

Alexus Austin

From: Angela Charles on behalf of Records Clerk
Sent: Friday, December 11, 2015 10:30 AM
To: 'Bill and Mary'
Subject: RE: Key West Resort Utility Rate Increase

Good morning,

We will be placing your comments below in consumer correspondence in Docket No. 150071-SU and forwarding your comments to the Office of Consumer Assistance and Outreach.

Have a good day,

Angela Charles

From: Bill and Mary [<mailto:huntermarybill@bellsouth.net>]
Sent: Friday, December 11, 2015 9:56 AM
To: Records Clerk
Subject: Key West Resort Utility Rate Increase

Dear PSC Staff and Commissioners,

While I now live a couple of islands away, I did live on Stock Island during the sewer project in the mid 2000's. I offer some observations and concerns about yesterdays PSC hearing on the Key West Resort Utilities (KWRU) rate increase request as reported in this morning's newspaper.

The newspaper reports that KWRU is at about 97 percent capacity and has to expand capacity to accommodate the roughly 5 percent a year expansion the PSC requires it to cover.

I thought a wastewater facility is supposed to track growth and recognize the need to expand in a manner that does not allow the facility reach 97% capacity and consequently require a 98% rate increase. While redevelopment of existing buildings is occurring on Stock Island including the addition of a few new additional affordable housing units, the Monroe County Rate Of Growth Ordinance (ROGO) has and continues to severely limit growth. Could it be the recent and planned development of hotel rooms and gated vacation rental communities on Stock Island has increased the demand on utilities. Apparently water and electric have the capacity but wastewater suddenly does not.

Despite existing ROGO limitations, these additional tourist accommodations are being facilitated on Stock Island by the transfer of dwelling unit allocations into Stock Island from islands further up the Keys. This activity shifts the demand from areas where utilities have the capacity into an area that does not have the wastewater capacity. Shouldn't the impact of this transfer of demand be the burden of the developer not the current residents?

The KWRU attorney is reported to have said that "...50 percent of the rate increase goes to upgrading its level of service to handle advanced wastewater treatment levels..."

About a decade ago I understand that Monroe County funded an AWT upgrade to the existing wastewater plant. KWRU president Christopher Johnson testified under oath at the 2015 DOAH hearing that KWRU

can currently treat to AWT but had chosen not to do so. Perhaps there is a link to later testimony that nutrients removed at the KWRU plant had to be added back in at the golf course where the reuse water is used for irrigation. None the less, it would seem the current plant that serves the current need on Stock Island is already AWT capable. It is the additional capacity that generates the cost for additional treatment capacity and additional disposal wells.

A local environmental group has suggested KWRU can retire the existing wastewater plant by connecting to and utilizing the excess capacity of the City of Key West sewer system. While this seems to make sense it would eliminate the source of inexpensive reuse irrigation water used on the golf course operated by the same family that owns the wastewater utility.

I am concerned that the attorney who represents KWRU in this rate increase request also represents the two current hotel/vacation rental developments and the one future development on south Stock Island that are adding tourist accommodations and wastewater capacity need. This attorney's family owns KWRU as well as the operation of the golf course. With this set of interlocking interests, I am concerned that business decisions can be influenced by conflicts of interest. It appears the only entity representing the interest of the working family on Stock Island is the Public Service Commission. Many Stock Island citizens are counting on your help to prevent these rate increases that facilitate tourist development and preserve inexpensive golf course irrigation..

Bill Hunter
Sugarloaf Key