacs</i>		Genevieve C. Isaacs	
<i>Chris Callahan</i>	6800 MALONEY #31	CHRIS CALLAHAN	1
<i>Brenda Conway</i>	6800 Maloney #31	BRENDA CONWAY	1
<i>Robert Jones</i>	6401 MALONEY AVE	BOYD'S CAMP GROUP	
<i>Daniel H. Smith</i>	"	"	
<i>John Pozzi</i>	LEO'S Campground		
<i>Fred + Cindy Skomp</i>	Hurricane Hole		
<i>RAY & Cecilia G.</i>	#17 DRIFTWOOD DR		
<i>T. Ross Mungton</i>	57 LAURE Ave		

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Signature Property Represented Printed Name # of E.D.U.s

<i>Roger Green</i>	ROGER GREENE	60 (+62)
<i>CREANSIDE MARINA</i>	5950 Peninsula Avenue, K.W. 33040	
<i>Melody Reger</i>	The Hickory House 5948 Maloney Ave	Melody Reger?
<i>Joe Chipley</i>	HARBOR SHORES	JOSEPH CHIPLEY
<i>Diana Flenard-Moore</i>	Diana Flenard-Moore	} 70
<i>William R. Robertson</i>	WILLIAM R. ROBERTSON	
<i>Debra L. Richardson</i>	DEBRA L. RICHARDSON Harbor Shores Condominium Assoc. Board of Directors	
<i>Kim Wigington, Pres.</i>	KIM WIGINGTON, Pres. 6800 Maloney Ave. Key West, FL 33040	

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Signature Property Represented Printed Name # of E.D.U.

KEY WEST CONSTRUCTION EQUIP. INC.

[Signature] MRS. CLARENCE J. KELEVAN

A.D. May Peninsula Marine Robert Ming ?

Brook M. Aug Mike's Radiator Brooks Conroy ?

Michael M. Jay Jolly's INC. Michael M-Jolly ?

~~Signature~~ Burger King STEVE SELLERS ?

Carl Hall STAN WINE FRANK RANNIER ?

~~Signature~~ Paws Thomas Hubbard ?

J.R. Cooper Coopers Bob Cooper ?

Charles Lee Ryan Bail Bonds MICHAEL BAY ?

Edg. Gulch Chill Factor Lloyd Gordon Jr

~~Signature~~ FL. KEYS TAXI Dispatch JAN DOLEMA

~~Signature~~ 6418 2ND ST D. WRESON

~~Signature~~ 6418 2ND L. DEVERIES

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Signature Property Represented Printed Name # of E.D.U.



Harbor Shores #1
#30 GRAND LANE
Harbor Shores

Annie Long

Jon West

1

**TATE REPRESENTATIVE
ORENSEN CALLS COUNTY
OMMISSIONER NEUGENT
LOSER" AND "TURKEY".
EUGENT CALLS SORENSEN
DUMBASS"**

by Kip Blevin

The newest weapon of
oice in the escalating war
er possible irregularities
ring the construction of the
uth Stock Island sewer sys-
n is, apparently, name call-
3.

This week, an email from
ate Representative Ken
rensen to County Mayor
xie Spehar called County
ommissioner George
eugent a "loser" and a "tur-
y". In turn, Neugent called
rensen a "dumbass", a term
iginally assigned to Sorensen
David Ethridge, editor of
other weekly tabloid news-

paper here.

Three weeks ago, after
Neugent had attended a meet-
ing of Stock Island residents to
hear grievances they have about
the cost to hook up to the new
system, Mayor Spehar fired off a
memo expressing concern about
the growing "dissension and
distrust" within the Commis-
sion. "There has been a recent
change in the Commission that
has created a slow and insidi-
ous deterioration of a once well
working body," she said.

Last week, Neugent re-
ceived an email that Sorensen
apparently meant to send to
See NAMECALLING, page 6

**Sorensen To Spehar:
"Slap Neugent Up
Side His Head. If You
Do, He Will Probably
Back Off"**

NAMECALLING, from page 1

Spehar, but it went to Neugent
instead. Spehar says she had
sent Sorensen an email asking
for help in finding an unbiased
consultant to do a review of the
County's contract with Key West
Resort Utilities, the company
that built the \$4.6 million south
Stock Island sewer system, com-
pleted in May.

Here is how Sorensen re-
sponded to her:

"Dixie my friend. I hear
your grief and want you to know
I am your friend and supporter.
I am not aware of anything they
can do to take over the project.
The reality is George is trying to
remove or damage you so he can
gain control. I will do everything
I can to prevent that from hap-
pening. I have no doubt you and
two others on the Commission
are looking out for our taxpay-
ers' best interest and i will con-
tinue to support you! I have in
effect said that to the Gov.

"Don't give up the fight
with that loser. People will fig-
ure him out soon. Slap him up
the side of his head. If you do, he
will probably back off. Don't let
the turkey get you down. You
have two strong allies on the
Commission. Use them. Ken."

Apparently, the allies re-
ferred to by Sorensen are Com-
missioners Sonny McCoy and
Murray Nelson. Only Commis-
sioner David Rice has, so far,
sided with Neugent in demand-
ing an audit of the just-com-
pleted project before handing
Key West Resort Utilities
(KWRU) an additional contract

to sewer Big Coppett Key.

Neugent says he thinks
Spehar, McCoy and Nelson are
being influenced by former
County Mayor Jack London, re-
portedly a paid lobbyist for
KWRU.

"When Mayor Spehar at-
tempted to give the Big Coppett
contract to Key West Resort Utili-
ties without ensuring that the
previous contract had been ful-
filled, I felt she was reading a
script with London's finger-
prints all over it," Neugent said.

This week, Sorensen de-
nied that Neugent received his
email inadvertently. "I don't do
anything inadvertently," he told
Key West The Newspaper
Wednesday. "I meant for George
to see it."

But Mayor Spehar said
Wednesday that she had no
seen the email supposedly ad-
dressed to her. She said she has
only heard about it— but, she
added, some of Sorensen's com-
ments may have been "out of
line".

Referring to Sorensen mis-
takenly sending his comment
to the wrong email address:
Neugent said, "Apparently the
big dumbass doesn't even know
which Commissioner repre-
sents which district."

In any event, Neugent said
that he was at a loss to explain
why Sorensen was involved
all in this issue since there is
state funding available to he
sewer the Keys.

Sorensen agreed that there
is no state funding available for
this year, "but I will be busting
my backside to bring funding
Monroe County for wastewater
projects for the 2004-2005 bu-
get year".

Sorensen added: "Geor

Key West The Newspaper
Sept 12, 03

