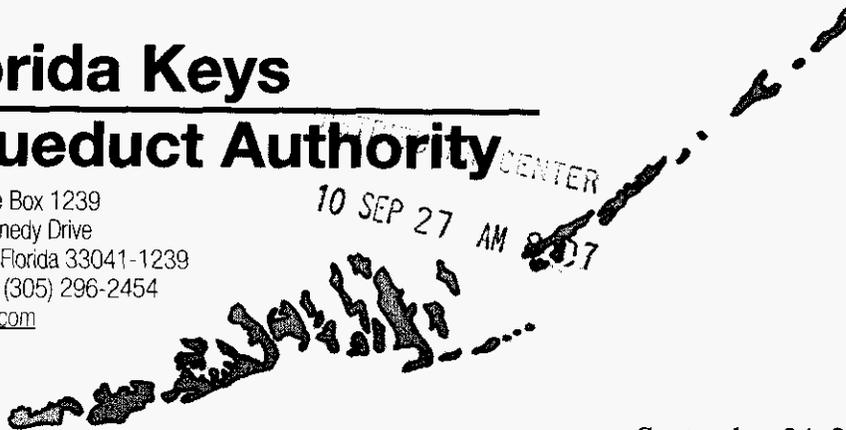


Florida Keys Aqueduct Authority

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David C. Ritz
Chairman
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J. Robert Dean
Key West

Elena Z. Herrera
Rockland Key

James C. Reynolds
Executive Director

September 24, 2010

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
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Dear Public Service Commissioners:

The Florida Keys Aqueduct Authority (Authority), a Special District of the State Of Florida, received a Notice on August 31, 2010, dated August 27th, 2010 stating that Venture Out At Cudjoe Cay, Inc. (Venture Out) has filed an Application to operate a wastewater utility in Monroe County, Florida. At the Regular Board Meeting of the Authority on September 23, 2010, the Board of Directors, by majority vote, authorized the Executive Director to send this letter of objection.

The Notice is attached hereto as Exhibit 1. The service area described in the Application is currently within the exclusive jurisdiction of the Authority pursuant to Ch.76-441, Laws of Florida, as amended by Ch. 98-519 and Ch. 2002-337, Laws of Florida. These laws provide that the Authority shall have "exclusive jurisdiction over the administration, maintenance, development, and provision of wastewater system services in Monroe County...." Only certain Municipalities and an area in Key Largo, identified in the legislation, are excluded from Authority wastewater jurisdiction.

The Authority objects to the application of VENTURE OUT AT CUDJOE CAY, INC. to operate a wastewater utility that provides service to an area of Monroe County that is solely within the exclusive wastewater jurisdiction of the Authority. The basis for the objection is that operation of a new wastewater utility is not consistent with existing law governing wastewater in the Florida Keys. More specifically, it is not consistent with the following:

- a) Chapter 2010-205, Laws of Florida, more particularly sections 38 and 39 thereof, codified at FS 403.086(10);
- b) Monroe County Sanitary Master Wastewater Plan, dated June 2000, as designated in section 38 of Ch. 2010-205;
- c) Chapter 99-395, Laws of Florida, section (4), as provided in §403.086(10)(I), as set forth in Ch. 2010-205, Laws of Florida, section 38;

DOCUMENT NUMBER DATE

18097 SEP 27 0

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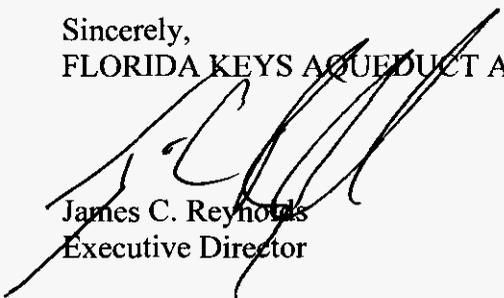
- d) Chapter 98-519, Laws of Florida, section 6, revising Chapter 76-441, Laws of Florida, by adding subsection (9)(p) to section 9 thereof, as subsequently amended by Chapter 2002-337, Laws of Florida.
- e) Section 381.0065, Florida Statutes;
- f) Florida Administrative Code 28-20.110;
- g) Monroe County Ordinance No.4-2000.

The Authority and the County of Monroe are partnering through Interlocal Agreements to provide wastewater utility services to the unincorporated areas of Monroe County. The County has adopted, pursuant to state requirements, a Monroe County Sanitary Master Wastewater Plan (Plan). Pursuant to that Plan, the Authority has already expended funds to fully design a central wastewater treatment facility and collection system to serve a regional area which encompasses the area the Applicant proposes to serve.

Florida law and a Monroe County Ordinance, adopted pursuant thereto, require the Applicant to connect to a central sewerage system within thirty (30) days of availability. The Cudjoe Regional Wastewater System has been designed to make a central wastewater system available to serve the proposed service area of the Applicant.

The Authority respectfully requests that the Application by Venture Out be denied as it is contrary to state law.

Sincerely,
FLORIDA KEYS AQUEDUCT AUTHORITY



James C. Reynolds
Executive Director

cc: Venture Out at Cudjoe Cay, Inc.